



**”International Bank of Azerbaijan” OJSC dividend  
POLICY**

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## 1. General provisions

1.1. Dividend policy of "Azerbaijan International Bank" OJSC (hereinafter - Policy) "Azerbaijan International Bank" OJSC (hereinafter - the Bank) determines the basic principles of dividend policy, rules of declaration and payment of dividends, restrictions on payment of dividends, as well as other necessary issues related to the payment of these dividends.

1.2. The policy was developed in accordance with the provisions of the Civil Code of the Republic of Azerbaijan, the Tax Code of the Republic of Azerbaijan, the Law of the Republic of Azerbaijan "On Banks" and the "Standards of Corporate Governance in Banks" of the Financial Markets Supervisory Authority of the Republic of Azerbaijan.

1.3. The policy is part of the Bank's corporate governance system and is based on balancing the interests of the Bank and its shareholders in making dividend payments and respecting the rights of shareholders as defined by law and the bank's internal rules.

## 2. Basic definitions

2.1. The definitions used in the policy shall have the following meanings:

2.1.1. **Dividend** - payment in cash or other payments related to the distribution of net profit in favor of the Bank's shareholders, including distribution of property (assets) formed at the expense of net profit when the Bank is liquidated, as well as redemption of shares within the nominal value increased by net profit. Income received as a result of the division of property related to the liquidation of the bank (with the exception of property formed at the expense of retained earnings), as well as payments made in connection with the distribution of shares that do not change the percentage of shares of shareholders, the redemption of Shares within their nominal value are not considered a dividend;

2.1.2. **Dividend payment - payment of** the appropriate amount of money to persons entitled to receive dividends;

2.1.3. **Shareholder - an individual** or legal entity (s) that owns one or more share(s) of the Bank in accordance with the legislation;

2.1.4. **share owner** - the shareholder(s) the owner of the bank's shares on the date of the decision of the General Meeting of shareholders (hereinafter referred to as "GMS") on the payment of the dividend, who is entitled to buy the the bank's shares;

2.1.5. **decision on payment of dividends** - The decision of the bank's GMS on the payment of dividends to the shareholder;

2.1.6. **net profit** - income remaining at the disposal of the bank after payment of taxes and other mandatory payments determined according to reports prepared in accordance with local and international standards;

2.2. The definitions mentioned in this article are used only for the purposes of this policy.

2.3. Other definitions used in this policy shall have the following meanings defined by the existing legislative acts of the Republic of Azerbaijan.

### 3. Basic principles of policy

3.1. The policy is based on the following principles:

3.1.1. **legality** - organization and execution of the process of calculating, paying (declaring) dividends in accordance with the current legislation, as well as other normative acts adopted in accordance with the legislation;

3.1.2. **Transparency** - establishment of a transparent mechanism for **calculation**, payment (announcement) of dividends, as well as for the implementation of the Policy in general;

3.1.3. **justice**- providing all shareholders with equal rights within the legislation of the Republic of Azerbaijan to obtain information on the calculation of dividends, their amount and payment rules, and achieving optimal compliance of the interests of the bank and its shareholders;

3.1.4. **sustainable development** - The need to regularly update the policy and review it in case of changes in the strategic objectives of the Bank, as well as increase the investment attractiveness of the Bank, its capitalization and increase its profitability.

### 4. The main provisions of the declaration and payment of dividends

4.1. The decision (announcement) on the payment of dividends determines the date of receipt of the register information related to the shareholders in the payment of dividends and the amount of dividends to be paid, calculated on the basis of shares.

4.2. It is the right of the bank to decide whether to pay (or not to pay) dividends. The Bank may pay dividends quarterly or once a year, depending on the results of its financial and economic activities.

4.3. Dividends to shareholders of the bank are paid on the following grounds:

4.3.1. availability of net income of the bank determined by the financial statements prepared in accordance with the legislation;

4.3.2. absence of restrictions in the legislation on the payment of dividends and in this policy;

4.3.3. recommendation made by the Supervisory Board to the GMS on the amount of dividend payment;

4.3.4. Adoption of a decision by the GMS on the payment of dividend payments.

4.4. The bank's obligations to pay dividends arise from the date of the decision on their payment and are executed within 30 (thirty) days. The bank has the right to fulfill its obligation to pay dividends on any day during the period of payment of dividends. The Bank does not give any advantage to individual shareholders over the terms of payment of accrued dividends.

## 5. Payment of dividends

5.1. The decision on the payment of dividends is made at the first next meeting of the GMS, which is devoted to the results of the corresponding financial period. The bank cannot pay dividends without the decision of GMS on the payment of dividends, and shareholders cannot demand their payment.

5.2. The Board of Directors shall ensure timely and full payment of the declared dividends to the shareholders listed in the list of shareholders (registry information) on the date specified in the decision of the GMS provided by the Central Depository Center.

## 6. Restrictions on payment of dividends

6.1. When declaring dividends, making a decision on their payment, as well as paying dividends, the Bank takes into account the restrictions established by the applicable legislation.

6.2. If the value of the net assets of the bank is less than the amount of its authorized capital or will be less as a result of the payment of dividends, the Bank cannot declare and pay dividends. The Bank can only pay dividends from net profit for a certain period of time after the elimination of restrictions on the payment of dividends.