

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



GIFTS, ENTERTAINMENT & HOSPITALITY POLICY

Baku 2024

1. SCOPE AND APPLICATION AREA

1.1. The present Gifts, Entertainment and Hospitality Policy (hereinafter referred to as the "Policy") is to enforce full compliance with the Code of Conduct and Ethics and other related policies 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").

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

1.3. 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.

1.4. This Policy is not applicable for internal gifts and entertainment between Holding employed personnel.

2. PURPOSE

2.1. This Policy sets out the procedure Employees must follow when giving or receiving gifts, entertainment, hospitality (hereinafter referred to as the "GEH") and declare about such type of activity.

3. PRINCIPLES

3.1. Transparency – GEH can only be given or accepted transparently and in a disclosed manner, nothing in return should be expected.

3.2. Frequency – GEH can only be offered or accepted only for specific occasion (see clause 5.2 herein)

3.3. All GEH must comply with the policy/procedures of the Holding and substantive legislation, be in traditional and logical sense, and not be offensive, unreasonable or contrary to human dignity. Offering or receiving GEH must not be close to a time of selection or assessment or a business partner or supplier, or to a tender procedure, negotiations or the renewal of a contract. Employees may not offer or accept gifts, payments, or sign of hospitality intended to influence decision-making. GEH that is designed to influence a business decision in the Holding's favor is not a GEH: it is a bribe.

3.4. Holding management should actively draw attention to the Holding's GEH policy in order to eliminate inappropriate GEH practices between suppliers and third parties.

3.5. Gifts can be given and accepted on birthdays or public holidays and shall not be used for the purpose of influencing any decision. It is advised to use materials with Holding's logo while giving gifts.

3.6. It is forbidden to accept gifts from legal entities, private enterprises and individuals involved in the supplier bidding process.

3.7. It is forbidden to give and accept gifts containing alcohol.

3.8. Employees shall report any situations they suspected violate or could violate this Policy through Speak-up and Whistleblowing channels.

3.9. Any deviations from this Policy shall require the approval of Legal and Compliance Department.

4. ROLES AND RESPONSIBILITIES

4.1. This Policy has been specifically endorsed and approved by Holding's top management, whereby as R Group Holding, we are committed to the highest standards of integrity, honesty and responsible business conduct. Holding Employees are responsible to disclose openly and fully all gifts and entertainments accepted from third Party.

4.2. 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 bribe or any other violation of this Policy has or may have occurred.

Employees are also encouraged to report any other issues, risks, or concerns related to this Policy and fully cooperate with any investigation.

4.3. Board members:

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

- supporting a culture of transparency and sound business conduct across Holding and making available appropriate resources to manage gifts, entertainment and hospitality risks;
- ensuring the adequacy of internal controls and systems to prevent, detect and deter gifts, entertainment and hospitality issues; and
- taking appropriate action when breaches of this Policy are identified.

4.4. Legal & Compliance Department:

- provides registration of the gifts/entertainment/hospitality;
- report on the status of this Policy implementation and execution in the Holding, at least annually, to the Board;
- establish and conduct a suitable training program(s), to train and certify all appropriate personnel on the compliance goals and requirements of this Policy;
- provide advices/feedbacks to the Employees and management on the interpretation of this Policy;
- acts as an escalation channel and as an independent reviewer of reported cases for further follow-up.

5. GIFTS

5.1. The Gifts are divided into two groups:

- Received by the Employees of Holding - the limit for market value of gifts received by Employees of Holding is equivalent of 50 USD* for each occasion regardless of the level of authority.

- Given by the Employees of Holding - the limit for market value of gifts given by Employees of Holding is equivalent of 100 USD** for each occasion.

** The limit also applies to lottery prizes received by Holding Employees;*

*** Gifts with more than 100 USD market value may be given with the consent of the Chairman of the Management Board in each case.*

5.2. When Employees can receive the gifts

- National Holidays and Public days;
- Days of celebration of specific professions (e.g. oilmen day, communications specialists day, migration officers day, etc.);
- Dates of foundation of governmental bodies (ministries, state agencies, committees, PLEs, etc.);
- Dates of establishment of different `ies;
- Events, tournaments, competitions and quizzes held by the Holding for its Employees;
- Events held for friends and relatives of the Holding Employees (open doors, etc.);
- Career Exhibitions;
- Events, tournaments, competitions, quizzes held by Holding for its subscribers/customers.

5.3. Type of the gifts which cannot be considered as a gift

The following are not considered gifts given by Holding and 100 USD limit is not applicable to them:

- Goods or services provided to the Holding such as a toll-free telephone as part of a legitimate business activity;
- Discounted prices offered to the Holding customers as part of the official advertising campaign;
- Special number series (i.e. gold/VIP numbers) and services as part of legitimate business activities;
- Special gifts for the Employees on birthdays or special occasions;
- Recognition Gifts, such as birthday, holiday or seasonal presents, and etc., given to Employees of the Holding;
- Tickets for the exhibitions and sport events for business purposes (for ex. sport events in which the Holding is sponsor);
- Hospitality/tickets to events for family members/close relatives or close associates, it should be solely for the purpose of employees building business relationships. The only exception to this is an event to which all partners are specifically invited, such as a charity dinner. In the absence of a relevant business purpose, such tickets are considered as a gift.

5.4. Gifts exceeding the limit or do not meet Policy requirements

- All gifts given to Holding Employees with a market value of more than equivalent of 50 USD or that do not meet the other requirements set forth in this Policy must be returned to the giver if it is possible and not considered unethical.
- In case of impossibility to return, as well as the refusal of gifts according to the situation inappropriate or harmful to the business, Employees may accept the gift on behalf of the Holding. In this case, the gifts must be registered

through internal software and handed over to the Holding's gift storage. Warehouse & Logistics unit is responsible for acceptance and storing, and accounting unit for monitoring and control of these gifts. Such gifts can be placed in the office of Holding as decoration if it's appropriate or can be used for charity purposes.

6. HOSPITALITY AND ENTERTAINMENT

6.1. Hospitality and entertainment organized or attended must comply with the principle of relevance:

- Entertainment must be business-related and have a legitimate business purpose;
- Inviting family members/close relatives or close associate undermines the context of business suitability;
- If business reason is not defined (for example, personal tickets to a football game), the item will be considered as a gift with an equivalent of 50 USD limit;
- Family members/close relatives might be invited to corporate events organized by the Holding for Employees.

6.2. The cost of the hospitality and reception organized or attended must be reasonable. Extremely luxurious and expensive events can overshadow the business purpose and create suspicion.

6.3. Hospitality and entertainment organized or attended must comply with the principle of transparency. To be exact, the event shall not be concealed or presented in any other way. The cost of the hospitality or entertainment organized by the Holding must be clearly stated in the financial statements and accounting books (i.e. financial documents). The cost must be approved in accordance with the authority sequence.

6.4. Accommodation and other travel expenses of Employees at business events organized by existing and potential suppliers of the Holding must always be paid by the Holding.

6.5. Holding may invite journalists, bloggers, social influencers and editors to various business events, but does not cover their travel or accommodation expenses. A traditional treat to a meal can be offered as part of the event.

7. PRINCIPLES OF DISCLOSURE

7.1. How and when to disclose

7.1.1. All accepted gifts (with exception prescribed in the clause 7.1.5 herein) should be disclosed in registration system of the Holding by Employees themselves immediately.

7.1.2 Hospitality/entertainment offers to the Holding Employees should be disclosed by Employees themselves upon receiving of offer. Acceptance of such offer should be only after confirmation of Director of the related department/unit and Compliance officer/manager (Legal and Compliance Department).

7.1.3 All given/offered gifts/hospitality/entertainment should be disclosed in registration system of the Holding by responsible employee of initiating department before activity happened.

7.1.4 Related photos or documents or copy of communication regarding GEH should be attached to the registry (see Appendix No 1 – "Disclosure Registry Form" hereto);

7.1.5. Gift of low pecuniary value and with the value less than the limits prescribed by this Policy such as sweets, diaries, etc., may be accepted without approval and must be shared with the team if such gift is capable of being shared. You may

approach, call or mail to Legal and Compliance Department (Compliance manager) in case you need consultancy through:

- a. Phone number: (+99450 231 03 93)
- b. E-mail: compliance@r-group-holding.com

7.2 What happens after disclosure of accepted gifts:

All disclosures are treated seriously by the Holding and reported to Legal and Compliance Department on quarterly base as planned:

- Each disclosed gifts will be kept in the system and monitored by Legal and Compliance Department;
- Line manager and responsible persons of Legal and Compliance Department will receive notification e-mails from the system;
- Reporter will get confirmation notification via e-mail which is sent by responsible person of Legal and Compliance Department.

8. COMMUNICATION & ENFORCEMENT

8.1. The correct execution of this Policy is also incorporated into our Code of Conduct and Ethics ("COCE"); thus, a violation of this Policy could also result in disciplinary actions pursuant to our COCE including, but not limited to, termination of employment.

8.2. It is therefore vital that You not only understand and appreciate the importance of this Policy, but also comply with it in your daily work. If you have any questions about this Policy or applicable Anti-Bribery laws generally, contact Holding Legal and Compliance Department at compliance@r-group-holding.com.

8.3. 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.

8.4. It is responsibility of each of us to speak up if we see anything that appears to breach this Policy, the Holding requirements, policies, procedures, or any laws. Because Holding relies on us to use good judgement and to speak up when we have questions or concerns.

8.5. 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 - DISCLOSURE REGISTRY FORM

GEH description	
Received or Given	
Who did give	
Who did receive	
Amount in USD	
Attachments	



