

Procedure for Conducting Offline Testing

1. The offline testing procedure is intended for testing a chief risk officer, chief compliance officer, head of the bank's internal audit function, bank's chief accountant, governor and members of the bank's board (except for foreigners living abroad), chief compliance officer assigned to conduct financial monitoring, and compliance officer assigned to conduct financial monitoring (candidates for these positions).

2. Candidates shall take the test in writing and sign it.

3. After the scheduled time for testing expires and points scored by the candidate are calculated, the test paper is marked with a total number of points. The completed test is attached to the materials for the meeting of the Commission considering the candidate.

4. During the test candidates are not allowed to:

- use any sources of information
- speak to other persons
- perform the test assignment for other candidates and/or transfer their test to be completed by other persons
- use any devices that record, reproduce, process and receive information, including mobile phones and computers
- leave the testing area without permission [except for receiving civil defense sirens (air raid, chemical, biological, and radiological warning)].

If a candidate violates the requirements, the Commission members are authorized to decide to dismiss the candidate from the test and deem the candidate as one who has failed the test (with no right to retake it).

5. Candidates have 30 minutes to pass the test.

6. The time to pass the test for a nonnative speaker of the language of the test who is accompanied by an interpreter is 40 minutes.

7. The time to pass the test for a candidate for the position of a chief compliance officer is assigned to conduct financial monitoring, is 40 minutes (if the candidate is accompanied by an interpreter - 50 minutes), whereof 20 minutes are for answering questions on financial monitoring (if the candidate is accompanied by an interpreter - 25 minutes) and 20 minutes - for questions on compliance (if the candidate is accompanied by an interpreter - 25 minutes).

8. If a candidate who applies for the position of a chairman or member of the bank's supervisory board is asked an additional question, the candidate has a half a minute to answer this question (two and a half minutes if the candidate is accompanied by an interpreter).

9. Each test assignment contains 20 questions. Each question can have one or more correct answers. If it is a multiple-choice question, the number of correct answers is indicated in the question itself. The answer to such a question is considered correct, if the candidate selects all correct options. If only one correct option is selected or if one of the selected options is incorrect, than the answer to such a question will be deemed incorrect.

10. The test for a chief compliance officer assigned to conduct financial monitoring at a bank contains 30 questions, whereof 15 question are to verify the candidate's understanding of financial monitoring and 15 remaining questions - knowledge of compliance.

11. A candidate, who applies for the position of a chair or member of the bank's supervisory board and scores 14 points, receives one additional question.

12. Each correct answer scores 1 point.

13. The maximum test score is 20 points.

14. The maximum test score of a chief compliance officer as the bank's official in charge of performing financial monitoring is 30 points.

15. The test is considered passed if the candidate scores:

• **15 points and more** (including candidates testing as part of the NBU's control over compliance with Ukrainian legislation concerning the bank's top manager, chief risk officer, chief compliance officer, bank's head of the internal audit function, and the bank's supervisory board/board)

• 15 points and more (if the candidate applies for the position of a chairman or member of the bank's supervisory board), taking into account the candidate's response to the additional question.

16. A chief compliance officer assigned to conduct financial monitoring is considered to have passed a test if they score 22 points or more, including at least 11 correct answers to questions on financial monitoring and 11 correct answers to questions on compliance.

17. If the candidate fails the test, they have one more attempt to redo the test.

18. If a candidate fails to pass the test for the second time, the candidate is deemed to have failed the test and is not allowed to retake the test based on the results of the NBU's review of the relevant set of documents. A candidate who fails the test is not permitted to take the interview, unless the Commission conducts the interview to review an application for exemption from being classified as having a compromised business reputation, or an application contesting such classification, as outlined in Section II Chapter 10 of the Regulation *On Bank Licensing* approved by NBU Board Resolution No. 149 dated 22 December 2018 (as amended) (hereinafter referred to as "Regulation No. 149").

19. When testing the candidate as part of the NBU's control of compliance with the requirements Ukrainian law on the bank's top manager, chief risk manager, chief compliance manager, head of the bank's internal audit function, the bank's supervisory board/board, the candidate has one attempt to redo the test. If the candidate failed to score 15 points or more for the first time, they are deemed to have failed the test.

20. After completing the test, the scored points and the result of the test are announced to the candidate.

Procedure for Conducting Online Testing

1. Foreigners residing abroad applying for the positions of a chairman and members of the bank's supervisory board take the test online.

2. The Commission may decide to test the candidates online in the event of circumstances that impede testing on NBU premises, or to avoid endangering the lives of candidates amid martial law or quarantine.

3. Before conducting a test, the candidate's identity is verified via video conference following the requirements set out in the NBU regulation on conducting financial monitoring by banks.

Online testing is recorded using remote communication means and the candidate is informed accordingly. Candidates who refuse to be recorded, will not be allowed to take the test.

4. Questions and answer options will be displayed on the screen using remote communications means.

5. The candidates are not allowed to:

- use any sources of information
- speak to other persons
- use any devices that record, reproduce, process, and receive information, including mobile phones, computers (except for technical means used for video conferences).

The Commission, upon confirming that the candidate violated the requirements set out in paragraph 11, is authorized to invite the candidate to pass the test at the premises of the NBU or to test the candidate under the supervision of the Commission with members of the Commission in attendance.

6. Candidates have 30 minutes to pass the test.

7. The time to pass the test for a nonnative speaker of the language of the test who is accompanied by an interpreter is 40 minutes.

8. If a candidate who applies for the position of a chairman or member of the bank's supervisory board is asked an additional question, the candidate has a half a minute to answer this question (two and a half minutes if the candidate is accompanied by an interpreter).

9. Each test assignment contains 20 questions. Each question can have one or more correct answers. If it is a question has more than one correct answers, the number of correct answers is indicated in the question itself. The answer to such a question is considered correct, if the candidate selects all correct options. If only one correct option is selected or if one of the selected options is incorrect, than the answer to such a question will be deemed incorrect.

10. A candidate, who applies for the position of a chair or member of the bank's supervisory board and scores 14 points, receives one additional question.

11. Each correct answer scores 1 point.

12. The maximum test score is 20 points.

13. The test is considered passed if the candidate scores:

• **15 points and more** (including candidates testing as part of the NBU's control over compliance with Ukrainian legislation concerning the bank's top manager, chief risk officer, chief compliance officer, bank's head of the internal audit function, and the bank's supervisory board/board);

• 15 points and more (if the candidate applies for the position of a chairman or member of the bank's supervisory board), taking into account the candidate's response to the additional question.

14. If the candidate fails the test, they have one more attempt to redo the test.

15. If a candidate fails to pass the test for the second time, the candidate is deemed to have failed the test and is not allowed to retake the test based on the results of the NBU's review of the relevant set of documents. A candidate who fails the test is not permitted to take the interview, unless the Commission conducts the interview to review an application for exemption from being classified as having a compromised business reputation, or an application contesting such classification, as outlined in Section II Chapter 10 of the Regulation No. 149".

16. After completing the test, the scored points and the result of the test are announced to the candidate.