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## ANTI-BRIBERY COMPLIANCE PROCEDURE

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Anti-Bribery Compliance Procedure	Logo & Address were changed on the top of each page / Abbreviation “NE” was superseded by “NEM” as official rebranding took place	04.04.2022	Alina Dudenko

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## 1. PURPOSE

The purpose of the Anti-Bribery Compliance Function Procedure (the Procedure) is to define the role and functions of the ABMS CF as well as to assess and review whether ABMS is:

- a) adequate to manage effectively the bribery risks faced by the Company;
- b) being effectively implemented.

## 2. OBJECTIVE

The need to establish an FC depends on, amongst other things, the industry and the Company, although typically the drivers are regulatory requirements and/or exposure to the risk of violating laws and regulations. Examples of this can be corruption risk or reputational risk.

This document uses the term «Compliance Function». This does not mean that there is necessarily one person who holds this position. Rather, compliance work represents a specialized approach to identifying risk, as well as designing and implementing internal controls, which together reduce the risk of failure to comply with relevant laws and regulations.

In accordance with the ISO 37001:2016, article 9.4. “The anti-bribery compliance function shall report at planned intervals, and on an ad hoc basis, as appropriate, to the governing body (if any) and top management, or to a suitable committee of the governing body or top management, on the adequacy and implementation of the anti-bribery management system, including the results of investigations and audits”.

## 3. SCOPE

This Procedure applies to all activities comprising of the ABMS CF in the Company.

## 4. NORMATIVE REFERENCES

ISO 37001:2016 Anti-bribery management systems – Requirements with guidance for use.

## 5. TERMS AND DEFINITIONS

For the purpose of this Procedure, the following terms and definitions apply:

- **Company** - Nobel Energy Management LLC and its subsidiaries, as well as its affiliates, joint ventures.
- **ABMS** - Anti-Bribery Management System.

- **ECC** - Ethics and Compliance Committee.
- **ECO** - Ethics and Compliance Officer.
- **CEO** - Chief Executive Officer.
- **Top Management** - person or group of people who directs and controls a *Company* at the highest level.
- **Governing Body** - group or body that has the ultimate responsibility and authority for Company's activities, governance and policies and to which top management reports and by which top management is held accountable.

**NOTE\*:** A governing body can include, but is not limited to, board of directors, committees of the board, supervisory board.

- **CF** - Compliance Function.
- **Anti-bribery compliance function** - person(s) with responsibility and authority for the operation of the anti-bribery ABMS.

## 6. GENERAL INFORMATION

CF refers to conformity with external, internal laws and regulations and ABMS standards. Compliance is a line management responsibility reporting ultimately to CEO of the Company. The CF should, nevertheless, contribute to helping line management develop and implement an effective system of internal control in order to manage the risk of violating external and internal laws and regulations (compliance risk).

The CF should have a preventive, advisory and supervisory role, with particular emphasis on:

- Facilitating the effective identification of risk of violation of relevant external requirements, such as compliance with laws and regulations, as well as providing advice on risk reduction measures.
- Developing and facilitating the implementation of internal controls that will provide the Company with protection from compliance risk.
- Monitoring and reporting on the effectiveness of control measures.
- Providing the business with advice about acceptable behaviour and practices in relation to the interpretation of external and internal rules.
- Monitoring relevant regulatory developments within the CF's areas of responsibility.
- Ensuring awareness and training.

When performing the tasks above, the CF should cooperate with other subject matter experts/departments, such as legal, risk, human resources, quality management, internal control and internal audit.

## **7. ETHICS AND COMPLIANCE COMMITTEE**

The ECC is responsible for ensuring that the Company operates in accordance with laws and regulations and ABMS standards.

The CEO is responsible for establishing appropriate risk management and internal controls based upon the guidelines and risk appetite determined by the ECC.

The ECC's guidelines can require the establishment of a CF for the achievement of well-functioning and documented compliance with external and internal regulations.

The structure, responsibilities, functions and authority of the ECO should be based upon a functional description which has been approved by the Company's CEO. It should include a description of:

- Organizational positioning, interaction and interface with other control functions and line management.
- Mandate and budget which balances responsibilities, duties and authority.
- Access to information.
- Reporting responsibilities.

## **8. INDEPENDENCE**

The CF must report to a level of seniority in the Company that allows it to discharge its responsibilities whilst at the same time safeguarding its independence from line management. The CF should have the possibility to report directly to Top Management and CEO. The ABMS CF reports to the Board of Directors during Board Meeting of the Company on quarter basis, and on other occasions, as required.

People working in and with responsibility for the Company's CF should, wherever possible, be organized independently from the operational part of the Company (line management). This means for example that the function should not perform or be responsible for operation activities, or that staff in the CF should be precluded from working in the units they are assigned to monitor.

## **9. WHISTLEBLOWING**

The CF should ensure that the Company has established a satisfactory whistleblowing channel. The whistleblowing channel will typically be a part of Company's anti-corruption efforts, and it may be natural that the compliance function is responsible internally.

The ECO acts as a channel for receiving whistleblowing reports and be responsible for receiving and ensure that reports are investigated, examined, and dealt with in a proper manner.

## 10. MONITORING AND EVALUATION

The Company should evaluate and test internal controls to see whether they work in practice, and be aware of potential weaknesses and areas of risk in accordance with ABMS.

The CF should monitor and evaluate the effectiveness of the line management's internal controls ensuring compliance with relevant laws, regulations and internal rules. This will help to determine whether policies and procedures are designed effectively, whether they are in compliance with applicable regulatory requirements, ABMS standards and whether they are carried out in practice. In addition to ongoing monitoring, relevant methods for monitoring and evaluation may include audits, random tests, questionnaires, interviews or inclusion in employee surveys.

## 11. DOCUMENTATION

Documentation is an important part of a Company's compliance work. Anything that is not documented will often be considered as having not been performed. Missing documentation may be regarded as failure to comply and could have consequences in observing the reporting requirements. Documentation of control activities and measures, including risk assessments, incidents, routine deviations, training etc., should ensure traceability and verifiability as well as evidence of the action taken, and, by implication, of the action not taken to prevent or manage compliance risk.

## 12. REPORTING

The Company established an appropriate format for reporting by the CF. Reporting should provide management with relevant and accurate information about matters that are defined as within the CF's areas of responsibility. The reports form the basis for the management's assessment of internal control and assessment of the need for any measures.

Typical topics for ABMS reporting will be:

- Significant regulatory changes.
- Assessment of the risk of violation of laws and regulations/compliance risk.
- Measures taken to reduce the risk of violation of laws and regulations.
- Whistleblowing reports and ongoing investigations.
- The status of compliance in priority areas - the results of monitoring and evaluation activities.
- Violations of rules and regulations / loss incidents.
- Measures for responding to internal audit reports or investigations.