



The system of standardization in the State Oil Company of the Azerbaijan Republic
(SOCARSS – 001.2012)

ANTICORRUPTION POLICY
OF THE STATE OIL COMPANY OF THE AZERBAIJAN REPUBLIC

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STATEMENT OF THE PRESIDENT OF THE STATE OIL COMPANY OF THE AZERBAIJAN REPUBLIC

Our Company, being the largest in the Republic of Azerbaijan and one of the most significant participants of the Global Energy Market, continually grows by expanding to new markets and areas of business and by building long-term partnership relations with large international companies and financial institutions.

In our production, finance, investment and other activities, we always put emphasis on corporate culture, business ethics and corporate governance. From the moment of establishment, our Company sets an example of socially responsible behavior as well as fair, honest and transparent business doing to its partners, employees and society, therefore being one of the leading companies in this sphere in our country. And we intend not to lower this high standard in the future.

In order to be fully compliant with the standards of business ethics and anticorruption principles and requirements established by the laws of the Republic of Azerbaijan, foreign and international laws, regulations and practices we decided to develop and implement an anticorruption policy, reflecting the principle of “zero tolerance” to all forms of corruption activities. This principle means the refusal from participation in activities or inactivities which may be interpreted as corruption in the territory of the Republic of Azerbaijan, as well as any other country. The Company’s management would make all possible efforts to prevent any actions which could have a negative influence on the company’s reputation, its market position and/or lead to loss of its competitive advantages.

The implemented Anticorruption Policy formalizes severe requirements to all employees irrespective of their position, and represents our commitment to high ethical and legal standards of doing business, principles of honesty, transparency, integrity and financial responsibility. Business ethics, corruption deterrence and effective corporate governance are factors affecting decision making, which finally pre-define competitive advantages and financial success.

Our Company, to every possible extent, would aim to inform all its counterparties and other stakeholders about crucial ethical standards and anticorruption principles and requirements, to adhere to running honest and open business as well as to motivate them to accept similar policies and procedures. The Company would aim to refuse from cooperation with counterparties or other parties not accepting its position and values with respect to corruption deterrence measures.

Implementation of the Anticorruption Policy and procedures deterring corruption will secure legitimacy, integrity and transparency of our activities for all stakeholders.

In return, I, as the President of the State Oil Company of the Azerbaijan Republic (SOCAR), promise that in my decisions and actions I will strictly adhere to corporate and ethical values and anticorruption principles of doing business. I expect the similar behavior from my colleagues and subordinates, who are honored with a high title of SOCAR employee, as these are the grounds for sustainable growth and wealth of our company in general and for each of us individually.

Yours faithfully,

Rovnag Adbullayev

KEY TERMS, DEFINITIONS AND ABBREVIATIONS

Affiliate of SOCAR – limited liability company, where SOCAR has more than 20% share in the charter capital, or joint stock company, where 20% of voting rights are owned by SOCAR, but which does not represent Enterprise of SOCAR or its Subsidiary.

Applicable Anticorruption Legislation – rules and requirements of Applicable legislation against corruption, bribery and other types of Corruption Activities.

Applicable Legislation – rules and requirements of legislation of the Republic of Azerbaijan, international legislations and regulations and legislations of foreign states applicable to the Company and/or its Employees due to certain circumstances (for instance, doing business on the territory of a certain state, terms and conditions of an agreement with a foreign counterparty and others).

Close Relatives –spouses, parents, children, adoptive parents, adoptees, brothers and sisters, grandparents, grandchildren.

Company – the group of legal entities of different legal organizational forms including SOCAR and its Enterprises.

Conflict of Interest – situation or circumstances when Personal interests and /or Personal commercial interests of Employee and / or his Close relatives contradicts or may contradict the Company’s interests and in which he and / or his Close relatives are interested in that influences or may influence the proper job performance including the unbiased decision making process.

Corruption Activities (or corruption actions) – direct or indirect, personal or via a third party offer, promise, giving, request and accepting a bribe, acting as an intermediary in giving and / or accepting bribes, accomplishment of Facilitating payments, commercial bribery, bribery of Government officials, illegitimate use by a public official of his position for obtaining material or non-material benefits in any form, including cash, other assets, property, property rights, services for himself or for other parties or illegitimate provision of such benefits or rights to this individual by other parties.

Counterparty – any legal entity or individual established according to the legislation of the Republic of Azerbaijan, as well as foreign legal entity or individual, with which SOCAR enters into any contractual relations except for labor.

Employees – individuals employed by the employer according to labor and civil law.

Enterprise – legal entity fully controlled by SOCAR and considered to be an enterprise in accordance with its Charter (the list of Enterprises is approved by the President of the Republic of Azerbaijan and disclosed in the Charter of SOCAR).

“Facilitating Payments” – cash, property, property rights, services and other material and non-material benefits provided in order to ensure execution of or to speed up the standard legislative procedure or actions, which however are not foreseen by the law or regulations of a certain country but are commonly used as a part of local business practice.

Government Authorities – any bodies of state government authorities and local governments of the Republic of Azerbaijan and of other states, including bodies of legislative, executive (for instance, departments, administrations and ministries of the government) and judicial branches.

Government official:

- Individual, who permanently or temporarily or according to a special authority performs representative functions of Government authorities of the Republic of Azerbaijan or of any other country;
- Government official of the Republic of Azerbaijan or of any other country;
- Candidate for replacement of the position at Government authorities including positions in the Government of the Republic of Azerbaijan or in any other country;
- Any public individual or Employee of commercial organization, which is fully owned or controlled by the State or by the Government authorities of the Republic of Azerbaijan or of any other country.

Senior Employees – the President of SOCAR, members of SOCAR Board and Committees, Vice-presidents, heads of SOCAR /departments/divisions/subdivisions, directors of its Enterprises as well as other officers vested with management functions in SOCAR and its Enterprises.

Personal Commercial Interests –proprietary, financial, political and other commercial interests of an individual.

Personal Interests – any personal and social interests of an individual (excluding Personal commercial interests).

Politician – an(y) individual professionally engaged in political activities including any individual being a functionary in a political party.

Public Formation – any form of:

- International and national public organizations and associations, public and social movements;
- Political parties and political unions;
- Non-commercial organizations (public organizations, foundations, unions of legal entities and other forms of non-commercial organizations stipulated by the legislation of the Republic of Azerbaijan).

Responsible Body: the respective body determined by the order of SOCAR’s President.

Representative of Public Formation:

- any public officer or Employee of a Public Formation;
- any candidate/applicant for a position in a Public Formation.

SOCAR – State Oil Company of the Republic of Azerbaijan.

Structural Unit – departments and divisions which form part of the structure of SOCAR.

Third Parties – any individuals who are not considered as Employees of the Company as well as any of legal entities, which are not included in SOCAR's structure.

“Zero-tolerance” to Corruption Activities– strict prohibition for Members of the management board, Company's Employees and other parties subject to this Policy, to participate directly or indirectly, personally or via third parties in any Corruption activities in the Republic of Azerbaijan as well as in any other country irrespective of business practices existing therein.

1. GENERAL PROVISIONS

1.1 Purpose, goals and objectives

1.1.1. Anticorruption Policy of the State Oil Company of the Azerbaijan Republic (hereinafter – “the Policy”) is a core document establishing SOCAR’s underlying principles and requirements in the field of anticorruption and compliance with provisions of the Applicable Anticorruption Legislation.

1.1.2. This Policy reflects SOCAR’s “Zero-tolerance” to Corruption activities and its commitment to high ethical standards of doing business in aid of enhancement of the appropriate level of anticorruption culture, maintaining of its business reputation and transparency of business activities as well as describes measures for minimization of corruption risks in SOCAR’s and its Enterprises’ business activities.

The Policy is a public document available on SOCAR’s official Internet web-site.

1.1.3. Goals of the Policy:

- To form a uniform understanding of SOCAR’s “Zero-tolerance” to any forms and appearances of Corruption activities with Government authorities, investment community, Counterparties, Subsidiaries and Affiliates, joint ventures, Enterprises, SOCAR’s Employees and other individuals and legal entities;
- To minimize corruption risk;
- To ensure transparency of SOCAR’s business activities.

1.1.4. Objectives of the Policy:

- To collate and explain the key requirements of anticorruption legislation applicable to SOCAR;
- To establish and explain key principles and requirements, underlying rules, standards and norms regulating anticorruption activities and summarize underlying rules, standards and norms of expected behavior;
- To define obligations and responsibility of SOCAR’s employees within the procedures preventing Corruption activities.

1.2 Legislative and methodological background

1.2.1. The Policy is developed strictly in accordance with requirements of the legislation of the Republic of Azerbaijan, the Charter of SOCAR and other internal documents taking into account international and foreign anticorruption legislations as well as recommendations of international organizations and leading international anticorruption practices.

1.2.2. Legislative basis for this Policy:

1. International legislation:

- United Nations Convention against Corruption (adopted in New York on October 31, 2003 by Resolution 58/4 at 51st plenary assembly of 58th sitting of United Nations General Assembly);
- Criminal Law Convention on Corruption (adopted in Strasbourg city on January 27, 1999 ETS No 173);
- Civil Law Convention on Corruption (adopted in Strasbourg city on November 4, 1999 ETS No 174).

2. *Anticorruption legislation of the Republic of Azerbaijan:*

- Criminal Code of the Republic of Azerbaijan;
- Administrative Code of the Republic of Azerbaijan;
- The Law of the Republic of Azerbaijan “On Combating Corruption”;
- and others.

3. *Foreign Anticorruption Legislation:*

- The Bribery Act 2010 (adopted by the Parliament of the United Kingdom on July 1, 2011).

1.2.3. Methodological background of the Policy:

1. *Legislation of the Republic of Azerbaijan:*

- The Law of the Republic of Azerbaijan on “Prevention of conflict of interest in operations of government officials”;
- The Law of the Republic of Azerbaijan on “Rules of ethical behavior of government officials”;
- The Law of the Republic of Azerbaijan on “Code of ethics and behavior of government officials” and others.

2. *Foreign legislation:*

- The Foreign Corrupt Practices Act (United States federal law, 1977).

3. *International recommendations:*

- Guidance of Ministry of Justice of UK on implementation of the system of adequate procedures in order to comply with the norms of the UK Bribery Act 2010, issued on March 30, 2011;
- Transparency International, the 2010 UK Bribery Act Adequate Procedures Guidance on good practice procedures for corporate anti-bribery programs;
- Transparency International and Social Accountability, International Business Principles for Countering Bribery;

- Transparency International Anti-corruption Plain Language Guide;
- International Commercial Chamber Rules on Combating corruption;
- International Commercial Chamber Guidelines on Agents, Intermediaries and Other Third Parties.

1.3 Scope of Application

1.3.1. The Policy is mandatory for all Senior Employees as well as other Employees regardless of their position, upon execution of their work responsibilities and/or representation of the Company's interests in any country around the world.

1.3.2. The underlying principles and requirements of the Policy also apply to Subsidiaries, Affiliates, joint ventures, all Counterparties of the Company, including suppliers, agents, intermediaries, consultants, representatives and other individuals and legal entities, when such responsibilities are fastened by agreements with them, in their internal documents or follow directly from the Applicable Anticorruption Legislation.

1.4 Amendments to the Policy

Amendments to this Policy are made based on the decision of the President of SOCAR in the following cases: changes in the Applicable Anticorruption Legislation and/or leading international practices as well as upon exposure of inefficiency of anticorruption procedures, changes in the Company's organizational chart, regulatory framework and etc.

2. KEY PRINCIPLES OF THE ANTICORRUPTION SYSTEM

2.1 “Zero tolerance” principle

The Company adheres to the principle of “zero tolerance” to Corruption Activities or non-acceptance of any forms of Corruption Activities within its business activities, while executing projects and interacting with Government authorities, Government officials, Public formations and their representatives, Politicians, investors, Counterparties, partners and other individuals and legal entities.

2.2 Relevancy principle

Principles and requirements of this Policy are mandatory for all Employees of the Company not depending on their position, duration of their labor relations with SOCAR and etc.

2.3 Necessity principle

Employees violating anticorruption principles and requirements of the Company irrespective of the scale and form of the violation, would be held liable according to the legislation of the Republic of Azerbaijan and internal documents of the Company including this Policy and when applicable – international legislative and regulatory acts and legislation of foreign states.

3. THE SYSTEM OF CORRUPTION ACTIVITIES' DETERRENCE

3.1. Top-level commitment

The President and Senior Employees should in practice demonstrate ethical behavior and compliance with the requirements of the Applicable Anticorruption Legislation and internal documents of the Company, including this Policy, to form “zero-tolerance” to any forms of Corruption Activities.

3.2. Corruption risk management

3.2.1. The Risk Management Division of SOCAR identifies and on a regular basis evaluates corruption risks typical to all countries where SOCAR maintains business activities.

For these purposes the Company develops and keeps up to date the list of corruption risk indicators typical for its business processes that can be subject to corruption.

3.2.2. SOCAR acknowledges the necessity of corruption risk management irrespective of its probability and impacts. Risk management is performed taking into account specifics of all business lines and the organizational structure of SOCAR's business processes.

3.3. Development and implementation of anticorruption procedures

3.3.1. To minimize corruption risk and to ensure compliance with the requirements of the Applicable Anticorruption Legislation, the Company develops and implements the system of anticorruption procedures.

3.3.2. Anticorruption procedures which adequately correspond to risks identified and evaluated are disclosed in this Policy and other internal documents of the Company and are mandatory for all Employees upon execution of their work responsibilities and/or representation of the Company's interests.

3.4. Monitoring and Control

3.4.1. The Company regularly conducts internal and external audits of financial and economic activities and of internal controls system, reviews of the Company's compliance with the Applicable Anticorruption Legislation and its internal documents, including anticorruption principles and requirements prescribed by this Policy.

3.4.2. The Company performs continuous monitoring of the effectiveness of existing anticorruption procedures, evaluates their completeness, adequacy and relevancy as well as improves them due to identified weaknesses of internal control environment and/or changes in the Applicable Anticorruption Legislation and/or leading international practices.

3.4.3. The President of SOCAR periodically reviews reports on the results of the anticorruption measures performed and the Company's compliance with the Applicable Anticorruption Legislation, principles and requirements of this Policy. The results are published in SOCAR Sustainability Report or disclosed by other means.

4. DECISIONS ON THE MOST RISKY BUSINESS AREAS

4.1 Gifts, hospitality and business entertainment expenses

4.1.1. Gifts, hospitality and business entertainment expenses are essential part of business practices while building sustainable business relations with Counterparties. However, certain types of gifts, hospitality and business entertainment expenses may influence Third Parties' decision making process that may have a negative influence on the Company's reputation. To mitigate such risks and to ensure transparency of its business activities, the Company establishes mandatory requirements for gifts, hospitality and business entertainment expenses to be acceptable. Such requirements are defined in this Policy and other internal documents of the Company.

4.1.2. For the purposes of this Policy only those gifts, hospitality and business entertainment expenses are taken into account which are provided/accepted by the Company's Employees to/from Third Parties.

4.1.3. It is prohibited for Employees of the Company to ask, request or compel Third Parties to grant gifts and/or provide hospitality and business entertainments to them or to their Close Relatives.

4.1.4. The Company prohibits granting or accepting gifts, hospitality or business entertainments if they can influence the outcome of the deal and/or the decision made by the decision maker in favor of the individual or the legal entity who granted the gift, and are not accomplished in good faith.

4.1.5. Granting and accepting gifts, hospitality and business entertainments are permitted only if the following conditions are met:

Legitimacy:

- Should comply with the Applicable Anticorruption Legislation, principles and requirements of the Company's internal documents, including this Policy;

Justification (reason, purpose):

- Should be directly related to the Company's business activities (for instance, presentation, execution or finalization of a project or a contract) or official and professional holidays (for instance, New Year's Day, Novruz Bayram, Day of Oil-Workers of the Republic of Azerbaijan and etc);
- Should not be performed with objectives (direct or indirect) to influence decisions, which affect the Company's business (for instance, the decision on deal/transaction, agreement, license or permission obtaining and etc.) or for any other unethical or illegal purposes;
- Should not bind the receiver;
- Should not represent the remuneration (including hidden remuneration) for services provided or works performed.

Economical reasonableness:

- Should be reasoned, reasonable and proportionate to the occasion;
- Should not be high-priced or luxurious.

Types:

- Granting and accepting gifts in a form of cash, petty cash, securities, precious metals, gift certificates or other monetary equivalents are prohibited.

Transparency:

- The process of granting and accepting gifts, hospitality and business entertainment should be transparent;
- Should not create reputational risk to the Company, its Employees and/or other individuals or legal entities in case of disclosure of the information about such gifts, hospitality and business entertainments.

4.1.6. All above requirements apply to granting or accepting gifts, hospitality and business entertainment provided by/to Employees of the Company both directly or via intermediaries.

4.1.7. Such gifts as souvenirs of low value with a logo of the grantor (branded goods) distributed at exhibitions, open presentations, forums and other marketing events where SOCAR officially participates, or in honor of official and professional holidays, are recognized as promotional goods.

4.1.8. Gifts, including promotional goods, provided to Third Parties on behalf of the Company and/or at its expense are reflected in a special register with appropriate level of details in accordance with requirements of the Company's internal documents.

4.1.9. Gifts excluding promotional goods, foodstuff and gifts of low value received by Employees of the Company during official, protocol or other events or meetings, in business trips while executing their work responsibilities are considered to be the property of the Company.

Therefore, Employee of the Company who has received a gift as stipulated in the abovementioned cases should (according to requirements of the Company's internal documents):

- Inform his direct supervisor;
- Complete the internal memorandum to the head of the Works Department;
- Transfer the gift to the head of the Works Department.

4.2 «Facilitation payments»

The Company does not perform any kind of Facilitation payments (administrative, bureaucratic and other) to Government authorities, Government officials and others.

4.3 Charity, social and sponsorship activities

4.3.1. SOCAR being a state entity understands its role in charity, social and sponsorship assistance.

4.3.2. Charity, social and sponsorship activities should comply with the following criteria:

- Correspond to norms of the Applicable Legislation, principles and requirements of internal documents of the Company, including this Policy;
- Be directly or indirectly connected to business interests or the purposes outlined in the Charter of the Company;
- Positively influence the Company's reputation and be effective in achievement of social and public goals in practice.

4.3.3. The Company provides charity and social aid directly or through non-commercial organizations to their beneficiaries and funds and controls the intended use of the funds rendered.

4.3.4. Within its charity, social and sponsorship activities the Company always checks the business reputation and "zero-tolerance" to corruption principle of the funds' recipient, including funds and other organizations engaged by the Company for such activities, to ensure that money, property and/or property rights would not be used by their recipient for illegal or unethical purposes.

4.3.5. Information about charity, social and sponsorship activities is subject to mandatory disclosure on SOCAR or its Enterprises' Internet web-site(s), in its Sustainability Report or by other means.

4.4 Financing of political parties and movements

4.4.1. The Company does not finance political parties, political movements and Politicians.

4.4.2. However the Company acknowledges its Employees' right to personally participate in political activities during non-working hours. Such participation:

- Should be carried at Employees' own expense;
- Should not be in conflict with their authorities and responsibilities in the Company.

4.5 Public Relations arrangements

4.5.1. All PR events conducted by the Company are explicitly intended for positive promotion of the image of the Company, its shareholder, Subsidiaries and Affiliates, joint ventures and/or Employees within the execution of their work responsibilities.

The Company does not allow publications in press and/or broadcasting in mass media of information with the aim to promote personal image of any Third Parties intended to influence their further decision in the Company's interests.

4.5.2. All events conducted by the Company should comply with the following requirements:

- Be in line with the Applicable Legislation, principles and requirements of the Company's internal documents including this Policy;
- Be directly connected with the Company's business;
- Be reasonable and proportionate to their importance (including format of the event);
- Should not represent the remuneration (including hidden remuneration) and/or should not influence the decision making process in favor of the Company and/or its Employees;

- Should not create reputational risk to the Company, its Employees and/or other individuals or legal entities in case of disclosure of the information about conducted and/or financed events.

5. RELATIONS WITH EMPLOYEES

5.1 Recruitment, hiring and promotion

5.1.1. Recruitment, hiring, performance review and evaluation, promotion, compensation and remuneration (bonuses and etc.) processes of the Company are transparent, reflect its commitment to integrity and objectivity principles and comply with the underlying principles and requirements of this Policy.

5.1.2. To minimize the risk of hiring individuals who have been involved in Corruption or other activities, which contradict ethical standards of doing business and/or principles and requirements of this Policy, the Company performs background checks of candidates for managerial and/or decision-making positions.

5.2 Employees communication and trainings

5.2.1. Trainings for the Employees on underlying anticorruption principles and requirements, including norms of this Policy, are recognized by the Company as a basis for implementation of appropriate level of anticorruption culture and ethical practices of doing business.

5.2.2. All newly hired employees are informed about provisions of this Policy and the Company's principle of "Zero-tolerance" to corruption. Existing Employees participate in periodically conducted learning trainings (face-to-face or remote/web format) regarding provisions of the Applicable Anticorruption Legislation and the Company's internal documents.

5.3 Employees consultancy on emerging questions

Employees of the Company who doubt that their actions comply with the Applicable Anticorruption Legislation, principles and requirements of this Policy and/or business ethics standards can consult with the Legal Department of SOCAR in accordance with the existing internal procedure.

6. RELATIONS WITH COUNTERPARTIES AND THIRD PARTIES

6.1 Government authorities, government officials and politicians

The Company does not pay any expenses of Government officials, Politicians and their Close relatives or in their interests, including providing them with any material and/or immaterial benefits at the Company's expense (for instance, payments for transport, accommodation, meals, entertainment and etc.), except for expenses related to participation of such individuals in the official events organized and/or sponsored by the Company.

6.2 Counterparties, subsidiaries and affiliates

6.2.1. To minimize the risk of doing business with counterparties who may be involved in Corruption activities, the Company:

- Analyzes the information about reliability, business reputation and tolerance to corruption of its Counterparties (Due Diligence) and perform conflict of interest check;
- Informs them about principles and requirements of this Policy;
- Includes into agreements anticorruption provisions regarding their obligation to follow norms of the Applicable Anticorruption Legislation and underlying principles and requirements of this Policy while keeping the right for the Company to unilaterally terminate an agreement without reference to court and claim reimbursement of losses within the limits of the Applicable Legislation in case the Counterparty is involved in any Corruption activities.

6.2.2. The Company does not engage agents, consultants, representatives and other intermediaries to perform any payments and/or actions contradicting norms of the Applicable Anticorruption Legislation and requirements of the Company's internal documents, including this Policy, and/or creating risks for business reputation of the Company and/or its Employees.

6.2.3. Within its authorities SOCAR actively promotes the introduction of similar anticorruption policies and/or procedures in its Subsidiaries, Affiliates and joint ventures.

7. REQUIREMENTS FOR BOOK KEEPING AND ACCOUNTING

7.1. The Company believes that correct, accurate and complete accounting of financial and economic data is obligatory and is a necessary condition in order to:

- Comply with legislative requirements of the Republic of Azerbaijan including requirements for book keeping, accounting, taxation and etc.;
- Maintain the Company's business reputation;
- Inform the state, partners, Counterparties and other stakeholders about the Company's business activities.

7.2. The Company's accounting and book keeping are maintained in full compliance with requirements of the Applicable Legislation and the Company's internal documents.

All financial and economic transactions and deals are recorded accurately, correctly and with appropriate level of details, supported with appropriate documentation and are available for review according to the legislative norms.

7.3. Misrepresentation and falsification of book-keeping, financial, tax and managerial data are prohibited.

8. WHISTLE-BLOWING PROCEDURES

8.1. The Company encourages Employees and other individuals should they have any doubts about lawfulness and/or compliance with business ethics standards of other Company's Employees or other persons, reasoned suspicions on prospective or accomplished facts of Corruption Activities and other

violations which cause or may cause losses to the Company or its Employees or impair their reputation, to report this to the Company's "hot-line".

8.2. Messages on above violations could be provided by the Employee to its direct supervisor or sent to the "hot-line" using the following channels:

- Via email: anti-korrupsiya@socar.az
- Via web-form at SOCAR corporate web-portal on www.socar.az
- Via post to the address (the address of the Head Office of SOCAR)

The Company guarantees the confidentiality for the person providing information.

8.3. All messages received via the "hot-line" are subject to mandatory check. Its results are reported to the Risks Committee.

The Legal Department prepares reports on messages received and measures undertaken in response and brings them to the notice of the Risks Committee on a regular basis.

8.4. Submission of knowingly false data by the Employee of the Company or other person is considered as a violation of this Policy and as an example of unethical behavior. Such person may be held liable in accordance with the current legislation of the Republic of Azerbaijan and Company's internal documents.

9. NO PUNISHMENT OR SANCTIONS

The Company guarantees that no sanctions would be imposed (including by way of termination of employment, demotion or withdrawal of bonus and etc.) on the Employees who:

- Refuse to give or take a bribe, commit an act of commercial bribery or act as an intermediary in bribery or other Corruption Activities even if such a refusal resulted in the Company's failure to obtain commercial and/or competitive advantages and/or its losses, which could be avoided only in case of violation of the Applicable Anticorruption Legislation and/or this Policy;
- in good faith report a suspected fact of any Corruption Activities performed by another Employee of the Company or other party, even if such fact would not be substantiated.

10. RESPONSIBILITY FOR NON-COMPLIANCE

10.1. The President, Senior Employees and other Employees of the Company regardless of their positions shall be held personally responsible for non-compliance with principles and requirements of this Policy.

10.2. Compliance with anticorruption principles and requirements, which are set forth by this Policy, is considered by the Company when nominating its employees to senior positions and for their promotions.

10.3. Since the Company adheres to a principle of "zero-tolerance" to any form of Corruption activities, it would initiate internal investigations with respect to each reasoned suspicion or identified

fact of Corruption activity in accordance with the requirements of the Applicable Legislation and internal documents of the Company.

Those who violate principles and requirements of this Policy bear disciplinary, administrative, civil and/or criminal responsibility upon the initiative of the Company, law enforcement agencies or other bodies within the procedures and grounds foreseen by the Applicable Legislation, the Company's internal documents and in relevant cases – by the international legislation and regulatory legal acts and/or legislation of foreign states.