



Babek Ave. 1431, A. Guliyev Street, Baku, Azerbaijan  
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**10.01.2016**  
**FREGAT LLC**  
**ANTI-CORRUPTION AND BRIBERY POLICY**

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**1. POLICY STATEMENT**

- 1.1 It is policy of Fregat LLC to conduct all of our business in an honest in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our relationships and business dealings wherever we operate and to implementing and enforcing effective systems to counter bribery.
- 1.2 We will uphold all laws relevant to countering bribery and corruption. We remain bound by the laws of Azerbaijan Republic ,including the Bribery Act 2010, in respect of our conduct both at home and abroad
- 1.3 The purpose of this policy is to:
  - a) Set out responsibilities, and of those working for us, in observing and upholding our position on bribery and corruption; and
  - b) Provide information and guidance to those working for us on how to recognize and deal with bribery and corruption issues
- 1.4 Bribery and corruption are punishable for individuals by up to ten year's imprisonment and if we are found to have taken part in corruption we could face an unlimited fine and damage to our reputation. We therefore take our legal responsibilities very seriously.
- 1.5 We have identified that certain of our activities create particular risks for our organization, in particular:
  - a) Overseas collaborations, joint ventures and partnerships [whether formal or informal];
  - b) Receipt of gifts and donations;
  - c) Grant funding; and
  - d) Public procurement, particularly where the activities relate to construction



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- 1.6 To address these risks we have taken the following steps;
- a) Implemented an anti- bribery and corruption policy;
  - b) Undertaken a risk assessment exercise, which will be subject to on-going review, which is providing by sub-contractor company
  - c) Undertaken a training programme of management ;
  - d) Taken steps to implement a training programme for all individuals operating in areas of the organization that are perceived as high risk;
  - e) Reviewed and amended policies related to this Anti-corruption and Bribery Policy, including the Public Interest Disclosure Policy; and
  - f) Prepared standard clauses relating to Bribery Act issues for inclusion in key contractual documentation.

- 1.7 In this policy, third party means any individual or organization you come into contact with during the course of your work for us, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

## 2. WHO IS COVERED BY THE POLICY?

This policy applies to all individuals working at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, second staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us, or any of our subsidiaries or their employees, wherever located (collectively referred to as workers in this policy).

## 3. WHAT IS BRIBERY?

A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.

### Examples:

#### *Offering a bribe*

You offer a potential business partner to make some service. After discussions you make offer some cashback or present

#### *Receiving a bribe*

A supplier gives you this job, award you contract and take his bribe as money or gift

This is direct Corruption and any deal like this by management or employees of Fregat LLC will be legally judged

## 4. HOSPITALITY AND GIFTS

- 4.1 This policy does not prohibit normal and appropriate hospitality.
- 4.2 Normal and appropriate hospitality and gifts would include where the hospitality or gift:
- a) Is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
  - b) Complies with local law
  - c) Is given in our name, not in your name ;
  - d) Does not include cash or a cash equivalent (such as gift certificates or vouchers);
  - e) Is appropriate in the circumstances for example, in the Azerbaijan it is customary for small gifts to be



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given at New Year, Novruz holidays;

- f) Taking into account the reason for the gift, is of an appropriate type and value and given at an appropriate time;
- g) Is given openly, not secretly; and
- h) Is not offered to, or accepted from, government officials or representatives, or politicians or political parties, without the prior approval of the Director.

## **5. WHAT IS NOT ACCEPTABLE IN FREGAT LLC?**

It is not acceptable for you [or someone on your behalf] to:

- a) Give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- b) Give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
- c) Accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
- d) Accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;
- e) Threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy or
- f) Engage in any activity that might lead to a breach of this policy

## **6. FACILITATION PAYMENT AND KICKBACKS**

- 6.1 We do not make and will not accept, facilitation payments or "kickbacks" of any kind. Facilitation payment are typically small, unofficial payments made to secure or expedite a routine government action by a government official. They are not commonly paid in the Azerbaijan, but are common in some other jurisdictions.
- 6.2 If you are asked to make a payment on our behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with the Fregat LLC Director.
- 6.3 Kickbacks are typically payments made in return for a business favour or advantage. All workers must avoid any activity that might lead to or suggest, that a facilitation payment or kickback will be made or accepted by us.

## **7. DONATIONS**

We do not make charitable donations or contributions to political parties.

## **8. YOUR RESPONSIBILITIES**

- 8.1 You must ensure that you read, understand and comply with this policy.
- 8.2 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us or under our control. All workers are required to avoid any activity that might lead to, or suggest, a breach of this policy.
- 8.3 You must notify your manager and/or the Fregat LLC Director as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future. For example, if a client or potential client offers you something to gain a business advantage with us, or indicates to you that a gift or payment is required to secure their business. Further "red flags" that may indicate



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bribery or corruption are set out in the Schedule.

## **9. HOW TO RAISE A CONCERN**

If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with your line manager and/or the Director.

## **10. WHAT TO DO IF YOU ARE A VICTIM OF BRIBERY OR CORRUPTION**

It is important that you tell the Director of Fregat LLC as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.

## **11. PROTECTION**

- 11.1 Workers who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

## **12. TRAINING AND COMMUNICATION**

- 12.1 All existing workers operating in areas that are perceived as high risk as far as the Bribery Act is concerned will receive regular, relevant training on how to implement and adhere to this policy.
- 12.2 Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors, agents and business and other partners at the outset of our relationship with them and as appropriate thereafter.

## **13. WHO IS RESPONSIBLE FOR THE POLICY?**

- 13.1 The Provost and the company Directors Deputy have overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.
- 13.2 The Directors Deputy has primary and day-to-day responsibility for implementing this policy, and for monitoring its use and effectiveness and dealing with any queries on its interpretation. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it.

## **14. MONITORING AND REVIEW**

- 14.1 The Directors Deputy will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.
- 14.2 All workers are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.
- 14.3 Workers are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the Directors Deputy.
- 14.4 This policy does not form part of any employee's contract of employment and it may be amended at any time.

### **Schedule**

Potential risk scenarios: "red flags"

The following is a list of possible red flags that may arise during the course of you working for us and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.



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If you encounter any of these red flags while working for us, you must report them promptly to your manager or to the Compliance Manager:

- (a) you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- (b) you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
- (c) a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- (d) a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- (e) a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- (f) a third party requests an unexpected additional fee or commission to "facilitate" a service;
- (g) a third. party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- (h) a third party requests that a payment is made to "overlook" potential legal violations;
- (i) you receive an invoice from a third party that appears to be non- standard or customized;
- (j) a third party insists on the use of side letters or refuses to put terms agreed in writing;
- (k) you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- (l) a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us; or
- (m) you are offered an unusually generous gift or offered lavish hospitality by a third party.