

**SOCAR TURKEY
ANTI - CORRUPTION AND
TRADE CONTROLS POLICY**

INTRODUCTION

SOCAR Turkey Enerji A.Ş. (“**SOCAR Turkey**”) and the SOCAR Turkey Group Companies (collectively, the “**SOCAR Turkey Group**”) have adopted the **SOCAR Turkey Code of Ethics** reflecting SOCAR Turkey Group’s commitment to conducting its affairs in compliance with **SOCAR Turkey Group values** and all applicable laws, including the Anti-Corruption Laws and Trade Controls (as defined below).

This SOCAR Turkey Group Anti-Corruption and Trade Controls Policy (the “**ACTC Policy**”) is a **supplement to the SOCAR Turkey Code of Ethics**. It aims to serve as an explicit guide for all employees on how to perform their daily duties while protecting the SOCAR Turkey Group values. In this ACTC Policy:

- 🔥 Section I provides the general provisions;
- 🔥 Section II provides the detailed anti-corruption rules and principles (“**Anti-Corruption Provisions**”);
- 🔥 Section III provides the detailed Trade Controls rules and principles (“**Trade Controls Provisions**”);
- 🔥 Section IV provides the following procedures:
 - 1.The Counterparty Integrity Due Diligence Procedure (the “**CIDD Procedure**”);
 - 2.The Representation and Hospitality Procedure (the “**R&H Procedure**”); and
 - 3.The Conflicts of Interest Procedure (the “**CI Procedure**”)
(collectively the “**Implementation Procedures**”).
- 🔥 Section V provides the Inspection Procedure.



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SECTION I: GENERAL PROVISIONS

1.1. PURPOSE

This policy focuses on the matters of conflicts of interest, anti-corruption, and controls on domestic and foreign trade operations. It is the responsibility of each employee to read, understand and comply with this policy. If you require guidance or assistance on any other SOCAR Turkey “value” provided in the SOCAR Turkey Code of Ethics, please ask the Compliance Department for the necessary direction or contact the relevant department or work unit directly.



1.2. DEFINITIONS

“Anti-Corruption Laws” shall mean the legislation governing anti-corruption, anti-money laundering and conflicts of interest in the Republic of Azerbaijan, in the Republic of Turkey, as well as the applicable rules of (if any) the UK Bribery Act 2010, and the US Foreign Corrupt Practices Act to SOCAR Turkey Group based on jurisdictional grounds.

“Code of Ethics” shall mean the SOCAR Turkey Group Code of Ethics.

“Compliance Department” shall mean the SOCAR Turkey Compliance Department, an independent department within the organizational structure of SOCAR Turkey reporting to the Chairman of the Board of Directors through the SOCAR Turkey Internal Audit and Compliance Group Directorate and responsible for coordinating.



“Counterparty” shall mean any person with whom SOCAR Turkey Group proposes to do business, including: (i) SOCAR Turkey Group customers; (ii) any supplier or other service provider, including, for example, agents, joint venture partners, franchisees, operators, distributors, resellers, consultants, intermediaries, as well as parties to corporate merger or acquisition transactions; (iii) recipients of sponsorships and donations to the extent not considered within the scope of SOCAR Turkey Corporate Social Responsibility (“CSR”) Principles and the relevant Annual CSR Plan; and (iv) any other person or entity, other than SOCAR Turkey Group Companies or employees in the context of employment agreements, who SOCAR Turkey Group contracts with (whether through written agreements or otherwise).

“Counterparty Registration Representative (CRR)” shall mean the employee of the department/unit of the relevant SOCAR Turkey Group Company primarily responsible for a transaction, sale, procurement of goods or services, or other type of transaction or engagement involving a Counterparty. For the avoidance of doubt, the term “CRR” is used only for the purposes of this ACTC Policy, a CRR’s official title within the SOCAR Turkey Group may be different.

“Designated Person” shall mean any person or entity that is (i) specially designated for asset freezing measures or other economic

sanctions restrictions under laws, regulations, or orders issued or implemented by Turkey, the European Union, any EU Member State, the United Kingdom, or the United States; (ii) specially designated for economic sanctions measures in any United Nations Security Council Resolutions; or (iii) 50% or more owned or controlled, directly or indirectly, by any person or entity that falls within parts (i) or (ii) of this definition.

“Employee” shall mean any director, officer, employee (including temporary contractor or secondee) of SOCAR Turkey or a SOCAR Turkey Group Company.

“EU Person” shall mean (1) any person or entity, of any nationality, acting (a) within the territory of the EU or (b) on board any aircraft or any vessel under the jurisdiction of a Member State; (2) any natural person inside or outside the territory of the EU who is a national of a Member State; (3) any entity, inside or outside the territory of the EU, which is incorporated or constituted under the law of a Member State; or (4) any entity, irrespective of its nationality, in respect of any business done in whole or in part within the EU.

“External Affairs Department” shall mean the External Affairs Department of SOCAR Turkey.

“Finance Department” shall mean the Finance Department of SOCAR Turkey or a SOCAR Turkey Group Company (as applicable).

“Internal Audit Department” shall mean the Internal Audit Department of SOCAR Turkey.

“Procurement Department” shall mean the Procurement and/or Supply Chain Management Department of SOCAR Turkey or a SOCAR Turkey Group Company (as applicable).

“Public Official” shall mean any officer or employee of any national, federal, regional, local, or other government department or agency; any officer or employee of any government-owned entity; any head of state or a member of a royal family; any officer or employee of a public international organization; any political party official; any candidate for political office; or other individual acting in an official capacity on behalf of any of the above. Public Officials include not only elected/appointed officials, but also persons providing public service, consultants who hold government positions, employees of companies owned by a government and political party officials and persons to be deemed a public officer pursuant to laws.

“Red Flag” shall mean any information that raises suspicion or concern that the Counterparty’s engagement by SOCAR Turkey Group may present a heightened compliance risk.

“Sales Channel” shall mean the sections, divisions, units, and departments of SOCAR Turkey or the SOCAR Turkey Group Companies that are tasked with marketing and selling SOCAR Turkey Group’s products or services, or marketing and re-selling products acquired by SOCAR Turkey Group.

“Sectorally-Sanctioned Persons” shall mean any person or entity that qualifies as a Designated Person merely because the person or entity is, or is owned or controlled by a person or entity that is, specially designated on the U.S. Sectoral Sanctions Identifications List, Article 5 to European Council Regulation No. 833/2014, or other similar targeted economic sanctions measures.

“Shareholder” or **“Representative of a Shareholder”** shall mean any real or legal persons holding shares of SOCAR Turkey Group and their representatives.

“SOCAR Turkey Group Company” shall mean any entity, in which SOCAR Turkey has directly or indirectly more than 50 percent ownership or which SOCAR Turkey otherwise directly or indirectly controls.

“Trade Controls” shall mean any applicable import & export controls applicable to foreign trade operations or economic sanctions statutes, rules,

regulations, orders, ordinances, codes, directives, or other measures, as administered by the governments of Azerbaijan, Turkey, the European Union, any EU Member State, the United Kingdom, or the United States.

“Treasury Unit” shall mean the Treasury Unit of SOCAR Turkey's Finance Department.

“U.S. Persons” shall mean U.S. companies and their non-U.S. branches or subsidiaries; non-U.S. entities that are 50% or more owned or controlled by U.S. persons; U.S. citizens and U.S. lawful permanent resident aliens (**“green card”** holders), wherever located or employed; and persons present in the United States, irrespective of their nationality.

1.3. SCOPE

SOCAR Turkey Group expects all employees to comply with this Policy and the Implementation Procedures annexed to this policy. Failure to comply with this policy could cause reputational damage to SOCAR Turkey Group and it could also cause SOCAR Turkey Group to be subject to administrative or judicial inspections, investigations and litigation against SOCAR Turkey Group. If any of these inspections, investigations and lawsuits finalize with a negative decision against SOCAR Turkey Group, they can result in significant monetary fines,

various sanctions and special security measures to be imposed on SOCAR Turkey Group altogether or separately. Employees who violate this policy could also face significant adverse consequences individually, including dismissal from employment, and monetary or administrative charges or criminal charges such as imprisonment which can be imposed by Turkish or foreign judicial governmental authorities.

1.4. IMPLEMENTATION

The Compliance Department is responsible for the implementation of this Policy in SOCAR Turkey Group working with the CRRs or other relevant personnel who are assigned with certain compliance related tasks in connection with their main duties and responsibilities.

1.5. REPORTING OF POTENTIAL VIOLATIONS

Employees must immediately report any suspected, potential, or actual violations of this policy. Employees should consult Section I, Article 10 of the Code of Ethics titled “Individual Responsibility and Reporting” for detailed guidance on reporting channels and our zero tolerance

approach towards any kind of retaliation, harassment or mistreatment of Employees who make reports while acting in good-faith. Those who make false reports with ill-intentions, will however, may face certain negative consequences as per the Discipline Procedure.

SOCAR Turkey Group takes all reports of suspected, potential or actual violations of this ACTC Policy and applicable Anti-Corruption Laws and Trade Controls seriously, and takes all measures necessary to inspect, detect, stop, and/or correct the relevant processes or practices involved in the root cause of the report.

1.6. HANDLING AND INSPECTION OF POTENTIAL VIOLATIONS

All reports of alleged, suspected, potential, or actual violations of the SOCAR Turkey Code of Ethics and this ACTC Policy shall be inspected by the Compliance Department in accordance with the Inspections Procedure annexed hereto, to the extent and provided that the subject-matter of such inspection does not overlap or conflict with the duties and authorities of the Internal Audit Department or any other department which has the primary authority over the subject-matter. If the subject-matter requires any investigation or process review, the Compliance Department directs the matter to the Internal Audit Department.

1.7. DISCIPLINARY ACTIONS

In case of a proven violation of the Code of Ethics and this ACTC Policy, the Compliance Department shall share its final assessment on the matter with the Ethics Committee for cross-functional evaluation. If the cause of the violation is a human-error, rather than a process oversight, the Ethics Committee shall then, utilizes the Discipline Sub-Committee for deciding on and implementing the necessary disciplinary actions on the involved individuals appropriate to the nature of the violation and the respective circumstances. The sanctions stipulated under the SOCAR Turkey Discipline Procedure shall apply to any Employee involved in violation, consistent with other Human Resources policies and regulations of the respective SOCAR Turkey Group Company (if any).

1.8. EXCEPTIONS

Unless the SOCAR Turkey Board of Directors and/or the CEO of SOCAR Turkey, decides or instructs otherwise, no exceptions to this ACTC Policy together with its Implementation Procedures are permitted in the absence of a prior approval provided by the Compliance Department in writing.

Notwithstanding the above, there may be variations in the internal mechanisms in certain SOCAR Turkey Group Companies due to their operational or other particularities. In such case, the relevant SOCAR Turkey Group Company

shall make necessary adaptations via its internal regulations to align its internal processes with the principles, rules and processes explained in any section of this ACTC Policy.

1.9. PRIVACY

Any personal information collected in the context of this ACTC Policy together with its Implementation Procedures must be collected, used, disclosed and stored in compliance with applicable laws and other policies, including, in particular, the SOCAR Turkey Policy on Personal Data Processing, Storage, Deletion and Destruction as well as any other policies on privacy, general data protection and information security.

1.10. QUESTIONS

Please contact the Compliance Department if you have any questions regarding this policy.

1.11. RISK ASSESSMENT AND MONITORING

The Compliance Department develops and administers appropriate mechanisms to monitor compliance with this ACTC Policy. At least every three years the Compliance Department undertakes a compliance risk assessment focusing on internal and external compliance risks, which shall

include a general assessment and evaluation of systems, processes, and practices described herein. It shall also include a review of documentation relating to interactions with Counterparties and if necessary any forensic transaction testing.

The Compliance Department ensures the periodical incorporation of any identified compliance trends and risks into employee trainings and awareness-raising programs, periodic reports to the Board of Directors and to the CEO of SOCAR Turkey.

Employees are responsible for understanding how compliance with the ACTC Policy might affect their work at SOCAR Turkey Group, and must actively engage in compliance efforts appropriate for their roles within SOCAR Turkey Group. These efforts include an obligation for all employees to cooperate with monitoring and auditing processes.

1.12. TRAINING

The Compliance Department is responsible for developing training programs for employees, particularly those in roles presenting heightened compliance risks (such as, Procurement Departments, Sales Channel, External Affairs, and the Finance Department) in coordination with

the Training and Development Group Directorate of the Human Resources Department. The Compliance Department updates the content of trainings based on compliance trends and emerging risks as and when required.

1.13. EFFECTIVENESS

This policy shall become effective upon its adoption by the SOCAR Turkey Board of Directors.

1.14. DOCUMENT RETENTION

Unless otherwise required by applicable law, all documents created for or evidencing compliance with this policy must be retained for five years from the end of the engagement.

1.15. IMPLEMENTATION PROCEDURES

The following procedures are referred to in this policy (and can be found annexed hereto) and must be adhered to by all employees:

- 🔥 Counterparty Integrity Due Diligence Procedure (the “**CIDD Procedure**”);
- 🔥 Representation and Hospitality Procedure (the “**R&H Procedure**”);
- 🔥 Conflicts of Interest Procedure (the “**CI Procedure**”).



SECTION II: ANTI-CORRUPTION PROVISIONS



SOCAR Turkey Group has a zero tolerance policy towards corrupt conduct in any form including but not limited to bribery and kickback payments. SOCAR Turkey Group is committed to conducting its business operations in a manner that complies with the Anti-Corruption Laws.

2.1. COMPLIANCE WITH THE POLICY

All employees shall comply with these Anti-Corruption Provisions, and strive to ensure that the employees of all third parties acting on SOCAR Turkey Group behalf such as contractors, or agents do likewise.

2.2. POLICY AGAINST BRIBERY

No employee or any other person or entity acting on behalf of SOCAR Turkey Group may, directly or indirectly, give or offer a bribe, kickback payment, improper benefit, or any other thing of value to a person with the intent of improperly gaining or retaining a business advantage or improperly rewarding the recipient or any other person for past conduct.

Employees also cannot request or accept anything of value from any third party in return for any improper advantage in relation to SOCAR Turkey Group's business and operations. Employees must make objective business decisions based on the merits and not because of inappropriate gifts or other benefits.

The term **“anything of value”** is broad. In addition to money, it can take the form of loans, special discounts or prices, entertainment, travel benefits, sensitive information, job opportunities or internships, gifts, donations to a favored charity, meals, and gift cards. Any act can qualify to be bribery for so long that the recipient or a third party perceives the

subject matter of the act to be something of value provided with an improper purpose.

Employees must not **“overlook”** or fail to report any actual, potential, or suspect corrupt conduct including bribery.

2.3. FACILITATING OR EXPEDITING PAYMENTS

“Facilitating”, “expediting”, or “grease” payments are small payments made to a Public Official for his or her personal benefit, in order to secure or expedite a routine government action (such as, by way of example, obtaining a visa more quickly than usual). Such payments are lawful under certain foreign bribery laws, but they are unlawful under the Turkish Criminal Code and are therefore prohibited under this ACTC Policy and the Code of Ethics.

If you are asked to make a **“facilitating payment”** while conducting a business affair on behalf of SOCAR Turkey Group, you must immediately report to your line manager. If you believe to be in a situation where you think this is neither possible nor helpful, please reach out to the Compliance Department directly, or make a report through the Hotline.

2.4. DEALINGS WITH PUBLIC OFFICIALS

Anti-Corruption Laws apply particular sensitivity in the case of benefits or things of value provided to Public Officials or their family members. Employees

who interact with Public Officials shall be aware of their actions, which may appear to be inducing a Public Official directly or indirectly, to (or not to) perform their duties to gain any improper advantage. If you are in doubt on how to proceed while conducting a business affair involving a Public Official and you are unable to find the necessary guidance you seek in the R&H Procedure annexed to this policy, you must immediately report to your line manager. If you think you are in a situation where you think this is neither possible nor helpful, please reach out to the Compliance Department directly, or make a report through the Hotline.

2.5. POLITICAL CONTRIBUTIONS

SOCAR Turkey Group does not take any position to the favor or against any political party, opinion or ideology. SOCAR Turkey Group acts equally and impartially in its activities and processes involving public institutions, and organizations. SOCAR Turkey Group does not provide any funds, facilities, or services or payments of any kind to any candidate for public office, any political party or for any other political initiative, referendum or other form of political campaign or movement.

2.6. CORPORATE SOCIAL RESPONSIBILITY

SOCAR Turkey Group considers all types of social assistance, charitable contributions, donations, and sponsorship activities as parts of its corporate social responsibilities and carries out various types of corporate social responsibility activities under its SOCAR Turkey Corporate Social Responsibility Principles policy. As per the Principles, SOCAR Turkey Group provides funding to corporate social responsibility activities only for *bona fide* charitable purposes.

The External Affairs Department is responsible for planning SOCAR Turkey Group's Corporate Social Responsibility activities. Working together with the Ethics Committee, the External Affairs Department prepares an annual plan ("**Annual Corporate Social Responsibility Plan**") regarding SOCAR Turkey Group's corporate social responsibility activities to reduce the risk of corruption and conflicts of interests as well as to maintain control over the appropriate use of SOCAR Turkey Group's funds. The preparation and approval of the Annual Corporate Social Responsibility Plan takes place in accordance with the SOCAR Turkey Corporate Social Responsibility Principles each year.

SOCAR Turkey Group processes and records each Corporate Social Responsibility activity through a standard "Corporate Social

Responsibility Approval Form". The External Affairs Department is responsible for the initial preparation of this form. The form then goes through a streamlined approval process across the members of the Top Management including but not limited to the CEO, CFO, and CEO as well as the Board of Directors if necessary, after the crosscheck of the Compliance Department and arrives at the Financial Control Directorate for final sign-off.

For further details on the rules and practices of the SOCAR Turkey Group applicable to corporate social responsibility, please review the SOCAR Turkey Corporate Social Responsibility Principles.

2.7. INTERNAL CONTROLS

SOCAR Turkey Group maintains adequate internal controls, in each relevant process across the organization, sufficient to implement this Policy and Code of Ethics, and monitor and record all actions explained herein.

SOCAR Turkey Group is committed to keeping its books and records in a manner that accurately reflects its transactions. This includes the accurate and timely recording of payments made to third parties into SOCAR Turkey Group's books, records, and accounts in reasonable detail. SOCAR Turkey Group strictly prohibits making false, misleading, incomplete, inaccurate or artificial entries in the SOCAR Turkey Group's

books and records. To accommodate the information provided in the books and records, written contracts with Counterparties must accurately reflect the substance of the agreement. All employees must be diligent on providing accurate and complete information to the Internal Audit Department, independent and external auditors, committees, tax or any other type of governmental authorities. Please refer to relevant SOCAR Turkey Group policies and procedures on record keeping, internal audit and contract processes for further information on these matters.

2.8. RELATIONS WITH COUNTERPARTIES AND INTEGRITY DUE DILIGENCE

SOCAR Turkey Group values the importance of doing business with Counterparties which conduct their businesses ethically and with the highest level of integrity in a manner that is consistent with the Code of Ethics and thereby consistent with these Anti-Corruption Provisions. As defined in the Definitions Section above, Counterparties include, for example, customers, partners, agents, intermediaries, suppliers, consultants, advisors, parties to corporate transactions, and other third parties with whom SOCAR Turkey Group contracts. Many Anti-Corruption Laws cover indirect as well as direct bribery.

Therefore misconduct by SOCAR Turkey Group's Counterparties could expose SOCAR Turkey Group to reputational harm or civil and criminal liability. Employees are therefore responsible for the Counterparties that act on behalf of SOCAR Turkey Group. In parallel to this, SOCAR Turkey Group expects Employees to prevent from circumventing SOCAR Turkey Group policies and procedures by using a Counterparty to do what SOCAR Turkey Group could not lawfully do itself.

To ensure compliance with the foregoing standards, SOCAR Turkey Group conducts risk-based integrity due diligence on all Counterparties, as set forth in the CIDD Procedure.

2.9. GIFTS, MEALS, ENTERTAINMENT AND TRAVEL

Employees must not give or promise gifts, meals, entertainment, or travel to any third party to obtain an improper advantage for SOCAR Turkey Group in return. Employees must also exercise caution when accepting gifts, meals, entertainment, or travel for others as such behavior may create an impression of improper influence in our business relationships.

To ensure compliance with the foregoing standards, employees must comply at all times with the R&H Procedure.

SECTION III: TRADE CONTROLS PROVISIONS

3.1. RELEVANCE OF DOMESTIC REGULATIONS AND INTERNATIONAL TRADE CONTROLS TO SOCAR TURKEY GROUP BUSINESS

3.1.1. DOMESTIC REGULATIONS

As a group of companies incorporated and operating in the Republic of Turkey, SOCAR Turkey Group is subject to laws of the Republic of Turkey. Some of these laws require all entities to report if they encounter any transaction that may be related to money laundering and/or financing of terrorism. Failing to report when necessary may cause SOCAR Turkey Group to face charges with respect to commitment of these crimes itself.



3.1.2. INTERNATIONAL TRADE CONTROLS

SOCAR Turkey Group can also face restrictions under U.S. or EU sanctions and export controls. With regard to the U.S. sanctions, while SOCAR Turkey Group is not a “U.S. Person”, any of its U.S. national employees and any employees located in the United States, regardless of their nationality, are “U.S. Persons” and are themselves subject to the U.S. sanctions regulations. Moreover, non-“U.S. Persons” such as SOCAR Turkey Group are prohibited from **“causing”** “U.S. Persons” to violate the U.S. sanctions, such as potentially by dealing in U.S. Dollars in transactions that are prohibited under the U.S. sanctions, or by otherwise involving “U.S. Persons” in such transactions (such as suppliers or even, potentially, “U.S. Persons” who are employed by SOCAR Turkey Group in Turkey).

Both the U.S. and the E.U currently maintain a number of sanctions programs that prohibit, or significantly restrict, U.S. Persons/EU Persons from engaging in business in or with certain countries. These countries

and the scope of these sanctions' programs differ significantly and may change from time to time. Thus, please REACH OUT to the Compliance Department when you think the transaction you are about to enter into may involve a sanctioned country or a sanction program. These sanctions regimes also prohibit actions intended to facilitate transactions which otherwise would be prohibited if performed by the relevant U.S./EU Persons. This includes even referring business to non-U.S./EU Persons that U.S./EU Persons would be prohibited from undertaking themselves.

The U.S., EU and other governments also maintain various lists of Designated Persons who for national security or foreign policy reasons are restricted from trading in export-controlled items and technology and/or from engaging in business transactions more broadly with their companies and nationals. In some cases, entities that are not identified on Designated Persons lists may still be deemed subject to the same restrictions as listed parties if they are majority-owned or controlled by one or more listed parties. Restrictions associated with Designated Persons can reach the activities of SOCAR Turkey Group in a number of circumstances such as, for instance, if SOCAR Turkey Group were to involve U.S. or EU persons in dealings with Designated Persons, or if it were to transact with Designated Persons in U.S. dollars, Euro, or other EU currencies. Dealings with certain Designated Persons can also expose SOCAR Turkey Group to certain sanctions.

Certain Designated Persons are sanctioned only for limited purposes those persons are referred to herein as Sectorally-Sanctioned Persons. Generally speaking, it is not prohibited for U.S. or EU Persons to deal with Sectorally-Sanctioned Persons, with the exception of certain forms of debt, equity, military sector, and oil and gas services transactions. In transacting with Sectorally-Sanctioned Parties, it is important for SOCAR Turkey Group to ensure that it complies with U.S. or EU sanctions to the extent the transactions involve any connection to the U.S. or EU (again, as an example, if the transactions are made in U.S. dollars, Euro, or other EU currencies, or if they otherwise involve U.S. or EU Persons). Given the various ways in which the U.S. and EU country-based sanctions programs could apply to the activities of SOCAR Turkey Group and its employees, it is important for SOCAR Turkey Group to monitor the potential application of those sanctions' programs to SOCAR Turkey Group's activities, and to ensure that SOCAR Turkey Group does not engage in activities that are prohibited or could trigger any sanctions.