

AVROMED COMPANY CJSC

WHISTLEBLOWING
POLICY & PROCEDURE

1. INTRODUCTION

Avromed Company CJSC (“**Avromed**” or “**Company**”) is committed to conducting its business ethically and professionally. We encourage all Employees and Third Parties who have concerns about any aspect of the Company’s activities to speak up and voice those concerns at the earliest opportunity so that they can be properly handled by the Company.

Whistleblowing is when an individual brings information about a wrongdoing to the attention of the Company so that it can investigate and take corrective action where necessary. It is a positive act that can make a valuable contribution to the Company’s efficiency and long-term success.

This Whistleblowing Policy & Procedure (the “**Policy**”) is an important element in detecting, reporting, and handling illegal, unethical, or other undesirable conduct in the workplace. It also reassures that every Employee will be protected from possible retaliation if they have made a disclosure in good faith, regardless of whether it is subsequently substantiated or not.

Employees are often the first to realize that a wrongdoing might have occurred. The Company recognizes that the decision to report a concern can be a difficult one to make. If you honestly and reasonably believe what you are saying is true, you should speak up because you will be doing your duty to the Company, your colleagues, and the community.

The Policy is prepared in compliance with applicable legislation, the Company’s Code of Conduct and is read together with other internal policies and procedures.

Any concerns or questions regarding this Policy should be addressed to Compliance Manager.

2. DEFINITIONS

Applicable Legislation - rules and requirements of legislation of the Republic of Azerbaijan, international laws and regulations.

Bullying / Harassment - repeated, negative, unfriendly or offensive behaviour, actions and practices that are directed at one or more persons, where the behaviour is unwelcome to the target(s) and carried out in circumstances where the target(s) finds it difficult to defend themselves. This includes various types of harassment, intimidation and bullying.

Some examples of negative behaviour frequently associated with discrimination and workplace bullying include, but are not limited to:

- unwanted conduct related to a protected characteristic such as age, disability, race, religion or belief, gender or sexual orientation;
- inappropriate and offensive behaviour, such as making unwelcome sexual advances or displaying offensive materials, physical intimidation, pestering and stalking;
- insulting someone through words or behaviour;
- ridiculing or demeaning a person or their work, humiliating someone;
- exclusion and victimisation - for example, by ignoring or socially isolating someone, or deliberately withholding work-related information for negative effect;
- spreading malicious rumours or gossip.

Compliance Investigation / Investigation – the process of researching an issue or allegation of suspected Compliance Violation by close examination and systematic inquiry.

Compliance Policies and Procedures – internal policies and procedures of the Company describing rules, requirements, expectations and guidelines around managing business,

Employees, and Third Parties in order to comply with applicable laws, regulations, standards and to uphold the Company's reputation. Procedures enable policies by providing a clearer and more structured approach to implementation. Examples include, without being limited to, Code of Conduct and policies and procedures related to Anti-bribery and Anti-Corruption, Anti-money Laundering, Gifts and Hospitality, Conflict of Interest, Whistleblowing, Due Diligence, Data Protection, and others.

Conflict of Interest - when an Employee's private - personal social, financial, or political interests actually conflict, have the potential to conflict, or could reasonably be perceived as conflicting with the interests of the Company or have an adverse effect on Employee's decision-making or proper performance of Employee's job with the Company.

Employee / You - for the purposes of this Policy, it includes all individuals working at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), trainees, seconded staff, home-workers, casual workers, volunteers, interns, service provider or any other person associated with the Company.

Third Party - individuals (except Employees of the Company) and legal entities (except the ones within the structure of the Company, if any) involved in some way in interaction or business with the Company.

Report – for the purpose of this Policy, this means a disclosure of an observed or suspected wrongdoing, such as illegal, dishonest, unethical or otherwise malicious behaviour made by any individual to the Company.

Whistleblower – an individual who reports a concern related to violation of Code of Conduct, other Compliance Policies and Procedures, or the law. A Whistleblower can be a current or former Employee or any Third Party.

Whistleblowing - disclosing a situation in which a person is concerned about possible corruption, malpractice, fraud, crime, other violations of law or Company rules, or other risks that could threaten human rights, health, safety, environment, as well as the integrity and reputation of the Company or other individuals.

3. PURPOSE AND SCOPE

This Policy applies to all Employees and Third Parties of the Company and anyone who is reporting, receiving, assessing, investigating, or handling a concern of misconduct.

The purpose of this Policy is to explain what qualifies as Whistleblowing, describe the requirements for reporting possible misconduct, and procedures on how to handle the Reports received through the established channels.

This Policy is not intended to replace the Company's regular information and reporting lines but describes additional mechanisms for reporting suspected wrongdoing, including breaches of the law or the Company's Code of Conduct and accompanying policies.

Compliance Manager will review the Policy on a regular basis and submit recommendations to the Management regarding any amendments required to ensure that it is in line with the best practice, applicable legislation, and business needs.

4. POLICY

4.1. Policy Statement

All Employees and individuals associated with Avromed have the duty and the right to report to the Company what they believe is a violation of law or internal policies or any other questionable conduct by the Company, its officers, directors, employees, consultants, Third Parties, or other related parties.

The Company will take each Report seriously and address it within reasonable time to ensure adequate measures are taken to stop or prevent misconduct and protect the Company, employees, and all involved individuals.

The Company will not tolerate any retaliation against an individual who raised or is willing to raise a concern in good faith or who assists in the investigation of a reported violation, even if it is not substantiated afterwards. Acting in good faith means that the individual has made a sincere report reasonably believing it to be true. Retaliation of any form will be regarded as a violation of this Policy and the Company's Code of Conduct.

Any Report that is knowingly false, malicious, or made in bad faith will be investigated and can lead to a disciplinary action. Such false Reports undermine the whole tenet and principles described in this Whistleblowing Policy.

Breach of the Policy can result in disciplinary and/or corrective actions up to termination of employment.

4.2. Protection against Retaliation

Any acts of retaliation or harassment against the person intending to report or reporting a misconduct, as well as individuals who provide additional information in connection with the reported concern and other individuals participating in or assisting in further investigation of the Report are prohibited and are considered a serious violation of this Policy and the Company's Code of Conduct. In the same way, it is forbidden to execute or attempt to execute any interference (threats, intimidation, physical violence and other illegal actions) in order to prevent the disclosure of information.

Retaliation can include unjustified demotion or suspension, denying benefits, threats, intimidation, victimization, physical or psychological harassment, discrimination, or other adverse actions or threatening with execution of such actions.

A Whistleblower cannot be subject to disciplinary liability for the reported concern unless the disclosure is knowingly false or was made with malicious intent.

The Company will respect, protect, and keep confidential the identity of the Whistleblower who reports a concern, and will seek to ensure that no acts of retribution or retaliation are taken against him or her. If the Report was made anonymously, there shall be no attempts to identify the Whistleblower.

Any acts or threats of retaliation shall be reported immediately by the affected individual or anyone who becomes aware of such a situation.

4.3. Confidentiality

Information contained in the Report shall be treated as sensitive and every effort shall be made to protect its confidentiality. It can only be shared internally to the extent required for the effective handling of the concern.

Whenever the Whistleblower makes a confidential report wishing to remain anonymous, his/her identity will not be disclosed to the extent possible. This also applies to other personally identifiable information. If a situation arises where the matter cannot be resolved without revealing the Whistleblower's identity, the Company will inform him/her about such situation in advance.

In cases of alleged criminal offences, the Whistleblower should be informed that his/her identity may need to be disclosed if the case becomes subject to police investigations or legal proceedings.

4.4. Impartiality

The Company and Employees involved in handling a reported concern shall ensure impartiality and absence of any Conflict of Interest, such as participation in the investigation of anyone connected with the reported misconduct or who could otherwise be perceived as biased.

5. PROCEDURE

5.1. Reporting a Concern

If you are considering raising a concern you may do so verbally or in writing and, if preferred, anonymously. The earlier you express your concern, the easier it is for the Company to take action.

The event that you are reporting may have happened in the past, be ongoing or potentially be about to happen but you must have a reasonable belief in what you are saying. It might be a situation affecting or involving yourself or other individuals, the Company, or a Third Party that you have witnessed or became aware of.

You should provide as much detailed information as possible so that the Report can be investigated in a fair and effective manner. Some useful details include, but are not limited to:

- your name and a contact point (if not submitted anonymously)
- the general nature of your concern
- the background and history of the allegation (if any)
- date, time and place
- names of person(s) involved, roles and their actions
- how you became aware of the issue
- possible witnesses
- any specific concerns, for example people's health and safety, fear of retaliation, financial or reputational damage to the Company,
- other information you have that can support your Report.

There is not any obligation for a Whistleblower to have a proof that wrongdoing is being, has been, or is likely to be committed. A reasonable belief is sufficient to disclose the concern. However, the Whistleblower shall demonstrate that there are sufficient grounds for the concern.

The types of concerns that should be reported include, without being limited to, the following past, present or likely future wrongdoings:

- corruption, bribery, money laundering or other criminal conduct or a breach of local, international, or other applicable law
- violation of the Company's Policies and Procedures, including the Code of Conduct
- corruption, bribery, kick-backs, money laundering, or other criminal offenses
- false or misleading information on financial and tax statements, reports, and other documents, or breach of the Company's internal controls
- embezzlement, fraud, theft, abuse of power, misappropriation of Company funds or other assets
- actual, potential, or perceived conflict of interest
- breach of confidentiality and data protection
- discrimination based on race, gender, sexual orientation, ethnicity, and disability
- retaliation, bullying or harassment, including sexual harassment
- violation of human rights, including forced labor and child labor
- conduct or situation which imposes threat to life, health, safety, or environment
- other improper or unethical conduct that compromises the Company's integrity and reputation
- facilitation or knowingly concealing of any of the above or similar actions.

The above mentioned list is not exhaustive as the Policy cannot describe each and every possible situation. Employees are encouraged to use common sense and professional judgement and immediately report their concerns if they believe there is any probability of illegal or unethical behaviour.

However, not all types of concerns should be reported under the Whistleblowing Policy. Some situations are normally handled within regular working procedures and practice, by being addressed to the Line Manager or HR such as but not limited to:

- employment grievances (performance evaluation, salary, career development)
- professional disagreements
- interpersonal relations.

5.1.1. Reporting Channels

As a general rule, you should seek to resolve concerns by reporting issues directly to your Line Manager who then has a responsibility to escalate the concern in line with the current Policy and other relevant Policies and Procedures.

The Company encourages all Employees to feel comfortable communicating openly with management about issues and concerns. Employees who speak up as soon as they observe misconduct help the Company identify issues and reduce risks and act quickly to prevent the issue from becoming more serious or damaging.

Nevertheless, if, for any reason, you feel uncomfortable about discussing the matter with your Line Manager, whether due to concerns of retaliation or potential Conflict of Interest, or do not believe the issue is being properly addressed, you should report your concerns to any of the following persons, considering that the matter in question is not directly related to their actions:

- Compliance Manager
- your Line Manager's Manager
- Chief Human Resources Officer, or
- other C Level Officer.

You should always make sure that you are addressing the issue to the person in the first relevant instance as described above and that you do not, without a good reason, skip the right order before reaching out to senior management.

You can also submit your Report through our SpeakUp Channel by sending an email to speakup@avromed.az which provides an opportunity for everyone to raise their concerns confidentially and, if preferred, anonymously.

If you are not sure whether or how to raise a concern at any stage, you should seek advice from Compliance Manager.

5.1.2. Anonymity

A Whistleblowing report can be made openly and anonymously:

- Open reporting – the Whistleblower's name is known, disclosed in the Report and can be disclosed during the review of the Report and/or investigation.
- Confidential reporting – the Whistleblower's name is known to the receiver but will not be disclosed, unless required by law.
- Anonymous reporting – the Whistleblower does not identify themselves to anyone at any stage.

This Policy encourages you to put your name to your allegation whenever possible. If you do not disclose your identity, it will be much more difficult for the Company to provide you feedback, ensure necessary support and protection, or handle the case effectively. In addition, if the Report was made anonymously and the Whistleblower has not provided sufficiently comprehensive information, the matter may not be able to be taken further. Complete anonymity makes it practically more difficult for the Company to investigate the issue or take the necessary action.

If you do not want your name to be disclosed, the Company will make every effort to protect your identity. However, if disciplinary or legal proceedings follow the internal Investigation, it may not be possible to take action without your help or participation, so you may be asked to come forward as a witness or to provide a statement as part of the evidence gathering process. The Company will ensure you are offered necessary advice and support in such case and will do what it can to minimise any difficulties that you may experience as a result of raising a concern.

5.1.3. Feedback

After you report a concern, the Company will take some time to assess and process it. You will receive a confirmation of receipt of your Report as quickly as possible but not later than within two working days from the date it was made. The amount of follow-up contact between you and the Company regarding the Report will depend on the nature and difficulty of the issue and the clarity and sufficiency of information provided by you. It is likely that you will be interviewed or requested to provide more details.

To keep you assured that your Report has been properly addressed, you will be kept informed of the closure of the subsequent Investigation and, if necessary, any conclusions, unless there are any legal or ethical reasons why this cannot be done. The Company has no obligation to inform the Whistleblower about the outcome of the Report or the investigation, if any, as details of the outcome may be confidential.

5.2. Reviewing Concerns

Once a concern is received, an initial objective assessment is made by the Compliance division based on the information available in the Report. This includes the nature, severity and urgency of the matter, any immediate steps required to protect the Company or other employees, or prevent retaliation against the Whistleblower, and the need for collecting any missing substantial details required to process the Report further. At this stage, it is also important to consider any potential impartiality in further handling of the matter and the steps required to prevent it. The receipt of the Report shall be acknowledged to the Whistleblower within two working days.

If the nature of the Report does not relate to the Company's business conduct or activities, and/or if it is not considered to be illegal or unethical in nature, the Company may decide to dismiss and close the Report. The Report can also be dismissed if it does not contain sufficient information and it was not possible to obtain such additional information from the Whistleblower. The Whistleblower will be informed about the decision to dismiss the Report.

If the nature of the concern is not related to violation of the Company's Code of Conduct or Compliance Policies and Procedures, the Report will be re-addressed to the Line Manager and/or HR department for further resolution, and the reporting individual will be informed accordingly. Such reported concern will not be subject to this Policy.

If the Company decides to further proceed with the Report, it will be addressed and handled further by the the Compliance division.

5.3. Concerns Resolution

Whistleblowing is a gradual process and is not limited to reporting information. The Compliance division shall consider if any steps should be taken to stop and/or prevent future unethical or illegal conduct, and if applicable, implement such measures or suggest measures for relevant business department. If necessary, other business departments can be involved to support the handling of the concern.

The Compliance division shall conclude whether there might have been a violation of the Code of Conduct, other internal policies and procedures, laws and regulations, or other unethical conduct and, together with the Management, decide whether an investigation is appropriate and, if so, how it should be conducted.

Depending on the nature and severity of the concern, it may be:

- handed over to the relevant department for follow-up
- escalated to an internal investigation
- referred to the external auditor
- referred to the police or other relevant authorities
- terminated (insufficient information to proceed further, no grounds, false or malicious allegations).

5.4. Investigating Concerns

If, following the assessment of the Report made by a Whistleblower, it is decided to conduct an internal Compliance Investigation, the Company will assign investigators who will collect necessary information and documents, interview relevant parties, and summarize factual conclusions in a report which will be submitted to the management for decision-making. The purpose of an investigation is to examine the issue and establish facts in order to determine

whether a misconduct allegation is substantiated. If the wrongdoing is substantiated during the investigation, appropriate measures shall be taken to address it.

Compliance Investigations are conducted with strict adherence to the principles of objectivity, impartiality, fairness, non-retaliation, and confidentiality. Disclosure of information related to the scope, findings or conclusion of the Investigation or the involved individuals, without a legitimate need, may lead to disciplinary actions up to termination of employment.

For more details, Guideline for Conducting Compliance Investigations shall be referred to.

5.5. Concern Conclusion

Regardless of the outcome of the Report, it shall be properly documented by providing a brief description of the concern(s) and precise allegations, nature of the concern, initial assessment, involved individuals, a summary of actions taken and follow-up, identified violation(s), if any, and conclusion. The level of documentation should be relevant to the matter, and confidentiality of the documentation must be ensured.

It is important that the Whistleblower receives some feedback. The Whistleblower should as a main rule be informed when the case has been concluded though respecting considerations of confidentiality. In most cases, the Whistleblower will receive feedback on the conclusion within three months.

6. RESPONSIBILITIES OF LINE MANAGERS

Line Managers are responsible for ensuring their team members have the right level of understanding of the Whistleblowing procedures and for organizing and maintaining necessary conditions for this Policy to be effective such as promoting open communication within the team and encouraging Employees to ask questions and voice their concerns.

Line Managers shall make sure that any concerns voiced by their team members are handled in accordance with the Policy and consult with Compliance Manager for guidance if necessary.

7. MONITORING

Compliance division will maintain a register containing all reported concerns. The Compliance Manager will review the register on a regular basis and prepare a report for the Management. The report will include a summary of the concerns raised, to which department they related, the nature of remedial actions, and any lessons learned. The report is anonymous and no personal information related to the concerns shall be used in the report.

8. TRAINING

The Company shall provide trainings to all Employees to help them understand Whistleblowing procedure and reporting channels available in the Company, the importance and duty to raise concerns when they become aware of or suspect a misconduct, and what types of misconduct should be reported under this Policy.

The Policy shall be regularly brought to the attention of all Employees and the relevant reporting channel details shall be visible in publicly accessible places in the premises of the Company.

9. THIRD PARTIES

Avromed conducts its business with high standards of ethics and integrity and expects the same standards from all employees and Third Parties.

We encourage our partners, suppliers, vendors, customers, consultants, and all other Third Parties working with or for us to report any concerns about illegal or unsafe behaviour on the part of any employee, representative, or other Third Party. The concern can be raised through the reporting channels described in this Policy or through normal working contact.

Any Third Party who does report their concerns in good faith (based on a reasonable belief) shall not be treated less favourably in any way, as a result.

The Company will ensure that the information about reporting channels and procedures is available for Third Parties and the public.

Concerns or complaints that relate to Third Party's own internal operations and practices should be dealt with through the Third Party's normal reporting channels, policies, or procedures. Such issues are not covered under this Whistleblowing Policy.

10. CHANGES

A brief description of the changes	Version number	Effective date