

**Information memorandum (where an issuer is an international organization)**

Items	Notes
<b>Policy statement</b>	
About the fact that the information contained in the information memorandum is based on true facts, that no facts have been omitted, and that all necessary measures have been taken to ensure the accuracy and completeness of such information	<p>Sample: We, the undersigned,</p> <p>Confirm that, prior to the preparation of this information memorandum, we have reviewed the 'Regulations on requirements for information memorandum and information memorandum' approved by Resolution No. 05 of 27 January 2016 of the State Committee for Securities of the Republic of Azerbaijan.</p> <p>Declare that all information included in this information memorandum relating to the issue by _____ (the "Company") of ____ (in words) interest-bearing (or discount), unsecured (or secured), uncertificated, registered bonds, each with a nominal value of ____ (in words) manats (or, where applicable, the relevant currency), is based on true facts, that no material facts have been omitted, and that all necessary measures have been taken to ensure the accuracy and completeness of such information.</p> <p><i>Individuals (first, last, middle names and positions held) and legal entities (names and registered addresses) responsible for all or part of the information contained in this information memorandum, together with their signatures and the dates of signing.</i></p>
<b>Table of Contents</b>	<b>The table of contents shall be presented in a clear and detailed manner.</b>
<b>1. Important notices</b>	
1.1. This document forms the introductory section of the information memorandum	
1.2. Any decision to invest in securities should be made by the investor only after reading the information memorandum	
1.3. The persons who have prepared the information memorandum shall be held civilly liable where the information contained in the information memorandum is misleading, inaccurate or inconsistent, or where material information necessary to assist investors in deciding whether to invest in the securities has not been provided.	
<b>Summary section</b>	<b>The summary must not exceed 7% of the total volume of the information memorandum or 15 pages. The information contained in the summary must be presented in a clear and understandable manner</b>
2.1. Issuer's name and legal status	
2.2. Issuer's organizational-legal form	
2.3. A brief description of issuer's objectives and functions	
2.4. Information on funding sources, guarantees and members' obligations towards the issuer	
2.5. Recent events relating to the assessment of the issuer's solvency	<p>Significant events that have occurred in recent periods (where information is available, covering the last 3 years) and that have affected or may affect the issuer's financial stability, cash flows, or ability to meet its debt obligations in a timely manner shall be disclosed. Such events may include, inter alia:</p> <ul style="list-style-type: none"> <li>-A brief description of the sources of financing used by the issuer over the last three years (e.g., loans, issuance of securities, etc.) and their key terms.</li> <li>-Changes in credit ratings.</li> <li>-Changes in the issuer's principal sources of revenue (e.g., the loss or acquisition of major contracts).</li> <li>-External and internal events affecting economic and political stability (for example, increases in inflation, devaluation, geopolitical tensions, etc.).</li> </ul>
2.6. Selected audited financial information covering the last two financial years, together with a description of any changes in the issuer's financial position since the date of the most recent audited financial statements	

<b>3. Information about securities</b>	
3.1. Type of bonds	
3.2. Currency of bonds	
3.3. Restrictions attached to the bonds	This section describes any restrictions relating to the purchase and sale, circulation, and exercise of rights attached to the bonds. Such restrictions may include, inter alia, limitations whereby the bonds are offered only to certain categories of investors, requirements to obtain consent for the transfer of bonds to third parties, and legal obligations relating to the collateral (for example, restrictions on the use of such collateral to secure other obligations).
3.4. A description of the rights attached to the bonds	This section sets out the <b>content and scope of the rights</b> granted to bondholders under applicable legislation and the terms of the issuance. The rights conferred refer to the financial and non-financial entitlements arising from the bond, including the rights of the bondholder as the owner of the bond.
3.5. The interest rate of the bonds. The dates and terms for payment of interest and principal on the bonds. Where the interest rate is not fixed, the method used to calculate the interest rate, the underlying basis for such calculation, and the sources used to determine that basis	This section specifies the annual interest rate of the bonds in a clear and precise manner. It also provides detailed information on the dates and schedule for the payment of interest and the repayment of the nominal (principal) amount of the bonds. Where the interest rate is not fixed in advance (for example, in the case of floating-rate bonds), it is recommended to disclose the basis on which the interest rate is determined, including the relevant reference benchmarks and the method of calculation
3.6. A description of the security and the terms of the collateral securing the secured bonds	This section provides detailed information on the type, nature and terms of the collateral provided in respect of secured bonds issued by the Issuer.
3.7. The terms and conditions for the buyback (repurchase) of the bonds	This section sets out the legal and financial terms and conditions relating to the early redemption (buy-back) of the bonds issued by the Issuer.
3.8. The yield indicator, including a brief description of the method of calculating the yield	This section provides a brief and simple explanation of how the annual yield (rate of return) to be received by investors is calculated. The following key information should be disclosed: the frequency of interest payments; the method used for calculating interest income; total income per bond; and the expression of such income as an annual percentage rate. Where the bonds are issued at a discount, it should be stated that the bonds are discount instruments, and information on the simple annual yield indicator should be provided.
3.9. The name of the bondholders' representative	Where a representative is appointed to protect the rights of bondholders (investors), brief information about such representative shall be provided. Where no representative is appointed, it may be stated that "no representative has been designated."
3.10. Where secured bonds are offered, clear and detailed information on the impact of the value of the collateral on the repayment of the bonds and the interest payable thereon	This section provides detailed information on the extent to which the value of collateral provided in respect of secured bonds ensures the <b>timely and full repayment of the principal amount of bonds</b> and the payment of interest thereon. It shall also include a risk warning indicating that fluctuations in the market value of collateral, as well as deterioration in market conditions, may give rise to risks for investors.
3.11. Information on whether the issuer intends to apply for admission of the bonds to trading on a regulated market. Where such an application is intended, details of the regulated market on which the bonds will be admitted to trading and the conditions for such admission.	This section provides information on whether an application has been submitted by the Issuer for the admission of bonds to trading on a regulated market. Where such an application is envisaged, the name of the regulated market on which bonds are expected to be admitted to trading shall be indicated, together with a brief description of that market, including its address, contact details, website and areas of activity. In addition, conditions for the admission of bonds to trading on that market shall be described by reference to the 'Regulations on the admission to trading, listing, maintenance of listing and delisting of securities on the Baku Stock Exchange.'
<b>4. Risk factors</b>	
4.1. Risk factors necessary to assess the market risks associated with the offered securities	This section highlights the risks associated with the relevant securities for investors' attention. It includes information on the liquidity of the bonds, the existence or absence of a secondary market, and how future conditions in the securities market may affect the value of the bonds. It also addresses how the Issuer's financial condition may impact the value of the bonds, together with other relevant risk factors.
4.2. Risk factors that may affect the issuer's ability to meet its obligations in connection with the bond issuance	Changes in economic conditions, financial and liquidity difficulties, management deficiencies, legal and regulatory changes, political instability, market risks, and natural disasters may affect the Issuer's ability to meet its obligations. This section provides information on risk factors that may impact the Issuer's ability to fulfil its obligations, taking into account the specific characteristics of the sector in which the Issuer operates.
<b>5. Offer</b>	
5.1. The reason for the issuance, where it is different from profit generation or hedging of certain risks	Where the primary purpose of the bond issuance is other than profit generation or risk hedging, the other purposes of the issuance shall be disclosed for the purpose of informing investors. For example, such purposes may include investments in fixed capital, the satisfaction of liquidity needs, and strategic objectives.
5.2. A description of the terms and conditions of the offer	Information is provided on the principal terms of the offering, including the placement timetable, disclosure requirements, and the method and procedure of placement.
5.3. Detailed information on the interests of persons involved in the issuance, including any conflicts of interest	Information is provided on the interests of the persons involved in the issuance (including the Baku Stock Exchange (BSE), the Central Securities Depository (CSD), underwriter(s), and other relevant parties), as well as any conflicts of interest. It shall also be stated whether any conflicts of interest exist between the parties involved.
5.4. The amount of taxes and expenses payable by the purchaser of the bonds.	This section provides information on the taxes payable by investors in connection with the purchase of bonds and interest income received therefrom, as well as other potential costs. By way of example, such information may include withholding tax at source; tax rates and conditions applicable to legal entities and individuals in accordance with the Tax Code of the Republic of Azerbaijan; the trading fee of the Baku Stock Exchange (BSE); service fees of investment companies; banking charges; fees for opening a custody account; and, where applicable, service fees of investment companies and other related costs.