



Policy on Non-Audit Services by the External Auditor




Target audience:	All relevant employees of Group Companies	
Policy Owner (Responsible for the document):	CFO	
Units engaged in the implementation:	TBC Bank JSC Accounting, Control and IFRS Desk Department CEOs/Management boards of the Group Companies	
Reviewed by:	TBC Bank JSC Legal Department	
Approved by:	TBC Bank Group PLC Board of Directors  _____ Arne Berggren Chairman of the TBC Bank Group PLC Board of Directors	
Effective Date:	12.12.2023	
Replaces (Previous version):	N/A	
In the event of any discrepancies between the English version of this Policy and a translated version, the English version shall prevail.		
Version		Date
Current version	2 nd	12.12.2023
Revision frequency	Ad hoc	
Accessibility	Internal	
Application	All Group Companies must adhere to this Policy in its entirety. If a Group Company wishes to adopt and modify its content, it may do so as long as the modifications do not contravene the intent of this Policy. Otherwise, any changes made require approval from TBC Bank Group PLC Board of Directors.	
Implementation	In order to implement this policy, Management adopts the relevant procedures / guidelines that should be established in alignment with the rules outlined by Subsidiary Governance Procedure.	
Definitions	Terms written in bold capital letters that have not been defined in this document will carry the same meanings as stated in the Glossary approved by TBC Bank Group PLC Board of Directors	

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1. PURPOSE AND SCOPE

- 1.1 This purpose of the policy on Non-Audit Services by the External Auditor (the **Policy**) is to establish a transparent process for the engagement of the external auditor for non-audit services, and for reporting to the Audit Committee on all non-audit services undertaken by the external auditor.
- 1.2 The **Policy** is designed to ensure that the nature of non-audit services provided by the **Group's** external auditor neither impairs nor is seen to impair the independence and objectivity of the external auditor in its primary responsibility for the **Group's** financial statements.

2. POTENTIALLY ACCEPTABLE NON-AUDIT SERVICES

- 2.1 The external auditor may be considered subject to compliance with the authorization requirements for the following types of non-audit services:
- Advice and assurance on the interpretation and implementation of accounting standards;
 - financial reporting matters, tax and governance regulations;
 - Tax advisory, assurance and compliance services;
 - Financial due diligence for acquisitions, disposals or joint ventures;
 - Assurance reports required by third parties e.g. regulators, trustees;
 - Transaction related services, including restructuring;
 - Internal accounting and risk management control reviews, including policy reviews and procedure compliance;
 - Secondment into non-managerial roles.

3. PROHIBITED NON-AUDIT SERVICES

- 3.1 The following non-audit services have been identified as presenting a high risk of conflict and auditor independence. Consequently, these services are specifically prohibited from being provided by the **Group's** external auditor:
- Accounting or book-keeping services;
 - Actuarial services;
 - Legal and/or litigation support services (other than forensic litigation services);
 - Internal audit outsourcing services;
 - Valuation services, appraisals or fairness opinions;
 - Investment advice, broker-dealer and investment banking services;
 - Design, implementation and operation of financial information systems;
 - Secondment to executive management or decision-making, supervisory or ongoing monitoring positions, or any position where the external auditor secondee acts as a director, officer or employee of the Group;
 - Human resources, recruitment or payroll services;
 - The marketing of transactions;
 - Advising the Remuneration Committee (other than general assistance relating to appropriate levels of disclosures and accounting advice);
 - Any work where a mutuality of interest is created that could compromise the independence of the external auditor; and
 - Any other work that is prohibited by UK ethical guidance for auditors.

4. AUTHORIZATION AND REPORTING

- 4.1 The Chief Financial Officer, or the relevant person appointed by the Audit Committee, must approve all non-audit services that should be provided by the external auditor.
- 4.2 The Audit Committee must pre-approve the provision of all non-audit services by the external auditor.
- 4.3 All acceptable non-audit services and the provision of all non-audit services must be approved in advance by the Audit Committee following recommendation by the Chief Financial Officer.
- 4.4 Referrals to the Audit Committee must be submitted in writing form and include, at a minimum the following components:
- Nature and details of the non-audit services;
 - Estimated fees;
 - Explanation of why the external auditor is considered the most suitable supplier; and
 - A statement on why the engagement will not impair the external auditor's independence and objectivity.
- 4.5 Where referral to the Audit Committee is required but critical timing issues mean that this is not feasible within the specified timescale, the chairman of the Audit Committee may grant approval for hiring an external auditor for non-audit services. The approval must be confirmed at the next committee meeting. If confirmation is not obtained, the appointment must be terminated.
- 4.6 Once per year, the CFO is responsible for submitting all services completed by the external auditor and reporting them to the Audit Committee. The report should detail the types of non-audit services offered, the associated fee and the total fees in aggregate and as a percentage of the approved audit fee.
- 4.7 The Audit Committee will disclose in the **Group's** Annual Report the total sum paid to the external auditor for audit services, audit-related services, and non-audit services over the course of the year. Additionally, the Committee will elaborate on the measures taken to ensure the external auditor's independence and objectivity when rendering non-audit services. Furthermore, the **Group's** Annual Report will contain information regarding the type and scope of non-audit services carried out by the external auditor in the given year.

5. ROLES AND RESPONSIBILITIES

5.1 The Board and the Audit Committee

The **Board** has the ultimate responsibility and authority for the **Policy on Non-Audit Services by the External Auditor** and operations. It approves the **Policy** and reviews it on an annual basis.

The Audit Committee is responsible for authorization of all non-audit services and the given submissions.

5.2 The Chief Financial Officer

The Chief Financial Officer is responsible for executing and implementing of this **Policy**, reporting relevant information and documentation to the Audit Committee.

5.3 Accounting, Control and IFRS Desk function

The Accounting, Control and IFRS function develops operating procedures, standards, guidelines, and methodologies in accordance with the **Policy**.

Periodically reviews existing lists of prohibited and potentially acceptable limits and provides recommendations on changes, operates in compliance with this **Policy**.

5.4 Internal Audit function

The Internal Audit function is responsible for periodically reviewing and assessing the compliance with this **Policy**. This includes evaluating the effectiveness of governance, risk management, and internal controls.