

**AUDIT SERVICE AGREEMENT**  
**No. 003-MHA**

**Baku City**

**Date: January 23, 2025**

**Introduction**

**On the one hand:** “Western Caspian University” (TIN 1700370951), operating following its Charter approved by the relevant state authority, legally represented by Rashad Huseyngulu oglu Baghirov (hereinafter referred to as the "Client") (relevant documents are attached), **And on the other hand:** “Professional Auditor Services” LLC (TIN: 2000111541), founded by Aftandil Adigozal oglu Aliyev, legally represented by Director-Auditor Shahzada Nizami gizi Shirinova (hereinafter referred to as the "Contractor").

**This Audit Service Agreement** is drawn up by mutual consent of the Parties under the following terms:

**Article 1. Subject of the Agreement**

**1.1.** The Contractor shall conduct an audit of the financial and economic activities of “Western Caspian University” for the period from January 1, 2024, to December 31, 2024, to evaluate the compliance and accuracy of the prepared Financial Statements and the implemented Accounting Policy with the requirements of International Financial Reporting Standards and prepare an appropriate Auditor’s Opinion.

**1.2.** Based on the results of the conducted audit, an Auditor’s Opinion or an Independent Auditor’s Report shall be prepared following International Standards on Auditing (ISA).

**1.3.** The prepared Auditor’s Opinion or Independent Auditor’s Report shall be delivered to the Client following the “Guidelines on Conducting and Documenting Audits” approved by Decision No. 267 of the Board of the Chamber of Auditors of the Republic of Azerbaijan dated October 20, 2015.

**Article 2. Performance of Work and Provision of Services**

**2.1.** The audit referred to in **Article 1.1** is carried out in compliance with the Laws of the Republic of Azerbaijan “On Audit Services,” “On Accounting,” the Civil Code, Tax Code, Code of Administrative Offenses, applicable International Standards on Auditing (ISA), the “Guidelines on Conducting and Documenting Audits” approved by the Chamber of Auditors, the University's Charter, and other relevant legislative and normative legal acts.

**Article 3. Rights and Obligations of the Parties**

**3.1. The “Client” undertakes the following obligations:**

**3.1.1.** To provide the “Contractor” with all essential documentation required for the audit in an official and timely manner, including but not limited to incorporation and registration documents, decisions, orders, directives, decrees, and protocols issued by authorized executives or relevant bodies, as well as accounting and reporting documents and other related information reflecting the results of the Client’s primary financial and economic activities.

**3.1.2.** To ensure that all initial accounting documents and other materials necessary for the quality and timely completion of the audit service by the “Contractor” are submitted in full, in the prescribed format, and within the specified time frame; and to promptly respond to or comply with any additional inquiries or requests made by the auditor in connection with the audit.

**3.1.3.** To enable the “Contractor” and/or its specialists to carry out necessary audit actions and procedures related to the fulfillment of this Agreement, and to refrain from imposing any restrictions on investigations required for the audit to be conducted following the aforementioned requirements.

**3.1.4.** To transfer the agreed and approved fee for the audit service under this Agreement to the “Contractor” in advance and upon completion, promptly, based on the invoice and e-invoice issued by the “Contractor.”

### **3.2. Rights of the “Client”:**

**3.2.1.** To obtain relevant information regarding the status of the ongoing audit.

**3.2.2.** To receive information from the “Contractor” about the legal requirements specified in Clause 2.1 of this Agreement related to the audit process and the proper formulation of the corresponding Auditor's Opinion.

**3.2.3.** To submit proposals related to the proper organization and execution of the audit, the correct determination of its format and methods, and other relevant matters, following the applicable requirements.

### **3.3. The “Contractor” undertakes:**

**3.3.1.** To conduct the audit based on the necessary documents and information provided by the “Client”, following the legal requirements specified in Clause 2.1 of this Agreement.

**3.3.2.** To fulfill the obligation stated in Clause 1.1 of this Agreement in compliance with the norms of the Code of Ethics for Professional Accountants.

**3.3.3.** To fulfill the obligation stated in Clause 1.1 of this Agreement with reasonable assurance that the information provided by the “Client” is free from material misstatements.

**3.3.4.** To collect sufficient appropriate audit evidence and perform necessary audit procedures within the powers, rights, and obligations granted by the relevant legislative acts to achieve objective results.

### **3.4. Rights of the “Contractor”:**

**3.4.1.** To independently and properly determine the format and methods of the audit.

**3.4.2.** To obtain written and/or oral explanations from the “Client” or its employees, if necessary, in connection with the audit.

**3.4.3.** To involve other auditors (experts or specialists) in the audit process when necessary.

**3.4.4.** To obtain copies of relevant supporting documents with the consent of the “Client” to properly formulate or supplement the Auditor’s Opinion.

**3.4.5.** To refuse to provide audit services if the necessary documents are not submitted by the “Client”, if appropriate working conditions are not provided, if required assistance is not granted, or if the service fee is not paid, or for other similar reasons.

#### **Article 4. Handover and Acceptance of Work**

**4.1.** The auditor delivers the main and final work documents related to the audit results to the “Client” or its authorized representative against a signature, using the Handover-Acceptance Act as established by the Chamber, or sends them by post.

#### **Article 5. Term for Execution of Work**

**5.1.** The execution of the work or services stipulated in this Agreement is determined based on the Plan and Program Documents prepared by the auditor and agreed upon with the “Client”.

**5.2.** In case of justified delays in the timely execution of the work or services under this Agreement, the execution period may be extended by mutual agreement of the Parties as needed.

#### **Article 6. Payments and Settlements under the Agreement**

**6.1.** The cost of the audit service under this Agreement is calculated based on the turnover indicated in the “Client”’s Profit Tax Declaration and following the requirements of Resolution No. 355/6 dated 13.04.2023 of the Board of the Chamber of Auditors of the Republic of Azerbaijan, taking into account the complexity, volume, and potential audit risks, and is set at a minimum amount of 9,560 (nine thousand five hundred sixty) AZN, as agreed between the Parties.

**6.2.** Of the determined minimum service fee under this Agreement, 4,560 (four thousand five hundred sixty) AZN shall be paid in advance by the “Client” to the account of the “Contractor” upon commencement of the work, based on the invoice and e-invoice submitted by the “Contractor”.

**6.3.** This Agreement is concluded following the relevant provisions of the Law of the Republic of Azerbaijan “On Audit Services”, and the payment of the audit service fee does not give rise to any claims by the Parties regarding the obligations undertaken or the content of the resulting Auditor’s Opinion.

#### **Article 7. Confidentiality**

**7.1.** The Parties shall maintain the confidentiality of the existence, content, and value of this Agreement, and shall not disclose any such information to third parties without the other Party’s consent.

**7.2.** The Parties may not use any facts or information revealed during or as a result of the audit for any purpose without the consent of the other Party.

**7.3.** The “Contractor” shall not be held responsible for the dissemination of generally known information not caused by its fault.

**7.4.** The above provisions on confidentiality do not apply in cases where similar information is required to be disclosed or submitted to state authorities under the applicable legislation of the Republic of Azerbaijan upon their official request.

## **Article 8. Liability of the Parties**

**8.1.** The “Client” is responsible for the accuracy and authenticity of the documents submitted to the “Contractor” for the audit, including written and oral explanations.

**8.2.** To ensure higher quality and timely completion of the audit in compliance with applicable legal requirements, the Parties and/or their representatives are obligated to jointly consult, discuss, and submit relevant proposals concerning any issues that may arise during the audit process.

**8.3.** If either the “Client” or the “Contractor” fails to fully or partially fulfill their obligations without a valid reason, they shall be held liable following the applicable legislation and relevant provisions of this Agreement.

## **Article 9. Exemption from Liability**

**9.1.** The Parties shall not be held liable for the non-performance or improper performance of obligations under this Agreement if such failure is due to extraordinary events beyond their control and they are unable to influence or change the situation.

**9.2.** In force majeure circumstances, the fulfillment of obligations under the Agreement may become impossible. In such cases, the affected Party shall immediately notify the other Party in writing.

## **Article 10. Dispute Resolution**

**10.1.** In the interpretation, discussion, execution, or performance of the provisions of this Agreement, the Parties shall be guided by the rights granted to them by the civil law norms of the Republic of Azerbaijan.

**10.2.** Any issues or disputes arising during the execution or implementation of the provisions of this Agreement shall be resolved through negotiations between the Parties.

**10.3.** If any issues or disputes cannot be resolved through negotiations within two months, they shall be considered or resolved by the competent Court following applicable legislation.

## **Article 11. Term and Termination of the Agreement**

**11.1.** This Agreement covers the audit period of “Western Caspian University” from January 1, 2024, to December 31, 2024, and is limited to the fulfillment of the obligations related to verifying the accuracy of the Financial Statements prepared for that period, ending with the transfer of the resulting documents to the “Client” against signature via the Handover-Acceptance Act.

**11.2.** After this period, the validity of this Agreement may be extended and reinstated if new obligations arise concerning the existing Agreement, including their discussion and execution, or involvement in investigations conducted by competent state authorities. The extended term shall expire after resolution of the newly arisen matters.

## **Article 12. Other Provisions**

**12.1.** In connection with the higher-quality execution of the tasks stipulated in Article 1 of this Agreement, the “Contractor” shall independently identify, select, instruct, and formalize the engagement of appropriately qualified specialists whose participation is required by law.  
**12.2.** The “Client” may, with the consent of the “Contractor”, propose the involvement of its own suitably qualified and experienced employees in the audit process to ensure higher quality execution of the tasks stipulated in Article 1.

## **Article 13. Final Provisions**

**13.1.** Any additional or amended documents prepared concerning obligations beyond those specified in this Agreement shall only be valid and binding if they are prepared in writing based on mutual agreement of the Parties, signed by the Parties or their authorized representatives, and hold specific significance concerning the obligations undertaken under the Agreement.  
**13.2.** This Agreement constitutes the entire understanding between the Parties regarding the subject matter of the Agreement. All previous correspondence and oral or written agreements before the conclusion of this Agreement shall become null and void.

## **Article 14. Entry into Force**

**14.1.** This Agreement enters into force from the date it is signed by the Parties or their authorized representatives.  
**14.2.** The Agreement has been drawn up and approved in two original copies of equal legal force at the office of “Western Caspian University.”

### **Signatures:**

**“Client”:**

**R.H.Baghirov**

**“Contractor”:**

**Sh.N. Shirinova**

**Invoice Regarding Payment for Audit Services**

**Invoice No. 003-MHA**

**Baku City**

**Date: January 23, 2025**

<b>Organization:</b> “Professional Auditor Services” LLC <b>Address:</b> Baku, Kh. Mammadov Str., Building 9, Apt. 7 <b>Phone:</b> (012) 371-12-49, (050) 590-18-11 <b>Bank:</b> Pasha Bank <b>Account No (IBAN):</b> AZ37PAHA40060AZNHC0100676722 <b>Bank Code:</b> 505141 <b>Taxpayer Identification Number (TIN):</b> 2000111541	<b>Bank Details:</b> <b>Correspondent Account (M/h):</b> AZ82NABZ01350100000000071944 <b>Bank Code:</b> 505141 <b>SWIFT Code:</b> PAHAAZ22 <b>Taxpayer Identification Number (TIN):</b> 17007677721 <b>Phone:</b> (012) 496-50-00
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**Client:**

<b>Name</b>	“Western Caspian University” (TIN 1700370951)
<b>Address:</b>	27 Istiglaliyyat Street, Baku, Azerbaijan
<b>Phone:</b>	051-576-94-90

**Description: Advance payment towards the cost of audit services.**

<b>Basis</b>	<b>M/order</b>	<b>Transfer</b>	<b>Total Amount (in AZN)</b>
Following Service Agreement No. 003 dated January 23, 2025, regarding the provision of audit services, an advance payment is being transferred towards the cost of audit services:	-	+	4.560
<b>Amount:</b>	Four thousand five hundred sixty Azerbaijani manats		

**Director-Auditor:**

**Sh.N. Shirinova**