

Adopted by the Decision of the Management Board of "R GROUP HOLDING" LLC dated December 12, 2024, No. RGH/1212/2024-İH



CONFLICT OF INTEREST POLICY

Baku 2024

1. SCOPE AND APPLICATION AREA

1.1. The present Conflict of Interest Policy (hereinafter referred to as the "Policy") is to enforce full compliance with the Code of Conduct and Ethics and other applicable policies and procedures adopted within of "R Group Holding" LLC.

1.2. This Policy is valid for all "R Group Holding" LLC, including its direct or indirect subsidiaries, controlled entities, affiliates, branch offices, representative offices, and joint operations (hereinafter referred to as the "Holding") and applies to all employees, as well as consultants and agency personnel who works at Holding premises or under the direction of Holding (all referred to in this Policy as the "Employees").

1.3. All board members, directors and employees of Holding must follow this Policy and strictly comply with its objectives, principles and requirements.

1.4. The principles and requirements of this Policy shall also apply to Holding's business associates, which include but are not limited to clients, customers, joint ventures, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, sub-contractors, suppliers, vendors, advisors, agents, distributors, representatives, intermediaries and investors etc.

2. PURPOSE

2.1. This Policy is an one of key component of the Holding 's ethics and compliance system and is intended to define the procedures and processes that must be followed in order to prevent and where applicable, manage actual or potential conflicts of interest involving the Holding's shareholders, Board members, directors, employees, and also secondees from the vendors, individual service providers, as well as any conflict of interest situations that could potentially arise with third parties (customers, suppliers or other stakeholders).

3. ROLES AND RESPONSIBILITIES

3.1. This Policy has been specifically endorsed and approved by Holding's top management, whereby as R Group Holding is committed to the highest standards of integrity, honesty and responsible business conduct. All Holding employees are individually responsible for the implementation of the present Policy to ensure its full execution in their daily conduct.

3.2. All Employees shall:

- comply with all aspects of this Policy and support others in doing so;
- complete training when they are required to do so by Legal & Compliance and HR Departments;
- seek additional guidance, when necessary, from their line managers or Legal & Compliance Department;
- speak-up, escalate, and report, upon becoming aware or having a reason to believe that an actual or potential conflict of interest or any other violation of the Policy has or may has occurred;
- be responsible for reading, understanding, complying with this Policy and cooperation with HR and Legal & Compliance Department (its Compliance Manager) to support evaluation of the reported cases that may create conflict of interest or the appearance of them, develop solutions to address them and

ensure solutions are executed. Directors, managers and officers shall also ensure that their direct reports understand and adhere to this Policy and complete any related training conducted for inductions, refreshment purposes, as well during transfer within the Holding.

- All new joined Employees are required to submit a Conflict-of-Interest Disclosure Form (Appendix No 2 herein) via Legal & Compliance Department's registration system, disclosing any actual, potential or perceived conflicts of interest and affirming that they have read and understand the Policy and are in compliance with the Policy. This is also applicable for annual basis CoI (conflict-of-interest) declaration, as well as any position changes, promotions, etc.
- On an annual basis, all employees are required to submit a Conflict-of-Interest Disclosure Form (Appendix No 2 herein) via Legal & Compliance Department's registration system. The Employees, who are transferred or promoted by the Holding, are also required to submit a Conflict-of-Interest Disclosure Form (Appendix No 2) via Legal & Compliance Department's registration system.

3.3. Board members:

Board members of the Holding shall set the appropriate tone from the top, including but *not limited to*:

- making staff aware through regular communication of the conflict-of-interest risks faced by Holding;
- making available appropriate resources to manage conflict-of-interest issues;
- ensuring the adequacy of internal controls and systems to prevent, detect and deter conflict-of-interest issues; and
- taking appropriate action when breaches of the present Policy are identified.

3.4. Legal & Compliance Department (its Compliance manager):

- review the present Policy at least every year, and revise and update it, as necessary;
- establish and conduct a suitable training program (alone with HR Department), to train and certify all appropriate personnel on the compliance goals and requirements of the Policy;
- provide advice to the Employees and the management on the interpretation of this Policy;
- acts as an escalation channel and as an independent reviewer of reported cases for further follow-up.

4. CONFLICT OF INTEREST SITUATIONS

4.1. All Employees must avoid conflicts of interest, promptly cease activities that cause conflicts to exist and provide written disclosure of any actual or potential conflict of interest that you are aware of upon hire or that may occur during your employment at the Holding.

4.2. The most common situations that create a conflict of interest (or the appearance of one) are those related to:

- Personal Financial Interests;
- Corporate Business Opportunities;
- Family and close associates;
- Public Service;
- Outside Business Activities (second employment);
- Public Speaking, Academic Works, Books, and Other Publications, etc.

It is not feasible to list every situation that may result in a conflict of interest. This Policy spells out in more detail the most common situations, noted above, that create a conflict of interest or the appearance of one.

Employees must avoid any type of conflict and identify those situations that create – or appear to create – a conflict between Employee’s personal benefit and the Holding’s interests.

4.3. Personal Financial Interests

Employees, directly or indirectly, must not take part in or attempt to influence any decision of the Holding on any business dealings with a current or potential competitor, customer, partner, vendor, dealer or other business entity in which such an Employee has a direct or indirect financial interest(s).

In addition, to avoid the appearance of a conflict, all Employees must disclose any direct or indirect financial interest in a current or potential competitor, customer, partner, vendor or dealer with which Employee discover the Holding plans to do business.

4.4. Corporate Business Opportunities

4.4.1. Employees must not take personal advantage of or interfere with any existing or potential business opportunities of the Holding. The Holding’s business opportunities may include acquiring property or/and organizations or/and pursuing lines of business that are related to the Holding’s strategy, business mission and existing lines of business. Additionally, Employees must not direct any such opportunity to a relative or close associate where he/she has a direct or indirect financial interest.

4.4.2. Employees must not accept payment and/or other form of reward/encouragement (in any form) from another entity/individual for work that Employees perform for the Holding. Employees may not personally accept finder’s fees, referral fees or other incentives from third parties to whom you have referred business on behalf of the Holding.

4.5. Family and close associates

4.5.1. Employees must not take part in or attempt to influence any Holding-related decision(s) or business dealings (including those concerning current or potential customers, partners, vendors or dealers) that may benefit or appear to benefit a relative or close associate of an Employee is involved or has a direct or indirect financial interest. Employees, directly or indirectly, cannot be involved in decision to retain, manage, oversee or approve purchase orders or invoices of such third parties.

4.5.2. Holding generally does not permit work situations where a director/manager directly or indirectly manages a relative or a person with whom he/she has a family relations or close associates. If Employee is aware that Holding plans to hire his/her relative or a person for a position with whom such Employee has a family relations or close associates that directly or indirectly reports to this Employee, such an Employee must disclose that information immediately (see Appendix No 2 herein).

If, during Employee’s employment, a family or close personal relationship develops between Employee and other employee(s) within direct or indirect reporting chain, both such Employees must promptly disclose that information (see Appendix No 2 herein).

4.6. Public Service

4.6.1. Service as a public official for Employee may give rise to conflicts of interest if the government entity is or is likely to become customer of the Holding, regulates or taxes the Holding's business directly or indirectly or if the position entails the likely disclosure of the Holding's proprietary information. Service as a public official could also be considered a conflict of interest if it requires so much time that it interferes with the performance of Employee's job as the Holding Employee.

4.6.2. Before seeking or accepting an elected or appointed office or position in any national, regional or local government, including any government department, ministry, agency, authority, commission, municipality, council or other public body, Employee submit a Conflict-of-Interest Disclosure Form (Appendix No 2 herein) via Legal & Compliance Department's registration system.

4.7. Outside Business Activities

4.7.1. Employees outside business activities must not compete with or reflect adversely on the Holding or give rise to a conflict of interest. Employees must not engage in any outside activity that is likely to involve disclosure of the Holding's proprietary information or that is likely to divert time and attention from Employee's responsibilities at the Holding.

4.7.2. Employees cannot serve as a board member or senior officer of a competitor or of a company that may reasonably be expected to become a competitor or owns or obtains company share(s) of the competitor. To serve as a board member or senior officer of a non-competing business or to accept a board position or senior officer position (paid or unpaid) with a current or potential customer, business partner, vendor, Employees must first disclose the opportunity and obtain approval (see Appendix No 2 herein).

4.7.3. Employees are also required to notify any appointment, dismissal, transfer and participation at current or potential customer, business partner or vendor/dealer's capital management. Approval may be granted if the proposed business activity would not entail disclosure of the Holding's proprietary information, give rise to a conflict of interest or negatively affect your job performance.

4.7.4. Additional approvals are required for media activities and promotions related to Employees outside business activities:

- Media interviews or press releases must also be approved by the Holding's Marketing & PR Department. Approval would be dependent upon the subject matter and media outlet in accordance with External Communications Policy and Procedure. Employees are expected to be alert to situations that may give rise to conflicts of interests or the appearance of conflicts of interests. Employees may be asked to discontinue an outside activity if it impacts or is perceived to impact your impartiality, effectiveness, productivity or if the disclosure of the Holding's proprietary information is at risk.

4.8. Public Speaking, Academic Works, Books and Other Publications

4.8.1. As with outside business activities, personal and business-related speaking engagements (including, for example, lectures at an educational institution, presentations at trade associations, or participation on panels) and publishing activities must not compete with or reflect adversely on the Holding, nor should they give rise to a conflict of interest. Outside business activities should not entail disclosure of the Holding's proprietary information or divert time and attention away from your responsibilities at the Holding. For all Employees prior to accepting an offer for a speaking engagement, the proposed activity(s) must first be disclosed and subject for the Holding's approval (see Appendix No 2 herein).

4.8.2. Any written or oral presentations or publications (personal or business-related) that concern or are related to the business of the Holding or where Employees are

represented as Holding Employees must also be pre-approved in accordance with the Corporate External Communications Policy & Procedure, as applicable.

4.8.3. For personal written or oral presentations or publications that are not related to the business of the Holding, it should be clear that Employees are representing themselves and not the Holding.

4.8.4. Additional approvals required for press releases, publications and interviews:

- Any press releases, publicity tours and press interviews must also be approved by the Holding's Marketing & PR Department.
- Any blogs on the Holding's web site or on Employee's social channels (Facebook, LinkedIn, etc.) related to the Holding's business must also be approved by the Holding's appropriate departments.
- Any work or publications related to the Holding that Employees may create while completing studies or research for university programs / academic works shall be approved by the Holding's Marketing & PR Department.

5. PREVENTION AND MANAGEMENT OF CONFLICT OF INTEREST

5.1 The general principles that shall apply to the management of a conflict of interest are as follows:

5.1.1 Duty to abstain from being involved in any discussions or decision-making related to the conflicted matter or transaction.

5.1.2 Duty to abstain from entering into the conflicted contract/transaction or carrying out representing authorities therein.

5.1.3 Duty to abstain from accessing proprietary or confidential information related to the conflicted matter or transaction.

5.1.4 Duty to be transparent and openly make a conflict-of-interest disclosure.

5.1.5 Duty to cooperate in resolving conflicts of interest.

5.2 Conflicts that are identified must be reported to the manager in charge of the activity. The options for managing a conflict of interest include:

- restricting: imposing restrictions on the person's further involvement in the matter;
- recruiting: engaging an independent third party to oversee all or part of the process and verify its integrity;
- removing: where the manager chooses, or under Legal & Compliance Department recommendations, to be removed completely from the matter;
- relinquishing: where the person relinquishes the private interest that created the conflict.

6. DISCLOSURE AND APPROVALS

6.1. If a potential or actual conflict of interest exists or if Employee is unsure whether one exists, he/she must refrain from the activity and proceed with disclosure first. Employees must then promptly disclose actual or potential conflict of interest in filling out the Conflict-of-Interest Disclosure Form (see Appendix No 2 herein).

6.2 Legal & Compliance Department (its Compliance manager) will work with Employees, their manager(s), HR and any other functional group(s) necessary to address the actual or potential conflict of interest and, if appropriate, obtain the required approvals in accordance with the approval matrix below:

Employee level	Required approval
Management Board/Board of Directors (BoD)	General Assembly of Shareholders

CxOs/Executive and HR director(s)	Management Board/Board of Directors (BoD)
Department/unit directors	Ethics and Compliance Committee (Directors of Legal & Compliance Department and HR)
All other Employees	Legal & Compliance Department (its authorized Compliance manager)

7. COMMUNICATION & ENFORCEMENT

7.1. Holding's Employees that violate this Policy can result in disciplinary actions including, but not limited to, termination of employment.

7.2. It is therefore vital that Employees not only understand and appreciate the importance of this Policy, but also comply with it in their daily work. If Employee has any questions about this Policy, he/she may contact to Holding Legal and Compliance Department at compliance@r-group-holding.com.

7.3. As stated above this Policy extends to all employees of the Holding. New directors, managers, officers and other employees will be provided with a copy of this Policy and will be educated about its importance and will be required to acknowledge, through their signature, their understanding and acceptance of compliance as a term of employment.

7.4. It is responsibility of each of Employees to speak up if he/she sees anything that appears to breach this Policy, the Holding requirements, policies, procedures, or any laws. Because Holding relies on its Employees to use good judgement and to speak up when Employees has questions or concerns.

7.5. The Holding does not tolerate retaliation against anyone who speaks up in good faith. Below is the Holding's Compliance Hotline Channel. It is available 24 hours a day, seven days a week, via a telephone number, email and postal address as per below:

- Postal address: 37, Daghliq str., AZ1023, Sabail dstr., Baku, Azerbaijan
- Mobile phone: +994 50 231 03 93
- Email address: compliance@r-group-holding.com.

Appendix No 1 - DEFINITIONS

1.1. For the purposes of the present Policy and all related internal documents and activities, the following definitions shall be used.

1.1.1. A conflict of interest is where someone (Employee) is compromised when their personal interests or/and obligations conflict with the responsibilities of their job or position.

1.1.2. Actual conflict of interest is where the conflict already exists.

1.1.3. Potential conflict of interest is where the conflict is about to happen or could happen.

1.1.4. Perceived conflict of interest is where other people might reasonably think that a person (employee) has been compromised.

1.1.5. Family member/close relatives are individuals who are related to a person (employee) either directly (consanguinity) or through marriage or similar (civil) forms of partnership. This category includes parent(s), husband/wife, child(ren), sibling(s), grandparent(s), grandchild(ren), uncle(s), aunt(s), father-in-law, mother-in-law, brother(s)-in-law, sister(s)-in-law, foster parent(s), and adopted child(ren), but not limited;

1.1.6. Close associates - are individuals who are closely connected to a person (employee), either socially or professionally. This category includes the following types of relationships: (known) life partners apart from the family member (domestic life partner or civil union status, e.g. girlfriends, boyfriends); co-habitation, engagement, dating and/or any other similar relationship, school/university mates, ex-business partners, friends, but not limited.

1.1.7. Politically Exposed Persons (PEPs, also referred to in certain jurisdictions as 'senior foreign political figures') are defined as individuals who are or have been, entrusted with prominent public functions and their close family members and close associates. PEP is always a natural person, thus in the context of legal entity counterparties, these may be the beneficial owners and/or their management.

- Prominent public functions include at least but not limited to the following:
- Heads of state, heads of government, ministers and deputy or assistant ministers;
- Members of parliaments or of similar legislative bodies;
- Members of the governing bodies of political parties;
- Members of supreme courts, of constitutional courts or of other high-level judicial bodies whose decisions are not subject to further appeal, except in exceptional circumstances;
- Members of courts of auditors or of the boards of central banks;
- Ambassadors, chargés d'affaires and high-ranking officers in the armed forces;
- Members of the administrative, management or supervisory bodies of state-owned entities;
- Directors, deputy directors and members of the board or equivalent function of an international organization.

Appendix No 2 – “Conflict of Interest Disclosure Form”

The undersigned, as an Employee (name and position will be added via HR registration system of the Holding) of the Holding, acknowledges that:

1. He/she has received a copy of the Holding’s Conflict of Interest Policy (“Policy”);
2. He/she has read and understands the Policy;
3. He/she has agreed to comply with the Policy;
4. The following on-going relationships and interests may present a conflict of interest:

Note: disclosures should address current affiliations, as well as past affiliations for the prior two years, and should include all of the following: the undersigned’s employer, all corporations (nonprofit and for-profit) of which the undersigned is a board member or officer, and the names of such of the undersigned’s Family Members, close associates or business affiliates or any other relationships the undersigned has which the undersigned believes may present a potential conflict.

With submitting this form I’m disclosing that:

I’ve nothing to declare

I’ve a case declare:

Personal Financial Interests

Description:

Corporate Business Opportunities

Description:

Family and close associates

Description:

Public Service

Description:

[Empty rectangular box]

Outside Business Activities (second employment)

Description:

[Empty rectangular box]

Public Speaking, Academic Works, Books, and Other Publications

Description:

[Empty rectangular box]

This Policy is applicable until termination of employment or assignment.

Name: _____

Title: _____

Signature: _____

Date: _____



