



***ULTRA TECHNOLOGIES COMPANY***  
***Anti-Corruption Program***

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Dear ULTRA TECHNOLOGIES Employees,



Abdul Gurbanov, General Director

Designing an effective Anti-Corruption Program that meets the requirements of many different jurisdictions is our new challenge. Executives at global companies are likely to ask themselves: Do we need dozens of different compliance programs? Will we be subject to conflicting standards in the various countries where we do business? How can we ensure proper oversight of activity that occurs all over the globe?

In addressing these questions, companies should take note of the broad global consensus that has developed around what governments and international organizations expect of corporate anti-corruption compliance programs. While there is no one-size-fits-all program—and a company must bear in mind applicable local laws—this global standard is welcome news.

A convergence of expectations regarding anti-corruption compliance programs has led to a new global standard. Companies that fail to live up to this global standard

unnecessarily increase their risk of exposure. The absence of an effective compliance program not only makes it more likely that improper conduct will occur, but also makes it more difficult for companies to defend themselves in enforcement situations by arguing that individual wrongdoers alone and not the company itself, should be held liable.

I believe our corporate compliance program should be tailored to reflect our company's particular business circumstances and culture, taking into account such potential risk factors as size, business sector, nature of the business and locations where we operate.

Since the essence of a compliance program is the prevention, detection, and remediation of misconduct, a company's resources should be allocated to activities that pose the highest risk—and when a company's corruption risk grows, we understand, that business should consider increasing its compliance procedures.

Integrity is the key to establishing and preserving our good reputation and the delivery of quality services to our customers. ULTRA TECHNOLOGIES COMPANY is committed to maintaining the highest level of ethical standards in the conduct of our business. Although strong financial performance is paramount to our success, consistent and sustainable growth of the company can only be achieved by recognizing the interests of those we touch in all aspects of our business. In doing so, we take into consideration the interests of our customers, employees, shareholders, investors and suppliers, as well as the environment and the local communities in which we operate. This Program aims to provide guidance and support to enable us to carry out our business with integrity and in compliance with the law.

The principles and standards set out in this Program are supplemented by internal policies and procedures, which together establish a framework in which we can exercise our responsibilities. All employees are required to observe not only the letter but also the spirit of this Program. If any questions arise regarding what behavior is appropriate in any given situation, or if you are ever concerned that our Program is not being followed, please speak up and share your concerns without hesitation. Concerns can be raised anonymously to your local management team, at group level, and by directly contacting our Integrity Compliance Group. Please consult the Whistleblowing Policy if you need further information on speaking up when you are worried that things may be going wrong. Our reputation is just as valuable as our employees and company assets. It is the personal responsibility of each of us to maintain it by putting our Anti-Corruption Program into practice.

**Abdul Gurbanov**  
General Director,  
Head of Strategic Board

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## 1. Introduction: Scope and Applicability

ULTRA TECHNOLOGIES Company (hereinafter referred to as the Company) declares and acknowledges its commitment to the standards of business conduct and global and Azerbaijani anti-corruption laws by the Anti-Corruption Program set forth here.

The Anti-Corruption Program of the Company is a package of anti-corruption processes and actions introduced in the Company. It also includes a periodic evaluation of the Company employees and business partners' compliance with well-defined policies when interacting with public authorities, staff training on corruption and ethical risks, and the Company's actions in case of any misconduct revealed.



The Anti-Corruption Program of the Company (hereinafter ACP) is a core document which regulates the Company's activities in business ethics and corruption control. ACP is a governing and reference document which:

- determines the Company's business ethics and anti-corruption policy
- determines the responsibility and processes necessary to achieve integrity and anti-corruption compliance in the Company
- contains references to the provisions and instructions which make up the core package of ACP governing documents and establish a clearly defined procedure for carrying out all aspects of the Company's activities influencing on the business integrity and anti-corruption compliance
- ACP is intended for general use for the following purposes:
  - to inform the staff, partners and customers on ACP, methods and objectives of the Company's efforts in business integrity and corruption control
  - to provide effective management of introduction, performance and improvement of the Company's ACP
  - to determine authority and responsibility of employees and executives in ACP issues
  - to become a basis for ACP applicability evaluation.

ACP requirements apply to all branches of activities and are binding on all employees of the Company.

ACP becomes effective upon the discussion with the Strategic Board members of the Company and signature of an order on ACP implementation by the General Director of the Company.

## 2. Business Ethics and Anti-Corruption Policy of Company

The Company declares and acknowledges its commitment to business integrity and anti-corruption principles, compliance with the requirements of the Code of Business Ethics (hereinafter the Code) and the applicable legislation including the Anti-Corruption Act of the Republic of Azerbaijan.

Basic principles of the Company in business integrity and anti-corruption compliance are reflected in the Code of Business Ethics. They include:

- Legal and ethical conduct of business, acknowledgment of supremacy of law in all spheres of the Company's activities
- Prevention of conflict of interest, consideration and protection of interests of all parties
- Maintenance of information security and confidentiality
- Protection of data, property and other assets of the Company against unlawful use
- Assurance of accuracy, authenticity and completeness of documentation and financial statements
- Creation and maintenance of a good corporate culture
- Environmental protection and responsibility and occupational safety
- Building and maintenance of cooperative relationship with public authorities and non-governmental organizations
- Corruption and bribery control

The key task of the Anti-Corruption Program is to achieve implementation of the above mentioned Principles.

The Company's management team shall assume responsibility for implementation of the Policy in the sphere of business integrity and corruption control, early identification of corruption risks and quick response to them as well as provision of processes with necessary resources.

Business integrity and anti-corruption principles as well as the Anti-Corruption Program are subject to annual review.



## 3. Anti-Corruption Program Management

### 3.1 Liability of Parties

The General Director of the Company shall bear general liability for the results of the Company's operations including the implementation of ACP.

There is the Business Integrity and Anti-Corruption Group (hereinafter the Business Integrity Group ) operating in the Company which consists of senior executive managers and is headed by the Head of Business Integrity Group.

The Business Integrity Group is accountable to the General Director of the Company.

The Head of Business Integrity Group appointed by order of the General Director shall be in charge for the implementation of development, introduction and evaluation of ACP and management of the investigation of any identified wrongdoing.

Unit managers shall be in charge of introduction and compliance with ACP in their units, for introduction and efficiency of regulations and procedures and for employee awareness.

#### 3.1.1 Authority and Liability of General Director

To ensure compliance of the Company's activities with the national and global standards of business integrity and the anti-corruption legislation, the General Director of ULTRA TECHNOLOGIES undertakes leadership and commitments to:

- Approve policies, business ethics policies and guidelines and Anti-Corruption Program of the Company
- Define the structure, group members and tasks of the Business Integrity Group as a collegiate ACP body as well as elect and appoint the Head of BIG as the key coordinator of ACP introduction and the Group Leader
- Define key processes and measures of ACP
- Supervise compliance with and implementation of business integrity and anti-corruption policies and guidelines
- Provide ACP with necessary resources
- Review and approve ACP implementation progress reports on a regular basis.

## 3. Anti-Corruption Program Management

### 3.1.2 Authority and Liability of Top Managers

To provide introduction, successful implementation and continuous improvement of ACP, the Company's top managers undertake the following commitments to:

- Ensure that every person within their area of responsibility understands and comply with the requirements of laws and the Company's policy on business integrity and corruption control
- Take measures for preventing any infringement of laws and the Company's policies with a focus on the areas involving the risk of infringement of laws and the Company's business integrity policy
- Ensure compliance of the documentation regulating the Company's activities (ACP policies and guidelines)
- Show an unambiguous and active position of commitment to ethical standards and intolerance of corruption. They provide a model of transparency and integrity by their own conduct
- Provide adaptation/integration of ACP into the Company's corporate culture
- Maintain staff awareness and knowledge of the provisions and requirements of the basic Azerbaijani and international anti-corruption legislative instruments, and the Company's anti-corruption policies and principles
- Identify infringement of laws and policies of the Company and report such cases
- Take timely and adequate actions against any revealed infringements including removing shortcomings in business processes which lead to such infringements
- Provide protection of any person who reported alleged misconduct or assisted in the investigation conducted by the Company against any sanctions or retaliation.

### 3.1.3 Business Integrity Group

The Business Integrity Group is a collegiate body formed by the Company to organize, coordinate and control efforts in ensuring compliance of the Company's activities with the key standards of business ethics and corruption control.

The Business Integrity Group shall be headed by the Anti-Corruption

Program Officer appointed by order of the General Director.

The composition of the Group shall be determined by the General Director. For the purpose of effective activities of the Group, it shall be composed of the Company's top managers and representatives of key units which are recognized as the most significant in terms of the risk of violation of business integrity standards and corruption risks: the Finance Director, HR Manager, Partner and Vendor Relationship Manager, and Legal Department Manager. Other managers and specialists also can take part in the Group's meetings.

## 3. Anti-Corruption Program Management

### The Business Integrity Group's functions and tasks:

- Review and harmonization of policies, goals and practices of ACP key processes implementation
- Review and harmonization of standard and regulatory documentation of ACP prior to its approval by the General Director
- Harmonization of methods, criteria and procedures of corruption risk evaluation, handling and taking
- Corruption risks evaluation and ranking
- Development and review of action plans for reduction of corruption risks in the Company
- Audit of systems and policies supporting ACP
- Regular analysis of non-compliance with the requirements of ACP policies
- Development and review of ACP incident response plans
- Yearly initial refresher integrity compliance training and certification of employees, employees should once in year pass over the training of latest ACP policies and after passing of such training, certify in writing that they have reviewed and accept to comply with Company's ACP policies.

For more details on the Group's tasks and working procedures refer to the Regulation on the Business Integrity Group.

### 3.1.4 Authority and Liability of the Head of Business Integrity Group.

The Head of Business Integrity Group is the Company's official appointed to this position by order of the General Director in accordance with the applicable labor legislation.

The job purpose of the Head of BIG is the effective and full implementation of the Anti-Corruption Program in the Company to maintain high ethical standards in the conduct of business and compliance with the national and international anti-corruption legislation.

A person whose business and moral qualities as well as proficiency and health status make him/her able to discharge job-related duties can be appointed as the Head of BIG.



## 3. Anti-Corruption Program Management

The Head of BIG shall:

- Head and organize the Business Integrity Group's work
- Analyze achievements of ACP and the Group and projects goals and programs to achieve compliance of the Company's activities with the business integrity standards
- Harmonize policies, goals, practices, standard and regulatory documentation of ACP prior to the submission to the General Director for approval
- Take part and schedules inspections, monitoring activities and incident investigation
- Determines corruption risk identification, analysis, assessment and management
- Schedule, coordinate and evaluate training of employees and executives:\ on business integrity and corruption control
- Manage ACP records and reporting
- Establish and maintain contacts with outside organizations including professional and industry associations to improve ACP of the Company and popularize the commitment to business integrity and anti-corruption principles in the industry and in the country

For more details on the Head of BIG's job duties, requirements and responsibility please refer to the Job Description of the Head of BIG.

### 3.1.5 Role of Legal Department

The Legal Department employees shall perform the following ACP-related duties:

- Monitoring of the legislation and legal precedents in the sphere of the Azerbaijani anti-corruption legislation and two fundamental international laws (U.S. Foreign Corrupt Practices Act and 2010 UK Bribery Act). Delivery of information on any changes to the Head of BIG and the Group so that the current policy and practices comply with the anti-corruption laws within all jurisdictions the Company runs its business in.
- Participation in the elaboration of ACP-related corporate regulations, policies and guidelines (ensuring compliance with applicable national rules of law, taking into consideration requirements of international anti-corruption laws which are applicable extraterritorially).
- Analysis of deals for a corruption element. When negotiating terms and condition of a contract, the Legal Department members shall pay attention to any potential corruption terms and conditions (e.g. obligation to make additional consulting or marketing agreements, requirement of making payments to different accounts, obligation to employ a specific subcontractor, to make payments to offshore accounts, etc.)
- The list of issues (the so-called 'red flags') that can help to detect a corruption element in deals shall be regularly updated to facilitate searching for such terms and conditions.

## 3. Anti-Corruption Program Management

- Training and consultations for employees and contractors of the Company in business integrity and corruption control. The Legal Department members shall take part in the development of training materials. If free resources are available, the Legal Department members can also take part in the anti-corruption training of third parties (the Company's partners).
- Screening (Due Diligence) of contractors. To comply with the business integrity practices, the Company shall ensure that the third parties activities (agents, lawyers, advisers, negotiators, etc.) comply with the anti-corruption legislation. The Legal Department shall assess the risk, search for any potential areas of concern in the interaction with partners and carry out direct screening of contractors. Special attention shall be paid to the period of work of the contractor in the market, company's image (no corruption claims), place of registration, founding members (no state officials, their immediate family members, etc.) Screening results shall be communicated to the Company's management and persons in charge for the deal.
- Participation in compliance control. The Legal Department shall mandatorily be involved in detection of violations, assessment of challengeable facts and making decisions on anti-corruption violations.
- Participation in internal investigations. The Legal Department members shall take part in any internal investigations to be conducted in respect of any identified violations of anti-corruption laws and regulations.
- Development and inclusion of the anti-corruption provision. Inclusion of the anti-corruption provision into the contracts signed by the Company is an evident indicator of the Company's definite stand on corruption deals. Such provision helps to direct the contracting party's attention to anti-corruption issues.

For more details on the Legal Department scope of duties please refer to the Regulations on the Legal Department.

### 3.1.6. Responsibility of Company employees

Executives and employees have the responsibility to understand requirements of anti-corruption laws and business integrity standards applicable to their work and to report any suspected violations of such laws and standards.

The Company's ACP and Code of Business Ethics are applicable to all employees. These policies are applicable to all places and situations related to the conduct of the Company's business.

### 3. Anti-Corruption Program Management

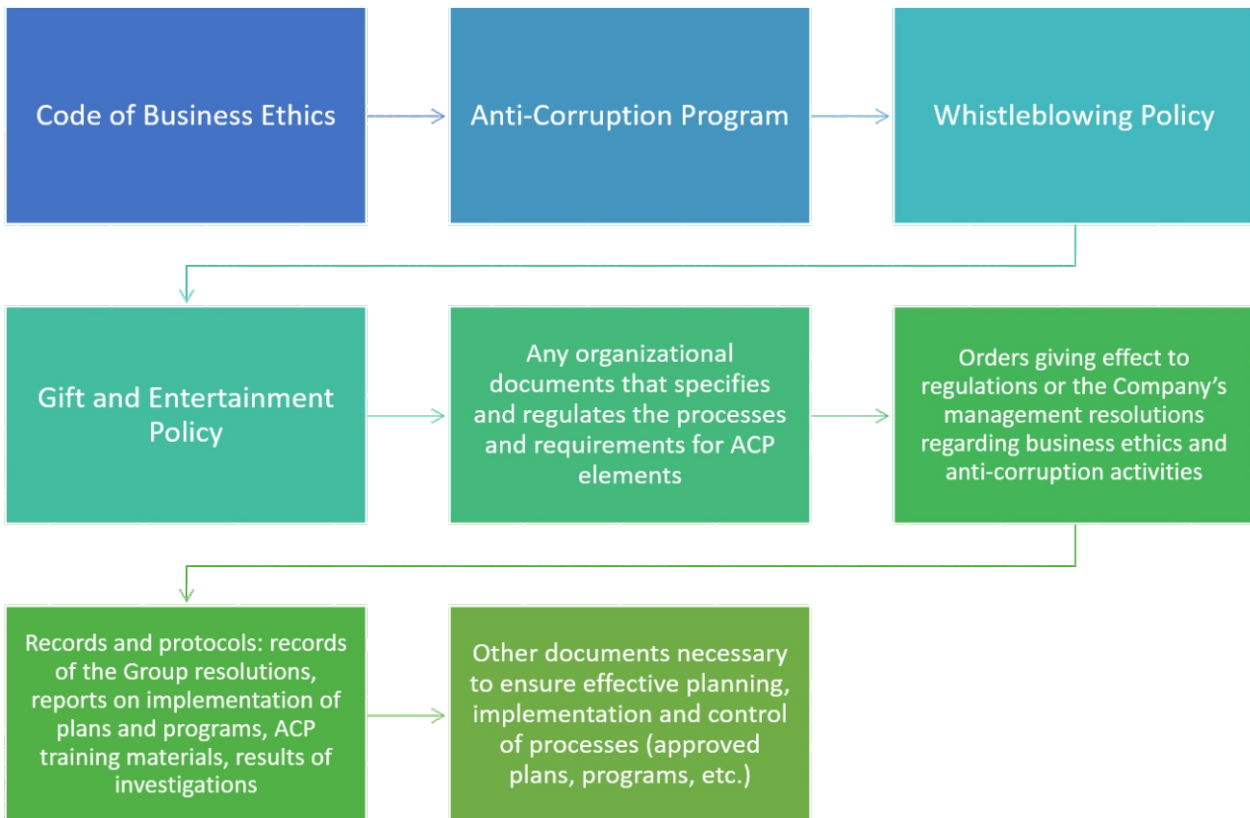
All employees have an obligation to:

- Familiarize themselves with the Code of Business Ethics and Anti-Corruption Program of the Company to know what they are expected to do and how our compliance program works
- Know the issues described by all business integrity standards
- Understand the business integrity standards related to their job duties clearly enough to know when and where they should seek clarification of details
- Use all available resources of the Company including this Guidance, supervisor and Compliance Officer to get help in the identification of applicability of business integrity standards or laws and their requirements to employees
- Know various mechanisms of reporting on business integrity standard violations and acts of corruption including anonymous reports on own suspicions
- Know that the Company prohibits any retaliation towards the person who reported his/her suspicions of wrongdoing or assisted in the investigation conducted by the Company
- Know that all employees are expected to report any violations of any requirements of the legislation and Code of Business Ethics.
- Promote the implementation of this program and assist the Company in the investigation of any possible wrongdoings
- At the Company's request, sign an application confirming that the employee has read and understood the business ethics and anti-corruption policies of the Company and undertakes to comply with the requirements of these policies and legislation (the written undertaking to accept and comply with the Code of Business Ethics and Anti-Corruption Programs)
- Review periodically the Company's ethical standards in the conduct of business to refresh their memory and to be aware of last updated policies.

### 3. Anti-Corruption Program Management

#### 3.2. ACP Regulating Documentation Management

ACP documents regulating the Company's activities in the matter of complying with the business ethics and anti-corruption policies include:



ACP documents are presented in electronic form in the in-house resources in a format protected against unauthorized modification. A part of regulations is available to the public on the Company's web-site. The procedure of ACP documentation management shall be carried out according to the Regulations on the Company's regulating documentation management.

## 4. Key processes of Anti-Corruption Program

The following business processes shall be introduced and maintained effectively in the Company to implement the Company's Policy in the sphere of business ethics and corruption control.



Managing corruption risks

Reporting suspected wrongdoing

Reporting and training in business ethics and corruption control

Response activities against any detected violations

Partner due diligence

Procedures for ensuring and monitoring of compliance with the Anti-Corruption Program. Continuous improvement of the Program and the procedure for introducing amendments to it.

### 4.1 Corruption Risk System Management

The process of corruption risk management is aimed at providing early prevention/identification of a risk of corruption or violations of the Company's business ethics policies and ensuring maximum efficiency of the measures for managing such risks that makes it possible to take every possible action to eliminate or mitigate any consequences/damage for the Company.

The corruption risk assessment results help to:

- Identify the most relevant areas of the Company's activities in terms of a potential corruption component or violation of business ethics policies
- Form a list of controls for the most risky areas and start developing and introducing new ACP processes
- Initiate the implementation of the action program for the corruption risk management (preventive and remedial actions)

## 4. Key processes of Anti-Corruption Program

Risk identification, assessment and treatment shall be carried out within the process of the corruption risk management in accordance with a selected action plan. The process shall apply to all aspects of the Company's activities.

The risk management process milestones:

### **1) Identification, analysis and assessment of corruption risks, elaboration of the action plan for risk management**

Corruption risk assessment in the Company shall be conducted annually in the end of every fiscal year. The key tool of the Head of BIG to deal with corruption risks is the Map of Corruption Risks which reflects the current status (the level of effect) of risks, available controls, processes and regulations to reduce the risk level, and risk management plans for the year. This stage product shall be a list of actual risks with a preliminary assessment of the risk level, proposals for remedial and preventive actions, designated persons responsible for the implementation of such actions, deadlines and expected results which are to be approved at a meeting of the Group.

### **2) Harmonization and approval of the Map of Risks and action plan for corruption risk management**

Reports on the implementation of the action program for the past period shall be considered and discussed, the Map of Risks for the next period shall be harmonized and approved, and the Action Plan for Corruption Risk Management for the next period shall be defended and approved at the Group meetings with the participation of the General Director. Results of such meetings as well as all decisions made shall be fixed in the Minutes.

### **3) Coordination and control of the implementation of the Action Plan for Corruption Risk Management**

The Head of BIG shall assign and coordinate tasks provided for by the Action Plan for Corruption Risk Management. He/she shall communicate the tasks scheduled in the Plan to the employees in charge of their fulfillment.

Designated employees shall fulfill such tasks, and the Head of BIG shall track and record the progress in quarterly reports to be submitted to the General Director and Group.

Results of this stage shall include implementation of remedial and preventive actions such as modification of the systems (accounting system, information system, security system, etc.); review of regulations and standard forms of documents; introduction of changes into the current ACP processes, development and activation of new ACP processes and procedures; the Company personnel training; audits, planning the controls and monitoring activities.

## 4. Key processes of Anti-Corruption Program

### 4.2 Procedure of Reporting Suspicions

#### 4.2.1 Hotline

It is the duty of every person acting on behalf of ULTRA TECHNOLOGIES to comply with the Company's business ethics policies and guidelines. All employees also have an obligation to report any suspicion of possible violation of the Company's policies and guidelines or laws.

**An employee or a partner can use one of several ways to voice his/her concerns or to report misconduct. For this purpose he/she can:**

- Communicate or receive clarification of the situation both orally and in writing with the direct supervisor or a senior manager.
- Call the Hotline: the electronic resource address: [www.ultraintegrity.com](http://www.ultraintegrity.com);
- Contact the Anti-Corruption Program Officer
- Contact the Company's Legal Department Manager
- Employees and partners can send their information anonymously (if consider it necessary) by sending an email to [integrity@ultra.az](mailto:integrity@ultra.az) from an anonymous email address
- Contact the unit HR manager (if the situation involves disrespect or discrimination against an employee, inequity on the part of the management or personal conflict between employees.)

For more details on the reporting methods please refer to the Whistleblowing Policy.

#### 4.2.2 Procedure of Receiving and Processing Reports

The Hotline shall be the main channel to receive complaints or reports on possible wrongdoings. The Head of BIG shall keep a log of reports, complaints and requests on consultations received via the Hotline and other ACP-related channels. He/she shall route tasks to designated employees for carrying out investigations or giving an answer or necessary explanation.

Reports on misconduct shall include sufficient volume of information on the violation to provide prompt investigation and appropriate remedial actions.

**When receiving a report on any revealed violations or suspicions, the Head of BIG shall on himself/herself or with the assistance of the Group (depending on the issue difficulty):**

- make a decision if there is a need for investigation and who should be entrusted with this task
- determine (in cooperation with the Legal Department manager) whether the incident should be qualified as a violation which is to be reported to the regulatory bodies.

## 4. Key processes of Anti-Corruption Program

### 4.2.3 Confidentiality Policy and Conditions

Protection of employees who report their suspicions. Employees can report wrongdoing anonymously if they didn't wish to be named.

Confidentiality of reports on wrongdoing shall be kept as far as possible according to the necessity of proper investigation. Any violation of the Code or ACP can result in a disciplinary action including dismissal whether civil or criminal proceedings were initiated or not. The Company shall not retaliate and shall prohibit any retaliation against any person for reporting, in good faith, any potential violation of the law or the Company's policy. Any person persecuting expressly or implicitly or calling others for persecuting anyone shall be subject to a disciplinary action including dismissal.

### 4.2.4 Availability and Procedure of Individual Consultations for Employees and Partners

The Company shall provide ACP counseling for its employees and business partners. The Company shall encourage its employees to seek advice on complicated issues and report all alleged violations of business ethics policies and guidelines, conflict of interests or corruption. If an employee or partner has any doubts or concerns that his/her acts might violate the Code or ACP provisions, such employee or partner should refer to the detailed policies and procedures using in-house or external electronic resources [www.ultra.az](http://www.ultra.az) | [www.ultraintegrity.com](http://www.ultraintegrity.com) of the Company, or ask questions via the Hotline channel ([www.ultraintegrity.com](http://www.ultraintegrity.com)), contact the Head of BIG or the Legal Department of the Company to seek authentic interpretation. The Officer shall provide consultations and assistance to business partners (at their request) in the issues of organization of ACP training in partner companies.

Employees and business partners can take advice anonymously in the matter of compliance with the Company's business ethics policies and guidelines by using the Hotline channel from abroad as well. A designated employee shall give legal evaluation of the situation and provide a recommendation to resolve the problem. If necessary, law experts and specialists as well as the Legal Department members can be invited to such consultation or to the process of giving opinions, recommendations and proposals.

The Head of BIG shall keep a log of reports, complaints and requests for consultations. He/she shall carry out analysis of received requests on a regular basis and generate guidance for improvement and finalization of ACP documents and processes.



## 4. Key processes of Anti-Corruption Program

### 4.3 Awareness Raising and Training in Business Ethics and Corruption Control

#### 4.3.1 Procedure of employees and partners awareness raising in business ethics and corruption control

The Company shall carry out both in-house (for employees) and external awareness raising regarding the policies, objectives and changes in ACP and the Code of Business Ethics as well as provide consultations for employees and partners to clarify business integrity and anti-corruption principles.

In-house awareness raising shall be organized in the form of news, orders, reports and email newsletter. In-house awareness raising shall be carried out by:

- posting on the corporate portal of the Company available for all employees of the Company
- integrating information into a toolbox talk or adaptive briefing to be given by the HR Department and managers of the Company for new employees
- verbal communication of information and ACP value clarification by supervisors for employees
- distribution of news and orders by email among target groups of supervisors and employees of the Company.

Employees of the Company shall sign a written undertaking to confirm that they've read the latest available revision of the Code and ACP and will comply with its requirements and report all available information on any possible violations of the Code by other employees or business partners of the Company. All signed undertakings shall be stored in the HR Department with employees' files.

Disclosure of information on the Company's activities and especially on ACP implementation and results shall be made in accordance with the requirements of the domestic legislation and regulators to the extent not inconsistent with confidentiality and non-disclosure requirements.

#### 4.3.2 Procedure of employee training in ACP

The process purpose is to ensure awareness and understanding of business ethics policies and anti-corruption principles by all employees, awareness of types of violations and risk-related areas which can lead to violations, awareness of methods of reporting potential and/or identified violations.

## 4. Key processes of Anti-Corruption Program

The Company shall provide training for employees and partners, where possible, in the following ACP-related issues:

- Policies accepted in the Company in the sphere of business ethics and corruption control, their practical application and procedures in complicated situations
- Requirements for employees, supervisors and business partners
- Opportunities and channels for seeking advice and reporting wrongdoing
- Situations or violations to be reported without fail
- Applicable incentives and penalties

The Head of BIG shall recommend reviewing of training materials content and coverage based on the Action Plan for Corruption Risk Management.

Materials for self-education shall be prepared by dedicated experts under the leadership of the Head of BIG and publicly available for employees on the corporate portal of the Company.

When entering employment in the Company, an employee shall read provisions of the Code and Anti-Corruption Program and learn to apply them in day-to-day operations. Having read and understand the Program and Code, new employees shall sign the Written Undertaking to confirm that they have read the latest available revision of the Code, undertake to comply with its requirements and reported information on any present or potential conflict of interests.

It is the responsibility of direct supervisors to clarify provisions of the Code and Program for their employees.

### 4.4 Procedure of Response to Identified Violations

#### 4.4.1 Procedure of audits, controls and investigations

Suspected violations in the sphere of business ethics and corruption can be revealed based on the results of conducted operational audits or information received from partners or employees. To confirm such suspicions, the Company shall conduct an internal investigation.

The General Director shall designate a person in charge of such investigation depending on the type of report and resource availability. Both in-house specialist and third-party expert may be entrusted with this task.

A report or internal memorandum shall be prepared based on the results of such investigation.

## 4. Key processes of Anti-Corruption Program

The results of in-house and external audits or inspections as well as information on identified violations and conducted investigations shall be included in the Annual Report on ACP Performance Results to the extent not inconsistent with confidentiality and non-disclosure requirements. For details pls refer to “UT Investigation Policy”

### 4.4.2. Procedure of response to identified facts

Employees who violated the law or the Company's business ethics policies and guidelines are subject to appropriate punishment including dismissal. Employees who:

- Failed to report known violations or to seek legal advice from the supervisor, Head of BIG or Legal Department in case of any suspicions
- Took actions contradicting the recommendation
- Applied inadmissible methods of influence to a person who reported a suspected violation

Employees and other persons who act on behalf of the Company and violate the ULTRA TECHNOLOGIES Company's policies might also violate the law exposing thereby themselves and the Company to a risk of the recovery of heavy penalties, imprisonment and recovery of damage on civil process in accordance with the current legislation.

The Company shall response to all identified violations or other activities of its employees, managers and business partners which contravene these policies based on the current labor, criminal and anti-corruption legislation of Azerbaijan.

### 4.5. Procedure of Partner Due Diligence

The Company shall endeavour to have business dealings with well-established partners which are running legal business and trustworthy enough to avoid any legal, financial and reputational risks during the cooperation.

To avoid the risk of violation of business ethics and anti-corruption policies, impairment of goodwill and potential financial loss of the Company, the procedure of due diligence screening shall be applied to all new business partners as well as in case of renewal of long-term cooperation agreements.

The Legal Department of the Company shall be responsible for due diligence. It shall carry out due diligence (screening) of a partner company for its compliance with high standards of business ethics accepted in the Company.

## 4. Key processes of Anti-Corruption Program

This procedure is compulsory for all employees in charge of the Company's relationship with business partners (customers, vendors, distributors, contractors, etc.) Should the necessity arise to carry out due diligence of business partners, the employee in charge of the relationship with the partner shall submit a questionnaire to the partner company for filling out and then pass the filled out questionnaire to the BIG and inform about the history of the Company's relationship (if any) with this partner or potential partner.

In the questionnaire, the potential partner provides answers to the questions about background information including the corporate structure, available compliance procedures, relations with government officials (civil servants), investigations, violations and lawsuits, level of proficiency and business recommendations.

The BIG shall carry out due diligence of the partner company using the questionnaire filled out by the partner as well as conduct comprehensive analysis of the partner's activities, the history of cooperation with it, its goodwill, open-source information, namely, open public registries, mass media (Internet, press, TV, etc.).

The BIG shall provide recommendations on the possibility of cooperation with this contractor based on due diligence results. If any risks of incompliance of the partner company with the Company's policies are revealed, the BIG shall recommend the relevant unit manager (giving a report to the General Director) to avoid business relations with such potential partner.

### **4.6. Procedure of Anti-Corruption Program Enforcement and Compliance Control. Continuous Improvement and Process of Amending**

To ensure compliance with policies and procedures provided for by the Anti-Corruption Program and Code of Business Ethics in the Company as well as to increase their effectiveness and improvement, operational monitoring and audit of compliance with business ethics and anti-corruption policies and guidelines shall be carried out in the Company.

Operational monitoring of compliance with policies shall be carried out on a regular basis and assigned to specialized services, and verification of the availability, relevance and effectiveness of these monitoring activities (Controls) shall be carried out by the persons not dependent (neither directly nor indirectly) on a process or result to be assessed.

## 4. Key processes of Anti-Corruption Program

The list of mandatory Controls shall be developed based on the results of the risk assessment and is a part of the Anti-Corruption Action Plan. The Head of BIG shall inform designated employees about the Controls approved for the next period. The Controls are mainly carried out by employees of the following units:

- **IT Department** – information security, process automation, used software control
- **Finance Department**, invited auditors and security specialists – financial and business operations audit, cash assets turnover audit, accounting, fixed assets accounting , logistics operations accounting, sales process accounting
- **Legal Department** – compliance, due diligence, deals and expenditures audit for the purpose of corrupt expenditures identification and prevention of further violations
- **Human Resources Unit** – personnel data accounting, relationship ethics, training and evaluation of the personnel and executives' knowledge in ACP

Employees responsible for the introduction shall organize the development and implementation of new Controls (development of processes/procedures, their automation, collecting written undertakings, etc.) and support the work of the current Controls throughout the year.

Applicable controls are subject to one-time or periodic examination (audit) for adequate implementation, relevance and effectiveness of the Control. In addition to scheduled inspections, unscheduled inspections can be conducted by the decision of the Group (for example, when information on any potential or committed violations was received).

When auditing the Controls, the designated employee shall verify its availability, adequate operation and applicability, review the relevant regulatory documents and protocols, ensure no violations exist and determine the causes and consequences of any revealed violations as well as evaluate adequacy and effectiveness of the Control and initiate its improvement or replacement by other Controls, if necessary.

The Head of BIG shall arrange or carry out audits according to a schedule on a quarterly (or more frequent) basis and fix the status of tasks for introduction of new Controls and results of the available Controls audit reflecting the results in quarterly reports of ACP status prepared for the General Director.

ACP audit can be carried out by an outside consultant or auditor by the decision of the Group or General Director.

## 4. Key processes of Anti-Corruption Program

The Program shall be updated by taking preventive and remedial actions and amending the Anti-Corruption Program in the following cases:

- When comprehensive recommendations are given in the result of the investigation of incidents or violations to prevent such wrongdoing in future
- When unforeseen risks or the extent of their impact are identified in the result of evaluation
- In the result of changes in the current Azerbaijani or international legislation
- At the suggestions of partners, employees, designated or industry organizations.

Preventive and remedial actions shall be added into the Anti-Corruption Action Plan for further implementation. ACP shall be amended upon the finalization by the Group and approval by the General Director.

## Appendix. Terms and definitions used in the Anti-Corruption Program

**Anti-Corruption Program (ACP)** – policies, process and procedures introduced in the Company aimed at the compliance with business integrity policies and guidelines including anti-corruption efforts. It involves training, monitoring of compliance and other effective actions to protect the Company against any corrupt practices of employees and partners.

**Corruption risk** – risk of violation of the current anti-corruption legislation, applicable international statutory provisions, code of ethics and in-house regulatory and administrative documents of the Company.

**The Code of Business Ethics** – body of norms and principles which determines relationship ethics both within the company and with its business partners and other concerned parties (public authorities, mass media, NGOs). The Code has been developed and introduced and is a component of the Anti-Corruption Program.

**Conflict of interest** – is a situation in which personal interest of an employee or his/her family members could possibly influence on impartial performance of duties and can result in a conflict between personal interests of such employee and the Company's interests.

**Business partners** – individuals or legal entities: institutions and organizations bound by a contract with the Company and/or cooperating with it in the process of implementation of contracts (customers, vendors, contractors, investors, etc.)

**Misconduct** – corruption, fraud, collusion, coercion, bribery and other improper incentive payments that affect decisions and performance of duties by an employee or fulfillment of obligations to business partners.

**Corruption** – a form of misconduct which includes bribery, abuse of authority, commercial bribery or other malfeasance by an individual contrary to the legitimate interests of society and the state with a view to making profit in the form of cash, valuables, other assets or property-related services, and other property rights for himself/herself or for the third parties, or unlawful provision of such benefits to such person by other individuals, as well as commission of such actions on behalf of or for the benefit of a legal entity.

**Preventive actions** – actions of probabilistic nature for eliminating and preventing potential risks which are consist of the analysis of risk consequence and possible impact on the Company's activities.

**Remedial actions** – actions for eliminating consequences of actual risks and damage caused by them to the Company. Actual measures designed to influence on real events.

**Family members** – spouses, parents, brothers, sisters, sons and/or daughters, grandparents, aunts, uncles, cousins, nephews, nieces, and/or siblings-in-law.