



FIRST UKRAINIAN INTERNATIONAL BANK
(JSC "FUIB")

Kyiv

APPROVED

By the Supervisory Board of JSC "FUIB"
Minutes dated 19 February 2026 No.454
Chairman of the Supervisory Board

_____ Valentin MIKHOV

**REGULATIONS ON
STRUCTURAL UNIT**

**INTERNAL AUDIT DEPARTMENT
OF THE JOINT STOCK COMPANY
"FIRST UKRAINIAN INTERNATIONAL BANK"**

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1. GENERAL PROVISIONS

- 1.1. These Regulations are an internal regulatory document that defines the audit activity system and regulates the procedure for establishing and organising the work of the Internal Audit Department at JOINT STOCK COMPANY "FIRST UKRAINIAN INTERNATIONAL BANK" (hereinafter referred to as the Bank).

The Regulations contain the general principles of operation of the Bank's Internal Audit Department (hereinafter referred to as the Department). These Regulations are binding not only on the employees of the Department (internal auditors), but also on all employees of the Bank and members of the PUMB JSC Banking Group (hereinafter referred to as the Banking Group).

- 1.2. These Regulations have been developed on the basis of the Law of Ukraine "On Banks and Banking Activities", the Regulations on the Organisation of Internal Audit in Banks of Ukraine, approved by Resolution of the Board of the National Bank of Ukraine No. 311 dated 10 May 2016, Global Standards for Internal Auditing developed by the International Standards Board for Internal Auditing, the Bank's Charter and the Audit Policy of the Bank and the Banking Group of JSC "FUIB".

In all matters not covered by these Regulations, the Bank's internal audit is guided by the above-mentioned regulatory acts and other documents governing internal audit activities in banks.

- 1.3. JOINT STOCK COMPANY "FIRST UKRAINIAN INTERNATIONAL BANK" complies with the requirements of the mandatory elements of the International Professional Practice Framework of the Institute of Internal Auditors, which are the Global Internal Audit Standards (hereinafter referred to as the Standards) and the Topic Requirements developed by the International Standards Board of the Institute of Internal Auditors.

The Director of the Internal Audit Department reports to the Supervisory Board and the Management Board on the Department's compliance with the Standards as part of the annual self-assessment, which will be evaluated using the Internal Audit Quality Assurance and Improvement Program.

2. PURPOSE, MANDATE, ACTIVITIES AND PRINCIPLES OF THE DEPARTMENT

- 2.1. The Bank's internal audit is an independent, objective activity that provides assurance and advisory services regarding the assessment of the Bank's systems and processes, which should benefit the Bank and improve its operations.

The Department's objective is to enhance the Bank's ability to create, protect and sustain value by providing the Supervisory Board and Management with independent, risk-based and objective assurance, advice, insight and forecasting.

Internal audit helps the Bank achieve its objectives by using a systematic and consistent approach to evaluating and improving the effectiveness of risk management processes, control systems and corporate governance.

Internal audit improves the Bank's ability to:

- successfully achieve its objectives;

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- management, risk management and control processes;
- decision-making and oversight;
- reputation and trust among stakeholders;
- ability to serve the interests of society.

2.2. MANDATE

The Bank authorises the Internal Audit Department to provide the Supervisory Board and the Management Board with objective assurance, advice, insights and foresight.

The authority of the Internal Audit Department is determined by its direct reporting to the Supervisory Board. This allows for unrestricted access to the Supervisory Board.

The Supervisory Board authorises the Internal Audit Department to:

- have full and unrestricted access to all departments, functions, data, records, information, physical assets and personnel necessary to perform internal audit duties. Internal auditors are responsible for the confidentiality and storage of records and information;
- allocate resources, establish frequency, select topics, determine scope of work, apply methods, and communicate findings to achieve the Department's objectives;
- obtain assistance from the necessary Bank personnel and other specialised services within or outside the Bank to provide internal audit services.

Internal audit is an integral part of the Bank's internal control system. It is established by the Bank's Supervisory Board to assess and improve the Bank's internal control system in order to provide the Supervisory Board, the Audit Committee and the Management Board with the necessary support (assistance) in fulfilling their responsibilities to achieve the Bank's objectives. The powers, functions, rights and obligations of the Department are defined by the Supervisory Board as part of its supervisory function over the Bank's activities.

- 2.3. **THE AREAS OF WORK** of the Internal Audit Department include, but are not limited to, objective verification to provide independent assurance (audit) and advisory services to the Supervisory Board and the Management Board regarding the adequacy and effectiveness of corporate governance processes, risk management and internal control systems, as well as the quality of performance by employees of their duties to achieve the Bank's objectives . The scope of internal audit services covers all activities of the Bank and the Banking Group, including all operations, assets and personnel.

The nature and scope of consulting services may be agreed with the requesting party, provided that the Internal Audit Department is not responsible for managing the Bank's processes. Opportunities for improving management, risk management and control effectiveness may be identified during consulting assignments. These opportunities will be communicated to the appropriate level of management.

Internal audit assignments may include assessing that:

- risks associated with achieving the Bank's strategic objectives are properly identified and managed;

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- the actions of officers, directors, employees, contractors or other relevant parties of the Bank comply with the Bank's policies, procedures and applicable laws, regulations and governance standards;
 - the results of operations and programs meet established goals and objectives;
 - operations and programs are carried out efficiently and effectively;
 - established processes and systems ensure compliance with policies, procedures, laws and regulations that may significantly affect the Bank;
 - The integrity of information and the means used to identify, measure, analyse, classify and report such information are reliable.
 - resources and assets are acquired economically, used efficiently and properly protected.
- 2.4. The Department performs the functions of a unit that conducts internal audits of the Banking Group, for which the Bank is responsible, by coordinating the activities of the internal audit units of all members of the Banking Group and providing summary reports on the results of their work.
- 2.5. The Department carries out its activities, in particular, in compliance with **the following PRINCIPLES:**
- 2.5.1. **Independence** is freedom from circumstances that threaten the impartial performance of the Department's functions. To achieve the level of independence necessary for the effective performance of the Department's functions, the Director of the Department has direct and unlimited access to the Supervisory Board and the Management Board of the Bank.
- Independence also implies that there are no instances where the remuneration of internal auditors, including the Director of the Department, is linked to the financial results of the structural units being audited.
- Threats to independence must be controlled at the level of each internal auditor, task, as well as at the functional and organisational levels.
- 2.5.2. **Objectivity and impartiality** - maintaining an unbiased position that allows internal auditors to perform their tasks and functions in a manner they deem acceptable for their work and without compromising its quality or the influence of others. Impartiality requires that the Department not be involved in the provision of banking and other financial services, the conduct of other Bank activities subject to internal audit, or the determination or implementation of measures to establish an adequate internal control system at the Bank.
- The Director of the Department shall ensure that there is no loss of objectivity, including by rotating internal auditors periodically, which shall not affect the quality of the audit.
- Objectivity is considered limited if an internal auditor audits activities for which he or she was responsible during the previous year.
- 2.5.3. **Professional competence** - the Director of the Department and the Bank's internal auditors have sufficient knowledge, skills and experience to audit all areas of the Bank's activities and the risks inherent in the Bank's activities. The Director of the Department is responsible for ensuring that internal auditors have sufficient qualifications and skills. Skills should include

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the ability to conduct audits of varying complexity, which are necessary as a result of the introduction of new products and processes in banks, contributing to their improvement.

Professional competence depends on the ability of internal auditors to gather and understand information, study and evaluate audit evidence, and communicate with Bank employees in a professional and constructive manner. These qualities must be combined with appropriate methodologies, tools and knowledge of audit methods.

2.5.4. **Due professional care** is the ability of an internal auditor to demonstrate diligence, integrity and professional skills when performing internal audit tasks, Global Standards for Internal Auditing. An internal auditor should be particularly attentive to assessing the effectiveness of processes for managing significant risks that may affect the Bank's operations.

The internal auditor should exercise due professional care, taking into account:

- the achievement of the engagement objectives;
- the complexity, materiality or significance of the issues to which the audit procedures are applied;
- the likelihood of significant deficiencies and violations, fraud or non-compliance of the Bank's activities with the requirements of Ukrainian legislation.

The Director and employees of the Department must demonstrate professional competence and due diligence.

2.5.5. **Professional ethics** - compliance by internal auditors with the Bank's Code of Corporate Ethics, the principles and standards of Section II "Ethics and Professionalism" of the Global Standards for the Professional Practice of Internal Auditing, as well as the prevention of disclosure and use for personal gain or for the benefit of third parties of information about the Bank's activities that constitutes banking and commercial secrets.

The Director of the Department and the Bank's internal auditors are obliged to avoid conflicts of interest.

3. STATUS OF THE DEPARTMENT AND SUBORDINATION OF THE DEPARTMENT DIRECTOR

3.1. The Bank's Internal Audit Department is a structural unit of the Bank, which is established by decision of the Bank's Supervisory Board and operates on the basis of the Regulations approved by the Bank's Supervisory Board.

The Director of the Department reports to and is accountable to the Bank's Supervisory Board.

The Department reports to and is accountable to the Bank's Supervisory Board.

For administrative and personnel matters that do not require a decision by the Supervisory Board in accordance with other provisions of these Regulations, the Department reports to the Chairman of the Bank's Management Board.

3.2. The need to establish the Department is determined by Article 45 of the Law of Ukraine "On Banks and Banking Activities".

The Department, in cooperation with the Supervisory Board, the Audit Committee and the Management Board of the Bank, participates in the improvement of risk management, internal control and corporate governance systems in order to ensure:

- the effectiveness of the risk management process;

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- the reliability, adequacy and effectiveness of the internal control system;
- completeness and reliability of financial and management information;
- compliance by the Bank with the requirements of Ukrainian legislation.

3.3. **Independence, organisational positioning and reporting.**

The Director of the Internal Audit Department holds a position in the Bank at a level that allows him to perform his duties and provide internal audit services without interference from management, which ensures the independence of the Internal Audit Department (see section 2.2 "Mandate"). The Director of the Internal Audit Department will report functionally to the Supervisory Board and administratively (on day-to-day operations) to the Chairman of the Management Board. This positioning provides the organisational authority and status to raise issues without interference to the Bank's Management Board and, if necessary, to escalate issues to the Supervisory Board for consideration, and supports the ability of internal auditors to maintain objectivity.

The Director of the Internal Audit Department confirms the organisational independence of the Department to the Supervisory Board at least once a year. If the management structure does not support organisational independence, the Director of the Department must document the characteristics of the management structure that limit independence and any precautions taken to achieve the principle of independence.

The Director of the Department shall ensure that the Internal Audit Department remains free from any conditions that threaten the ability of internal auditors to perform their duties impartially, including matters of task selection, scope, procedures, frequency, timing, and communication. If the Director of the Department determines that objectivity may be compromised in fact or appearance, the details of the compromise will be disclosed to the appropriate parties.

The Director of the Department shall notify the Supervisory Board of any interference with the work of internal auditors related to the scope, performance or communications during the course of an internal audit. The disclosure shall include reports on the impact of such interference on the effectiveness of the Department and its ability to perform its duties.

3.4. The Department is not a unit within the Bank's operational control and risk management systems. Department staff shall remain completely independent from the units that are being audited and are subject to future audits, in particular from the performance of control procedures related to ongoing operations.

Internal auditors must maintain an impartial psychological position that allows them to perform their tasks objectively, so that they believe in the results of their work, do not compromise on quality, and do not subordinate their audit judgements to others, either in fact or in appearance. Internal auditors should demonstrate a high level of professional objectivity in the process of collecting, evaluating and discussing information related to the activity or process being audited. Internal auditors should make a balanced assessment, taking into account all relevant circumstances, and should not be influenced by personal interests or the interests of others.

The Department's activities must also be free from any interference from other departments and officials of the Bank, including in matters relating to the selection of the subject and scope of the audit, procedures, frequency, timing of audits and the content of audit reports, in order to ensure the necessary independent and objective mindset of internal auditors.

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This special status of Internal Audit Department employees, which aims to ensure their independence, must be taken into account by all collegial bodies and structural divisions of the Bank.

3.5. The Department is not responsible for and has no authority over the operations it audits. Internal auditors may not perform functions that are not included in the list of direct responsibilities of internal audit and should not be involved in any other activities that may influence the judgement of internal auditors (a detailed list of restrictions on the activities of internal auditors is provided in section 5.7 below).

3.6. Internal audit within the Banking Group is organised as follows: each member of the Banking Group establishes its own internal audit unit in accordance with the requirements established by the Bank as the responsible entity of the Banking Group, which must also report to the Director of the Department.

The organisation and working procedures of the internal audit departments within the Banking Group are established centrally by the Department for the members of the Banking Group through the approval of the Audit Policy of the Bank and the Banking Group.

4. PROCEDURE FOR INTERACTION AND EXCHANGE OF INFORMATION BETWEEN THE DEPARTMENT AND STRUCTURAL UNITS AND MANAGEMENT BODIES OF THE BANK

4.1. The Bank's Supervisory Board expects that officials, staff of all structural divisions of the Bank and members of the Banking Group will respect and fully support the rights and powers of the Department. The Supervisory Board and the Audit Committee shall monitor the activities of the Bank's Management Board with regard to the timely provision of the necessary resources to the Department for the implementation of the annual audit plan.

4.2. The Management Board and heads of the Bank's structural divisions shall promptly inform the Department of any significant changes in the Bank's risk management strategy, methods and procedures for managing the Bank's risks, the introduction of new products and changes in the Bank's operational activities at an early stage of their application, as well as inform the Director of the Department about the initiation of official investigations and their results, and provide information on the results of inspections by the Bank's control bodies. The Supervisory Board and the Audit Committee shall ensure that this information is provided in a complete and timely manner.

4.3. Employees of all structural divisions of the Bank shall, at the request of internal auditors, provide financial and accounting documents, management information, documents on decisions made by the Bank's management bodies, and provide internal auditors with access to the Bank's tangible assets and facilities (including premises used for storing documents, cash, valuables) and to the banking operations automation system, archives, data (including electronic databases in view mode).

4.4. Employees of other Bank departments may not independently assume internal audit powers. However, those who possess specific information must assist persons conducting internal audits.

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- 4.5. The heads of the internal audit departments of the Banking Group participants or other employees of these participants who are responsible for performing the internal audit function or coordinating interaction with the Department shall provide all necessary information, explanations, work plans and reports on their implementation at the request of the Director of the Department or the responsible employees appointed by him.

In the event of audits being conducted at members of the Banking Group by employees of the Department or with their participation, such employees shall have the right to familiarise themselves with the information/documents of the member of the Banking Group necessary for conducting the audit. At the same time, employees of the Department involved in such audits must sign a written undertaking not to disclose or use for their own benefit or for the benefit of third parties any information constituting banking and commercial secrets, and to preserve such information in accordance with the requirements of the current legislation of Ukraine.

- 4.6. The Bank's management is obliged to respond to the Department's recommendations in a timely manner. The heads of the audited departments have the right to assume the risk of non-compliance with the recommendations, but must justify their decision in writing. In such cases, the decision on further actions will be made by the Bank's Management Board.

The Bank's Management Board has the right to assume the risk of non-compliance with the recommendations for any reason. In such a case, the Director of the Department shall inform the Bank's Supervisory Board thereof in the next quarterly report.

The Supervisory Board shall monitor (including by conducting repeat audits and monitoring the implementation of measures) the Bank's Management Board's actions to eliminate the violations and shortcomings in the Bank's activities identified by the Department.

- 4.7. Based on the results of the audits, the Department provides the risk management and compliance control departments with extracts from the audit reports containing comments on operational and compliance risks for review.

5. ORGANISATIONAL STRUCTURE, REQUIREMENTS FOR DEPARTMENT STAFF, PROCEDURE FOR APPOINTMENT AND DISMISSAL

- 5.1. The organisational structure of the Department is approved by the Bank's Supervisory Board upon the recommendation of the Director of the Department and consists of:

- Financial Risk Audit Division:
 - Head of Projects in the area of the General Banking Risks' Audit;
 - Credit Risk Audit Desk;
 - Market Risk Audit and Banking Group Audit Coordination Desk;
- Operational Risk Audit Division:
 - Operational Risk Audit Desk;
 - Network Audit Coordination Desk;
 - Information Systems Audit Desk;
- Audit Methodology and Monitoring Desk;
- Remote Audit Desk.

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5.2. The staffing table of the Department and its budget for the following year shall be approved by the Supervisory Board of the Bank. The amount and procedure for awarding bonuses to employees of the Department (including the amount of the annual remuneration of the Director of the Department and changes in the amount of salaries) shall be determined by a decision of the Supervisory Board, taking into account the procedures in force at the Bank.

5.3. The Department shall be staffed with professionally competent, qualified personnel who are capable of performing their assigned functional duties. Internal audit staff shall have basic knowledge of accounting and finance, law, information technology, asset and liability management, financial and organisational management of the Bank, etc. Detailed qualification and professional requirements for auditors are set out in job descriptions in accordance with their specialisation.

Department employees must meet the professional training requirements established by the National Bank of Ukraine. Certain Department employees may be required to have international professional qualifications (CIA, CISA, CISM, ACCA, etc.), in which case the Supervisory Board considers the costs associated with obtaining these qualifications.

New employees are hired to fill vacant positions in the Department within the budget approved by the Supervisory Board on the basis of an order issued by the Chairman of the Bank's Management Board upon the recommendation of the Director of the Department.

Employees of the Department are dismissed from their positions in accordance with the current legislation of Ukraine.

5.4. The Department is headed by a Director, who is appointed and dismissed by decision of the Supervisory Board by order of the Chairman of the Bank's Management Board. The Director of the Department must have a higher education, at least five years of experience in auditing in the banking system, comply with the restrictions set out in Article 45 of the Law of Ukraine "On Banks and Banking Activities" regarding holding positions in other banks, and meet other qualification requirements regarding professional suitability and business reputation.

The professional suitability of the Director of the Bank's Department is defined as the combination of knowledge, professional and managerial experience necessary for the proper performance of their duties, taking into account the Bank's business plan and development strategy.

The candidate for the position of Department Director is agreed upon with the National Bank of Ukraine.

The Director of the Department takes office after his or her candidacy has been approved by the National Bank of Ukraine. The National Bank of Ukraine has the right to demand the replacement of the Director of the Department if his professional suitability and/or business reputation do not meet the qualification requirements established by the National Bank of Ukraine. The Bank is obliged, at the request of the National Bank of Ukraine, to take measures to replace such a person.

The Director of the Department must meet the requirements established by Ukrainian law for the relevant position throughout his term of office at the Bank.

The Supervisory Board of the Bank shall continuously monitor the compliance of the Director of the Bank's Department with the requirements of Ukrainian legislation established for the relevant position.

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The Bank shall check the Director of the Bank's Department at least once a year for compliance with the requirements established by Ukrainian legislation for the relevant position and shall notify the National Bank of Ukraine in writing of the results of such a check.

The decision to dismiss the Director of the Department must be agreed with the National Bank of Ukraine (except in cases of dismissal at his own request, by agreement of the parties or due to the expiry of the employment contract (agreement)).

Other qualification requirements for candidates for the position of Director of the Bank's Department, the procedure for approval of his candidacy by the National Bank of Ukraine and his dismissal (except for the above cases) shall be established by a regulatory act of the National Bank of Ukraine defining the procedure for registration and licensing of banks.

- 5.5. The job description of the Director of the Department shall be approved by the Chairman of the Supervisory Board, and the job descriptions of other employees shall be approved by the Director of the Department.
- 5.6. Upon appointment, the Director and employees of the Department shall give a written undertaking not to disclose information about the Bank's activities and to maintain banking secrecy in accordance with the requirements of the current legislation of Ukraine.
- 5.7. The Director and employees of the Department shall not:
- a) perform any functional duties at the Bank or companies participating in the Banking Group that are not related to internal audit activities, as provided for in these Regulations;
 - b) initiate or approve transactions not directly related to the activities of the Department;
 - c) assess specific transactions for which they were responsible during the previous year (in the case of transfer to the Department from other structural units);
 - d) direct the actions of employees of other divisions/functions of the Bank, except when these employees are involved in the performance of an audit assignment;
 - e) participate in any activity that may harm or be perceived as harming their impartiality and objectivity, including (but not limited to) developing internal Bank documents (except in cases where internal auditors provide consulting services as provided for in these Regulations) and/or approve such documents, implement internal control mechanisms, develop procedures, establish systems, create accounts, participate in any audits and commissions related to the Bank's operational activities and/or the implementation or embodiment of any measures, organisational or internal control;
 - f) use confidential information for personal gain or for the benefit of others in any way that contravenes applicable law and/or may harm the interests of the Bank;
 - g) accept any gifts that may harm or be perceived as harming their professional judgement.
- 5.8. The Director of the Department is prohibited from holding positions in other banks.

6. ACCOUNTABILITY OF THE DIRECTOR AND EMPLOYEES OF THE DEPARTMENT

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- 6.1. The Director of the Department communicates and interacts directly with the Supervisory Board, including by participating in meetings of the Supervisory Board and the Audit Committee and, if necessary, between meetings. The Director of the Department has direct and unlimited access to the Supervisory Board and the Management Board of the Bank.
- 6.2. The Director of the Department shall report to the Supervisory Board and the Management Board on:
- the mandate of the Internal Audit Department;
 - the internal audit plan and its implementation;
 - the Internal Audit Department's budget;
 - significant changes to the Internal Audit Department's plan and budget;
 - potential threats to independence, including appropriate disclosures, if applicable;
 - the results of the Quality Assurance and Improvement Program, which include the internal audit function's compliance with the Institute of Internal Auditors' Global Standards for the Professional Practice of Internal Auditing and action plans to address deficiencies and improve the Internal Audit Department's performance;
 - Significant risks and control issues, including fraud risks, governance issues, and other areas of senior management concern;
 - results of assurance and consulting services;
 - resource requirements;
 - management responses to risk that internal auditors believe may be unacceptable, or the acceptance of risk that exceeds the Bank's risk tolerance.
- 6.3. The Department reports to the Supervisory Board at the following intervals:
- a) based on the results of each calendar quarter, by providing summarised reports on the results of the work of the Department and the internal audit units of the Bank Group participants (in accordance with the reports received from them), with the attachment of audit reports and/or conclusions on the results of each audit, including a brief description of the critical deficiencies identified, the measures recommended by the internal audit and the planned actions of the executive management;
 - b) based on the results of each half-year – by providing information (a report) on the status of implementation (including non-implementation) by the Management Board and heads of the Bank's divisions of recommendations (proposals) to eliminate violations and deficiencies in the Bank's activities identified as a result of the audit;
 - c) based on the results of each calendar year – by disclosing in the report for the fourth quarter of the reporting year information on the results of the activities of the Department and internal audit departments of the Banking Group participants for the year and on the implementation of the annual internal audit plan, as well as by providing a summary assessment of the internal control system;
 - d) on compliance with the organisational independence of the Department and internal audit divisions of the Banking Group participants - at least once a year (in the report for the fourth quarter of the reporting year);
 - e) the results of annual internal and periodic (at least once every five years) external assessments - immediately after they are conducted;
 - f) on the results of special audits and investigations - immediately after they are conducted.

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The Department's quarterly and annual reports shall also cover significant risks to which the Bank and members of the Banking Group are exposed, and internal control, including fraud risks, information on the elimination of deficiencies identified by the National Bank of Ukraine, other state authorities and government bodies, external and internal audits, and other issues at the request of the Management Board and the Supervisory Board. In addition, in these reports, the Director of the Department informs the Supervisory Board about the results of the implementation of the Program for Ensuring and Improving the Quality of Internal Audit.

- 6.4. All reports and conclusions on the results of audits and recommendations provided by internal auditors shall be brought to the attention of the Bank's Management Board immediately after the completion of the audits for review, provision of relevant comments/explanations and correction of deficiencies in the work of the Bank's divisions.

7. RIGHTS, DUTIES AND RESPONSIBILITIES OF THE HEAD OF THE DEPARTMENT AND INTERNAL AUDITORS

7.1. The Director of the Department has the right, in particular, to:

- 7.1. Submit proposals to the Bank's Supervisory Board (Audit Committee) on conducting a scheduled audit, initiate (if necessary) an unscheduled audit, discuss the results of audits and conclusions with the Supervisory Board, the Bank's Management Board, and the heads of the Bank's structural divisions.
- 7.1.2. To request an extraordinary meeting of the Bank's Supervisory Board (Audit Committee).
- 7.1.3. Initiate a meeting with any Bank official.
- 7.1.4. Initiate the involvement of employees from other structural divisions of the Bank in conducting internal audits, provided that they have the knowledge and experience necessary to perform specific internal audit tasks and that such involvement has been agreed with the Supervisory Board.
- 7.1.5. Receive written explanations from the Bank's managers and employees on issues arising during the internal audit and its results.
- 7.1.6. Submit calculations of the internal audit department's resource requirements to the Bank's Supervisory Board (Audit Committee) for review and approval, and report on any limitations.
- 7.1.7. Send requests to other organisations and institutions or third parties for the necessary information and documents related to the audit.
- 7.1.8. Express its opinion, including at the request of the Bank's Management Board, on issues related to the Bank's risk activities and internal control measures.

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- 7.1.9. Participate without voting rights in meetings of the Supervisory Board and/or the Management Board, as well as committees established by the Bank (hereinafter referred to as "specialised committees").
- 7.1.10. Develop and apply in its work its own audit guidelines, instructions and procedures governing the actions of the Department's employees.
- 7.2. Employees of the Department have the right, in particular, to:**
- 7.2.1. In the performance of their functional duties, to familiarise themselves with documents, management information, documents on decisions made by the management bodies of the Bank, members of the Banking Group and affiliated companies of the Bank, including all their divisions regardless of their country of location, to access the Bank's tangible assets and facilities (including premises used for storing documents, cash, valuables) and the banking operations automation system, archives, data (including electronic databases in view mode), as well as to use:
- databases and other information from the Bank's primary documents;
 - software used to automate processes in the Bank's activities, including financial monitoring;
 - financial, statistical, management and other types of reports;
 - inventory materials of the Bank and documents of commissions established at the Bank (if any);
 - documents of the Bank's management bodies, including those relating to the implementation and functioning of risk management and internal control systems;
 - other documents of the Bank that are necessary for conducting audits.
- 7.2.2. Initiate communication with managers and any employees of the Bank, its divisions (including separate divisions providing banking and other financial services) and receive written explanations from them on issues arising during the audit and its results.
- 7.2.3. Assess the compliance of actions and operations carried out by Bank employees with the requirements of the current legislation of Ukraine, regulatory acts of the National Bank of Ukraine, decisions of the Bank's governing bodies that determine the Bank's policy and strategy, the procedure for making and implementing decisions, and the organisation of accounting and reporting.
- 7.2.4. Check the Bank's settlement and cash documents, contracts, financial and statistical reports, other documentation, and, if necessary, the availability of cash and other valuables held by the Bank.
- 7.2.5. Take immediate action to obtain any information relating to the Bank's activities in the following cases:
- suspicion or discovery of fraudulent activities;
 - significant violations of regulatory and legal requirements;
 - significant losses and damages.

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- 7.2.6. Make copies of documents received for verification (if provided on paper), make copies of files containing any information stored on electronic media and necessary for conducting an audit.
- 7.2.7. If you find out about any abuse of office by Bank managers, tell the Director of the Department.
- 7.3. **The Director of the Department shall, in particular:**
- 7.3.1. Demonstrate managerial and leadership qualities, as well as have a sufficient level of knowledge and skills, and continuously improve them. Identify and review trends and new issues that may affect the Bank and report them to the Supervisory Board and the Management Board, if necessary.
- 7.3.2. Ensure that the Department's employees:
- comply with the Global Standards for Internal Auditing, including the principles of ethics and professionalism: honesty, objectivity, competence, due professional care and confidentiality;
 - understand, respect, respond to and promote the legitimate and ethical expectations of the organisation and be able to recognise behaviour that is contrary to these expectations;
 - promote and foster an ethics-based culture within the Bank;
 - report behaviour that does not comply with the Bank's ethical requirements as set out in the relevant policies and procedures.
- 7.3.3. Draw up an audit plan based on risk analysis, which determines the priorities of internal audit and meets the Bank's objectives, based on discussions with the Bank's senior management and its own expert judgement, determine the objects and scope of the audit, develop a risk-oriented methodology for prioritising audit objects, and make decisions on the frequency of audits.
- 7.3.4. Exercise general management and operational control over the activities of the Department, determine the long-term strategy and principles of internal audit at the Bank and the Banking Group, the process of organising internal audit at the level of the Bank and the Banking Group participants, ensure the application of uniform methodological principles, comparability of results and consistency in the implementation of internal audit of the Banking Group participants.
- 7.3.5. Ensure the adequacy, sufficiency and effective use of the Department's resources to implement the Bank's annual audit plan. To this end, submit the Department's activity plans, containing audit schedules and information on the necessary resources (human, financial and other) for the next calendar year, to the Supervisory Board for approval annually, no later than the last working day of the first month of the year. If necessary, take into account changes initiated by the Supervisory Board (Audit Committee) in the plan and discuss significant interim changes to the internal audit plan with the Board and the Management Board.

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- 7.3.6. Report to the Supervisory Board on the impact of resource constraints on internal audit activities. If significant risks are identified in the Bank's activities or changes in available resources, the Director of the Department may initiate changes to the approved annual audit plan, subject to approval by the Supervisory Board. The approved plan and amendments thereto shall form the basis for the Department's activities (conducting audits) for the relevant period.
- 7.3.7. Ensure the continuous operation of the Department in accordance with these Regulations and the Global Standards for the Professional Practice of Internal Auditing established by the International Internal Audit Standards Board.
- 7.3.8. Ensure that the Department is staffed with highly qualified personnel with the necessary skills, who collectively possess or acquire the knowledge, skills and other competencies and qualifications necessary to meet the requirements of the Global Standards for the Professional Practice of Internal Auditing and fulfil the internal audit mandate. Ensure continuous professional development and training of internal auditors.
- 7.3.9. Define policies and audit procedures to be applied by internal auditors when conducting audits and documenting their work, in accordance with the requirements of the Bank and Banking Group Audit Policy and Global Internal Audit Standards.
- 7.3.10. Prepare a report on the implementation of the annual audit plan and submit it for approval to the Supervisory Board and the Audit Committee no later than the last day of the first month of the year following the reporting year, providing confirmation of the organisational independence of the Department.
- 7.3.11. Ensure the submission of reports on the results of audits to the heads of structural divisions [participants in the processes subject to audit], the Bank's Management Board and Supervisory Board (Audit Committee) with reports on the results of audits so that they can take appropriate organisational (corrective) measures.
- 7.3.12. Develop and maintain a system for monitoring the implementation by Bank managers of recommendations (proposals) provided based on the results of audits, while avoiding conflicts of interest. Submit to the Bank's Supervisory Board (Audit Committee) at least once every six months information (a report) on the status of implementation, including non-implementation, by the Management Board and heads of the Bank's divisions of recommendations (proposals) to eliminate violations and shortcomings in the Bank's activities identified as a result of the audit.
- 7.3.13. In the event of circumstances preventing the Bank's internal auditors from performing their duties, interference by Bank officials in the activities of the Department, or the identification of a level of risk that is unacceptable for the Bank's activities, inform the Bank's Supervisory Board in writing so that it can take appropriate decisions or implement appropriate measures.
- 7.3.14. Develop and maintain a program to ensure and improve the quality of the Bank's internal audit, taking into account the requirements of the Global Standards for Internal Auditing, and ensure that reports on its implementation are submitted periodically to the Supervisory Board and the Management Board of the Bank.

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- 7.3.15. Prepare and submit to the National Bank of Ukraine a report on the work of the Department and other documents based on the results of the Bank's internal audit.
- 7.3.16. Notify the National Bank of Ukraine in writing of any distortions in the Bank's financial reporting, violations and shortcomings in the Bank's work, as well as any events in the Bank's activities that may negatively affect the solvency, security and reliability of the Bank / member of the Banking Group, if the Bank's Management Board has not taken timely measures to eliminate these violations and shortcomings, and the Bank's Supervisory Board has not considered the Director of the Department's appeal regarding the inaction of the Bank's Management Board and has not taken appropriate measures based on the results of the consideration of this appeal.
- 7.3.17. Ensure that periodic checks are carried out on the Bank's compliance with the requirements of the legislation in the field of prevention of money laundering / terrorist financing (including the adequacy of measures taken by the Bank to manage the risks of money laundering / terrorist financing).
- 7.3.18. Coordinate activities and consider the possibility of relying on the work of other internal and external service providers to provide assurance and advice. If the Director of the Department is unable to achieve an adequate level of coordination, the issue should be brought to the attention of the Management Board and, if necessary, the Supervisory Board.
- 7.3.19. Ensure, within the limits of his/her authority, ongoing cooperation with external auditors, government and regulatory authorities that supervise the Bank's activities within their competence, including the National Bank of Ukraine.
- 7.3.20. Report to the Supervisory Board in accordance with clause 6.2 of these Regulations.
- 7.3.21. If the Director of the Department, due to circumstances beyond his control, is unable to ensure the adequate performance of the functions and duties assigned to the Department, he shall notify the Supervisory Board of the Bank in writing of such circumstances.
- 7.4. Deputy Directors of the Department – heads of divisions shall, in particular:**
- 7.4.1. Ensure the immediate transmission of the instructions of the Director of the Department to the employees of the departments subordinate to them and subsequent control over the proper execution of these instructions.
- 7.4. Manage, coordinate and control the activities of the departments and project managers who report directly to them in accordance with the organisational structure of the Department approved by the Supervisory Board.
- 7.4.3. Participate in the development and updating of the methodology for assessing the risks of audit objects and internal audit procedures, updating the program for ensuring and improving audit quality, monitoring and periodic self-assessments, which constitute the internal assessment of the quality of the internal audit function.

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- 7.4.4. Participate in the development and implementation of necessary adjustments to the strategic and annual activity plan of the Department, as well as ensure control over their timely implementation.
- 7.4.5. Perform the functions of an engagement supervisor: oversee the performance of internal audit engagements, their results, the training and support of internal auditors, as well as the review and approval of the audit work program, working papers, and final communication (audit report).
- 7.4.6. Control the quality of the work of audit teams and report the results of their work to the Director of the Department. Provide proposals on internal audit methodology to supervise the progress of audit engagements and improve work efficiency.
- 7.4.7. Ensure the appropriate, sufficient and effective use of human resources necessary to implement the approved internal audit plan (combination of knowledge, skills and abilities and the amount of available resources; allocation of resources in such a way as to optimise the achievement of the internal audit plan).
- 7.4.8. Implement training methods, mentoring programs, performance evaluation methods, competence enhancement and professional development support for internal auditors of subordinate units.
- 7.4.9. Within each audit whose oversight and quality control they perform, Deputy Directors of the Department – Heads of Departments should support the rotation of internal auditors on specific audit program issues in order to expand the professional competence of internal auditors and ensure a fresh perspective on the subject of the audit.
- 7.4.10. Develop an ethical professional environment in which internal auditors receive appropriate training and cooperate effectively.
- 7.4.11. Be included in the Bank's communication channels in order to be aware of key events and planned activities that may affect the Bank's objectives and risks, attend meetings of the Supervisory Board and key management committees.
- 7.5. Employees of the Department are required, in particular, to:**
- 7.5.1. Comply with the requirements of Ukrainian legislation, these Regulations, and the Global Standards for Internal Auditing developed by the International Internal Audit Standards Board.
- 7.5. Conduct audits in accordance with the approved plan and perform an independent assessment of the internal control system established by the Bank's management to ensure compliance by Bank employees with the regulatory and legal acts of the National Bank of Ukraine, the Bank's internal regulations on the provision of banking and other financial services, the Bank's internal documents on financial monitoring, management effectiveness, and the Bank's activities, including those performed by legal entities and individuals on a contractual basis (outsourcing), as well as other activities provided for in the Bank's Articles of Association.

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- 7.5.3. Submit proposals to improve the effectiveness of the risk management system, including its compliance with the types and volumes of operations carried out by the Bank, and the internal control system.
- 7.5.4. Verify the effectiveness of measures taken by the Bank to correct violations and deficiencies identified by the Department.
- 7.5.5. Initiate the submission of reports on the results of audits (including on the Bank's compliance with the requirements of Ukrainian legislation) to the Bank's Supervisory Board (Audit Committee), the Bank's Management Board, and the heads of the audited structural units with reports on the results of audits, including on the Bank's compliance with the requirements of Ukrainian legislation in the field of prevention of money laundering/terrorist financing.
- 7.5.6. Initiate the provision of recommendations to the heads of structural units on measures to prevent and prohibit actions that could result in the Bank's violation of the requirements of Ukrainian legislation, and monitor the completeness and timeliness of the implementation of recommendations provided based on the results of previous audits.
- 7.5.7. Identify, based on the results of the audit, areas of potential losses for the Bank, favourable conditions for fraud, abuse and misappropriation of the Bank's funds, and report this in accordance with the established procedure to the Supervisory Board (Audit Committee) and the Bank's Management Board.
- 7.5.8. Ensure that each audit is fully documented, prepare written conclusions reflecting all issues examined during the audit and recommendations provided to the Bank's management.
- 7.5.9. Ensure the safety and timely return of documents received from Bank managers or structural divisions on all media.
- 7.5.10. Not to participate in the creation and organisation, including together with the Bank's structural divisions, of any measures and processes that ensure the Bank's activities or are perceived as such that may affect the impartiality and objectivity of internal auditors, the development of the Bank's internal documents (except for cases where internal auditors provide consulting services provided for by the internal audit function), not to endorse such documents.
- 7.5.11. Take the necessary measures to avoid conflicts of interest, bias and undue influence, notify the relevant parties of any actual or apparent breach of independence or objectivity, and report at least once a year to the Director of the Department on compliance with individual independence and objectivity.
- 7.5.12. Exercise professional objectivity in gathering, evaluating and communicating information, and make a balanced assessment of all available and relevant facts and circumstances.
- 7.5.13. Not disclose or use confidential information that has become known to them in the performance of their duties for their own benefit or for the benefit of third parties.

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7.5.14. Improve their knowledge, skills and other abilities through continuous professional development.

7.6. **Responsibility.**

7.6.1. The Director of the Department is responsible for the high-quality and timely performance of the duties assigned to the Department, the instructions of the Supervisory Board, the Audit Committee and the Bank's Management Board, the implementation of the Internal Audit Quality Assurance and Improvement Program covering all activities of the Department, as well as for the accuracy of reporting and information on matters within the competence of the Department.

7.6.2. Deputy Directors of the Department – Heads of Divisions are responsible for managing and supervising the work of audit teams, for monitoring the quality of audit assignments for which they are appointed as quality controllers in accordance with the instructions of the Director of the Department, as well as for the high-quality and timely execution of the instructions of the Director of the Department.

7.6.3. Department employees are responsible for:

- a) the accuracy of reports and information on matters within their competence;
- b) the implementation of instructions, orders and directives of the Director and Deputy Directors of the Department, as well as their immediate superiors, including the head of the audit team in the event of appointment as a member of the audit team by order of the Director of the Department to perform an audit task;
- c) immediately notifying the Director of the Department of any conflict of interest that may arise in the course of performing a specific audit task.

7.6.4. The Director, Deputy Directors – Heads of Departments and all employees of the Department are responsible for:

- a) performing the functions and duties assigned to them under these Regulations, while complying with the requirements of the Global Standards for Internal Auditing;
- b) preserving information constituting banking and commercial secrets and other confidential information of the Bank;
- c) complying with the requirements of the current legislation of Ukraine and the Bank's internal regulatory documents;
- d) ensuring the safety and return of documents received from the Bank's divisions on all media;
- e) ensuring compliance with the Bank's internal labour regulations;
- f) bear material responsibility for damage caused as a result of loss, damage, destruction, shortage, etc. of entrusted property in accordance with the procedure provided for by the Collective Agreement, internal regulatory documents of the Bank and the current legislation of Ukraine.

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8. FUNCTIONS OF THE DEPARTMENT

8. The Department performs the following functions:

- 8.1. It checks and evaluates the processes that ensure the Bank's activities, including those that carry potential risk and are performed by engaging legal entities and individuals on a contractual basis (outsourcing).
- 8.1. Evaluates the effectiveness and adequacy of the Bank's corporate governance structure, the internal control system, including the risk management system, the Bank's management processes, their compliance with the size of the Bank, the complexity, volume, types and nature of the Bank's operations, the Bank's organisational structure and risk profile, taking into account the specific features of the Bank's activities as systemically important and/or the activities of the Banking Group of which the Bank is a member, the organisation of the internal system for preventing and combating money laundering/terrorist financing, the risk management system for money laundering/terrorist financing.
- 8.1.3. Checks the Bank's management processes, the process of assessing capital adequacy, liquidity adequacy, and asset security measures, taking into account the Bank's risks, and, if necessary, checks the availability of these assets.
- 8.1.4. Verifies the accuracy and reliability of accounting records, information, financial and other reports prepared by the Bank, their completeness and timeliness of submission, including to the National Bank of Ukraine, state authorities and government bodies that supervise the Bank's activities within their competence.
- 8.1.5. Carries out an independent assessment of the control system implemented by the Bank's management, namely with regard to:
- compliance by the Bank's managers and employees providing banking and other financial services with the requirements of Ukrainian legislation, including regulatory acts of the National Bank of Ukraine, and the Bank's internal regulations, fulfilment of professional duties and rules established by the Bank's Articles of Association and internal documents, including on compliance and risk management issues;
 - identifying and analysing violations by Bank employees of the requirements of current Ukrainian legislation, professional standards, and internal regulations governing the Bank's activities;
 - timely elimination of deficiencies identified by the National Bank of Ukraine and other state authorities and government bodies that supervise the Bank's activities within their competence.
- 8.1.6. Organises the internal audit process in the Banking Group's participants on a uniform methodological basis with the Bank, ensures the summarisation of results for a consolidated assessment of the Banking Group's internal control system, and, if necessary (in the absence/insufficiency of resources in the internal audit department of a member of the Banking Group) carries out (in whole or in part, on specific issues) audits of a member of the Banking Group.

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- 8.1.7. Independently assesses the reliability, effectiveness and integrity of the Bank's information systems and processes (including the relevance, accuracy, completeness, accessibility, confidentiality and comprehensiveness of data).
- 8.1.8. Checks the Bank's financial and economic activities.
- 8.1.9. Assesses the effectiveness and adequacy of the Bank's business recovery plan.
- 8.1.10. Evaluates the activities of risk management and compliance risk departments, specialised committees, and the quality of risk reports submitted to the Supervisory Board and the Bank's Management Board.
- 8.1.11. Identifies and verifies cases of abuse of authority by Bank officials, as well as conflicts of interest within the Bank.
- 8.1.12. Within the scope of the audit tasks performed, verifies the compliance of Bank employees with qualification requirements and the performance of their professional duties, as well as the compliance of Bank managers and employees with the requirements of legislation and the Bank's internal regulations.
- 8.1.13. Provides consulting services within the Bank related to corporate governance, risk management and internal control issues at the request of the Supervisory Board and/or the Chairman of the Management Board, provided that such services do not compromise the objectivity of the internal audit and do not pose a threat to its independence, fall within the scope of its authority and do not prevent the Department from performing its direct functional duties.

Consulting services may be provided either through the independent performance of tasks by Department employees or through their participation in Bank working groups and projects, including participation in the development of new banking products. Another type of consulting service is the provision of explanations regarding possible ways to implement recommendations made based on the results of audits. The Supervisory Board, the Audit Committee and the Chairman of the Bank's Management Board may request consulting services from the Department. The Director of the Department decides on participation in each project on a case-by-case basis, taking into account the requirements of the Global Standards for the Professional Practice of Internal Auditing regarding the provision of consulting services and the prevention of potential conflicts of interest. A detailed description of the grounds on which the Department accepts an assignment to provide consulting services is recorded in a memorandum from the Director of the Department to the customer of the services. If the Director of the Department disagrees with the request of the Chairman of the Management Board to provide consulting services, the Director of the Department shall refer the matter to the Supervisory Board (Audit Committee) for a final decision.

In cases where a Department employee provides advice within the framework of a project, one of the tasks of which is to develop the Bank's internal regulatory documents, responsibility for the content of the latter is unconditionally assigned to their initiator. After the approval of such documents, the Department may recommend certain changes to them, corresponding to the situation that will exist at the time of such changes.

On the other hand, internal auditors may under no circumstances participate in groups set up solely for the purpose of developing internal regulatory documents.

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8.1.14. Ensures optimal conditions under which external auditors and employees of state regulatory authorities can rely with confidence on the Department's conclusions in order to avoid duplication of efforts.

8.1.15. Conducts unscheduled special audits and investigations at the request of the Supervisory Board, the Audit Committee and the Chairman of the Management Board, or on its own initiative, subject to the approval of such actions by a decision of the Audit Committee, including by agreeing the assignment with all members of the Audit Committee by email.

Unscheduled audits are audits prompted by established facts, events, audit analysis results or current changes that require immediate action to identify and determine any harm, loss or to limit risk, as well as in the presence of factors associated with the risk of fraudulent activity.

8.1.16. Ensures the documentation of evidence collected during audits, the formation of audit documentation on electronic and paper media, and its storage for a specified period.

8.1.17. Performs other functions related to the supervision of the Bank's activities, as provided for by the legislation of Ukraine.

8.2. **Main functions of the Department's divisions**

8.2.1. **Financial Risk Audit Division:**

8.2.1.1. **Credit Risk Audit Desk:**

- a) develops audit work programs and determines procedures for conducting credit risk-oriented audits in the Head Office, Regional Centres, branches, etc.;
- b) participates in the development of strategic and annual work plans for processes that carry credit risks for the Bank;
- c) ensures the timely completion of audit assignments, including the timely conduct of repeat audits on audits rated "poor" and "unsatisfactory";
- d) conducts audits of processes and areas of activity in which credit risks prevail and prepares reports on the results of the audits conducted;
- e) ensures the timely and high-quality preparation of working documents (documentation of internal audit work in the process of planning and performing tasks) and documentation confirming observations and conclusions based on the results of the tasks performed;
- f) participates, if necessary, in audits conducted by other audit teams of the Department (in accordance with the instructions/tasks determined by the Director and Deputy Director of the Department - Head of the Financial Risk Audit Division);
- f) participates in discussions with management on the results of audits if there are issues related to credit risk;
- g) on behalf of the Director of the Department, conducts investigations into violations of lending procedures and performs tasks related to the provision of consulting services;
- h) analyses the credit risks of audit objects;
- i) checks and assesses the effectiveness of the credit risk management system and internal control system in areas audited by the department and in the Bank as a whole;

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- k) recommends additions or changes to the Bank's internal documents based on the results of audits, if necessary to eliminate deficiencies in the area of credit risk;
- l) monitors the implementation of recommendations provided based on the results of audits conducted by the department by the responsible divisions of the Bank and prepares periodic reports on these issues for the management of the Department, the Management Board and the Supervisory Board upon request.

8.2.1.2. **Market Risk Audit and Banking Group Audit Coordination Desk:**

- a) at the instruction of the Director of the Department / Deputy Director - Head of the Financial Risk Audit Division, communicates to the internal audit services of the Banking Group participants the internal audit methodology developed and supported by the Department, to ensure the application of uniform methodological principles in the planning and conduct of audit activities, the development of internal regulatory documents and reporting on internal audit issues at the level of each member of the Banking Group and, if necessary, provides advice on their application in practical activities, in cooperation with the Audit Methodology and Monitoring Desk;
- b) develops/updates the Working Programs for audit tasks and determines procedures for conducting market risk and liquidity risk-oriented audits in the Head Office departments and, if necessary, advises the members of the Banking Group on relevant issues;
- c) participates in the development of strategic and annual work plans for processes that carry market and liquidity risks for the Bank;
coordinates the development of strategic and annual work plans for the internal audit departments of the Banking Group members and advises on the planning process;
- d) ensures the timely completion of audit assignments, including the timely conduct of repeat audits for audits rated "poor" and "unsatisfactory";
- e) conducts audits of processes/areas of activity in which market risks and liquidity risk prevail, and prepares audit reports based on the results of the audits conducted;
- f) ensures the timely and high-quality preparation of working documents (documentation of internal audit work in the process of planning and performing tasks) and documentation confirming observations and conclusions based on the results of the tasks performed;
- e) if necessary, department employees participate in audits conducted by other divisions of the Department in other areas, as well as in conducting audits of participants in the Banking Group (in accordance with instructions/tasks determined by the Director and Deputy Director of the Department - Head of the Financial Risk Audit Department);
- g) participates in discussions with management on the results of audits if there are issues related to market risks and liquidity risk;
- h) on behalf of the Director of the Department, conducts investigations into violations identified in the areas of market risks, interest rate risk in the banking book and liquidity risk, and performs tasks related to the provision of consulting services in the relevant areas;
- i) conducts analysis of market risks, banking book interest rate risk and liquidity risk of audit objects;
- k) submits proposals to the Director of the Department/Deputy Director - Head of the Financial Risk Audit Division on the format of reporting on the results of the activities of the internal audit units of the participants of the Banking Group, monitors the timely receipt of quarterly and annual reports on the results of audit activities from them;

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- l) checks and assesses the effectiveness of the market risk management system, the interest rate risk of the banking book, the liquidity risk and the internal control system in the areas audited by the department, in the Bank as a whole and in the Banking Group;
- m) recommends additions or amendments to the Bank's internal documents based on the results of audits aimed at improving the effectiveness of the internal control system and reducing the level of identified market risks;
- n) monitors the implementation of recommendations provided based on the results of audits conducted by the department by the responsible divisions of the Bank and, upon request, prepares periodic reports on these issues for the management of the Department, the Management Board and the Supervisory Board.

8.2.1.3. **Head of Projects in the area of the General Banking Risks' Audit:**

- a) develops work programs for audit assignments and determines procedures for conducting audits on corporate governance issues and processes with predominant inherent bank-wide risks (including compliance risk);
- b) participates in the development of strategic and annual work plans in relation to corporate governance processes and processes with predominant inherent bank-wide risks (including compliance risk);
- c) ensures the timely completion of audit tasks, taking into account the Department's annual plan, and prepares reports on their results in the relevant areas;
- d) in accordance with the instructions/tasks determined by the Director of the Department and the Deputy Director - Head of the Financial Risk Audit Division, participates in audits carried out by other divisions of the Department;
- e) participates in discussions with management on the results of audits when there are issues related to corporate governance and bank-wide risk management, including compliance risk;
- f) ensures the timely and high-quality preparation of working documents (documentation of internal audit work in the process of planning and performing tasks) and documentation confirming observations and conclusions based on the results of tasks performed;
- f) monitors the implementation of recommendations addressed to the Bank's divisions based on the results of audits conducted, as well as analysis of assessments made by other departments on the effectiveness of management actions to eliminate deficiencies in the area of general banking risks and corporate governance, prepares information for periodic reporting on these issues for the management of the Department, the Management Board and the Supervisory Board upon request;
- g) on behalf of the Director of the Department, conducts investigations in the area of general banking risk management, including compliance risk management, corporate governance, and performs tasks related to the provision of consulting services within the scope and to the extent determined by the Director of the Department and the Deputy Director – Head of the Financial Risk Audit Division;
- h) conducts analysis of general banking risks, including compliance risk, in terms of audit objects;
- i) performs the functions of head of the audit team, reviews and assesses issues in the areas of corporate governance, the effectiveness of the risk management system and internal control system for processes involving general banking risks (including ensuring the audit of the capital management process, including the preparation of reports on ICAAP and the Bank's anti-crisis plan for restoring financial stability, etc.);

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- k) initiates with the Deputy Director - Head of the Financial Risk Audit Division and the Director of the Department issues related to auditors whose expertise is necessary to perform the audit task in the relevant areas of verification, and their inclusion in the audit team;
- l) recommends additions or amendments to the Bank's internal documents based on the results of audits, if necessary to eliminate deficiencies in corporate governance and general banking risks.

8.2.2. Operational Risk Audit Division:

8.2.2.1. Operational Risk Audit Desk:

- a) develops working programs for audit tasks and determines procedures for conducting operational risk-oriented audits in the Head Office, regional centres and branches;
- b) participates in the development of strategic and annual work plans for processes that pose primarily operational risks to the Bank and ensures the timely completion of audits, including the timely conduct of repeat audits for audits rated "poor" and "unsatisfactory";
- c) conducts audits of processes and areas of activity in which operational risks prevail and prepares reports on the results of the audits conducted;
- d) ensures the timely and high-quality preparation of working documents (documentation of internal audit work in the process of planning and performing tasks) and documentation confirming observations and conclusions based on the results of tasks performed;
- e) participates, if necessary, in audits conducted by other divisions of the Department (in accordance with instructions/tasks determined by the Director and Deputy Director of the Department - Head of the Operational Risk Audit Division);
- f) participates in discussions with management on the results of audits if there are issues related to operational risks;
- f) on behalf of the Director of the Department, conducts investigations in the area of operational risk implementation, violations of internal procedures, suspected fraud and performs tasks related to the provision of consulting services;
- g) conducts an analysis of the operational risks of the audit objects;
- h) checks and assesses the effectiveness of the operational risk management system of the first and second levels of control and the internal control system in the processes audited by the department and the Bank as a whole;
- i) recommends additions or changes to the Bank's internal documents based on the results of audits, if necessary to eliminate deficiencies in the area of operational risks;
- k) monitors the implementation of recommendations provided by the department based on the results of its audits by the responsible Bank divisions and prepares information for the preparation of periodic reports on these issues for the management of the Department, the Management Board and the Supervisory Board.

8.2.2.2. Network Audit Coordination Desk:

- a) develops work programs for audit assignments and determines the necessary procedures for conducting audits in Regional Centres and branches at the Bank's network level;
- b) submits proposals to the Director of the Department on changes to the methodological approach to drawing up strategic and annual audit plans for the Bank's territorial divisions (branches, regional centres, branches), in cooperation with the Remote Audit

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Desk, performs remote rating of branches, regional centres/ branches at intervals determined by the Director of the Department and in accordance with the approved methodology;

- c) ensures the timely completion of planned audits, including the timely conduct of repeat audits for audits rated "poor" and "unsatisfactory", and prepares reports on the results of audits of the Regional centres / branches of the Bank, and discusses and agrees with the management of the audited units, the network level and the GO level action plans to eliminate the identified deficiencies (indicating specific measures and deadlines for their implementation);
- d) ensures the timely and high-quality preparation of working documents (documenting the work of internal audit in the process of planning and performing tasks), documentation confirming observations and conclusions based on the results of the tasks performed;
- e) identifies/assesses on an ongoing basis expected and unexpected factors leading to an increase in risks inherent in the activities of the Bank's territorial divisions, and consistently proposes optimal corrective measures, taking into account the systematic nature of the identified violations;
- e) ensures verification of compliance by the Regional centres / branches with internal rules and regulations governing operational activities (including compliance with delegated powers), the quality of transaction documentation, the completeness and quality of control functions performed by authorised employees, the efficiency and effectiveness of operational processes, and the reliability/accuracy of data entered into the Bank's information systems;
- e) initiates the involvement of resources from other divisions of the Department to conduct unscheduled investigations in regional centres/branches; participates in audits conducted by other divisions of the Department (in accordance with instructions/tasks determined by the Director and Deputy Director of the Department - Head of the Operational Risk Audit Division);
- g) assesses (during on-site audits or remotely) the effectiveness of the internal control system in terms of territorial divisions, including assessing the quality of the activities of their heads/regional managers;
- h) monitors the implementation of recommendations provided by the Bank's responsible divisions based on the results of audits conducted by the department and prepares information for the preparation of periodic reports on these issues for the management of the Department, the Management Board and the Supervisory Board.

8.2.2.3. **Information Systems Audit Desk:**

- a) develops work programs for audit assignments and determines the procedures necessary for conducting risk-oriented information and communication technology (hereinafter referred to as ICT), information security (hereinafter referred to as IS) and cyber risk audits;
- b) participates in the development of strategic and annual work plans for processes with predominant information and cyber risks, conducts audits in the relevant areas and prepares audit reports on their results;
- c) participates in audits conducted by other divisions of the Department (in accordance with instructions/tasks determined by the Director of the Department and the Deputy Director of the Department), in audits of participants in the Banking Group, and in audits involving external experts on an outsourcing or co-sourcing basis (department employees may act as coordinators in the interaction between external experts and Bank employees);

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- d) participates in discussions with management on the results of audits if there are issues related to ICT, information security and cyber risks;
- e) ensures the timely and high-quality preparation of working documents (documentation of internal audit work in the process of planning and performing tasks) and documentation confirming observations and conclusions based on the results of tasks performed;
- f) monitors the implementation of recommendations made based on the results of audits in the area of ICT, information security and cyber risks addressed to the Bank's divisions, as well as analyses assessments made by other departments regarding the effectiveness of management actions to eliminate deficiencies in the area of ICT, information security and cyber risks; and, upon request, prepares periodic reports on these issues for the management of the Department, the Management Board and the Supervisory Board;
- e) on behalf of the Director of the Department and the Deputy Director of the Department, conducts investigations in the field of ICT, information security and cyber risks, performs tasks related to the provision of consulting services within the limits and scope determined by the Director of the Department;
- g) conducts analysis of ICT, information security and cyber risks in relation to audit objects;
- h) checks and assesses the effectiveness of the ICT, information security and cyber risk management system and the internal control system in terms of individual processes/services/applications for which an audit has been commissioned;
- i) recommends additions or changes to the Bank's internal documents based on the results of audits, if necessary to eliminate deficiencies in the area of ICT, information security and cyber risks;
- k) the head of the department administers the software used in the Department to automate internal audit processes and assists Department employees in resolving technical issues arising from the use of this software.

8.2.3. **Audit Methodology and Monitoring Desk:**

- a) develops an annual planning methodology based on an assessment of the risks of audit objects and carries out preparatory work to identify audit objects (processes and functions);
- b) studies advanced technologies for conducting internal audits in banks and develops methodologies for each stage of the audit process and quality control procedures;
- c) participates in planning audits of the Bank's structural units and processes in accordance with the Department's annual Audit Plan by analysing changes in the legislative and regulatory framework of Ukraine and internal regulatory and instructional documents in the areas of audit and providing proposals on topical issues for inclusion in the Working Programs of audit tasks (if any). At the request of the Director of the Department, develops draft standard programs as necessary;
- d) Assists the Director of the Department in the process of planning activities and monitors the actual implementation of plans across the Department's divisions, interacting with them as appropriate;
- e) provides advisory assistance to the Market Risk Audit and Audit Coordination Desk of the Financial Risk Audit Division (upon request) on annual planning of activities of internal audit units of Banking Group participants, harmonisation of their internal documents and audit procedures in accordance with the Bank and Banking Group Audit Policy and the Department's audit procedures, and development of templates for performance reports;

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- e) studies the results of audits conducted by other departments in order to determine which regulatory documents of the Department need to be created or supplemented;
- f) continuously monitors the legislative and regulatory framework of Ukraine and internal regulatory and instructional documents of the Bank; if necessary, communicates information relevant to their competence to other departments of the Department;
- g) periodically reviews the Department's internal documents (regulations, policies, guidelines, etc.) and raises the issue of the need to update them with the Director of the Department;
- h) creates and maintains a library of internal audit knowledge (know-how) based on the results of audits, including a library of risks and control procedures;
- i) organises internal training, assists the Director of the Department in developing training plans and conducting testing of Department employees;
- k) participates in the implementation and periodic analysis of the effectiveness of software tools used to manage the internal audit function, assists Department employees in the application of audit process automation tools;
- l) organises the Department's internal document flow and ensures the archival storage of documents.

8.2.4. **Remote Audit Desk:**

- a) develops and improves approaches and methods for remote control in key areas of the Bank's activities;
- b) collects, accumulates, systematises and analyses information necessary for planning and conducting audits, including:
 - collection and analysis of financial, management and other reports generated by the Bank's divisions;
 - calculating analytical indicators and analysing data obtained directly from the Bank's information systems;
- c) conducts remote analysis/off-site audits based on the collected and systematised information (without checking documents), prepares analytical reports on the results of the analysis/audits and informs the Director and Deputy Directors of the Department, as well as other departments of the Department, about cases of unexplained risk increases or abnormal deviations;
- d) monitors risk level trends (based on audits, external body checks, customer complaints, etc.), identifies warning signs and, in consultation with the Deputy Director of the Department – the head of the department overseeing the relevant area of audit activity, informs the Director of the Department about the advisability of conducting unscheduled audits;
- e) participates in strategic and annual planning during the annual risk assessment and controls in terms of updating financial performance indicators for audit objects and ranking regional divisions of the Bank's network in accordance with internal procedures; provides proposals regarding divisions that require special attention during the audit;
- e) monitors management actions to implement recommendations of external auditors and regulatory authorities provided based on the results of their audits, and prepares reports on these issues for the Department's management, the Management Board and the Supervisory Board upon request;
- f) participates, as necessary, in audits conducted by other divisions of the Department, in accordance with the instructions/tasks determined by the Director of the Department and the annual audit plan.

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9. ORGANISATION OF AUDITS AND REPORTING OF THEIR RESULTS

9.1. Audits of the Bank's structural divisions and areas of activity are carried out by the Department on the basis of the Department's annual plan approved by the Bank's Supervisory Board and any amendments thereto.

All operational and business processes are subject to review at least every 4 years (audit cycle). Processes with the highest risks may be reviewed annually, provided that the Department has the necessary resources.

Regardless of the risk assessment, the Department's annual activity plan must include audits of objects that are mandatory in accordance with the requirements of Ukrainian legislation, including regulatory and legal acts.

Unscheduled audits may be carried out at the request of the Bank's Supervisory Board (Audit Committee) and/or at the initiative of the Chairman of the Management Board or the Director of the Department, as agreed with the Audit Committee, including by agreeing the assignment with all members of the Audit Committee by email.

Assignments for conducting investigations and providing consulting services may:

- a) be included in the Department's annual activity plan as part of the annual planning process, specifying the total working time fund of the Department's employees and granting the Director of the Department the right to decide on the performance of a specific task on his own initiative or at the request of the Chairman of the Bank's Management Board;
- b) in case of urgent need, provided that there is no unused working time fund in the current year to perform the relevant audit tasks, or in case of disagreement of the Director of the Department with the request of the Chairman of the Management Board to provide consulting services or conduct an investigation (e.g., in the event of a possible conflict of interest), the decision to include the task in the Department's annual plan shall be made in the same manner as that established for unscheduled audits.

9.2. An audit, regardless of the subject matter of the audit, shall include the review and assessment of the following areas (processes) of the Bank's activities, in particular:

- a) the effectiveness of risk management and internal control systems, corporate governance in relation to the Bank's current and potential future risks;
- b) the reliability, effectiveness and integrity of information management systems and processes (including the completeness and quality of data, including data provided to the National Bank of Ukraine);
- c) the Bank's compliance with legal requirements, including legislation in the field of prevention of money laundering/ , recommendations of the National Bank, internal regulations, rules and codes of conduct applicable to Bank employees.

The audit should also include, where appropriate, a review of payment services activities for compliance with Ukrainian legislation.

9.3. Conducting audits and other audit assignments (conducting special audits, investigations, providing advice, etc.), preparing reports on their results and communicating the results to executive management, the Management Board and the Supervisory Board (Audit Committee) is carried out in accordance with the Audit Policy of the Bank and the Banking Group and taking into account the requirements of the Global Standards for Internal Auditing.

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- 9.4. The heads of the units being audited are notified of the audits, with the exception of surprise audits, by means of an order for an internal audit signed by the Director of the Department. In cases where the audit requires additional material resources (field audits involving business trips, etc.), the Director of the Department may additionally initiate the issuance of an order for the Bank signed by the Chairman of the Management Board, which is binding on other structural divisions.
- 9.5. The audit is carried out on the basis of the Audit Work Program, which shall be prepared taking into account, in particular, the following:
- a) the scope of the audit program and audit procedures must be sufficient to achieve the objectives of the assignment;
 - b) the scope and type of audit procedures shall be determined on the basis of the results of the risk assessment carried out in preparation for the audit and/or when drawing up the Bank's annual audit plan for the reporting year or drawing up the risk map.
- 9.6. The audit program shall contain:
- a) the name of the object (area of activity) of the audit;
 - b) the basis for conducting the audit;
 - c) the objectives and directions of the audit, taking into account the assessment of risks associated with the subject of the audit;
 - d) a list of processes that will be subject to audit, indicating the approximate time (days) planned to be spent on their verification;
 - e) the period subject to audit;
 - f) the start and end dates of the audit;
 - f) procedures for collecting, analysing, evaluating and documenting information about the subject of the audit, the minimum sample size and the types of analytical procedures that will be used during the audit;
 - g) a list of internal auditors and other persons involved in the audit;
 - h) disclosure of the nature of any restrictions, if any, organisational independence and individual objectivity.
- The audit program shall be drawn up in writing (in electronic form or on paper), signed by the head of the audit, agreed upon by the Deputy Director of the Department – the head of the department appointed as the quality controller for this audit, and approved by the Director of the Department before the start of the audit (audit). The audit program is signed electronically using a digital signature.
- During the audit process, changes may be made to the program, which must be documented in writing, agreed with the Deputy Director of the Department – the head of the department who is the supervisor of the audit assignment in the relevant area, and approved by the Director of the Department in accordance with the established procedure.
- 9.7. If the Department does not have internal auditors with the qualifications and skills necessary to perform a specific audit task, the Director of the Department may decide to conduct the audit on an outsourcing basis (full performance by an external service provider) or co-

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sourcing basis (involving an external service provider as the head or member of the audit team together with the appointed employees of the Department). The Director of the Department must agree such a decision with the Supervisory Board (Audit Committee) with the corresponding reflection in the annual plan of the Department's activities and, if necessary, with the allocation of a budget to pay for the services of an external provider. External internal audit service providers may be engaged on a paid basis (based on contracts concluded with the Bank) or on a pro bono basis (involvement of employees of SCM JSC).

If an external service provider is engaged to perform or participate in the performance of an audit assignment, the Director of the Department is responsible for ensuring that the internal audit effectively and efficiently performs its duties under these Regulations and complies with the requirements of the Global Standards for Internal Auditing.

An external service provider engaged on an outsourcing or co-sourcing basis must, prior to commencing the audit assignment, sign a written undertaking not to disclose or use for its own benefit or for the benefit of third parties any information constituting banking and commercial secrets, and to preserve such information in accordance with the requirements of the current legislation of Ukraine.

- 9.8. The audit report on the results of the audit shall be prepared in accordance with the requirements of the Global Standards for Internal Auditing and shall be signed by the internal auditor who directly performed the audit, the head of the audit team, Deputy Director of the Department – the head of the department who supervised and controlled the quality of the work of the group of auditors, and the Director of the Department. The audit report on the results of the audit may be signed electronically using a digital signature or, at the discretion of the Director of the Department, on paper.
- 9.9. The audit report shall include management responses and a description of corrective measures that have been or are to be implemented to address the identified deficiencies and implement the audit recommendations. The responses of the management of the units that were audited, included in the audit report, shall contain the deadline for the implementation of the planned measures.
- 9.10. The audit report shall be submitted to the heads of structural divisions [participants in the processes subject to audit], the Bank's Management Board, the Bank's Supervisory Board and the Audit Committee for the adoption of timely and appropriate organisational (corrective) measures.
- 9.11. The Department shall monitor the implementation of its recommendations in an appropriate manner. The process of monitoring/tracking the results of audits by the Department shall begin after the audit report has been provided to the audited entity and shall end after the latter has implemented all recommendations (proposals). All significant comments remain under the control of the Department until they are finally resolved.

The absence of the need for further monitoring/tracking of audit results (audit) is established by the Director of the Department confirming the information provided by the head of the audit on the fulfilment by the audited entity of all and in full the recommendations (proposals) that were provided based on the audit results.

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10. RELATIONS WITH EXTERNAL AUDITORS AND STATE SUPERVISORY BODIES

- 10.1. The Director of the Department shall ensure the possibility of exchanging information between the Department and the Bank's external auditor on internal audit issues, including the application of relevant audit procedures.
- 10.2. Relations and information exchange between the Department and the Bank's external auditor, state authorities and government bodies that supervise the activities of banks within their competence shall be carried out in compliance with the requirements of Ukrainian legislation and the Bank's internal documents on the storage, protection, use and disclosure of information constituting banking and commercial secrets. The procedure for providing audit reports on the results of internal audits and disclosing internal audit working documents to external auditors and supervisory authorities is determined by the Audit Policy of the Bank and the Banking Group and the relevant internal documents of the Bank.
- 10.3. The Bank's Supervisory Board ensures that the Department is provided with a plan and program for the audit of the annual financial statements, consolidated financial statements and other information on the Bank's financial and economic activities, which is carried out by the Bank's external auditor.
- 10.4. The Supervisory Board, the Audit Committee and/or the Bank's Management Board may engage the Director of the Department to hold meetings with external auditors and representatives of state supervisory authorities to discuss the effectiveness of the measures proposed by the Bank, which must be implemented by them taking into account the recommendations provided or requirements imposed.
- 10.5. The Director of the Department shall maintain, within the limits of Ukrainian legislation, constant communication with the National Bank of Ukraine to discuss the Bank's risks identified by both parties, the National Bank of Ukraine's understanding of the Bank's measures aimed at reducing risks, and the implementation of constant monitoring of the Bank's actions on the identified problems.

11. REPORTING OBLIGATIONS

- 11.1. The Department reports to the Supervisory Board and the Management Board of the Bank in accordance with paragraphs 6.2 and 6.3 of these Regulations.
11. Information on the Department's work shall be included in the Bank's annual report.
- 11.3. The Department shall provide the National Bank of Ukraine with:
- a) within ten working days after approval in accordance with the established procedure, but no later than the last working day of the first month of the year, a plan for conducting audits for the next reporting year;
 - b) within ten working days after approval in accordance with the established procedure - changes to the annual plan for conducting audits (in case they are made);

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- c) twice a year within 15 days of the month following the reporting period (half-year) - a report on the work of the Bank's internal audit department in accordance with the Appendix to the "Regulations on the organisation of internal audit in banks of Ukraine", approved by Resolution of the Board of the National Bank of Ukraine No. 311 dated 10 May 2016, which contains, in particular, information on the verification of processes implemented by the Bank's structural divisions, its specialised committees and the Bank's management for the performance of those activities that were subject to verification during the reporting period;
- d) upon written request of the National Bank of Ukraine addressed to the Supervisory Board of the Bank, provides other information on issues within the competence of the Department, in the form and within the time limit specified in the written request of the National Bank.

11.4. Reports/documents provided for in these Regulations shall be submitted to the National Bank of Ukraine in one of the following ways:

- 1) on paper, with electronic copies of these documents provided at the same time without a qualified electronic signature;
- 2) in the form of an electronic document signed with a qualified electronic signature, or an electronic copy of the document certified with a qualified electronic signature, to the official e-mail address of the National Bank of Ukraine or by other means of electronic communication used by the National Bank of Ukraine for electronic document management.

Documents may also be submitted in electronic form in the format specified by the National Bank of Ukraine at its request.

11.5. Electronic copies of documents shall be created in the form of files containing images of documents scanned from paper media.

Scanning of images of documents from paper media shall be carried out in accordance with the following requirements:

- 1) the document shall be scanned into a pdf file;
- 2) a scanned copy of each individual document shall be saved as a separate file;
- 3) the file must have a short name in Latin letters reflecting the content and details of the document;
- 4) a document containing more than one page is scanned into a single file;
- 5) the scanning resolution must be at least 300 dpi.

Electronic copies of documents may be submitted on digital media or sent by email to the National Bank of Ukraine.

12. QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

12.1. The Bank's Supervisory Board shall supervise the activities of the Department.

12. The Supervisory Board shall annually assess the effectiveness of the Department's activities on the basis of key indicators agreed with the Director of the Department and approved by the Supervisory Board.

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- 12.3. The Director of the Department regularly develops, implements and maintains the Department's Development Concept and the Internal Audit Quality Assurance and Improvement Program. Such a Program shall provide for external and internal assessment of the Internal Audit Department's compliance with the Global Internal Audit Standards, as well as performance measurements to assess the Internal Audit Department's progress in achieving its objectives as defined in the Development Concept and to promote continuous improvement. The program will also assess, where possible, compliance with laws and/or regulations relating to internal audit. In addition, where possible, the assessment will include plans to address deficiencies in the Internal Audit Department's activities and opportunities for improvement.
- 12.4. The external evaluation shall be conducted at least once every five years by a qualified independent evaluator or group of evaluators independent of the Bank; the qualification shall include at least one evaluator who holds an active Certified Internal Auditor (CIA) designation.
- 12.5. Annually, the Director of the Internal Audit Department reports to the Supervisory Board and the Management Board on the results of the implementation of the Internal Audit Quality Assurance and Improvement Program, including the results of internal assessment (continuous monitoring and periodic self-assessment). The results of the external assessment shall be submitted to the Supervisory Board and the Management Board of the Bank immediately after it is conducted, no later than one month after the release of the external expert's report.

13. REGULATORY DOCUMENTS OF THE DEPARTMENT

- 13.1. The Department is guided in its activities by the following documents:
- a) the Law of Ukraine "On Banks and Banking Activities";
 - b) Regulations on the organisation of internal audit in banks of Ukraine, approved by Resolution of the Board of the National Bank of Ukraine No. 311 dated 10 May 2016, as amended and supplemented;
 - c) Global Internal Audit Standards developed by the International Internal Audit Standards Board;
 - d) The Bank's Charter;
 - e) The Audit policy of JSC "FUIB" and the Banking Group of JSC "FUIB";
 - f) Regulations on the Bank's Internal Audit Department;
 - f) Regulations on Banking Licensing, approved by Resolution of the Board of the National Bank of Ukraine No. 149 dated 22 December 2018, as amended and supplemented;
 - g) Methodological recommendations on the organisation of corporate governance in Ukrainian banks, approved by Resolution No. 814-рш of the Board of the National Bank of Ukraine dated 3 December 2018, as amended and supplemented;

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- h) other legislative acts of Ukraine, regulatory acts of the National Bank of Ukraine and other regulatory bodies concerning the activities of the internal audit department in banks;
- i) internal regulatory and administrative documents of the Bank governing administrative and personnel issues;
- i) procedures, regulations, guidelines, and instructions regarding the organisation of the audit process, approved by the Director of the Department;
- ii) recommended guidelines of the Institute of Internal Auditors, if applicable to the activities of the Department.

14. DOCUMENT REVIEW PROCEDURE

- 14.1 The Regulation shall be updated once every three years, with the Internal Audit Department responsible for the update. The Director of the Department shall annually consider the need to make changes and additions to this Regulation and, if necessary, initiate its update before the next update date.
- 14.2. Circumstances may require further discussion between the Director of the Internal Audit Department, the Supervisory Board and the Management Board and an unscheduled update of the internal audit mandate or other aspects of these Regulations. Such circumstances may include (but are not limited to):
- a significant change in the Global Internal Audit Standards;
 - a merger, division or reorganisation of the Bank;
 - changes in the Director of the Department or significant changes in the composition of the Supervisory Board and/or the Management Board;
 - significant changes in the Bank's strategies, objectives, risk profile or the environment in which the Bank operates;
 - new laws or regulations that may affect the nature and/or scope of internal audit services.

15. FINAL PROVISIONS

- 15.1. The Regulations, as well as all amendments and additions thereto, shall be approved by the Bank's Supervisory Board.
15. The content of these Regulations shall be brought to the attention of all employees of the Bank and members of the Banking Group by the Bank's management, and all interested parties shall be given the opportunity to familiarise themselves with them by posting the Regulations on the Bank's website.

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16. HISTORY OF CHANGES

Date	Author	Description of changes
27.02.2012	Mekh H.V.	Revision No. 1.
23.04.2015	Mekh H.V.	Revision No. 2. The provisions have been updated and brought into line with the Law of Ukraine "On Banks and Banking Activities", taking into account the amendments made on 4 July 2014. The list of functions of the Department has been revised, reflecting the requirements of the Law of Ukraine regarding the professional qualifications of employees and the head of the internal audit department, the procedure for dismissing the head of the department without his or her initiative, the prohibition for the head to hold positions in other banks, and the expansion of the rights and obligations of internal audit employees. In addition, in all cases, the title "head" has been replaced with "director" of the Department, and " <i>Working Group (Committee) on Audit and Risks</i> " has been replaced with " <i>Working Group on Audit and Risks</i> ," in accordance with the current staffing table of the Department and the "Regulations on the Working Group of the Supervisory Board of PJSC "FUIB" on Audit and Risks", approved by the decision of the Supervisory Board dated 27 April 2012 (Minutes No. 172).
30 June 2016	Mekh H.V.	Revision No. 3. The Regulations have been brought into line with the requirements of the Regulations on the Organisation of Internal Audit in Banks of Ukraine, approved by Resolution No. 311 of the Board of the National Bank of Ukraine dated 10 May 2016. The structure and content of the Regulations have changed significantly, and it is recommended that you familiarise yourself with the full text of the document.
18 December 2018	Mekh H.V.	Revision No. 4. The Regulations have been updated in the following respects: 1) addition of Section 4 "Procedure for interaction and exchange of information between the Department and structural divisions and management bodies of the Bank" to the Regulations; 2) clarification of the procedure for reporting to the Supervisory Board (clause 6.2); 3) adding a clause to the Regulations on the responsibilities of the Director, Deputy Directors and employees of the Internal Audit Department (clause 7.6); 4) amendments to the list of functions of the Department's divisions (Section 8); 5) supplementing the Regulations with a clause on engaging external service providers to perform audit tasks on an outsourcing or co-sourcing basis (clause 9.7);

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		<p>6) bringing the Regulations into line with the requirements of Resolution No. 105 of the Board of the National Bank of Ukraine dated 24 October 2017 (additional requirements for the procedure for submitting reports to the National Bank, clause 10.3).</p> <p>In connection with the establishment of the Audit Committee at the Bank, the name "Audit and Risk Working Group" has been replaced with "Audit Committee" throughout the text.</p> <p>In accordance with the amendments made to the Bank's Charter, the name "Supervisory Board" (in Ukrainian, "Спостережна рада") has been replaced in all instances and cases with "Supervisory Board" (in Ukrainian, "Наглядова рада"), and the reference to the "Audit Commission" has been removed from the text along with the paragraph on the interaction of the Internal Audit Department with it.</p>
12 July 2021	Mekh H.V.	Revision No. 5. Scheduled update of the Regulations (replacement of PJSC "FUIB" with JSC "FUIB"; amendments to clause 5.4, including in accordance with Resolution No. 152 of the Board of the National Bank of Ukraine dated 26 December 2018; addition of a clause stating that the annual plan of activities of the Department, regardless of the risk assessment, must include audits of audit objects that are mandatory in accordance with the requirements of the regulatory authorities; clarifications regarding the functions of departments (in clause 8.2); addition of clauses 2.5.6, 4.7 and approval of the audit program by the Deputy Director of the Department; in clause 9.7, addition of a provision on engaging external suppliers on a paid and free basis; other clarifications).
14.02.2022	Mekh H.V.	Revision No. 6. Amendments in accordance with the requirements of Law of Ukraine No. 1587-IX "On Amendments to Certain Legislative Acts of Ukraine to Improve Corporate Governance in Banks and Other Issues of the Banking System," Resolution of the NBU Board No. 133 dated 3 December 2021 "On Amendments to Certain Regulatory Acts of the National Bank of Ukraine," the "Regulations on Licensing Banks" approved by Resolution of the Board No. 149 dated 22 December 2018 (as amended), etc. Added functionality for project managers in the field of information technology auditing; other clarifications.
24 April 2024	Mekh H.V.	Revision No. 7. Changes made in accordance with the changes in the organisational structure of the Internal Audit Department approved by the Supervisory Board; the role of project manager in the field of general banking risk auditing has also been added; individual changes to the Global Internal Audit Standards have been taken into account, including new terminology and glossary, internal audit objectives, audit

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		supervisor functions; changes to the maximum cycle/planning horizon for process coverage by audits and other changes.
08.12.2024	Mekh H.V.	Revision No. 8. Changes have been made to bring the Regulations into line with the Global Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors. The Regulations have been supplemented with a definition of the internal audit mandate (clause 2.2), as well as additions regarding the areas of work (clause 2.3), independence, organisational positioning and reporting of the Department (clauses 3.3 and 6.2), quality assurance and improvement program (section 12) and other technical amendments.
11.02.2026	Mekh H.V.	Revision No. 9. Due to changes in the organisational structure of the Internal Audit Department, amendments have been made to sections 5.1 and 8.2, reflecting the transfer of the Information Systems Audit Division, which previously reported directly to the Director of the Department, to the Operational Risk Audit Division of the Internal Audit Department.

- 16.1. From the date of approval of this version of the Regulations, the Regulations on the Internal Audit Department of JOINT STOCK COMPANY "FIRST UKRAINIAN INTERNATIONAL BANK" approved by the decision of the Supervisory Board of JSC "FUIB" Protocol No. 433 dated 19 December 2024 (ID: CAE6E44E8B328403C2258BEE0051BAE9).

**Director of the
Internal Audit Department**

Hanna MEKH