

**REGULATION**  
**on the Internal Audit Service**

<b>Rev.No.</b>	<b>Pages changed</b>	<b>Developed by</b>	<b>Approved by</b>
0		Internal Audit Service of NAC Kazatomprom JSC, Head of IAS – M. Korganbayeva	Decision of the Board of Directors of NAC Kazatomprom JSC No. 9/23 dated 24 August 2023

## 1 Purpose

This Regulation on the Internal Audit Service (hereinafter - the Regulation) define the goals, functions, powers and responsibilities of the Internal Audit Service (hereinafter - the IAS).

## 2 Scope

The Regulation applies to the activities of the IAS of NAC Kazatomprom JSC. The requirements of the Regulation are mandatory for all IAS employees to guide their work.

## 3 General provisions

3.1. The Internal Audit Service is an independent structural subdivision of the Company, subordinate to the Board of Directors, in accordance with the current legislation of the Republic of Kazakhstan (hereinafter - the RK), the Charter, This Regulation and other internal documents of the Company.

3.2. The IAS is headed by a Head, appointed and dismissed by decision of the Board of Directors in the manner established by the legislation of the Republic of Kazakhstan and internal documents of the Company.

## 4 Terms, definitions and abbreviations

4.1. For the purpose of the Rules, the following terms and definitions shall mean:

4.1.1 **Internal audit** - in accordance with International Professional Practices Framework, this is “the activity of providing independent and objective guarantees and advice aimed at improving the activities of the organization. Internal audit helps an organization achieve its goals by using a systematic and consistent approach to assessing and improving the effectiveness of risk management, control and corporate governance processes.”;

4.1.2 **The audit universe** is a set of audit objects (subsidiaries and affiliates without subsidiaries, processes/subdivisions/projects/individual areas of the Company);

4.1.3 **Group** – Company and subsidiaries and affiliates;

4.1.4 **AAP** – annual audit plan;

4.1.5 **S&As** – subsidiaries and affiliates of the Company;

4.1.6 **AC** – Audit Committee under the Board of Directors of the Company;

4.1.7 **Guarantee map** - a document defining the areas of responsibility of the second line subdivisions of the Internal Control System and other parties concerned in relation to the assessment of individual risks of the Group organizations.

4.1.8 **IPPF (International Professional Practices Framework)** is the conceptual framework of internal audit, systematized generally accepted normative and methodological documents developed by the international Institute of Internal Auditors (IIA). The constituent elements of the International Professional Practices Framework are the Basic Principles of the Professional Practice of Internal Auditing, the Code of Ethics, the Standards and the Definition of Internal Auditing;

4.1.9 **Organizations** – for the purposes of this provision, these are subsidiaries and affiliates included in the AAP;

4.1.10 **Company** – NAC Kazatomprom JSC;

4.1.11 **IAS** – Internal Audit Service;

4.1.12 **BoD** – Board of Directors of the Company;

4.1.13 **CS** – Compliance Service of the Company.

## 5 Organizational status of IAS

5.1. In order to ensure independence, the IAS is functionally accountable to the Board of Directors of the Company and administratively accountable to the Management Board of the Company.

- 5.2. Functional accountability of the Board of Directors means that the Board of Directors:
- approves the Regulation on IAS, the Code of Ethics for IAS Employees, methodological documents (policies, procedures) of IAS;
  - approves the annual plan and the plan for improving the activities of the IAS;
  - reviews reports on the results of internal audit activities;
  - approves the need to attract external providers of internal audit services in certain areas;
  - determines and approves the term of office and quantitative composition of the IAS, with prior approval by the authorized division of the HR block for availability of the wage fund budget and the total number of personnel of the Company;
  - approves the appointment of the Head and employees of the IAS, as well as the early termination of their powers;
  - approves the key performance indicators of the IAS and its Head, with preliminary approval by the authorized division of the HR block for compliance with international internal audit standards and other internal requirements;

- approves the amount and terms of remuneration and bonuses for IAS employees;
- approves limits on the main budget items (cost estimates) of the IAS.

5.3. Administrative accountability means that the Management Board of the Company:

- allocates the necessary resources within the approved budget of the IAS;
- receives reports on the activities of the IAS, audit reports as necessary;
- provides support in interaction with subsidiaries and affiliates of the Company.

5.4. The job responsibilities of the IAS employees are determined and approved by the Head of the IAS, the job responsibilities of the Head of the IAS are approved by the Chair of the AC.

5.5. Grounds for the decision of the Board of Directors not to renew the powers of IAS employees are :

- receiving a rating “Does not meet expectations” based on the results of the annual comprehensive performance assessment, in accordance with the current internal documents of the Company, during the term of office;
- or, additionally for the Head of the IAS – receiving a rating of compliance of the IAS activities with international internal audit standards below 75% based on the results of an independent external assessment, during the term of office of the Head of the IAS.

## **6 Goals and functions of IAS**

6.1. The main mission of IAS is to preserve and increase the value of Organizations by providing objective internal guarantees (inspections) based on a risk-based approach, providing recommendations and sharing knowledge .

6.2. IAS assesses and contributes to the improvement of corporate governance, risk management and control processes in Organizations using a systematized, consistent and risk-based approach.

6.3. The IAS must provide an assessment and appropriate recommendations for improving the following corporate governance processes of the Company:

- making strategic and operational decisions;
- supervising the risk management and internal control system;
- promotion of ethical standards and values within the Company;
- ensuring effective management of the Company’s activities and responsible attitude to work;
- transfer of relevant information on risk and control issues within the Company;

6.4. The IAS must assess compliance by members of the executive body and employees of the Company with external and internal requirements regarding insider information.

6.5. By prior mutual agreement through the Guarantee Map, certain areas can be assessed by the Investigative Committee and the Ombudsman, in particular:

- The Investigative Committee conducts an internal analysis of the anti-corruption and

fraud system and the reliability of procedures for combating illegal actions, abuses and corruption in the Company;

- The Investigative Committee, together with the Ombudsman, checks compliance by members of the executive body and employees with the Code of Ethics and Compliance in the Company.

6.6. The IAS must assess whether the information technology management system complies with the Company's strategy and goals.

6.7. The IAS must evaluate the effectiveness of the Company's risk management processes. Determining the effectiveness of risk management processes is based on the judgment of IAS employees, formed based on the results of an assessment of the following categories:

- the goals of the Company are consistent with its mission;
- significant risks are identified and assessed;
- risk response measures are selected that allow risks to be kept within the Company's risk appetite;
- information regarding risks is collected and transmitted within the Company in a timely manner, which enables personnel and management to fulfil their duties.

6.8. To assess the risk management and internal control system at the Group level, the IAS uses a methodology agreed with the AC.

6.9. IAS should assist Organizations in maintaining a sound internal control system by assessing its effectiveness and efficiency and promoting its continuous improvement. Internal audit should assess the adequacy and effectiveness of control over these risks in the field of corporate governance, the operating activities of an individual Organization and its information systems, in terms of:

- achieving the strategic goals of the organization;
- reliability and integrity of information on financial and economic activities;
- effectiveness and efficiency of activities and programs;
- asset safety;
- compliance with laws, regulations, policies, procedures and contractual obligations.

6.10. IAS may undertake consulting assignments in the following areas (subject to sufficient resources):

- participation in documenting the internal control system;
- comparative analysis of the activities of organizations within the Group;
- comparative analysis of certain areas of the Company's activities with leading practitioners;
- participation in assessing the adequacy of controls in acquired new software of the Company;
- and others at the request of the Board, subject to their inclusion in the audit plan approved by the Board of Directors;
- consultations in the field of internal audit methodology for IAS of S&As (if any)

6.11. The "Audit Universe" is compiled by the Head of the IAS, with the participation of IAS employees.

6.12. The IAS carries out other unscheduled tasks (including direct requests from government bodies, the Management Board) and participates in other unscheduled projects only by decision of the BoD or AC, subject to the availability of sufficient resources, the necessary expertise in the IAS, and the absence of negative factors affecting the independence and objectivity of employees IAS when performing requested tasks or participating in projects.

## **7 Powers of the IAS**

7.1. IAS employees have the right to:

- gain unhindered access to any premises, personnel, assets, documents, accounting records, software and request any information about the activities of the Organizations;

- receive originals and copies of documents;
- monitor the implementation by Organizations of measures (corrective actions) carried out based on the results of audits;
- go on business trips within the Organization.

7.2. IAS employees must refrain from direct participation in risk management and risk measurement, which is the responsibility of the Organization's management.

7.3. The IAS must be free from interference from third parties in the process of determining the scope of internal audit, carrying out work and reporting on the results. The Head of the IAS should provide information to the BoD if there are interventions and discuss the possible consequences.

7.4. IAS may offer the management of Organizations recommendations for optimization/improvement of their activities, including based on best practices.

7.5. The IAS may offer recommendations to the Board of Directors on optimization/improvement of internal audit activities.

7.6. The Head of the IAS may initiate the involvement of internal/external experts not employed in the internal audit unit to support or assist in work in areas where internal audit lacks professionalism, subject to independence and objectivity.

7.7. If the Head of the IAS is required to perform functions and/or responsibilities outside the scope of internal audit, the Head of the IAS may refuse if the performance of such functions/responsibilities may have a negative impact on independence or objectivity.

7.8. The Head of the IAS may attend and participate in meetings of the BoD regarding issues of audit, financial reporting, corporate governance, risk management and internal control, the supervisory of which is the responsibility of the BoD.

7.9. In order to ensure adequate coverage and minimize duplicative functions, the Head of the IAS can exchange information and coordinate activities with other internal divisions of the Company of the second line of the internal control system and other parties providing services for the provision of guarantees and consultations (external financial auditors, IAS S&As, if any). The Head of the IAS, together with the divisions of the Company, can draw up a Guarantee Map and provide it for the information of the Board of Directors.

7.10. IAS may undertake assurance assignments in areas where consulting assignments have previously been performed, provided that the nature of the advisory assignment will not affect objectivity and that personal objectivity is ensured in the allocation of manpower to the assignment.

7.11. When studying quarterly reports of internal auditors of S&As, the IAS should pay attention to significant discoveries that require the attention of the Company's Audit Committee. If any are identified, the Head of the IAS must inform the Chair of the Audit Committee.

## **8 IAS responsibility**

8.1. IAS employees must comply with the IAS Employees Code of Ethics (Appendix 1) and the requirements of This Regulation and other internal documents governing the activities of internal audit, as well as current legislation.

8.2. IAS employees should refrain from conducting assessments in areas for which they were previously responsible. Objectivity is considered to be adversely affected if the IAS employee provides assurances in an area for which he/she was responsible during the previous year.

8.3. IAS employees must be impartial and unbiased in their work and avoid conflicts of interest of any kind. If pressure/threats are exerted by the audited entity, they must immediately inform the Head of the IAS.

8.4. IAS employees must have the knowledge, skills and other competencies necessary to perform their job duties. To perform the tasks facing IAS, IAS employees must collectively possess or obtain the necessary knowledge, skills and other competencies.

8.5. IAS personnel must be conscientious and use their skills and abilities as would be expected of a sane and competent internal auditor.

8.6. The Head of the IAS must draw up a risk-based plan that determines the priorities of internal audit in accordance with the goals of the Company, based on an assessment of risk factors.

8.7. The Head of the IAS annually submits the AAP for approval by the Board of Directors, as well as limits on the main budget items (cost estimates) of the IAS. The Head of the IAS must inform the BoD about all restrictions that impede the implementation of the plan.

8.8. The Head of the IAS reports quarterly (within the established deadlines of the BoD) to the BoD on the progress of implementation of the audit plan. The report must also contain information about significant risks and control issues, including fraud risks, corporate governance issues, and other information required by the Management Board and the Board of Directors.

8.9. The Head of the IAS annually submits a report to the Board of Directors on self-assessment of internal audit activities.

8.10. The Head of the IAS must ensure the effective use of personnel and resources to implement the approved plan.

8.11. The Head of the IAS must effectively manage the internal audit unit in such a way as to ensure its usefulness for the Company. To minimize the risk of bribery, on-site teams should consist of at least two auditors.

8.12. The Head of the IAS must implement internal policies and procedures governing the activities of the internal audit unit and ensure their relevance

8.13. IAS employees must draw up and document a program for each audit engagement, including objectives, scope of the engagement, timing, and allocation of resources. Heads of audited objects must be familiar with the audit program.

8.14. IAS employees must display a professional attitude to work, taking into account:

- the amount of work required to achieve the objectives of the audit engagement;
- the relative complexity, materiality or significance of the matters in respect of which the warranties are provided;
  - adequacy and effectiveness of corporate governance, risk management and control processes;
  - the potential for material errors, fraud or failure to follow procedures;
  - The costs of providing audit assurance versus the potential benefits.

8.15. In a professional manner, IAS employees should consider using automated auditing methods and other data analysis methods.

8.16. IAS employees must be prepared to identify significant risks that could have an impact on the goals, activities or resources of the Organization. However, the procedures during audit engagements, even if carried out at the appropriate professional level, do not in themselves guarantee the identification of all significant risks.

8.17. IAS personnel must collect adequate reliable, relevant and useful information to achieve the objectives of the engagement (Adequate information is information that is factual and convincing enough that a reasonable and informed user would reach the same conclusions as an auditor. Reliable Information is the most complete and trustworthy information that can be obtained by applying appropriate audit procedures. Relevant information is information that supports observations and recommendations and is consistent with the objectives of the engagement. Useful information is information that helps the organization achieve its objectives).

8.18. IAS personnel must document evidence of engagement results and conclusions with sufficient reliable, relevant and useful information.

8.19. IAS employees must report the results of the engagement. Communications must be accurate, objective, clear, concise, constructive, complete and timely. Messages about results must contain information about the goals, content and results of the engagement.

8.20. The final reporting of the results of the engagement should contain relevant observations as well as relevant recommendations. Corrective action plans are drawn up separately from the management of the audited entity.

8.21. If, in the opinion of the Head of the IAS, the level of residual risk accepted by the management of the Group Entities cannot be acceptable, the Head of the IAS should discuss this issue with the management of the organization. If the problem related to the residual risk still remains unresolved, the Head of the IAS should immediately refer the issue to the BoD for consideration.

8.22. IAS employees must immediately report to the Head of the IAS about any facts of fraud discovered during the audit, including facts of an offer of a bribe. The Head of the IAS, in turn, immediately reports these facts to the Management Board of the Company and the Board of Directors at the same time. If signs of fraud are detected, IAS employees must reflect this information in the audit report and inform parties concerned according to the scheme in the current Anti-Corruption and Anti-Fraud Policy.

8.23. The Head of the IAS develops and implements a program to ensure and improve the quality of work of the IAS. Such a program includes ongoing monitoring, as well as periodic internal and external assessments of the quality of internal audit. An external assessment of the quality of internal audit with the involvement of third-party experts is carried out at least once every five years. The Head of internal audit must facilitate the involvement of the AC/BoD in the formation of activities and evaluation of the effectiveness of the program for ensuring and improving the quality of internal audit.

8.24. The Head of the IAS must control access to documents related to the activities of the IAS. Before transferring documents to an external party, the Head of the IAS must obtain the approval of the Company's management in the appropriate manner.

8.25. The Head of the IAS must develop and maintain a system for monitoring the actions of the Organization's management (implementation of the action plan for the implementation of recommendations, including the recommendations of the external auditor on the consolidated financial statements) taken as a result of the audit assignment.

8.26. The Head of the IAS is responsible for the annual assessment of the compliance of the goals, functions, powers and responsibilities of the IAS defined in this Regulation with the tasks assigned to the internal audit, and for bringing the results of such assessment to the attention of the Board of Directors.

8.27. The structure of the IAS Regulation may differ from the Company's standards.

## **9 Qualification requirements**

9.1. The Head and employees of the IAS must not have unexpunged or not expired criminal record in accordance with the procedure established by law for crimes committed in the field of economic activity, for corruption and other crimes against the interests of the civil service and public administration.

9.2. Qualification requirements for positions and grades of IAS employees:

<b>Title:</b> Head of IAS	<b>Grade 22</b>
<b>Professional competencies (confirmation)</b>	
Mandatory	
<ul style="list-style-type: none"> <li>• Higher education in specialized fields - finance / economics / mathematics / information technology (diploma)</li> <li>• At least 5 years of experience in internal audit in large holding production and/or mining companies and/or the Samruk-Kazyna group of companies and/or audit companies and/or financial institutions;</li> <li>• Experience managing a team of at least 10 people for at least 2 years</li> <li>• Knowledge of international standards of internal auditing (availability of a professional CIA certificate )</li> <li>• Knowledge of international financial reporting standards (availability of professional certificates ACCA / DipIFR / CPA )</li> </ul>	

- Knowledge of international standards in the field of information technology audit (availability of a professional CISA/CISM certificate )
- Corporate governance standards (knowledge of the Fund’s Corporate Governance Code)
- English language proficiency (testing)
- Advanced user of MS-Excel , ability to use at least Vlookup, Hlookup, Data Validation, Pivot Tables, Charts, Conditional Formatting functions
- Knowledge of the basics of tax legislation - at least MET, CIT, IIT, VAT (interview/ testing )
- Knowledge of the basics of financial analysis - NPV , IRR , DCF , EVA , financial reporting ratios (interview/testing or professional CFA / CIMA / CMA certificates)
- Written and oral business communication skills (interview /practical demonstration )

Desirable

- MBA or additional education in a functional area
- Experience in leading international audit companies

**Required competencies**

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Information study and analysis</li> <li>• Planning</li> <li>• Result orientation</li> <li>• Professionalism and development</li> <li>• Teamwork and communication</li> </ul> | <ul style="list-style-type: none"> <li>• Management of changes</li> <li>• Leading</li> <li>• Strategic decision</li> </ul> |
|---|--|

**Level of direct communications**

- Members of the Board of Directors
- Management Board members
- Managing Directors
- Heads of S&As
- Heads of structural subdivisions of the Headquarters

**Title:** Chief Manager of IAS

**Grade 20**

**Professional competencies (confirmation)**

Mandatory

- Higher education in specialized fields - finance / economics / mathematics / information technology (diploma)
- Knowledge of international standards of internal auditing (availability of a professional CIA certificate )
- At least 3 years of experience in internal audit
- Knowledge of international standards in the field of information technology audit (availability of professional CISA / CISM certificates)
- Experience managing a team of at least 5 people for at least 2 years
- Corporate governance standards (testing knowledge of the Fund’s Corporate Governance Code)
- English language proficiency (testing)
- Advanced user of MS-Excel , ability to use at least Vlookup, Hlookup, Data Validation, Pivot Tables, Charts, Conditional Formatting functions
- Written and oral business communication skills (interview /practical demonstration )

Desirable

- MBA or additional education in a functional area

**Required competencies**

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Information study and analysis</li> </ul> | <ul style="list-style-type: none"> <li>• Management of changes</li> </ul> |
|--|---|



<ul style="list-style-type: none"> <li>• Planning</li> <li>• Result orientation</li> <li>• Professionalism and development</li> <li>• Teamwork and communication</li> </ul>	<ul style="list-style-type: none"> <li>• Leading</li> <li>• Strategic decision</li> </ul>
<b>Level of direct communications</b>	
<ul style="list-style-type: none"> <li>• Members of the Audit Committee</li> <li>• Management Board members</li> <li>• Managing Directors</li> <li>• Heads of S&amp;As</li> <li>• Heads of structural subdivisions of the Headquarters</li> </ul>	
<b>Title:</b> Chief Manager of IAS	<b>Grade 19</b>
<b>Professional competencies (confirmation)</b>	
<p>Mandatory</p> <ul style="list-style-type: none"> <li>• Higher education in specialized fields of finance / economics / mathematics / information technology (diploma)</li> <li>• At least 3 years of experience in internal audit</li> <li>• Knowledge of international standards of internal auditing (possession of a professional CIA certificate) or knowledge of international standards in the field of information technology audit (possession of professional CISA/CISM certificates)</li> <li>• Experience managing a team of at least 3 people for at least 2 years)</li> <li>• Corporate governance standards (testing knowledge of the Fund's Corporate Governance Code)</li> <li>• Advanced user of MS-Excel , ability to use at least Vlookup, Hlookup, Data Validation, Pivot Tables, Charts, Conditional Formatting functions</li> <li>• Written and oral business communication skills (interview /practical demonstration )</li> <li>• English language proficiency (testing)</li> </ul> <p>Desirable</p> <ul style="list-style-type: none"> <li>• MBA or additional education in functional area</li> </ul>	
<b>Required competencies</b>	
<ul style="list-style-type: none"> <li>• Information study and analysis</li> <li>• Planning</li> <li>• Result orientation</li> <li>• Professionalism and development</li> <li>• Teamwork and communication</li> </ul>	<ul style="list-style-type: none"> <li>• Management of changes</li> <li>• Leading</li> <li>• Strategic decision</li> </ul>
<b>Level of direct communications</b>	
<ul style="list-style-type: none"> <li>• Members of the Audit Committee</li> <li>• Management Board members</li> <li>• Managing Directors</li> <li>• Heads of S&amp;As</li> <li>• Heads of structural subdivisions of the Headquarters</li> </ul>	
<b>Title:</b> Chief Manager of IAS	<b>Grade 18</b>
<b>Professional competencies (confirmation)</b>	
<p>Mandatory</p> <ul style="list-style-type: none"> <li>• Higher education in specialized fields of finance / economics / mathematics / information technology / chemistry / mining (diploma)</li> <li>• Experience of working in internal audit or in the field of financial audit for at least 2 years; or at least 5 years in the field of mining/processing of natural uranium (expert interviews)</li> <li>• Knowledge of international internal audit standards or expert knowledge in the field of</li> </ul>	

<p>mining/processing of natural uranium/expert knowledge in the field of financial audit (expert interviews)</p> <ul style="list-style-type: none"> <li>• Experience managing a team of at least 2 people for at least 1 year</li> <li>• Corporate governance standards (testing knowledge of the Fund’s Corporate Governance Code)</li> <li>• Advanced user of MS-Excel , ability to use at least Vlookup, Hlookup, Data Validation, Pivot Tables, Charts, Conditional Formatting functions</li> <li>• Skills in written and oral business communication (interviews)</li> </ul> <p>Desirable</p> <ul style="list-style-type: none"> <li>• MBA or additional education in functional area</li> <li>• Availability of one of the list of professional certificates (CIA, CISA, CISM, DipIFR, CIMA)</li> <li>• Proficiency in English</li> </ul>	
<b>Required competencies</b>	
<ul style="list-style-type: none"> <li style="width: 50%;">• Information study and analysis</li> <li style="width: 50%;">• Professionalism and development</li> <li style="width: 50%;">• Planning</li> <li style="width: 50%;">• Teamwork and communication</li> <li style="width: 50%;">• Result orientation</li> <li style="width: 50%;">• Management of changes</li> </ul>	
<b>Level of direct communications</b>	
<ul style="list-style-type: none"> <li>• Managing Directors</li> <li>• Heads of S&amp;As</li> <li>• Heads of structural subdivisions of the Headquarters</li> </ul>	
<b>Title: IAS manager</b>	<b>Grade 16</b>
<b>Professional competencies (confirmation)</b>	
<p>Mandatory</p> <ul style="list-style-type: none"> <li>• Higher education in specialized fields of finance / economics / mathematics / information technology / chemistry / mining (diploma)</li> <li>• Experience of at least 1 year in internal audit / in the field of mining/processing of natural uranium / in the field of financial audit (expert interviews)</li> <li>• Knowledge of international internal audit standards or expert knowledge in the field of mining/processing of natural uranium or expert knowledge in the field of financial audit (expert interviews)</li> <li>• Corporate governance standards (testing knowledge of the Fund’s Corporate Governance Code)</li> <li>• Skills in written and oral business communication (interviews)</li> </ul> <p>Desirable</p> <ul style="list-style-type: none"> <li>• MBA or additional education in functional area</li> <li>• Availability of one of the list of professional certificates (CIA, CISA, CISM, DipIFR, CIMA)</li> <li>• Proficiency in English</li> </ul>	
<b>Required competencies</b>	
<ul style="list-style-type: none"> <li style="width: 50%;">• Information study and analysis</li> <li style="width: 50%;">• Professionalism and development</li> <li style="width: 50%;">• Planning</li> <li style="width: 50%;">• Teamwork and communication</li> <li style="width: 50%;">• Result orientation</li> <li style="width: 50%;">• Management of changes</li> </ul>	
<b>Direct communication level</b>	
<ul style="list-style-type: none"> <li>• Heads of S&amp;As</li> <li>• Heads of structural subdivisions of the Headquarters</li> </ul>	



## **11 Appendices**

### 11.1. Appendix 1 Code of Ethics for Internal Auditors

## Code of Ethics for IAS Employees<sup>1</sup>

### Principles

Internal auditors should adhere to the following principles.

#### 1. Honesty

The integrity of the internal auditor is the foundation on which confidence in the auditor's opinion is based.

#### 2. Objectivity

Internal auditors demonstrate the highest level of professional objectivity in the process of collecting, evaluating and communicating information about the audited entity. Internal auditors make a balanced assessment of all relevant circumstances and their judgments are not influenced by their own interests or the interests of others.

#### 3. Confidentiality

Internal auditors respect the ownership of information they obtain in the course of their activities and do not disclose information without appropriate authority, unless disclosure is dictated by legal or professional obligations.

#### 4. Professional competence

Internal auditors apply the knowledge, skills and experience necessary to provide internal audit services.

### Behaviour rules

#### 1. Honesty

Internal auditors:

- 1.1) Must perform their work honestly, conscientiously and responsibly.
- 1.2) Must act within the law and, when required by law or professional standards, disclose appropriate information.
- 1.3) Must not knowingly participate in actions that discredit the internal auditor profession or their organization.
- 1.4) Must respect the legally and ethically justifiable goals of their organization and contribute to their achievement.

#### 2. Objectivity

Internal auditors:

- 2.1) Must not engage in any activity that could damage their impartiality or be perceived as causing such damage. This also applies to activities and relationships that may be contrary to the interests of the organization.
- 2.2) Must not accept anything as a gift that could harm their professional opinion or be perceived as causing such harm.
- 2.3) Must disclose all material facts known to them that, if not disclosed, could distort reports about the audited entity.

#### 3. Confidentiality

Internal auditors:

- 3.1) Must be reasonable and prudent in the use and retention of information obtained in the

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<sup>1</sup> Source - Official translation of the Code of Ethics of the Institute of Internal Auditors, carried out by IIA, Moscow, [www.iaa-ru.ru](http://www.iaa-ru.ru)

performance of their duties.

3.2) Must not use information for personal gain or in any other manner that is contrary to the law or that may be detrimental to the achievement of the organization's legally and ethically justifiable goals.

#### **4. Professional competence**

Internal auditors:

4.1) Must only participate in tasks for which they have sufficient professional knowledge, skills and experience.

4.2) Must provide internal audit services in accordance with International Professional Standards for Internal Auditing.

4.3) Must continuously improve their professionalism, as well as the efficiency and quality of the services provided.