

“Bank Respublika” OJSC

Approved at the meeting of the Supervisory Board No. 45 dated July
22, 2025

Summary of the “**Anti-Corruption Policy**”

1. General Provisions

The “**Anti-Corruption Policy**” of Bank Respublika defines the Bank’s strategic approaches, principles, and organizational responsibilities in combating corruption. The Policy is based on the Law of the Republic of Azerbaijan “**On Combating Corruption,**” **the Bank’s Compliance and Code of Ethics Policies**, as well as corporate governance and transparency principles.

This document is mandatory for all employees of the Bank and is also applicable to its partners. The key pillars of this Policy are the **zero-tolerance approach** to corruption, adherence to legal requirements, and ethical conduct.

2. Key Definitions

The Policy provides a broad explanation of key concepts: corruption and bribery, corruption risk and its management, abuse of official authority, personal interests and conflicts of interest, politically exposed persons (PEPs) and their close associates.

Corruption – the act of an official or a Bank employee using their status, authority, or job position to obtain material or non-material benefits (money, gifts, privileges, services, etc.), or agreeing to accept such offers or promises, as well as the act of offering or providing such advantages by other persons.

Bribery – money, gifts, services, or other material or non-material benefits offered to any Bank employee or official in order to influence their business or official activity. Bribery is considered the most common form of corruption.

Compliance Risk – the legal and reputational risks arising from failure to comply with normative acts, ethical behavior standards, and internal documents within the Bank’s operations.

Compliance Culture – an organizational behavior model within the Bank based on ethical conduct, transparent decision-making, and legal compliance.

3. Purpose, Objectives, and Principles

The purpose of the Policy is to implement preventive and systematic measures to prevent corruption within the Bank, to foster a **culture of zero tolerance, and to enhance ethical awareness among employees.**

The objectives include raising awareness of all employees and partners of the Bank regarding **anti-corruption standards, reducing bribery risks, and clarifying legal responsibilities.**

The principles include compliance with legislation, leadership by personal example, employee engagement in the process, **transparency, accountability, and continuous control.**

4. Implemented Measures

For the effective implementation of the Policy, the Bank adopts the **Code of Ethics** as the main framework. Regular staff training, the establishment of communication channels for anti-bribery and anti-corruption awareness, and the transparent accounting of financial transactions are the main tools in this area.

The Policy is published on the Bank's internal electronic platforms and integrated into employment contracts. Disciplinary measures, in accordance with legislation, are applied to persons who fail to comply with the Policy.

5. Responsible Structural Units

The organization and supervision of anti-bribery and anti-corruption measures within the Bank are carried out under the general leadership of the **Supervisory Board and the Management Board.** These bodies pay special attention to promoting an anti-corruption culture, enhancing transparency, and ensuring adherence to ethical principles within the Bank.

All structural units and employees of the Bank must comply with the requirements of the Policy, promptly identify potential corruption risks, and report them to the relevant authority.

To prevent and manage bribery and corruption, the Bank applies a unified approach within established control procedures, which include employee awareness, risk assessment, and monitoring compliance with behavioral standards.

6. Decisions Regarding the Most High-Risk Areas of Activity

Bank Republika applies special control measures in high-risk areas to combat corruption. The Bank strictly prohibits the provision of material or non-material benefits to public officials, politically exposed persons (PEPs), and their close associates, as well as any form of advantage in their favor. The Bank demonstrates zero tolerance towards unethical or illegal practices aimed at gaining commercial advantage.

In relations with counterparties, the Bank assesses their reliability and reputation, and exercises proper control to prevent corruption risks in the activities of agents, intermediaries, and consultants. Gifts, hospitality, and representation expenses are only accepted within a transparent, reasonable, and ethical framework. Any actions that may damage the Bank's reputation or influence decision-making are strictly unacceptable.

Social and sponsorship activities are carried out only in line with the principles of transparency and social responsibility. Financing of political parties or organizations with personal interests is strictly prohibited by the Bank.

The processes of recruitment, appointment, and promotion of employees are based on transparency and fairness. New employees are screened for past involvement in corrupt activities. Employees receive regular training on the Policy and, when necessary, may seek advice from the Risk Management Department. The rights of employees who report corruption are protected by the Bank.

7. Anti-Corruption Measures and Controls in Banking Operations

In accordance with anti-corruption legislation, the Bank ensures transparency and integrity in its operations through internal control and monitoring systems.

Within the framework of supervision over customer transactions and internal processes, suspicious and unusual cases are regularly assessed, risk indicators are monitored, and, where necessary, investigations are conducted by the relevant units.

Preventive measures are taken against potential corruption risks that may arise in banking operations, and appropriate procedures are applied to eliminate such risks.

Employees must be aware of corruption-related risks in operations, immediately report suspicious cases to the **relevant authority, and fully comply with legal requirements.**

In cooperation with suppliers, the Bank assesses their activities in advance to prevent bribery and corruption risks, and, where necessary, requests and verifies appropriate documentation.

The Bank prioritizes cooperation only with suppliers who meet **standards of integrity, transparency, and ethics**, and applies control measures against corruption risks throughout such cooperation.

8. Internal Control and Monitoring

To ensure the effectiveness of anti-corruption activities, the Bank applies both internal and external control mechanisms. Internal audit is carried out by the relevant structural unit of the Bank, focusing primarily on bribery, conflicts of interest, and abuse of authority.

External audit is conducted by **independent and licensed audit firms**. These audits aim to confirm the transparency of the Bank's financial reporting and compliance with legal requirements.

Both forms of audit assess compliance with the Bank's internal regulations, anti-corruption principles, and legal obligations.

Based on audit results, reports are submitted to the Bank's management on identified risks and violations, and appropriate measures are taken.

9. Assessment of Bribery and Corruption Risks

In order to timely identify and effectively manage corruption risks, the Bank carries out a continuous assessment process. This process focuses on identifying high-risk areas within the Bank's operations, evaluating the effectiveness of existing control mechanisms, and, where necessary, implementing new control measures.

When assessing **corruption risks, relevant structural units take into account legal, reputational, and ethical risks, and reports are submitted to the Bank's management** based on the findings. This assessment is integrated into the Bank's overall risk management framework and contributes to strengthening the internal control system.

The Bank applies approaches aligned with international best practices in assessing corruption risks and makes necessary amendments to its policies and procedures based on the results of such assessments.

10. Reporting and Verification of Corruption Cases (Whistleblowing)

The Bank provides confidential **whistleblowing channels** to ensure the reliable and secure receipt of information related to corruption offenses. Through these channels, employees, partners, and other persons may report suspected cases of corruption to the Bank, either anonymously or openly.

During the investigation of reports, the principles of objectivity and confidentiality are strictly upheld. Upon receipt of information, a preliminary assessment is conducted, and

if necessary, a full investigation is initiated. Based on the results, legal and disciplinary measures may be applied.

The Bank guarantees that no pressure or negative treatment is applied to individuals who report corruption cases in good faith. The protection and confidentiality of such individuals are given special attention.

11. Management of Conflicts of Interest

The Bank applies preventive and control measures to manage **conflicts of interest**. To prevent employees' personal interests from influencing the Bank's decision-making processes, potential risk situations must be identified in a timely manner.

Within the framework of relevant policies, the business relations of employees and their close relatives with the Bank, as well as cases of misuse of opportunities, are monitored. Each conflict of interest risk is independently investigated, and corrective actions are taken when necessary.

12. Final Provisions

The Anti-Corruption Policy is approved by the **Supervisory Board of the Bank** and enters into force from the date of its adoption. The Policy is reviewed at least once a year and, when necessary, updated based on proposals from the relevant structural units and submitted to the Supervisory Board for approval.

If any provision of the Policy contradicts legislation, only those parts that comply with the law shall remain valid. All employees of the Bank are obliged to comply with the Policy, and failure to do so entails responsibility in accordance with applicable rules and legislation.