



The system of standardization in the State Oil Company of the Azerbaijan Republic
(SOCARSS – 002.2012)

CODE OF BUSINESS ETHICS
OF THE STATE OIL COMPANY OF THE AZERBAIJAN REPUBLIC

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KEY TERMS, DEFINITIONS AND ABBREVIATIONS

Affiliate of SOCAR – limited liability company, where SOCAR has a share more than 20% 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 Legislation – rules and requirements of legislation of the Republic of Azerbaijan, international legislation and regulations and legislation 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 other).

Assets – tangible, finance, and intangible assets, valuables and property.

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

Code – SOCAR Code of Business Ethics.

Company – the group of legal entities of different legal organizational forms including State Oil Company of the Azerbaijan Republic and its Enterprises.

Confidential Information - documented information, obtaining, processing, transfer or use of which is limited in accordance with the laws of the Republic of Azerbaijan, including:

- *State secret* – information protected by the state associated with military, foreign policy, economic, intelligence, counter-intelligence and criminal investigation activities, circulation of which could impair the security of the Republic of Azerbaijan;
- *Trade secret* – information that does not form State secret and relates to the production, technological, managerial, financial and other operations of the Company, disclosure of which without the consent of the owner may cause harm to its legitimate interests.

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.

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 Azerbaijan and disclosed in the Charter of SOCAR).

Government Authorities – any bodies of state government authorities and of 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.

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).

Responsible Body – the respective body determined by the order of the President of SOCAR.

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

SOCAR - State Oil Company of the Republic of Azerbaijan.

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

Third Parties - any individuals who are not employees of the Company, as well as legal entities not included in its structure.

1. GENERAL PROVISIONS

1.1 Introduction

1.1.1. Goodwill, welfare, development and success of the Company largely depend on the atmosphere inside the Company and on the attitude of the Government authorities, investors, partners, Counterparties and other parties towards the Company. Their confidence is achieved by the Company's continuous adherence to high standards of ethical, honest and socially responsible way of doing business. Thereupon, in addition to SOCAR's compliance with the rules and regulations of the Applicable Legislation and its Charter, it establishes and adheres to business ethics standards of doing business and sets an example of legal and ethics obligations and values in the Republic of Azerbaijan.

SOCAR integrates worldwide principles of sustainability, social responsibility and corporate ethics into its practice. Adherence to ethics standards helps the Company avoid unnecessary risks, maintain long-term economic growth, strengthen its positions in the Republic of Azerbaijan and internationally, support successful business activities, improve efficiency and increase profits.

1.1.2. SOCAR's Code of Business Ethics is based on the beliefs, values and professionalism of its management and reflects commitment of SOCAR, its President, Employees and also Employees of its Enterprises to high ethical standards of doing business transparently and honestly in order to improve the corporate culture, to follow the best practices of corporate governance and to maintain the Company's business reputation at an appropriate level.

1.1.3. Business ethics standards of conduct set forth in this Code shall be followed in all parts of the world. There is a principle of following the most stringent of all applicable norms:

- if the Applicable Legislation is more stringent for the behavior of Employees than the Code, then in a specific situation Employees must follow norms of the Applicable Legislation;
- If restrictions of the Applicable Legislation for Employees' behavior are not as stringent as those of the Code, then in a specific situation Employees must follow business ethics standards set forth by this Code.

1.1.4. Code of Business Ethics is designed in compliance with the requirements of the Applicable Legislation and corresponds to generally accepted standards of business conduct and ethics.

1.1.5. This Code is a public document and is available on SOCAR's official web-site on the Internet.

1.2. Goals and objectives of the Code

1.2.1. SOCAR's Code of Business Ethics establishes norms and rules that allow the Company to achieve its objectives, to ensure systematic growth and development, and improve the welfare of the Company, its Employees, society and the Republic of Azerbaijan as a whole.

1.2.2. Objectives of the Code of Business Ethics are to:

- develop and implement clear uniform business ethics standards as well as key principles of Employees' professional conduct within the Company and while communicating with Counterparties and Third parties;

- create and maintain an atmosphere of honesty, integrity, trust and mutual respect in the Company;
- increase the transparency of the Company and credibility from the side of Government authorities, partners, suppliers, customers, other Counterparties and Third parties;
- reduce reputational risks associated with Employees' unethical behavior or behavior which could be objectively thought as unethical and / or non-compliant with the Applicable Legislation.

1.3 Application and sanctions

1.3.1. SOCAR's President, other Senior Employees and Employees of the Company regardless of their position, duration of their employment relationship with the Company, etc. shall comply with the business ethics standards set forth in this Code while executing their job responsibilities.

1.3.2. Employees who violate ethics standards established by this Code and the Applicable Legislation may be subject to disciplinary measures or other responsibility in the manner and on the grounds provided by internal documents of the Company and the provisions of the Applicable Legislation.

1.3.3. SOCAR, within its competence, strongly advocates the observance of ethical standards established by this Code and / or the adoption of similar provisions by its Subsidiaries, Affiliates and joint ventures.

1.4 Introduction of amendments

Amendments to this Code are made on the basis of the decision of SOCAR's President due to changes in the Applicable Legislation, interests of the founder or investor of SOCAR or other reasons.

2. ETHICAL PRINCIPLES

2.1 Legitimacy

2.1.1. The Company strictly observes the rules of the Applicable Legislation and also takes into account cultural traditions and customs of business conduct of the countries in which it operates.

2.1.2. In order to ensure compliance with laws and other rules and regulations, employees shall:

- carry out their responsibilities strictly in compliance with job descriptions, employment contracts, internal documents of the Company and the Applicable Legislation;
- comply with production standards and regulations, safety, ecological and environmental requirements established by the Applicable Legislation and internal documents of the Company;
- adhere to the principle of non-acceptance of all forms of corruption activities ("zero tolerance") and follow fundamental principles and requirements of SOCAR Anticorruption Policy;
- prevent misconduct and / or unethical actions, or actions that may raise doubts as to their legitimacy and / or ethics in daily and professional activities.

2.2 Effectiveness

2.2.1. The Company is considering the constant improvement of its effectiveness as a strategic objective, the achievement of which gives the opportunity to carry out social projects, to improve the welfare of its Employees, society and the Republic of Azerbaijan as a whole.

2.2.2. In order to ensure the effectiveness of its business activities, the Company:

- improves the corporate governance system and its interaction with the Subsidiaries, Affiliates and joint ventures;
- introduces innovative technologies in its production activities;
- follows the safest and the most effective use of natural resources, as well as taking all possible efforts to protect the environment;
- implements other legitimate activities that improve the performance of the Company's business lines, departments, business processes and the Company as a whole, as well as maximize profits.

2.3 Honesty and openness

2.3.1. The Company does business fairly, strictly adhering to its obligations, maintaining a reputation as a reliable partner, and also provides transparency of transactions and deals by publishing (if necessary and / or if set forth by the Applicable Legislation) the information on its official website on the Internet, in reports (Sustainable development report, etc.), in press releases, in mass media or by disclosing it otherwise.

2.3.2. While executing job responsibilities and when making decisions, Employees of the Company shall:

- act honestly, fairly and unbiased when selecting and working with Counterparties of the Company and abstain from fraudulent activities and any unfair ways of doing business;
- avoid making decisions or performing duties under the pressure of other Employees and Third parties, including representatives of the Government Authorities;
- refrain from unethical competition methods;
- act in the interests of the Company and avoid any conflict of interest, do not use their position and / or confidential information, tangible and intangible Assets of the Company, as well as emerging business opportunities for Personal interests and / or Personal commercial interests and / or interests of their Close relatives;
- demonstrate a respectful, polite and friendly attitude to colleagues and to all members of clients, business partners and other Counterparties of the Company, regardless of their position, sex, age, national origin and religion, etc.

2.4 Professionalism and competence

2.4.1. Human capital is a core value of the Company, which enables a high-quality production process, meeting the Company's commitments to its stakeholders, as well as sustainable growth and development of the Company. The Company aims to attract highly qualified people, invest in skills development and training of its Employees.

2.4.2. Employees of the Company shall:

- perform their duties with the necessary level of professionalism and competence in a timely manner;
- constantly care about improving their level of professionalism and competence;
- ensure effective exchange of knowledge with colleagues, as well as maintain a high level of business communication;
- exercise diligence and care in carrying out their daily work and use their knowledge, experience and skills in the most effective way while executing job responsibilities;
- perform only those tasks and jobs that match their expertise and for which they have necessary knowledge, skills and experience;
- when making decisions be guided by the results of a thorough and comprehensive analysis of the situation and refrain from making decisions based on insufficient and / or misleading information;
- not provide inaccurate or unverified information to colleagues, management, partners, representatives of Counterparties and other persons when communicating with them;
- observe the rules of maintaining confidentiality of information;
- take care and be responsible for the Assets and resources of the Company and Third parties used while execution of job responsibilities;
- maintain a high standard of professional ethics and perform their duties in a way safe for themselves and others, and without causing harm and / or damage to the Company;
- report all risky and / or dangerous situations to direct supervisors and other persons specified in this Code and the Company's internal documents, etc.

2.5 Corporate Social Responsibility

2.5.1. The Company considers corporate social responsibility as an important component of its business activities and maintains a high degree of social responsibility towards its employees, as well as the public in general in geographies in which it operates, towards society and the Republic of Azerbaijan as a whole.

2.5.2. Within the corporate social responsibility policy the Company:

- contributes to the development of the regions of its presence in the sphere of social construction, improvement of localities;
- implements measures to protect the environment;
- develops and implements a variety of social programs and activities for its Employees;
- maintains charity and sponsorship as well as other social activities.

3. ROLE OF THE MANAGEMENT

SOCAR's President and other Senior Employees take on additional responsibilities to comply with the following business ethics standards:

- demonstrate a personal example of strict adherence to business ethics standards set forth in this Code;
- be honest in relationships with Employees, carefully and timely respond to their suggestions, ideas, claims and complaints;
- avoid discriminatory policies and guarantee equal rights and opportunities in remuneration and promotion to all Employees;
- create working environment that does not harm Employees' life and health;
- build relations between the Company and its Employees on the basis of long-term cooperation, common goals, respect, mutual interest and social partnership;
- timely disclose complete and accurate information about the Company, which is required in accordance with the Applicable Legislation and the Company's internal documents and is necessary for partners, investors and other interested parties to make reasonable decisions;
- implement other measures necessary for creating and maintaining an atmosphere of honesty, integrity and mutual respect in the Company.

4. RESPECT FOR EMPLOYEES AND STANDARDS OF BUSINESS CONDUCT IN THE COMPANY

4.1 Provision of equal opportunities and ban on discrimination

4.1.1. The Company tends to create and maintain a solid working environment where all its Employees are provided with equal opportunities to develop their professional skills and talents.

4.1.2. The Company does not permit discrimination against its Employees, including behavior that may be considered normal in some countries due to their cultural characteristics and traditions, but contradicts business ethics standards of the Company.

4.1.3. Relationships with Employees, including their selection and recruitment, appraisal and evaluation, training and professional development, promotion and payment of compensations and bonuses, their dismissal, etc., are built strictly in accordance with the labor and other Applicable Legislation, are transparent and based solely on objective criteria.

4.1.3. The level of competence and merit of the Employee is determined solely by his professionalism, qualifications, performance and other operating results without regard to gender, race, national origin, religion, disability, political beliefs, etc.

4.2 The ban on alcohol, drugs and other means

4.2.1. In order to ensure production and personal safety of the Company's Employees and compliance with established business ethics standards, Employees of the Company are strictly forbidden to consume alcohol, drugs and other substances prohibited by the Applicable Legislation in the workplace and / or during execution of their job responsibilities.

4.2.2. In accordance with the applicable labour legislation, being at work under the influence of alcohol or drugs is considered as a disciplinary offense and entails prosecution, including dismissal, within requirements of the Applicable Legislation, labor contracts and Company's internal documents.

4.2.3. Consumption of alcohol on the territory of the Company is permitted only during the events organized by the Company.

Consumption of alcohol by Company's employees during working hours outside of the Company's territory may be permitted only within business hospitality events and other activities authorized by the Senior Employees.

4.3 Prevention of disrespectful behavior, violence and threats

4.3.1. The Company's Employees should treat their colleagues, representatives of Counterparties and other persons with respect and avoid behavior that may negatively affect the reputation of the Company and / or profession of the Employee.

4.3.2. Abusive, derogative and other offensive and hostile behavior upon execution of Employee's job responsibilities towards his colleagues, representatives of the Company's Counterparties and Third parties is strictly prohibited.

4.3.3. The Company does not accept violence, including its physical, verbal, written or other forms or threats, harassment towards colleagues, representatives of the Company's Counterparties and Third parties.

4.3.4. Company's employees are prohibited from maliciously spreading rumors, spreading insulting and derogative materials as well as other information that impairs reputation of Employees, representatives of Counterparties and other Third parties.

4.4 Settlement of the Conflict of interests

4.4.1. The Company seeks to maintain the maximum possible balance between its business goals and objectives and Personal Interests, Personal Commercial Interests of its Employees.

4.4.2. The Company respects interests of its Employees and recognizes their right to be engaged in legitimate financial, business, political and other activities during non-working hours in the Company, if such interests and activities do not affect their ability to perform their responsibilities in the Company.

4.4.3. Employees shall put Company's interests first and shall try to avoid potential or real Conflict of interests.

To minimize the risk of situations with signs of the Conflict of interests, Employees of the Company shall:

- be guided solely by the Company's interests when making decisions and executing job responsibilities;
- avoid financial and other obligations that may lead to Conflict of interest;
- disclose information about their Personal Interests and / or Personal Commercial Interests, which may contradict the Company's business interests and / or may lead to a potential Conflict of interest;
- not have Personal interest in financial results and performance of the Company's competitors;

- not be a member of the Board of Directors or other management body of the Company's Counterparties, except for its Subsidiaries, Affiliates and joint ventures;
- not use their official position in the Company for Personal Interests and / or Personal Commercial Interests, etc.

The above list is non-exhaustive.

When determining whether there is a Conflict of Interest in any given situation it should be considered individually taking into account all the existing circumstances.

4.4.4. Employee who has real or potential conflict between his Personal Commercial Interests and the Company's business interests should inform his direct supervisor by sending him an internal memo (possibly in electronic format) which must contain the following data:

- Employee's name, title, department / Enterprise;
- The content of a potential or real Conflict of Interest.

Direct supervisor of the Employee should take measures to resolve the Conflict of Interest (which is recorded in the internal memo received) in accordance with the Company's internal documents and, if necessary, communicate the issue to the Risks Committee.

4.4.5. All employees of the Company who have a real conflict between their Personal Interests and the Company's business interests, including those who have Close Relatives in their direct subordination (or supervision) in the Company, shall inform a SOCAR's Risk Management Division in writing with reflecting data regarding their full name, title, department / Enterprise, as well as similar data about their Close relatives or the content of a Conflict of interest. Responsibilities of above informing (in case of Close relatives in direct supervision) are assigned to a senior Employee, that is, Employee who has direct supervision over his Close relatives.

The Risk Management Division shall undertake measures to resolve the Conflict of Interest in accordance with the Company's internal documents and, if necessary, inform the Risks Committee.

Information on Conflicts of Interest received by the Risk Management Division is confidential and shall not be disclosed to other Employees of the Company and / or Third parties without the permission of the Risks Committee and / or the President of SOCAR.

4.4.6. Employee of the Company, who does not report his real Conflict of Interests, may be subject to disciplinary, administrative, civil and / or criminal liability under the Company's initiative, law enforcement or other entities in the manner and for the reasons stipulated by the Applicable Legislation and internal documents of the Company.

4.5 Protection of assets

4.5.1. Assets owned by the Company or those belonging to it on other civil and legal grounds form the basis for success and regular growth of the Company and should be used solely for achievement of its goals and objectives.

The Company seeks to provide necessary protection for its Assets against waste, corruption, fraud, loss, misuse and abuse by Employees and Third parties.

4.5.2. All Company's Assets may only be used for execution of Employees' job responsibilities.

Therefore Employees of the Company shall:

- use the Company's Assets granted to them for execution of job responsibilities effectively and for their intended purpose;
- take care of above Assets;
- strictly comply with approved instructions, rules and procedures regarding use of the Company's Assets;
- not use Assets of the Company for their Personal Interests or Personal Commercial Interests and / or the interests of their Close relatives, etc.

4.6 Information confidentiality and personal data protection

4.6.1. Due to the fact that the disclosure of Confidential Information may cause losses to the Company and / or may impair its reputation, the Company pays special attention to maintenance of confidentiality of the information and to personal data protection.

The Company's key principles in the sphere of privacy and personal data protection include:

- compliance with norms and requirements of the Applicable Legislation and the Company's internal regulating processes of collection, use and protection of personal data and confidentiality of information;
- use of Confidential Information strictly upon execution of job responsibilities and Applicable Legislation;
- transfer of Confidential Information to any other parties, including colleagues, whose work is not associated with its use, as well as mass media, Government Authorities, etc., carried out only in the manner and on the grounds established by the Applicable Legislation and / or when there is appropriate permission of the owner of Confidential Information;
- processing of personal data executed strictly in accordance with the Applicable Legislation;
- proper protection of Confidential Information and personal data against the risk of loss, destruction, damage, alteration, unauthorized use, disclosure, etc. by special security means.

4.6.2. Employees of the Company with the access to the Confidential Information should comply with requirements regarding its non-disclosure (even after termination of their employment) to Third Parties, including representatives of Government Authorities, mass media, other Employees and their Close Relatives if their requests are not foreseen by the Applicable Legislation and / or the Company's internal documents.

4.6.3. Employees of the Company should use diligence and caution with respect to the information which is the ownership of the Company's business partners, suppliers, customers and other Counterparties.

4.6.4. Company's Employees are not allowed to use the information which is not public, i.e. is not disclosed in the public domain, and which they have received during their work in the Company, in their Personal Interests or Personal Commercial Interests and / or in the interests of their Close Relatives.

4.7 Information technology utilization rules

4.7.1. Each Employee of the Company is responsible for use of computer systems and other information technologies provided to him by the Company strictly for their intended purpose, solely within execution of his job responsibilities and in the interests of the Company.

4.7.2. A limited (periodic) use of computer systems and other information technology of the Company in Employee's Personal Interests is allowed only if such use does not contradict the Company's interests and business ethics standards set forth in this Code.

Above personal use of computer systems and information technology should not lead to additional costs of the Company and / or reduce the productivity of its Employees.

4.7.3. The Company does not allow Employees to use its computer systems and other information technology in their Personal Commercial Interests.

4.7.4. When using computer systems and information technology, Employees of the Company shall follow requirements of the Applicable Legislation, information security rules established by the Company, requirements of its internal documents and business ethics standards.

4.7.5. When using computer systems and other information technology, Employees of the Company are prohibited to:

- install any software without necessary permission or attach equipment that does not have the required license;
- disable programs and / or information security requirements of the Company;
- use computer systems and other information technology companies for:
 - gambling;
 - viewing, downloading and transfer of information that has discriminatory, obscene or menacing character;
 - fraud and corrupt activities;
 - conducting their own business or performance of work or services on behalf of other organizations, regardless of whether they are competitors of the Company or not;
 - violation of intellectual property rights (including downloading, transfer, etc. of materials protected by the copyright);
 - committing "cyber crimes" (such as sending spam or viruses, hacking, sending messages under an assumed name, etc.), etc.

4.7.6. Company's Employees are personally liable for information sent from their corporate e-mail and other actions taken on their computers and other information systems.

Therefore Employees' access codes to computer systems and other information technology shall be kept by them with an appropriate level of security.

Employees are not allowed to access computer systems and other information technologies of their colleagues without personal permission of the latter. Unauthorized use of passwords, computer systems,

software and other information technologies could subject Company's Employees to disciplinary measures or other liability (up to dismissal) under the Applicable Legislation and the Company's internal documents.

4.7.7. The Company monitors Employees' use of computer systems and other information technologies in order to protect information and minimize risks of fraud and cyber crimes.

4.7.8. The Company has the right to review and, if necessary, to disclose the information registered and / or stored by Employees' on computer systems or other information technologies provided to them and used while executing job responsibilities in a manner and on the basis provided by the Applicable Legislation (for example, for investigation purposes, etc.).

4.8 Information disclosure

4.8.1. Information disclosure in the mass media, to Government authorities, investors and other interested parties should be executed strictly in accordance with the Applicable Legislation, the Company's Charter and internal documents.

4.8.2. Disclosure is performed only by the Company's Employees who are authorized to do it and who should assure reliability, accuracy and completeness (coverage of all material facts) of information disclosed. Disclosure should not contain information that does not correspond to reality.

5. STANDARDS OF BUSINESS INTERACTION WITH COUNTERPARTIES

5.1. The Company adheres to the principles of legitimacy, honesty, fairness, mutual respect and focus on long-term cooperation and assistance while interacting with its Counterparties.

All relationships of the Company with Counterparties are within the Applicable Legislation requirements, the fundamental principles and requirements established by SOCAR Anticorruption Policy and business ethics standards set by this Code.

5.2. The Company does not misuse its relationships with Counterparties in order to obtain any improper advantage for other persons or itself.

5.3. The Company has an honest, open and transparent process of suppliers', contractors' and other Counterparties' selection which is performed using objective criteria and within the requirements of the Applicable Legislation and the Company's internal documents.

5.4. The Company fairly executes its obligations under agreements with Counterparties and requires them to do the same.

5.5. The Company takes reasonable efforts to reduce the risk of interaction with business partners whose activities do not comply with legal requirements, business ethics standards and / or Counterparties who are involved in corrupt activities. Corresponding measures undertaken by the Company are reflected in SOCAR Anticorruption Policy posted on its official web-site on the Internet.

6. COMPLIANCE WITH THE RULES OF FAIR COMPETITION

6.1. The Company does not accept any forms of unfair competition, abuse of a dominant position or of a monopoly.

The Company is committed to fair competition and activities based on business ethics standards and requirements of the applicable antitrust and competition legislation.

6.2. The Company refuses to enter into agreements with competitors if such agreements can be objectively perceived as limiting competition and violating the applicable antitrust and competition legislation.

6.3. The Company and its management are liable for violation of the applicable antitrust and competition legislation, and bear administrative, criminal and / or other responsibility in the manner and on the grounds provided for by the Applicable Legislation and the Company's internal documents.

7. HEALTH CARE, OCCUPATIONAL SAFETY COMPLIANCE AND ENVIRONMENTAL PROTECTION

7.1 Health and labor protection, safety and security at work

7.1.1. The Company is committed to create and maintain safe working conditions for Employees, subcontractors and other Counterparties working on the production facilities of the Company. It makes every possible effort to avoid accidents, professional injuries and other incidents in the course of its business.

7.1.2. Employees and other persons being on the Company's production facilities are prohibited to operate and perform tasks that are or may be harmful to their lives and / or health, lives and / or health of other Employees of the Company or third parties, as well as those which are or may be associated with the risk of pollution or other negative impact on the environment.

7.1.3. The Company's Employees and other persons on its production facilities shall:

- know and follow the production standards and regulations and safety requirements established by the Applicable Legislation and internal documents of the Company, as well as norms of labor protection on their workplaces;
- use appropriate personal protection equipment, foreseen by the Applicable Legislation and / or the Company's internal documents, upon execution of their job responsibilities;
- ensure proper and safe handling of hazardous materials and their disposal, observe safety (protective) measures upon execution of their job responsibilities;
- inform their direct supervisor about any non-compliance with safety requirements and environmental or other production standards, as well as about existing or potential hazards or other emergency situations, including leaks, professional injuries, accidents and other incidents that put or may put in danger the Company's Employees, public in general or the environment, etc.

7.2 Environmental protection

7.2.1. The Company is a leader in the Republic of Azerbaijan in the implementation and use of advanced technologies in its production activities to promote sustainable development, rational use of natural resources, environment protection and ecological safety.

7.2.2. The Company strictly complies with the requirements of Applicable Legislation in the field of environmental protection and compliance with environmental regulations and requirements, and shall make all possible efforts and interventions to reduce the negative impact of its operations on society and the environment.

7.2.3. The Company expects its partners', subcontractors', suppliers' and other counterparties' compliance with standards and requirements adopted by the Company in the area of environmental protection, professional, industrial and environmental safety.

7.2.4. The Company's strategy to protect the environment and the specific measures for its implementation are reflected in SOCAR's Environmental Policy, posted on its official website on the Internet.

8. CONSULTATION ON BUSINESS ETHICS STANDARDS

Employees of the Company who have questions regarding the application of business ethics standards, set by this Code, or who doubt that their actions comply with such standards could consult with the Legal Department in accordance with the existing internal procedures.

9. WHISTLE-BLOWING

9.1. 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, reasonable suspicions of non-compliance with business ethics standards established by this Code and other violations that cause or may cause losses to the Company and / or its Employees or impair their reputation, to report these to SOCAR "Hot-line".

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) – 73 Neftchilar Ave. Baku, AZ1000

The Company guarantees the confidentiality for the person who provided such information.

9.2. All messages received via the "Hot-line" are subject to mandatory check. Its results are reported to the respective division of the Company appointed by the Risks Committee.

The Information Technology Department provided in section 4.4.5 of this Code prepares reports on messages received and measures undertaken in response and on a regular basis brings them to the attention of the Risks Committee.

9.3. 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 in good faith suspected violations of business ethics standards, established in the Company, committed by other Employees or other persons.

9.4. Submission of knowingly false data by the Employee of the Company or other person is considered as a violation of this Code 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.

10. ENFORCEMENT OF THE RULES OF BUSINESS ETHICS

10.1 Responsibility for the implementation and compliance

10.1.1. SOCAR President is responsible for the organization of activities for implementing the policy of the Company regarding the establishment and maintenance an atmosphere of honesty, openness, mutual respect, compliance with ethics and values set forth in this Code.

10.1.2. The responsibilities of the Risks Committee include the implementation of direct controls over fulfillment of established business ethics standards, the revision of this Code, the introduction of changes and additions to it and other activities in this area.

10.1.3. All Employees of the Company upon execution of their job responsibilities should comply with business ethics standards set forth by this Code.