

ANTI-BRIBERY AND CORRUPTION (ABC) POLICY

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1. INTRODUCTION

"A+A Group of Companies" (hereinafter referred to as the 'Company') is committed to conducting its business ethically in every country where we do business, as well as complying with all applicable laws. This includes compliance with anti-bribery and anti-corruption ("ABC") laws of the Republic of Azerbaijan and where applicable foreign laws such as the USA's Foreign Corrupt Practices Act ("FCPA") and the UK Bribery Act 2010.

The purpose of this document is to provide guidance to third parties who work with Company concerning compliance with ABC. This guidance relates to specific acts of bribery and corruption and Company's selection and management of agents and other company intermediaries.

Company may amend this procedure unilaterally at any time and at its sole discretion. Employees will be notified of all such changes.

Company has created a Compliance manager role to monitor compliance with policy.

2. OUR POLICY ON BRIBERY AND CORRUPTION

Despite our operation in Azerbaijan, we are bound by best-practice international standards. **Company has a zero tolerance policy towards bribery and corruption.**

Company employees and others working on its behalf may not offer, promise or give a bribe to anyone, and may not request, agree to accept, or take a bribe from anyone.

3. BRIBERY IS ILLEGAL

It is a criminal offence to offer, promise, give, and request or accept a bribe. According to the Criminal Code of the Republic of Azerbaijan individuals found guilty can be punished by imprisonment and/or an unlimited fine.

Bribery is also a crime in most countries where Company operates, and penalties can be severe, including prison sentences and large financial penalties. Legislation in the UK (the Bribery Act 2010) not only makes paying or taking a bribe illegal, i.e., the person who pays or takes a bribe has committed a crime, but also holds UK companies liable for failing to prevent bribery by those working on its behalf, even indirectly (such as through non-UK subsidiaries, agents, contractors, suppliers and intermediaries). The Bribery Act 2010 may apply to Company.

In addition, under the US Foreign Corrupt Practices Act ("FCPA") it is a crime to bribe a foreign official for the purpose of obtaining or retaining business or to secure an improper advantage.

4. RECOGNIZING BRIBERY AND CORRUPTION

A bribe could involve:

- The direct or indirect promise, offer, authorization, or provision of anything of value
- The offer or receipt of any kickback, loan, fee, commission, reward, or other advantage
- The giving of contributions or donations designed or stipulated to influence the recipient to act in the giver's favour

The purpose of a bribe is often to obtain, retain or "facilitate" business, where the person receiving the bribe is, or may be, in a position to provide that kind of business advantage to the party offering the bribe. This may involve sales initiatives, such as tendering and contracting; or, it may simply involve the handling of administrative tasks such as licenses, customs, taxes or import/export matters. It does not matter whether the act of bribery is committed before or after the tendering of a contract or the completion of an administrative task.

The party offering a bribe might be:

- An employee, officer or director
- Any person acting on behalf of Company (e.g., third parties)
- Individuals and organizations representing Company those authorize someone else to carry out these acts.

And the recipient of a bribe could (but not always) be a government official. For the purposes of this policy, a government official could be any of the following or their relatives:

- A public official, whether foreign or domestic
- A political candidate or party official
- A representative of a government-owned/controlled organization
- An employee of a public international organization or non-governmental organization (e.g., World Bank)

5. WHERE DO BRIBERY AND CORRUPTION RISK TYPICALLY ARISE?

This section deals with some specific situations that may present concern about the potential for bribery or corruption.

A. USE OF AGENTS

The term Agent is defined as agents, representatives, consultants, brokers, contractors, suppliers, co-publishers or any other intermediary that provides services on behalf of the Company.

Because the actions of an Agent can expose Company to liability under ABC laws,

level of due diligence appropriate to the market should be undertaken prior to their appointment and retention or at renewal of any agreement.

If required by a risk assessment, certain provisions should be included in an Agent's agreement regarding the Agent's compliance with appropriate laws.

Particular care must be taken before Company establishes an agency arrangement to understand that Agent's connection, if any, to a government official. Any concerns about an Agent's relationship with a government official must be discussed with and approved by the Compliance Manager.

B. HOSPITALITY AND ENTERTAINMENT

Bona fide hospitality and promotional, or other business expenditure which seeks to improve the image of Company, better to present products and services, or establish cordial relations, is recognized as an established and important part of doing business.

Hospitality, entertainment, or other business expenses provided to government officials, business partners and customers for these purposes are permitted, as long as they are reasonable and proportionate. In the case of government officials, hospitality entertainment or other similar expenses require prior authorization from the Compliance manager.

Hospitality, entertainment or other similar expenses are not permitted if:

- it might influence the outcome of a business transaction, whatever the value of the expense, or a reasonable individual could interpret it that way
- for the purpose of facilitating or expediting any decision to award new business, to renew existing business or to take any other action
- given for personal benefit, friendship, personal acquaintances or family purposes

C. GIVING AND RECEIVING GIFTS

In many countries where Company does business there are generally accepted customs regarding the exchange of business gifts to strengthen business relationships. They should never be used to obligate, or appear to obligate, the recipient. Company conducts registry of all received gifts.

They are never gifts of cash, cash vouchers, certificates with a set negotiable value, or other cash equivalents.

Company employees may never seek or request gifts, or personal preferential treatment in any matter, from any person or organization.

Although under Azerbaijani laws gifts to a certain amount are allowed, we prohibit any gift irrespective of value given to public officials. Giving or receiving cash gifts or payments is strictly prohibited under any circumstances.

D. FACILITATION PAYMENTS

Facilitation payments are defined as “any facilitating payment or expediting payment to a foreign official, political party, or party official the purpose of which is to expedite or to secure the performance of a routine governmental action.” They are illegal under our law and the laws of many other countries, and are against Company policy.

No Company employee or Agent may willingly offer to make, or make, a facilitation payment.

E. PAYMENTS TO FACILITATE TAX EVASION

Company will not facilitate the evasion of tax by a customer, supplier or other third party, including government officials and contractors, by making payments to off-shore bank accounts or by other means which have no commercial basis or clearly could be construed by tax authorities to be to facilitate tax evasion by the recipient.

F. PROTECTED DISCLOSURE/ OPEN TALK

Employees who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken.

If you are ever concerned that our Policy is not being followed, or simply feel unsure about any situation, it is vital that you speak up and ask a question or share your concern straight away. Please talk, call or email Company's Compliance Manager [REDACTED] (email) on +994 51 3023451 (mob).

Management of Company is responsible for ensuring those reporting to them are aware of and understand this Policy and are given adequate and regular training on it.

G. VENDOR AND THIRD-PARTY DUE-DILIGENCE

Company will conduct due diligence of all its vendors prior to concluding any commercial agreement. For this reason Company developed a Client Verification Form and will request its vendors to complete before engaging in any agreement. In case of any third-party involvements Company will ask its vendors to conduct client verification of such third-party contractors.

H. CHANGES TO OUR ANTI-BRIBERY POLICY

We keep our ABC Policy under annual review and will notify all parties should there be any changes. This Anti-Bribery Policy was last updated on January 10, 2019.

Approved by: *Rauf Aliyev* CEO

Signature: _____

Date: 10.01.2019

