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“Approved”

"Baku Stock Exchange" CJSC
By the decision of the Supervisory
Board dated 28.10.2021 (Protocol №
04)

Chairman Y. Mammadov

**"Baku Stock Exchange" CJSC
Anti-corruption**

POLICY

1. General Provisions

1.1. This Anti-Corruption Policy (hereinafter referred to as the Policy) defines the principles, procedures and special measures for the prevention of corruption at the Baku Stock Exchange CJSC (hereinafter referred to as the BSE).

1.2. This Policy is part of the BSE's risk management and risk control system and provides management and organizational framework for the prevention of corruption (cases of corruption), measures to minimize and / or eliminate the consequences of corruption offenses, as well as the responsibilities of these participants, their duties, powers and responsibilities, determines with third parties, including individuals and legal entities, state and municipal bodies and their representatives. It is the duty of every employee to comply with the requirements of the Anti-Corruption Policy.

1.3. This Policy has been developed in accordance with the legislation of the Republic of Azerbaijan and international practice.

1.4. Corruption refers to illegal acquisition of material and other benefits (including securities and derivative financial instruments), privileges or immunities by officials using their status, the status of the organization they represent, their official powers or the opportunities arising from those status and powers, as well as the seizure of material and other benefits, privileges or concessions by individuals and legal entities by illegally offering or promising or giving them to officials.

2. Goals, objectives and principles.

2.1. The purpose of the policy

This Policy is designed to identify and prevent illegal, unethical and corrupt practices of BSE employees. This Policy aims to prevent situations and actions that may violate the requirements of the fight against corruption and to form a common understanding among all employees about the nature of corruption acts, their forms and manifestations.

2.2. Tasks of politics

This Policy sets out the following objectives:

- Establishing anti-corruption principles and rules for the BSE;
- Developing effective tools, procedures, controls and other anti-corruption tools to minimizing the risk of the BSE and its employees being involved in corruption;
- Developing a culture of ethical conduct among employees of the Baku Stock Exchange and intolerance of corruption in all cases, including to make anti-corruption behavior a common standard;
- informing employees and other people about the intolerance to corruption;
- summarizing and explaining the special provisions and basic requirements of anti-corruption legislation;
- to integrate anti-corruption principles at all levels of the BSE into strategic and operational management;
- to form a general understanding of the principles of anti-corruption policy among employees and others;

- informing the management bodies of the BSE about corruption crimes and anti-corruption measures;
- taking measures of responsibility for corruption crimes.

2.3. Principles of policy

2.3.1. Intolerance: The stock market is intolerant to all acts of corruption and is always committed to this principle. The principle of tolerance means the strict prohibition of BSE's employees, members of the governing bodies and other persons directly or indirectly, personally or indirectly acting in the name or in favor of the BSE, to engage in acts of corruption. Baku Stock Exchange does not tolerate corruption in any way, regardless of the amount of damage caused by corruption, and takes measures to combat corruption. BSE reserves the right to disclose information on persons violating the requirements of the fight against corruption in accordance with the legislation.

2.3.2. Involvement of employees: Baku Stock Exchange ensures the active participation of its employees in the application of anti-corruption standards and procedures, regardless of their position. BSE interacts with government agencies, local authorities and law enforcement agencies in the fight against corruption.

2.3.3. Transparency: Baku Stock Exchange informs its counterparts, partners and the public about the adopted anti-corruption standards by publishing this Policy on its website.

2.3.4. Monitoring the effectiveness of procedures: BSE systematically develops and improves its powers to fight corruption effectively and efficiently, and constantly monitors the application and effectiveness of anti-corruption standards and procedures. The effectiveness of the anti-corruption system is periodically assessed by internal auditors or third parties.

2.3.5. Responsibility and inevitability of punishment: Baku Stock Exchange makes every legal effort to protect its interests, ensure the security of its assets and comply with applicable anti-corruption legislation. BSE investigates all well-founded cases of violation of anti-corruption procedures and prosecutes the guilty person for corruption-related acts committed during his / her term of office, regardless of his / her position, length of service and other factors. It uses all reasonable and legal means to prevent stock market violations as soon as possible. The management of the BSE is personally responsible for the implementation of anti-corruption policy.

2.3.6. The principle of preventing conflicts of interest: The Baku Stock Exchange takes all necessary measures to prevent conflicts of interest. BSE does not entrust both the implementation of the process and the monitoring / evaluation of the process to the same employee in order to minimize the possibility of committing and concealing corruption.

3. Corruption offense.

3.1. In accordance with anti-corruption legislation, any of the following actions are considered a corruption offense:

- to demand, obtain or receive material and other benefits, privileges or concessions directly or indirectly for him/her or third parties at BSE for taking or refusing to take any action in connection with the performance of his official duties (powers); acceptance of an offer or promise to provide material and other benefits, privileges or concessions;
- promise of material or other benefits, privileges or concessions to an official, directly or

indirectly, by an individual or a legal entity in exchange for the performance or refusal to perform any action related to the performance of official duties;

- use of illegally acquired property by an official in exchange for the performance of any action in connection with the performance of official duties (powers) or refusal to perform such action for the purpose of gaining profit for himself or third parties;
- receipt by an official of material and other benefits, privileges or privileges in connection with the performance of official duties (powers) without payment or at a price (tariff) below market prices or prices regulated by the state;
- receipt of income by an official from savings (deposits), securities, rent, royalties or lease in connection with the performance of official duties (powers) in violation of the legislation of the Azerbaijan Republic;
- offering, promising or granting, directly or indirectly, materialistic and other benefits, privileges or concessions to any person who, in exchange for a certain reward, has the ability to illegally influence the decision of an official;
- acceptance of material and other benefits, privileges or concessions by a person who states that he has the opportunity to illegally influence the decision of an official in exchange for a certain reward, or acceptance of a proposal or promise to grant such material and other benefits, as well as privileges or concessions.

3.2. The commission of the acts specified in this article by the employees of the BSE are also assessed as a corruption offense.

4. Anti-corruption system.

4.1. Prevention of corruption.

4.1.1. Baku Stock Exchange forms a corporate culture that values honesty and ethics at all levels of the organization based on the inadmissibility of corruption.

4.1.2. Baku Stock Exchange contributes to the knowledge of its employees in the areas of business ethics, conflict of interest and anti-corruption.

4.2. Gifts and hospitality expenses.

4.2.1. Business gifts and hospitality costs can legally be used to develop relationships, understanding and goodwill between companies.

4.2.2. Any gift, hospitality or marketing expenses must meet the following criteria:

- be reasonable and should not be used to illegally influence an official, politician or other person in order to continue the activities of the BSE or obtaining commercial or other profits or to prevent the performance of other personal legal duties;
- mentioned above expenses should not damage the image and business reputation of the Baku Stock Exchange;
- these expenses should not damage the image and business reputation of the BSE.
- gifts should not be in cash or non-cash forms.

4.2.3. BSE's employees can give and receive gifts related to business relations during business trips and other official events.

4.2.4. An employee of the BSE may receive a gift on his birthday or other significant day.

4.2.5. Gifts given to the employees or by the employees should not contradict the requirements of this Policy.

5. Control over financial activities.

5.1. Baku Stock Exchange shall comply with the requirements of relevant legislation and international practice when conducting accounting. All financial transactions of the BSE are reflected and documented in accurate and detailed accounting.

6. Policy information.

6.1. Baku Stock Exchange announces its anti-corruption policy through its website, expresses its intolerance of corruption and urges its partners and employees to adhere to the principles and requirements of anti-corruption policy.

7. Prohibition of financing political activities.

7.1. Baku Stock Exchange does not finance or support politicians, political parties, candidates for political positions, or political movements in any way.

8. Internal research.

8.1. BSE investigates all cases that suspect corruption. The measures taken during the investigation are carried out in strict compliance with the principle of intolerance to corruption.

8.2. Internal investigation of corruption is carried out by a commission established by the decision of the BSE's Supervisory Board when it concerns employees, members of the Management Board and the Audit Committee. If the internal investigation of corruption is related to the members of the Supervisory Board, it is carried out by a commission established by the decision of the General Meeting of Shareholders.

9. Anti-corruption authority.

9.1. The BSE's Risk Management Committee (Committee) is responsible for preventing corrupt practices. The Committee shall take measures within its authority to reduce the risk of corruption. The Committee shall immediately notify the relevant authorities in written form of any risk of corruption. Upon the decision of the relevant governing body, members of the Committee may participate in the internal investigation commission or in the meetings of the commission.

10. Responsibility.

10.1. All employees of the BSE, regardless of their position, are directly responsible for compliance with the principles and requirements of this policy.

10.2. Anyone, violating the requirements of this Policy shall be subject to punitive measures in accordance with the legislation.

11. Final Provisions.

11.1. This Policy comes into force on the date of its approval.

11.2. Every employee of the Baku Stock Exchange must get acquainted with this Policy and sign the relevant document confirming their acquaintance.