

CODE OF CONDUCT

MESSAGE FROM CEO, NEQSOL HOLDING

Dear All,

Welcome to our Code of Conduct. It was designed to help and assist everyone in NEQSOL Holding and its Group Companies to make the right decisions and take the right actions in business. The Code of Conduct comprises our core values and principles which shall be followed by all of us.

By adhering to our core values we aim to gain a strong reputation among stakeholders and worldwide business.

NEQSOL Holding is a diversified group of companies operating across industries and countries. It controls business operations which include Oil and Gas, Telecommunications, Hi-Tech, and Construction industries.

Currently, NEQSOL Holding has multiple operating companies that have leading positions in their respective markets because of their solid expertise and extensive experience. The geographical area in which our companies provide operations and services includes countries such as the UK, the USA, Ukraine, Turkey, Azerbaijan, Georgia, Kazakhstan, the UAE, Bangladesh and others. NEQSOL Holding continue to expand its business activities by investing in both new geographies and business areas.

NEQSOL Holding is an international holding with a professional team of more than 10,000 employees which considers human capital as one of its most important assets.

I encourage you to read, understand and commit to action that always follows the Code of Conduct.

If you are ever unsure or feel that our Code of Conduct is being violated, do not hesitate to speak up and talk to the Corporate Governance and Compliance Officer.

Let's all work together to make sure that our core values and principles are working. Thank you for your commitment to integrity and transparency.



Yusif Jabbarov
Chief Executive Officer

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1. Introduction

The Code of Conduct (the Code) of NEQSOL Holding (the Holding) is built on our core values and principles and provides the foundation that guide our business conduct. It comprises questions and answers for situations that employees and stakeholders might encounter and lists resources for help or further information. Use of the Code for guidance about our ethical standards and where to take your questions or concerns. It is important to note, however, that violations of the Code, or the policies referred to in the Code, could result in discipline, including termination of employment or criminal prosecution or both.

The Code serves as the proper resource to assist employees and stakeholders and includes references to the Holding policies, procedures, guidelines and other relevant information.

The Code is applied to all employees and stakeholders of the Holding such as the Holding Group Companies (the Group), clients, customers, joint ventures, outsourcing providers, contractors, sub-contractors, consultants, service and materials providers, suppliers, vendors, advisors, agents, distributors and etc.

2. Core Values and Principles

The Holding defined a set of core values to build a strong foundation to make a decisions, setting out how we act and how we expect and deserve to be treated as part of it. By making a commitment to our values in our working lives, each employee plays a significant role in protecting and enhancing reputation of the Holding.

3. Responsibilities

The Code sets the boundaries and rules for all employees of the Holding without exception.

It is the personal responsibility of all directors and employees, to act in accordance with the requirements set out in the Code. You are encouraged to read the Code carefully and refer to it when uncertain of the correct action to take. It is also important that each of us understand the level of authority included in their job. Each employee must all be careful to act within the limits of that authority (refer to article 20).

Every employee must comply with the Code and other all policies and procedures of the Holding. In line with our commitment to conduct business ethically and honestly, every employee has a duty to speak up by means of the Compliance Hotline (refer to article 25) if he/she knows or suspects that someone within the Holding or any third party performing services or procuring materials for the Holding has violated this Code.

It is a duty of the Corporate Governance and Compliance Officer of the Holding to conduct an awareness sessions with respect to the Code to all newcomers and existing employees on annual basis. These trainings shall include topics on Anti-Bribery Management and Compliance Management Systems. At the end of each awareness session new employee is obliged to sign the relevant Employee Acknowledgement Form. He/she is responsible for ensuring that all third parties, when they are contracted to provide goods and services to the Holding, are familiar with the Code and obligations by signing the Holding Anti-Bribery and Corruption Procedures Acknowledgement Form and Supplier Code of Ethics. Depending on the nature of the business and operational requirements the

Corporate Governance and Compliance Officer will coordinate a signature of an annual Supplier Certification Acknowledgement Form.

The Corporate Governance and Legal Department of the Holding will serve as the custodian of the Code, as well as other Ethics and Compliance Procedures such as the Anti-Bribery and Corruption Policy (ABC) and Compliance Hotline and Reporting Procedure. The Code shall be reviewed on annual basis.

The Corporate Governance and Legal Department is responsible for ensuring that appropriate anti-bribery and anti-corruption clauses are included in contracts and agreements with all third parties, including employment contracts and job descriptions of employees.

4. Health, Safety and Environment

The Holding is determined to defend people's health and security, operate the business safely and protect the environment. Protection of people and environment is the primary obligation of all our employees. Each employee shall be proactive with respect to his/her safety as well as our team members.

We are committed to achieving and maintaining high standards of health and safety and we do everything possible to prevent accidents, injuries, and occupational illness. We strive to ensure that all employees, regardless of where they work, return home safe and well at the end of each working day.

We respect the natural environment in which we operate and we identify, assess and manage our environmental risks. We meet applicable environmental standards depending on areas of operation. Protecting the physical security of the workplace and employees is essential and we put in place and follow measures to ensure a secure work environment.

5. Ethics and Compliance

One of our core values emphasize the importance of doing business with integrity and taking responsibility to do what is right and ethical at all times. Success of the Holding relies on a system of core values that require us to hold ourselves accountable to the highest standards to ensure we earn our business based solely on our merits.

In all our business activities we will comply with applicable laws, act in an ethical, sustainable and socially responsible manner, practice good corporate governance and respect internationally recognized human rights principles. We will maintain an open dialogue on these issues, internally and externally. The Holding is pursuing the best compliance and ethics practices in relationships with stakeholders is among Holding's top priorities in doing business.

We are committed to base our business practice on the principles of sustainable development and corporate social responsibility. With this in view, the Holding implemented the comprehensive Holding Ethics and Compliance Program for all employees and business partners, covering fields such as:

- **The Code** – is a set of values and high standards for ourselves, clients and all interested stakeholders. The intentions of the Code is to be a “road map” to help guide our actions and behaviors in the Holding.

- **Independent Hotline** – which serves as an anonymous reporting mechanism that facilitates reporting of possible illegal, unethical, or improper conduct.
- **Awareness and Training Programs** – set of compliance training sessions to help ensure understanding across the Holding employees and contractors about our values and procedures, the prohibition of bribery and corruption and preventive measures that could be taken in case of such violation.
- **Security Check and Due Diligence** – procedures and processes that are aimed to verify and examine each supplier of our Holding before becoming involved in a business arrangement with us.
- **Monitoring and Observation** – numerous audits and investigations conducted on a constant basis to verify working conditions of procedures and to define shortages that may appear during their implementation.

The Holding's compliance policies and procedures set forth fundamental principles of collective and individual conduct that should unconditionally be followed by the entire personnel and suppliers of the Holding and Group.

6. Communication and Dignity

All business communications and communications with the public and governmental authorities, whether verbal or written, on behalf of the Holding must be lawful, truthful and conducted in a professional manner.

In accordance with the Corporate Governance Framework, employees of the Holding and Group shall at all times:

- **Preserve dignity and integrity** in internal and external communication. They shall avoid disgraceful treatment of Group values and principles.
- Perform their jobs **honestly and fairly**, adhering to the highest standards of **ethical conduct**.
- Treat each other, management and the Shareholder with **trust and respect**.
- Live the core **values** in all their relations.

During communication below points shall be followed:

- Subsidiary CEOs and their Top Managers shall **refrain from bypassing** their Group Heads when communicating with the Corporate Center (the CC) (not applicable to Internal Audit and Head of Security).
- **No employee shall bypass CC CEO** when communicating with the Shareholder (not applicable to Internal Audit and Head of Security).
- Depending on the nature of their task, Group Top Managers and Managers may work directly with relevant function heads in the CC but have to always **keep their direct supervisor informed** (not applicable to Internal Audit and Head of Security).
- In case of unauthorized contact by an indirect subordinate who has his own supervisor, the contacting person shall be **reminded on the rules of communication**.
- If a subordinate is contacted by his/her indirect supervisor or cross-functional/cross-subsubsidiary employee, he shall inform his/her supervisor.

7. Diversity and Teamwork

The Holding respects and value its personnel. It encourage all employees to treat everyone with respect and be attentive to cultural differences.

None of employee should be discriminated in any way based on race, color, religion, age, gender, disability, ethnic origin or nationality. We learn from and respect all cultures we are operate in. Each and every employee must be treated with respect and dignity.

The Holding do not tolerate harassment, offensive behavior and comply with local content rules and culture. Employees should treat each other in a duly and professional manner.

To deliver proper results for the benefit of the Holding and Group we inspire employees to work in a team for delivery of innovative ideas, strong performance and good results. We value proper and ethical communication between employees and our stakeholders.

8. Non-retaliation

The Holding does not tolerate any form of **retaliation**. Every employee of the Holding and Group should ask questions and raise concerns when issues arise and report actual or potential violation, without being threatened or retaliated.

The Holding prohibits all forms of retaliation in the forms of threats, intimidation, disregard, exclusion, humiliation, abuse and etc. against any person who has raised an ethical or legal concern in good faith. This applies to the cases even if the report received to the Compliance Hotline does not turn out to be an actual violation.

Employees are expected to conduct themselves in a professional manner and be treated fairly, honestly and with respect. Decisions related to recruitment, selection, development, and promotion are based on merit and must not be influenced by factors such as gender, personal connections, race, ethnic origin, disability, religion, or age.

We do not tolerate any form of abuse or harassment of employees, our customers or our contractors, suppliers, visitors, government officials or any other person we deal with. Such type of behavior or aggression are serious acts of misconduct which will not be tolerated are which will lead to disciplinary action and/or dismissal.

9. Transparency and Financial Records

The Holding has a responsibility to protect values of its Shareholder, be honest and transparent in all operations and deliver a job with high performance. All information whether financial or non-financial must be executed in transparent and honest manner.

The Holding will ensure that all financial records and/or non-financial information is complete, accurate and objective. Fair and accurate books are essential for managing the proper business in the Holding. All of such must be supported by comprehensive and accurate back-ups to make sure that they are valid and all transactions are auditable. They must meet legal, financial, regulatory and management obligations.

Accurate information, whether financial or non-financial, is essential to support proper business decisions and to meet our responsibilities to stakeholders.

Employees with financial reporting obligations must provide accurate and complete information to ensure that any reporting or disclosure of financial information is full, fair, accurate, timely and understandable. Approval by the appropriate level of financial personnel (please refer to article 20) is also required. These requirements cover the preparation of financial statements and reports, provide transparency to our Shareholder, and ensure compliance with the Generally Accepted Accounting Principles (GAAP), International Financial Reporting Standards (IFRS) and local legislation.

10. Bribery and Corruption

We have zero tolerance for **corruption** in any form, including **bribery, facilitation payments and anti-money laundering**. The Holding complies with all applicable anti-bribery and anti-corruption laws and regulations. We are committed to conduct our business activities in an open and transparent manner, and obliged to perform necessary Security Check and Due Diligence Process over all third parties.

The Holding is committed to be in compliance with the international regulations such as the **UK Bribery Act, Foreign Corrupt Practices Act (FCPA), Anti-Bribery Convention (Convention on Combating Bribery of Foreign Public Officials in International Business Transactions) of the Organization for Economic Co-operation and Development, (OECD), local laws and legislation** as well as built its system in compliance with international standards such as the **ISO 37001:2016, Anti-Bribery Management System (the ABMS) and ISO 19600:2014, Compliance Management System (the CMS)**. All directors and employees are required to comply with these laws and other Holding policies and procedure governing anti-bribery and anti-corruption.

The Holding and Group shall implement policies and procedures that are designed to prevent the offering, provision or acceptance of gifts, hospitality, donations and similar benefits where the offering, provision or acceptance is, or could reasonably be perceived as, bribery.

Bribery of any government official in any form and in any country directly or indirectly to government officials with the intent to improperly influence the performance of their official duties or gain any other improper advantage is **strictly prohibited** (refer to article 13).

Our standard contracts and agreements shall include a requirement for suppliers and contractors to comply with all applicable laws and keep accurate books and records, as well as include Anti-Bribery and Corruption Commitments.

Breach of the processes and procedures by employees which are described in the named article will lead to disciplinary action, including termination of employment.

11. Facilitation Payments

The Holding builds relationships with business partners and governmental authorities based on trust for the purpose to maintain and enhance our reputation. For this reason, we never accept or pay bribes, including **facilitation payments**, which are generally defined as payments to expedite or otherwise procure a transaction and does not delineate such payments from bribes and grafts.

Therefore the Company **WILL NOT** entertain any requests for facilitation payments, nor will the Holding or Group in any of the countries in which it is considering to or is currently conducting business.

None of directors and employees therefore shall make, offer, authorize or accept facilitation payments. In case if a facilitation payment has been requested or made, he/she must immediately report it to the Line Manager and the Corporate Governance and Compliance Manager by means of the Compliance Hotline (refer to article 25).

** The only exception to this is where there is a real and imminent threat to the health, safety, personal security or welfare of any Holding or Group employee or a member of his or her family or a co-worker of loss of the Holding or Group property.*

*In case if such a payment was already done by an employee because it genuinely threatened and had a risk to life and health of an employee, this **will not be treated** as a facilitation payment but must be reported to the Compliance Hotline too and accurately recorded in the Company's books and records as a facilitation payment.*

Use of facilitation payments without proper justification may lead for disciplinary action, including termination of employment.

12. Fraud and Embezzlement

The Holding will not tolerate any form of fraud and has established procedures to report and investigate such in the Holding and Group. The Compliance and Fraud Investigation Procedure is established to facilitate the development of controls that will aid in the detection and prevention of fraud against Holding and Group.

Fraud generally involves forms of embezzlement, deceit, theft, trickery, falsification of the Holding and Group documents, records, making false financial statements, breach of trust and guilty intention with the object of obtaining money or other benefit. Dishonest or fraudulent activities also includes misusing or stealing the Holding or Group assets or falsifying a travel and entertainment expense reports.

It also includes below:

- Misrepresentations about the Holding and Group products or services.
- Failure to disclose information when there is a legal duty to do so.
- Conversion to personal use of cash, supplies or any Holding and Group assets.
- Unauthorised handling or reporting of the Holding and Group business transactions.

The Holding and Group builds proper system of internal controls and relies to the personal integrity of all its employees, contractors and directors to protect assets against damage, theft and other unauthorized use. Each employee is encouraged to speak up to his/her Line Managers and Corporate Governance and Compliance Manager in case of suspected waste or fraud.

13. Gifts, Promotional Items and Hospitality

For the reason of transparency in relations with all our business partners and we discourage our employees from accepting/offering **Gifts, Promotional Items and Hospitality** from/to business

partners. We encourage all our employees to make the named article known to our suppliers and business partners, including government officials.

Accepting or giving business gifts, promotional items and hospitality must never suggest an ability to influence business decisions. Hospitality includes meals, entertainment and sporting events. We must not offer or accept any gifts and promotional items of more than nominal value set in this article to or from any individual or supplier who is in business relationship with the Holding*:

- (i) the total value of gifts and/or promotional items received by an employee per year shall not exceed **100.00 AZN** from each supplier respectively;
- (ii) the total value of the promotional items sent to customers with official company logo for the purpose of the Holding branding only shall not exceed **200.00 AZN** (per each customer).

** Nominal value of Gifts and Promotional Items for Group should be set in accordance with own Code of Conducts (Code of Ethics) and/or Gifts and Promotional Items policies and procedures.*

Each employee shall report to the Corporate Governance and Compliance Manager about Gifts and Promotional Items received. It is the responsibility of the Corporate Governance and Compliance Manager to evaluate Gifts and Promotional Items and enter this into Gifts and Promotional Items Log File. In a situation where Gifts and Promotional Items would clearly exceed a set value it should be returned to the supplier immediately.

In any case you should consult with the Corporate Governance and Compliance Manager in order to learn about the guidelines which are established in the Holding for “nominal value” of gifts and promotional items.

Each employee should understand that the Holding only offers or accepts **hospitality** where there is a clear business reason for the Holding to participate and the costs involved are reasonable. The Holding is aimed to pay own costs that relates to travel, accommodation, transportation and other related expenses. Simultaneously, the Holding does not pay the same type of expenses for others.

14. Interaction with Government Authorities, Official and Mass Media

Employees of the Holding and Group work with governmental authorities and communities to contribute to the future of the Company and its employees. Thus at all times employees of the Holding and Group must be ethical and respectful to all types of stakeholders in all negotiations and comply with below:

1. Employees of the Holding and Group that do not have powers for **interacting with mass media and/or governmental officials** are prohibited from having direct or indirect contacts with the latter.
2. **No meetings with any people involved into politics** are allowed without a prior Shareholder’s permission - even if the meeting has a pure business purpose.
3. Coordination of work with government authorities falls within the **powers of the CC CEO and the Shareholder**.
4. When interacting with **government authorities and governmental officials**, employees of Group must avoid expressing their political views and focus on business topics.

In all cases employee should notify his/her line manager and relevant Public Relations Manager in advance about any interview or discussion that are going to be held with any public official or community representatives such as NGOs.

15. Suppliers and Business Partners

The Holding and its Group interacts with third parties and business partners on daily basis. In all business negotiations employees shall remain honest and respect all stakeholders participating in business life. Selected third parties and business partners shall be treated ethically and without biased approach.

All third parties must build relations with the Holding based on contractual obligations where applicable. Employees shall report to the Line Managers in case if selected third parties are not meet expectations in accordance with mutual agreements and contracts. They should report all cases of breached to the Corporate Governance and Compliance Manager by means of the Compliance Hotline.

It is essential that every agreement and contract contains between the Holding and supplier possess ABC commitment before it is signed.

The Holding treats our all customers, suppliers and business partners with respect, honesty, fairness, equality, and courtesy. Thus it is important to achieve a high level of customer satisfaction and respond to customer's needs and demands in an appropriate and timely manner. The Holding is committed to deliver services and contractual obligations on time and under the promised conditions. Along with it we encourage our employees to build strong relationships with suppliers who enhance the value of our services. We look for suppliers who demonstrate strong values and commitment to our Code. We expect them to conduct lawfully and ethically.

As such, we reserve the right to conduct **Security Check and Due Diligence** on all our suppliers to assess their business in such areas as, but not limited to, technical and HSE capability, financial strength, and the Code standards.

The Holding has a **zero tolerance** for corruption of any kind, and expects the same from all contractors and suppliers. They are required to comply with the laws of the countries in which they operate, and to act in a socially responsible and ethical manner. All suppliers and contractors must be duly screened, approved and managed in accordance with Ethics and Compliance Procedures.

All suppliers shall comply with below requirements as set in the **Supplier Code of Ethics**:

1. Allowed to be screened and checked in accordance with the Holding internal procedures.
2. Obtain and comply with necessary governmental licenses.
3. Communicate regularly and clearly with the Holding.
4. Report any misconduct by means of the Compliance Hotline in accordance with the Code.
5. Ensure that confidential information obtain in relation to the Holding business dealings with is protected and used only for the purpose which it is intended.

16. Political Activity, Donations and Sponsorship

The Holding prohibits to use funds and resources for the contribution to any **political party** or **political candidate**. In addition, the Holding shall not be engaged directly or indirectly in **political**

activities. Employee shall never use his/her position to try to influence any person to make political contributions either.

If individual employees choose to participate in political activities or give any public contributions, they shall do so on their own time, efforts and not as a representative of the Holding or Group.

No **political or charitable donations, sponsorship expenses and community benefits** are permitted on behalf of the Holding.

Employee shall under all circumstances inform the Corporate Governance and Compliance Officer of situations where a case of donation or sponsorship named above can be or has been occurred.

17. Conflict of Interest

A Conflict of Interest (COI) arises or may arise when personal interests of an employee of the Holding or Group, including personal, social, financial, political and other interests influence or may influence the performance of their job during in good faith.

The Holding and Group uses proper ways to monitor, identify and reserve situations that represent or may represent a COI and is entitled to demand that employees of Group resolve such situations if they **pose a threat to the interest and/or reputation of the Holding and Group.**

Employees of the Holding shall immediately **notify their direct Line Manager and Corporate Governance and Compliance Manager** in writing, by signing the COI Disclosure Form of the any potential or actual COI with the Holding or Group.

Employees are required to avoid situations and relationships that involve actual or possible COI and inform in case if he/she:

1. Has an outside job and any affiliation with competitor, customer or supplier.
2. Work with close relatives, especially those who are government officials.
3. Have a direct relationship with another employee who can influence decision such as salary, performance or promotion.
4. Serve as Board Member, director, officer, agent or consultant in another with competitor, customer or supplier.

All cases of the COI shall be enclosed in advance and required **written approval** before an employee can continue working while a COI exists.

18. Confidentiality and Records Retention

All employees of the Holding must exercise care and discretion in handling personal data and retention of records.

Personal data is information that can directly or indirectly identify an individual, including employees, contractors, directors, customers and anyone else with whom the Holding and Group do business. We respect the confidentiality of personal data, in both paper and electronic form. This information may not be used or disclosed improperly or used by someone who is not authorized to do so.

It is the responsibility of everyone in the Holding and Group to make sure that assets are treated with due care and respect which include, but not limited to, property, equipment, proprietary and confidential information and intellectual property.

Information is one of the most important assets of the Holding and Group. Therefore, effective use of information, sharing it appropriately, and preserving its confidentiality, integrity, and accessibility is the responsibility of all employees.

Confidential information includes, but is not limited to company structures, business strategies, strategic partnerships and information on partnerships, financial information, personnel information, customer lists, product designs, specifications, identity of potential or actual customers, information on suppliers, and all such information either in hard copy or electronic.

Holding and Group information shall not be disclosed to third parties unless so required by the official authorities or regulations.

The Holding and Group's primary principles concerning confidential information are stated below:

- a) Confidential files may not be taken from the Holding and Group's premises. For those confidential documents and /or information that have to be taken away from office, employees need to act in accordance with the Holding **Information Security Policy**.
- b) Passwords, user codes, and similar identifying data used for access to Holding and Group information are kept confidential and not disclosed to anyone other than authorized users.
- c) Confidential information belonging to the Holding and Group shall not be discussed in public places.
- d) If for the interests of Holding and Group, sharing of Holding and Group information with third party individuals and/or companies is in question, a confidentiality agreement concerning information sharing is signed or a written pledge of confidentiality is received from the other party before the confidential information is disclosed, in order to ensure that these parties are aware of their responsibility in terms of the security and protection of those assets.
- e) Salaries, benefits, and similar personnel information that is private to individuals is confidential and may not be disclosed to anyone other than authorized personnel. Information concerning personnel is delivered in a way as to be private to the individual. It is strictly forbidden for the personnel to disclose these to others, or to apply pressure on other employees to have this information disclosed.

19. Protection of Assets and Information

All employees of the Holding and Group should understand when our information assets are exposed to risk. At different times employees may be authorized by Line Manager to view and handle particular information assets whether taking assigned notebook computer or mobile device home or being granted access to specific computer systems or information. In both cases improper handling of information may be grounds for loss of confidential information. Another examples of improper handling include unauthorized viewing, copying, distributing, and removing information from the premises including downloading to an external storage device, personal email.

Below are minimum conditions which should be taken into consideration while dealing with the **protection of assets and information**:

- We must comply with all laws, regulations and contractual commitments regarding intellectual property rights of third parties, including patents, copyrights, trade secrets and other proprietary information.
- During use of emails and the internet we must ensure that computer and telecommunication devices are used only for Holding and Group business.
- During use of laptops, computers, software and other technical resources, we must keep access codes such as passwords and badges in a secure place and not share them with others. Unauthorized use of access codes, computer systems or programs may be grounds for disciplinary action, including termination of employment.
- While retrieving information for litigation purposes, we might be instructed by Chief Legal Officer to provide documents or other evidences.

20. Delegation of Authorities

Appropriate **Delegation of Authority (DOA)** is fundamental to the effective and efficient management and operation of the Holding and Group. The purpose of it is to establish the principles that govern the DOA and to outline the process by which the authority to act and to make decisions is delegated.

A clear delegation of authority will:

- a) assign clear authorities and accountabilities.
- b) ensure that decisions made and actions taken are by the appropriate levels.
- c) create a proper internal control environment.
- d) facilitate efficient decision making.
- e) maintain fiscal integrity and
- f) ensure that transactions are executed as intended and in accordance with applicable law, regulations, and policies.

21. Laws and Regulations

The Holding shall at all times act and ensure that activities are carried out in accordance with the Code, governing documents and other applicable laws and regulations. Between legal regulations listed in previous sections below regulations/guidelines shall be strictly followed and adhered:

- (i) Anti-bribery and anti-corruption
- (ii) Anti-trust and anti-competition
- (iii) Anti-money laundering
- (iv) International trade restrictions
- (v) Sanctions (export and import controls)
- (vi) Insider information and insider dealing

The Holding shall at all times avoid anti-competitive conduct and consult with Legal and Corporate Governance Department in cases of questions or concerns.

22. International Standards and Worldwide Practices

We are aiming to comply with the best international practices and corporate governance rules and regulations. With this in mind, the Holding and Group depending on their field of operation will put efforts to receive or implement international standards such as:

1. ISO 37001 (anti-bribery management system),
2. ISO 19600 (compliance management system),
3. ISO 9001 (quality management),
4. ISO 14001 (environmental management),
5. ISO 45001 (occupational health and safety),
6. ISO 27001 (Information Security) and etc.

23. Alignment of Code with Group Companies

The Holding acknowledges that it work with diversified fields of operations which are performed through dedicated Group.

Group represents a number of separate legal entities in the form of separate Holdings that possess own processes, guidelines, policies and procedures.

Taking into account that every Group and Group subsidiary has its own Code of Conduct / Code of Ethics / Ethics and Compliance Procedures, all of the named documents **shall be adjusted in accordance with the Code and be adopted as the minimum in Group.**

24. Reporting Violations

Actual or suspected breaches of the Code shall be reported to the Corporate Governance and Compliance Manager in accordance with the **Compliance Hotline and Reporting Procedure.**

Any employee can raise a concern by using the Compliance Hotline as described in article 25 of the Code.

Each of employee is requested to speak up promptly if there is any reason to suspect that anyone in the Holding or Group has violated policies or procedures. We must also report any activity that could damage the Holding and Group's reputation.

Below matters are samples of misconducts that should be reported via the Hotline by all stakeholders:

- Misconduct or violation of business ethics policies and standards.
- Any breach of internal procedures and policies prohibiting bribery and corruption.
- Concerns regarding potential frauds, deficient internal controls, document falsification, or theft.

It is very important to understand the ways that Compliance Hotline is going to work in future. Its main purpose is to make clear below separation:

1. *Compliance Hotline should be used by all employees of the Holding as the sole line of channel with the Corporate Governance and Compliance Manager and;*
2. *Compliance Hotline should be used by all employees of Group Companies, their affiliate and subsidiaries with the Corporate Governance and Compliance Manager in case if occurrences of misconduct are not properly identified and investigated by their own Hotline Channels.*

25. Compliance Hotline

All issues and concerns of illegal or unethical behavior shall be reported via **Compliance Hotline Channel**. It is available 24 hours a day, seven days a week, via a telephone number, email and postal address as per below:

Postal address: VIP Plaza, 22 Nizami Street, Baku, Azerbaijan

Mobile phone: +994 55 450 12 12

Email address: compliance@neqsolholding.com

Web link: <https://www.neqsolholding.com/about-holding/compliance/>

26. Non-compliance and Disciplinary Actions

Non-compliance with this Code or breach of any of its clauses is a very serious matter and will result in disciplinary action up to an including dismissal.

It is therefore imperative that if you have information that leads you to believe that an actual or suspected violation of the Code has occurred you should contact your Line manager and the Corporate Governance and Compliance Manager.

27. Monitoring

This Code shall be reviewed and amended as appropriate by the Corporate Governance and Compliance Department **on annual basis**.

28. Glossary

AFFILIATE – A company that is directly or indirectly owned and/or controlled by Group.

BRIBERY – Offering, promising, giving, accepting or soliciting of an undue advantage of any value (which could be financial or non-financial), directly or indirectly, and irrespective of location(s), in violation of applicable law, as an inducement or reward for a person acting or refraining from acting in relation to the performance of that person's duties.

CC – Corporate Center i.e. NEQSOL Holding.

CEO – Chief Executive Officer.

CCO – Chief Commercial Officer.

CFO – Chief Financial Officer.

CPO – Chief Procurement Officer.

COO – Chief Operating Officer.

CDO – Chief Drilling Officer.

CHARITABLE DONATIONS – Anything of value given to a charitable company; or sponsorship that is given without charge to a charity; or any community development expenditure.

COPORATE GOVERNANCE FRAMEWORK – The Governance Structure Report, issued by McKinsey & Company and approved by the Shareholder in 2018.

GM – General Manager.

GD – General Director.

GROUP COMPANIES – Independent companies grouped into Holdings and functioning as separate legal entities.

CONTRACTOR(S)/CONSULTANT(S) – A general term for an individual or firm that has entered into a contract to provide goods and/or services to the Holding and Group.

CORRUPTION - Is a form of dishonesty or criminal activity undertaken by a person or company entrusted with a position of authority, often to acquire illicit benefit, or, abuse of entrusted power for one's private gain.

FACILITATION PAYMENT – A minor payment to induce a (usually low-ranking) Government Official to expedite or secure performance of a routine duty which that person is already obliged to perform and where such payment would exceed what is properly due.

GIFTS AND HOSPITALITY – Includes (but is not limited to) gifts, travel, accommodation, trips, services, entertainment, prizes from external competitions or lotteries and any other gratuitous item, event, benefit or thing of value received from or offered to any person in connection with Holding business.

GOVERNMENT OFFICIAL – Employee of any government (local or national); or of a Holding and Group wholly or partially controlled by government; or an official of a political party; or employee of an international company and officers or employees of any corporation owned or controlled by the government, including national oil companies; or immediate family member of any of these.

GROUP COMPANIES – An independent companies grouped into Holdings and functioning as separate legal entities.

GROUP HEAD – Means CEO, GM and/or GD.

INTELLECTUAL PROPERTY – Includes patent rights; trademarks and service marks; domain names; copyright (including copyright of software); design rights; or other confidential (sometimes called 'trade secret' or 'proprietary') information.

NEQSOL Holding – A legal entity that is responsible for strategic business management and for all stakeholder relations, investment projects, mergers and acquisitions, corporate reorganization, optimization, financial supervision; for ensuring the development and execution of the strategic and budgetary plan etc. It also serves as a representative of the Shareholder and protects his interests.

NGO – Non-governmental Organization

RECORD – A subset of information created or received as evidence of a business activity, or required for legal, tax, regulatory or accounting purposes, or of importance to the Group’s business. Records may exist on paper, as physical items, as images or be stored in an electronically readable or audible format.

SECURITY CHECK AND DUE DILIGENCE – An investigation or exercise conducted by the Security Department of the Holding with respect to supplier or person before entering into an agreement or contract with another party.

SHAREHOLDER – Ultimate Beneficiary Owner of the Holding.

SPONSORSHIP – Money that is given, usually by a company, to support a person, company or activity.

STAKEHOLDER – A person or company that can affect, be affected by, or perceive itself to be affected by a decision or activity.

SUBSIDIARY – A company that is directly or indirectly owned and/or controlled by Group.

SUPPLIER – Is an entity that supplies goods and services to another company. A supplier is usually a manufacturer or a distributor.

TOP MANAGEMENT – Person or group of people who directs and controls a Holding or Group at the highest level, such as the CFO, CCO, CPO, COO, CDO and etc.