

**RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, CALIFORNIA
AMENDING THE INVESTMENT POLICY ADOPTED ON SEPTEMBER 19, 2023,
REGARDING THE INVESTMENT OF CITY FUNDS TO PROHIBIT INVESTMENTS IN
OR RELATED TO THE REPUBLIC OF AZERBAIJAN AND CONDUCTING A REVIEW
OF ALL FUNDS TO ENSURE COMPORANCE WITH THESE PRINCIPLES**

WHEREAS, on September 26, 2020, in violation of the international principle on the non-use of force to resolve international disputes, the government of the Republic of Azerbaijan launched full-scale military aggression against the indigenous civilian population of Nagorno-Karabakh, which involved the use of cross-border mercenaries, international terrorists and prohibited ammunition, armaments and ordinance including cluster bombs and white phosphorus;

WHEREAS, from December 12, 2022 until September 26, 2023, the government of the Republic of Azerbaijan prevented all civilian or commercial traffic through the Lachin Corridor, which is the only point of access from the Republic of Armenia to the indigenous civilian population of Nagorno-Karabakh, thereby causing critical shortages of food, medicine, and other essential supplies;

WHEREAS, on February 6, 2024, the City Council of the City of Glendale recognized that the government of the Republic of Azerbaijan engaged in ethnic cleansing and genocide in Nagorno-Karabakh under Article II(c) of the Genocide Convention by “[d]eliberately inflicting on the group conditions of life calculated to bring about its physical destruction,” and the City of Glendale is home to the largest Armenian-American population in the United States; and

WHEREAS, the government of the Republic of Azerbaijan has not complied with the binding Order of 22 February 2023 issued by the International Court of Justice as set forth in document 180-20230222-ORD-01-00-EN to cease inflicting on the indigenous Armenian residents of Nagorno-Karabakh conditions of life calculated to bring about their physical destruction;

WHEREAS, the City of Glendale approved the provision of humanitarian aid to its sister city of Martuni, in the Republic of Artsakh in Nagorno-Karabakh in August 2023;

WHEREAS, the government of the Republic of Azerbaijan engaged in military hostilities in September 2023, to depopulate Nagorno-Karabakh of over 100,000 indigenous Armenian residents including substantially all of the residents of the City of Glendale’s sister city of Martuni;

WHEREAS, certain officials of the government of the Republic of Azerbaijan are alleged to have engaged in crimes against humanity in Nagorno-Karabakh, including the crime of forcible transfer of population, and ethnic cleansing in violation of international humanitarian law;

WHEREAS, in a press release dated May 10, 2023, the European Parliament has called on the European Union to adopt targeted sanctions against the government officials in the Republic of Azerbaijan responsible for multiple ceasefire violations and human rights abuses in Nagorno-Karabakh and demanded investigations into abuses committed by Azerbaijani troops that may constitute war crimes;

WHEREAS, in a press release dated October 4, 2023, U.S. Senator Ben Cardin (D-Md.), Chairman of the United States Senate Foreign Relations Committee has stated that “[a]s the world continues to grapple with Azerbaijan’s coordinated, intentional campaign of ethnic cleansing, we must both prioritize support for the Armenians who have been expelled as well as holding Azerbaijan accountable.”

WHEREAS, the United States Department of State designated Azerbaijan in January 2024 as a Special Watch List country for having “engaged in or tolerated particularly severe violations of religious freedom.”

WHEREAS, Section 5(d) of that certain Investment Policy for the City Treasurer adopted on September 19, 2023, by the Council of the City of Glendale (the “Investment Policy”) provides for an investment objective emphasizing social considerations, specifically human rights;

WHEREAS, the Government of Azerbaijan has raised funds from international financial markets through the placement of bonds and other debt securities (ticker: AZERBJ), as well as using state-controlled entities and other entities to do the same including the: International Bank of Azerbaijan OJSC (ticker: IBAZAZ), State Oil Company of the Azerbaijan Republic, a/k/a SOCAR (ticker: SOIAZ), Southern Gas Corridor CJSC (ticker: SGCAZE), and generates revenues from other entities which derive more than 10% of their gross revenues from the Republic of Azerbaijan^[1] (collectively, the “Prohibited Securities”). Such funds have been instrumental to the commission of the war crimes, human rights abuses and the other violations of law described above by the government of the Republic of Azerbaijan;

WHEREAS, the City of Glendale seeks to prudently safeguard and supervise its assets and any such assets relating to or associated with Prohibited Securities or the government of the Republic of Azerbaijan may be impaired because of litigation or sanctions arising from the government of the Republic of Azerbaijan’s actions in Nagorno-Karabakh; and

WHEREAS, it is in the best interest of the City of Glendale from time to time to review, revise and if necessary, amend the Investment Policy, to prudently safeguard its assets.

^[1] The de minimis exception described here is intended to exclude the securities of multinational companies unrelated to the Government Azerbaijan which derive incidental revenues from participation in economic activities in Azerbaijan.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLENDALE, CALIFORNIA THAT:

Section 1. That the Investment Policy is hereby amended to add a new paragraph to Section 1 as follows:

“The City Manager of the City of Glendale shall periodically, on a no less than annual basis: i) review all investments of the City of Glendale, and investments made by deferred compensation or retirement plans that City of Glendale employees participate in, such as CalPERS, to assess whether such investments are in compliance with this Investment Policy, ii) where investments are found that are inconsistent with this Investment Policy, the City Manager shall a) share a copy of this Investment Policy with the Investment Manager responsible for managing such investments and encourage compliance with the objectives and guidelines described therein, and iii) share its findings with the Council of the City of Glendale.

Section 2. That the Investment Policy is hereby amended to add a new clause (f) to Section 6 as follows:

(f) i) sovereign debt issued by or relating to the government of the Republic of Azerbaijan, including public and private securities (ticker: AZERBJ), bonds, notes, debentures, loans, futures, options, derivatives, currency swaps, hedges or any other instruments, and any and all entities controlled directly or indirectly by the government of the Republic of Azerbaijan, including the International Bank of Azerbaijan OJSC (ticker: IBAZAZ), State Oil Company of the Azerbaijan Republic, a/k/a SOCAR (ticker: SOIAZ) and Southern Gas Corridor CJSC (ticker: SGCAZE), or ii) investments in any other entity which, in any way, directly or indirectly, derives more than 10% of its gross revenues from the Republic of Azerbaijan (collectively, the “Prohibited Securities”), until such time as the government of the Republic of Azerbaijan, x) ceases engaging in genocide and human rights violations, y) complies with orders from the International Court of Justice, including the Order of 22 February 2023, and z) provides effective restitution to the victims of its hostilities in Nagorno-Karabakh.

Adopted this _____ day of _____, 2024.

Mayor

ATTEST:

City Clerk

