

Compliance Hotline and Reporting Procedure

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1. STATEMENT

The NEQSOL Holding Azerbaijan LLC (the “Company”) requires its personnel to report any situation where they have reason to suspect that there has been a breach, or potential breach, of its business principles, policies, procedures, Code of Conduct, Anti-Bribery and Corruption Policy and Anti-Bribery Management System (the “ABMS”) principles. Reports will be investigated and actions will be taken when necessary. The Company will not tolerate harassment or any retaliation against anyone who seeks advice, raises a concern or reports a breach or suspected breach.

2. INTRODUCTION

The Company was registered in the Republic of Azerbaijan in December, 2018 and provides consulting services to Oil and Gas, Telecommunication and Industry sectors located in UK, USA, Turkey, Azerbaijan, Georgia, Kazakhstan, UAE, and Bangladesh.

For most worldwide companies, it is mandatory to put in place policies, procedures, guidelines and other measures to counter bribery and corruption. As part of the this work and within the framework of the ABMS in meeting these requirements, the **Compliance Hotline and Reporting Procedure** (the “Procedure”) was written and adopted in the Company.

In addition to complying with the anti-bribery laws and legislation, implementing of this Procedure is driven by other factors:

- Failure of the Company to prevent bribery and corruption is a business and reputational risk which could threaten the success of the Company.
- It has been demonstrated that “whistleblowing” is an effective method, when combined with other internal controls, to prevent bribery and corrupt practices.
- Having and demonstrating that the Company implements such Procedure (as well as other ABMS measures) will help in preparing a defense in any bribery and corruption claims or lawsuits that another party may file against the Company.

3. PURPOSE

The purpose of this Procedure is to support implementation of the “Whistleblowing” and “Raising Concern” principles by providing the methodology for employees to report actual or suspected cases of bribery, corruption or misconduct, as generally listed in this Procedure.

This Procedure describes:

- i. the process to be followed by directors and employees for reporting a case,
- ii. the responsibilities of the managers, employees and the Corporate Governance and Compliance Manager, and
- iii. the protection the Company provides to those employees who:
 - report a case or suspected case and
 - are the subject of an alleged case

4. SCOPE

This Procedure applies to all directors and employees of the Company. Contractors and consultants are required to act consistently within this Procedure when working for the Company as our agent, on our behalf, or in our name, on any business activity including when delivering outsourced services.

5. TERMS AND DEFINITIONS

For the purpose of this Procedure, the following terms and definitions should be applied:

- **ABMS** – Anti-Bribery Management System.
- **CMS** – Compliance Management System.
- **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.
- **Company** – NEQSOL Holding Azerbaijan LLC.
- **“Whistleblowing”** or **“Raising Concern”** – whistleblowing is when someone raises a concern about a dangerous or illegal activity or any wrongdoing within their Company. Raising a concern is known as "blowing the whistle" and is a vital process for identifying risks that may relate to bribery and corruption. Sharing information or talking through a concern can be the first step to helping the Company identify problems and improve their practices.
- **Top management** – person or group of people who directs and controls the Company at the highest level.

6. NORMATIVE REFERENCES

- ISO 37001:2016 – Anti-bribery management systems – Requirements with guidance for use.
- ISO 19600:2014 – Compliance management systems – Guidelines.
- ISO 19011:2018 – Management systems auditing – Guidelines.
- Code of Conduct of the Company.
- Anti-Bribery and Corruption Policy of the Company.

7. OBJECTIVES

This Procedure has been developed and approved as part of a range of initiatives, activities and measures taken by the Company to enhance bribery risk prevention and mitigation.

The NEQSOL Holding Azerbaijan LLC is a diversified Company operating in different business environments and cultures. We rely on everyone who works for or on behalf of the Company to adhere to our business principles and policies by behaving ethically and responsibly. Failure to operate in accordance with our business principles and policies represents a risk to the reputation of the Company which could threaten the success of our business. If breaches occur despite our system of internal controls, reports by personnel and others provide a means for the Company to initiate proper investigation and to take any necessary action. We therefore impose a duty on employees to report actual or suspected breaches, any potential misconduct, any actual or alleged instances of corruptive practices, fraudulent activities or unlawful acquisition, disclosure and / or misuse of confidential, privileged or private information, as well as any other misconduct on part of Company.

By adopting this Procedure, the Company also follows the best practices of corporate governance commonly accepted worldwide which has demonstrated that this type of Procedure is an effective method, in addition to other internal controls aimed at preventing misconduct and minimizing the risks of corruptive practices, fraudulent activities or other instances of misconduct / non-compliance.

8. PRINCIPLES

Main principles of the Company in accordance with the ABMS shall be implemented in accordance with the below:

- a. encourage and enable persons to report in good faith or on the basis of a reasonable belief attempted, suspected and actual bribery, or any violation of or weakness in the ABMS, to the anti-bribery compliance function;
- b. except to the extent required to progress an investigation, require that the Company treats reports confidentially, so as to protect the identity of the reporter and of others involved or referenced in the report;
- c. allow anonymous reporting;
- d. prohibit retaliation, and protect those making reports from retaliation, after they have in good faith, or on the basis of a reasonable belief, raised or reported a concern about attempted, actual or suspected bribery or violation of the Anti-Bribery and Corruption Policy or the ABMS;
- e. enable personnel to receive advice from an appropriate person on what to do if faced with a concern or situation which could involve bribery.

The Company shall ensure that all personnel is aware of the Procedure and is able to use it, as well as ensure awareness about their rights and protections under the Procedure.

9. RESPONSIBILITY

The primary responsibilities of the directors, executives, managers, individuals with respect to the Code of Conduct, Anti-Bribery and Corruption Policy, and this Procedure are listed below:

9.1. Top Management and Department Managers

- a) Foster a culture and working environment that promotes compliance with the Code of Conduct, Anti-Bribery and Corruption Policy, CMS / ABMS Procedures and this Procedure.
- b) Be a role model in practicing the Code of Conduct, Anti-Bribery and Corruption Policy, CMS / ABMS Procedures and this Procedure. Lead by example by acting in accordance with the law, regulations and the named documents.
- c) If requested, provide support to employees in reporting their concerns.
- d) Effectively enforce the Code of Conduct, Anti-Bribery and Corruption Policy, CMS / ABMS Procedures and this Procedure.
- e) Ensure confidentiality and protection of employees.
- f) Ensure that complaints and notifications are investigated in a timely, fair, and consistent manner.
- g) Ensure that necessary actions are taken against violations.

9.2. Department Employees

- a) Read and understand the Code of Conduct, Anti-Bribery and Corruption Policy, CMS / ABMS Procedures and this Procedure.
- b) Act in accordance with the law, regulations, the Code of Conduct, Anti-Bribery and Corruption Policy, CMS / ABMS Procedures and this Procedure. Report any violations or suspected violations and report to the Corporate Governance and Compliance Manager and cooperate during any investigation.
- c) Maintain confidentiality.

9.3. Corporate Governance and Compliance Manager

In order to fulfil responsibilities as the Corporate Governance and Compliance Manager related to this Procedure, the authority granted to him/her in the Code of Conduct to request information, documents, and evidence will also apply to this Procedure.

He/she will also:

- a) Keep the complaints/concerns raised and identities confidential, as much as possible.
- b) Conduct the investigation in a timely manner and with as much confidentiality as possible
- c) Analyse information and documents **ONLY** within the subject limits of the investigation.
- d) Maintain the records of the concern raised, such as the initial notifications and reports.
- d) Act independently, and without being influenced by others.

10. REPORTING PROCEDURE

Below matters are samples of misconducts that should be reported via the Compliance 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 Company 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.*

11. REPORTING CHANNELS AND REPORTING METHODS

Breaches or suspected breaches of this Policy shall be reported to the Company's Corporate Governance and Compliance Manager using below contacts:

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/>

The Corporate Governance and Compliance Manager has the responsibility to investigate notifications concerning breaches and violation of the Code of Conduct, Anti-Bribery and Corruption Policy, and the CMS / ABMS principles, as well as prepare related reports and submit them to the Ethics and Compliance Committee for review.

12. AREAS OF POTENTIAL BREACHES

For the purpose of guidance, breaches or suspected breaches can include (but not be limited to) the following areas (except those indicated in the article 10):

- Breaches or suspected breaches of the Company's Code of Conduct, Anti-Bribery and Corruption Policy, CMS / ABMS Procedures and this Procedure.

- Willful non-compliance with the Company’s business principles, Code of Conduct, Anti-Bribery and Corruption Policy, CMS / ABMS Procedures and this Procedure.
- Corruptive and fraudulent operational, tendering, contracting, and project management practices, as well as other areas of the Company’s business.
- Willful erroneous; (i) accounting practices, (ii) preparation and approval of financial statements and related reporting.
- Willful acquisition, disclosure and / or misuse of information that is unlawful, contrary to Company policies and harmful to the Company.
- Non-compliance, unauthorized or illegal use of assets and property.
- Breach of employee rights / misconduct.
- Actions that have caused or may cause financial damages to the Company.
- Actions that adversely affect the Company’s reputation and goodwill.
- Willful non-compliance with the anti-corruption, anti-bribery laws (covering countries in which the Company conducts business).
- Fraudulent acts, such as but not limited to:
 - Dishonesty and embezzlement.
 - Misappropriation of the Company, customer, supplier or contractor assets.
 - Conversion to personal use of cash, supplies, any the Company asset.
 - Unauthorized handling or reporting of Company business transactions.
 - Falsification of Company business documents, records or financial statements.
 - Misrepresentations about the Company’s product or services.
 - Failure to disclose information when there is a legal duty to do so.

13. METHODS/CHANNELS FOR REPORTING A CASE OR SUSPECTED CASE

Cases or suspected cases shall be reported **ONLY** to the Corporate Governance and Compliance Manager by means of the Compliance Hotline. Any other route, such as to auditors, will not be recognised as part of this process.

The employee shall report the concern within 5 (five) business days. The background and history of the concern shall be reported, giving names, dates and places where possible, and the reasons for being concerned about the situation. The Corporate Governance and Compliance Manager may request additional information after the initial information is reviewed.

For avoidance of doubt in regards “Facilitation Payments” if an employee receives a request for a “Facilitation Payment” from a government official, contractor or any person outside the Company, the employee shall decline the request and then shall notify the Corporate Governance and Compliance Manager in writing, within 2 (two) working days of the request, giving names, dates and any information thought to be relevant.

14. PROTECTION OF EMPLOYEES AND CONFIDENTIALITY

As stated in the Procedure, *“The Company will not tolerate harassment or any retaliation against anyone who seeks advice, raises a concern or reports a breach or suspected breach”*.

The Company will do its best to protect the employee’s identity when a case or suspected case is reported. The Corporate Governance and Compliance Manager, top management and any other party involved in the investigation **shall not** disclose the employee’s identity without prior consent, unless required to by relevant laws or in such circumstances as noted in the following paragraph.

However, it must be appreciated that the investigation process might require a written and signed statement from the employee raising the concern as part of evidence, particularly if the police, courts or external auditors become involved. In order to take effective action, the Company will need to gather

proper evidence which will need to stand up to examination by external bodies, and these external bodies naturally might wish to speak to meet with the employee.

In addition, the Company will do its best to protect the confidentiality of the person(s) against which the case or suspected case has been raised, especially in those cases where the allegation is untrue.

15. HOW THE COMPANY WILL RESPOND

Matters raised will initially be reviewed by the Corporate Governance and Compliance Manager. Actions taken will be dependent on the nature of the case that is reported. If urgent action is needed this will be done before any investigation is conducted.

Some concerns may be resolved by agreed action without the need for an investigation.

Should an investigation be needed, the Corporate Governance and Compliance Manager will either:

- a) Lead or coordinate the in-house investigation, or
- b) Refer the matter to an external body, such as the Police.

Upon completion of the investigation, the Corporate Governance and Compliance Manager shall prepare a report documenting his / her findings and recommend a course of action. The report shall be issued to the Ethics and Compliance Committee of the Company. If the case involves an employee from one of the corporate departments, his/her Manager and Ethics and Compliance Committee shall make the final decision on disciplinary action that might be needed.

All information contained within the report shall be in the **strictest confidence**. The name of an employee raising the concern will not be disclosed in the report (if not agreed beforehand). The name of employee(s) against whom the concern has been raised will not be disclosed in the report unless the complaint was found to be true and some form of disciplinary action is recommended.

The Corporate Governance and Compliance Manager will maintain a **register of all cases or suspected cases** raised and monitor the progress of any actions. The register will be part of periodic reports made by the Corporate Governance and Compliance Manager to the Ethics and Compliance Committee.

16. UNTRUE ALLEGATIONS

If an employee makes an allegation in good faith and genuinely believes the allegation to be true, no action will be taken against the employee if the allegation is not or cannot be confirmed by the investigation.

Similarly, the employee, consultant or contractor being investigated shall not be blacklisted and nothing will be held against that employee, consultant or contractor if the allegations are untrue.

However, if an employee raises an allegation or a concern for no other purpose than to cause trouble, for personal gain, to discredit another employee or the Company, an investigation will take place to determine if disciplinary action or other appropriate action should be taken.