
Key principles of Regulation on the hotline of the Audit and Risk Committee of the Supervisory Board of CREDIT BANK OF MOSCOW

MKB developed Regulation on hotline of the Audit and Risk Committee of the Supervisory Board of CREDIT BANK OF MOSCOW (the “Regulation”), approved by the Supervisory Board resolution on 14 September 2021. The Regulation sets forth the rules for collecting, reviewing and retaining complaints and reports of the Bank’s Employees relating to circumstances and probable risks detrimental to its Employees, shareholders, investors or customers

The Regulation aims at creation of an environment of trust and maximum protection for the Employees reporting on internal violations and encourage them to cooperate in full in the interests of Employees, shareholders, investors and clients of the Bank.

The Regulation serves for the following aims:

- to promote corporate governance;
- to timely detect possible instances of fraud or unlawful appropriation, disclosure and/or use of trade secrets;
- to minimise financial, legal, corruption, reputational and other risks.

The Regulation guarantees that the Bank’s Employees can, on a confidential and anonymous basis, make complaints and reports to the Supervisory Board’s Audit and Risk Committee, in particular concerning the following issues:

- any fraud against the Bank’s shareholders or investors, including any unlawful appropriation, corruption or fraud in making any banking operations, or fraud by wilful falsification of the Bank’s reporting to regulatory bodies, non-compliance with applicable Russian law, or misrepresentations in public disclosures intended for a wide circle of investors;
- any breaches of regulatory bodies’ rules or other guidelines binding on the Bank in respect of financial accounting (bookkeeping) and related internal control procedures, fraud, audit and compliance with the Bank’s Code of Corporate Ethics;
- any wilful mistake in, and/or falsification of, the Bank’s financial (accounting) statements in the course of their preparation, review and/or audit;
- any material flaws in the Bank’s internal control system or wilful breaches of its internal control procedures;
- any unintended or prohibited use of the Bank’s property, infringements on the rights of the Bank’s Employees, or other actions that cause or can cause financial or reputational damage to the Bank.

Each complaint or report of Employees shall be internally investigated, and relevant findings indicating status and/or conclusions and results of the investigation shall be reported to the members of the Supervisory Board’s Audit and Risk Committee.

The Bank’s Employees are guaranteed protection from any unfounded disciplinary penalties, suspension, oppression and other forms of discrimination on the part of the Bank’s officers in retort to their complaints or reports.

The Regulation adopts best Russian and foreign corporate governance practices subject to Russian law and the Bank’s long-term strategy so as to promote corporate governance, internal control and risk management in the Bank.