



MURPHY SHIPPING  
&  
COMMERCIAL SERVICES LTD

CODE OF ETHICS

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Code of ethics of Murphy Shipping & Commercial Services Ltd reveals our ethical standards and requirements being secure constituent of the base of our reputation and competitiveness.

Elaborating this code of ethical standards we first and foremost followed humane moral and ethical values and principles accepted in civil world, took guidelines of well-known business structures' experience, as well as standards set out in documents of UN, Council of Europe, EU and other international organizations, including

- United Nations Declaration against Corruption and Bribery in International Commercial Transactions (adopted by Resolution of General Assembly in 16.12.1996 г.);
- Code of Good Practices on Transparency in Monetary and Financial Policies: Declaration of Principles (adopted by Interim Committee of IMF on 26.09.1999г.)
- **Model** Code of Conduct for Public Officials (adopted by the Committee of Ministers of the Council of Europe in 2000);
- The 40 recommendations of **FATF** (adopted in 20.06.2003г.);
- The Lima Declaration of Guidelines on Auditing Precepts (adopted in October 1977 at the IX INCOSAI);
- Recommendations of Basel Committee “Customer due diligence for banks” (Principles of Basel Committee on banking supervision adopted on 01.10.2001г.)
- UK Parliament bribery Act 2010
- US Treasury (OFAC) list of designated nations, entities and individuals

The present guidelines hold sufficient information on ethical requirements assigned both for Murphy Shipping & Commercial Services Ltd personnel and individuals dealing with the Company. The ethical approaches set out in these guidelines are obligatory for a directive use in Company's everyday activity and may serve as a reliable handbook outside as well. Hope these guidelines will provide real assistance both for prevention of possible and elimination of already occurred negative situations.

We believe this code will optimize everyone's activity, safeguard them from wrongdoings, disperse their doubts and make them to be open as to ethical matters.

**Best regards,**

**Tahir Aliyev**  
**Group CEO**

## **Introduction**

As seen from our experience, one of the base factor to positively influence Murphy Shipping & Commercial Services Ltd reputation and competitiveness are its ethical standards applied both in relations with clients and partners and between management and personnel within the Company. The aspects of these standards are as follows:

- **Legal etiquette**, based on respect of rights and legitimate interests of any person, business partner, and observance of generally accepted international and legal practice, laws and regulations of a country of Company's activity or its representation or branches.
- **Speech etiquette**, based on civility, benevolence and tolerance in communication.
- **Conduct etiquette**, based on bona fide principle and optimization of conduct on motivated performance of functions or duties.

Leading ethical principles are a stable foundation for stable, long-term, confiding relationship in the Company and business environment. Compliance to this principles is urgently requested from management and personnel of Company, its representation or branches, as well as consultants, lobbyists, intermediaries, agents and others dealing with the Company, acting on behalf of the Company and representing its interests, hereinafter referred to as the Person.

### **1. Principles and practice of Murphy Shipping & Commercial Services Ltd**

Murphy Shipping & Commercial Services Ltd in its business activities always observes acting and applicable international legal rules and regulations and customs. Respect of human rights and interests of any person is an integral and priority part of Company's code of value. Elaborated ethical guidelines help structural units (representations, branches) of the Company to successfully operate in countries with various legal, cultural principles and comply with legal norms of these countries within the limits not in conflict to contract law. In case of legal collision, international legal legislation and practice according to regulated norms of UNIDRUA and UNCITRAL are in preference.

#### **1.1. Law and transparency in business activity**

Murphy Shipping & Commercial Services Ltd will operate solely on legal and legitimate basis. The violation of law, that is unethical in itself, is a direct threat to

reputation and competitive capacity of Murphy Shipping & Commercial Services Ltd. Therefore, any violation is inadmissible. Murphy Shipping & Commercial Services Ltd will compete in bona fide and ethical manner within the law and competition rules existing in the markets where the Company operates. Murphy Shipping & Commercial Services Ltd will do business by gaining its partners' and clients' confidence in a fair manner. Our business information will be transferred correctly and precisely in and outside the Company except that of confidential character. All accounting reports must be correct and registered in financial documentations in accordance with laws and regulations as well as relevant accounting standards.

The person also ensures that all information, accounting and reports be correct, full and objective.

Murphy Shipping & Commercial Services Ltd will provide complete, correct and accurate statements in its reports to tax and other relevant authorities.

### **1.2. Fairness and non-discrimination**

A commitment to fairness and non-discrimination is central to maintaining Murphy Shipping & Commercial Services Ltd standards of equity, equality, ethical conduct and accountability. The person must take an active role in ensuring that their working environment is free from discrimination and harassment of any kind.

### **1.3. Non-admission of corruption**

Performing Murphy Shipping & Commercial Services Ltd business activities in non-corruption area is based on deep understanding of the essence of corruption as purely negative phenomenon that first and foremost subverts the rule of law, undermines democracy, stimulates unequal opportunities in business environment, distorts economic goals/strategy.

Being mostly a system of forced payments with the purpose of gaining illicit/criminal advantage, corruption allows to managing subjects that lack moral understanding to have a comparative advantage that impedes competition, result in violation of tax and regulatory legislation.

Corruption includes bribery and trading in influence.

Bribery may include, inter alia, soliciting, demanding, accepting or receiving, directly or indirectly, by any person or individual from any private or public corporation or organization of any payment, gift or other advantage, as undue consideration for performing or refraining from the performance of this person's or individual's duties and obligations or in connection with any kind of commercial transaction.

Trading in influence is taken place when any payment, gift or other advantage is provided to someone to influence the performance of a third party's office or authorities.

Murphy Shipping & Commercial Services Ltd attitude is and will always be non-admission of corruption, bribery, extortion and related illicit practices into its business.

In connection with this Murphy Shipping & Commercial Services Ltd will expect the person or other individuals to observe the requirements thereof, as defense and strengthening of its ethical values.

#### **1.4. Political or public activity**

Murphy Shipping & Commercial Services Ltd will not be involved in any political or public activity, nor will it sponsor any politician, unless such activities affect his interests.

The Person should not allow his involvement in political activities being his constitutional right, to impair the confidence of Murphy Shipping & Commercial Services Ltd to his ability to perform his functions and duties impartially and loyally.

#### **1.5. Use of intermediary services**

In its business activities Murphy Shipping & Commercial Services Ltd enjoys the services of intermediary or agents, consultants, and others that act as links between the Company and a third party.

Murphy Shipping & Commercial Services Ltd expects its relevant managers to ensure that the intermediaries' or agents' background, reputation and competence are suitable and satisfactory, and that they will fully admit and comply with our code of ethics, before managers enter into contract with them, on behalf of the Company. Such Contract will include a special ethical clause.

#### **1.6. Use of services of lobbyists**

Lobbyist is a special type of intermediary to influence decisions in public and private sectors.

Murphy Shipping & Commercial Services Ltd expects lobbyists not to conceal whose interests they represent, while performing their duties on the basis of a contract with the Company that will include such a clause.

## **2. Standards for individual conduct**

Murphy Shipping & Commercial Services Ltd sets out high ethical standards for anyone acting on behalf of the Company. The Person must keep within all applicable laws and regulations and fulfill its duties in accordance with requirements and standards in Murphy Shipping & Commercial Services Ltd, viz. adhere to legal, speech and conduct etiquette. This help us safeguard our reputation and reduce risk to the Company and the Person.

Murphy Shipping & Commercial Services Ltd expects the Person to treat anyone with whom he enters into contact through his activities with courtesy and respect. The Person must refrain from all conduct that can have a negative effect on colleagues, the working environment and the Company. The Person must also have respect to local customs and culture.

### **2.1. Protection of Murphy Shipping & Commercial Services Ltd property and assets**

Murphy Shipping & Commercial Services Ltd property and assets must be handled properly and used only purposefully.

The Person must ensure that he will protect the Company's property and assets against loss, damage and abuse.

The Person must not use the Company's **property and assets** in his own or his relatives' interest or advantage.

### **2.2. Use of information and IT system**

The person must use information, IT systems and, in particular, internet services only for the needs of the Company's business and not in personal interests.

Information produced and stored on Murphy Shipping & Commercial Services Ltd IT systems is regarded as Company's property. Murphy Shipping & Commercial Services Ltd hence reserves the right of access to all such information except where limited by law or agreement.

The person is responsible for keeping e-files, documents and archives in order. Information that may be considered offensive or inappropriate must not be downloaded, stored or disseminated. Any use of software in violation of any copyright law or provision is prohibited.

### **2.3. Confidentiality clause**

Matters of a confidential nature must be kept from unauthorized persons unless legislation, the needs of justice strictly require otherwise.

The Person must not seek access to such information, nor must he make improper use of the information which he may acquire in the course of his employment in the Company.

The Person should take appropriate steps to protect the security and confidentiality of information that may cause damage to Murphy Shipping & Commercial Services Ltd business interests. This also applies after employment relations with the Company come to an end.

Likewise, Murphy Shipping & Commercial Services Ltd will ensure to protect the privacy of the Person.

#### **2.4. Conflict of interests**

Conflict of interest arises when the Person pursues a private interest, whether financial, civil or political, by performing his duties in non-impartial and non-objective manner.

The Person's private interest is considered to be any advantage to himself, his family, close relative, friends, individuals, partners or organizations with whom he had or has any kind of relations.

The Person must avoid the situations in which he may act to the detriment of Murphy Shipping & Commercial Services Ltd interests or which may raise a possible conflict of interest.

The Person will at no time take improper advantage from using Company's property, services or information that is acquired as a result of performance of his duties in the Company for activities not related to the Company.

#### **2.5. Outside employment**

Murphy Shipping & Commercial Services Ltd personnel should not be engaged in other paid employment unless this is discussed with Company's **management** and grounded that such employment will not create a conflict of interests or adversely affect the performance of duties to the Company and an agreement is reached.

All outside employment must be performed separately from, and outside, periods of duty in the Company.

#### **2.6. Gifts or other favours**



The Person will not solicit or receive directly or indirectly any gift or other favour that may influence the decision or action which he is required to take as a performance of his duties or judgement.

For this reason the Person must not accept gifts or other favours of any kind except where:

- the gift is of inexpensive nature such as drinking cup, calendar, diary or pen given in the spirit of harmonious business relations;
- refusal of the gift may cause offence on cultural grounds or embarrassment if offered in public;
- other favours are associated with the demands of work viz., to meet and discuss business.

In cases when an expensive gift or favours is offered it should be diplomatically returned to the giver and in all cases regardless of the value of gift or favours received or returned it without delay must be reported to the relevant supervisor.

Murphy Shipping & Commercial Services Ltd expects the Person or other individual acting as Company's representative in business contact with any party, to refuse the undue advantage, as well as not to offer it on behalf of Murphy Shipping & Commercial Services Ltd or its own.

### **3. Follow-up**

Murphy Shipping & Commercial Services Ltd will ensure that code of ethics is made known to anyone dealing with the Company and necessary trainings are held on a regular basis.

The personal responsibilities, the requirements of dealing with ethical issues and discussions and aids that have been established are intended to ensure that Murphy Shipping & Commercial Services Ltd complies with its code of ethics.

#### **3.1. Managerial responsibility**

Murphy Shipping & Commercial Services Ltd Management is responsible for the Company to live by sound business standards and ethical practices that is why this ethical culture is elaborated to foster such standards of integrity. Steps that management must take to promote this positive attitude throughout the Company include:

- ✓ make Company personnel understand the principles of the code of ethical conduct;
- ✓ conduct regular trainings;
- ✓ encourage proper conduct and sanctions against mis-conduct;

The principles for responsibility set out in section 3.2. also apply to managers.

### **3.2. Personal responsibility**

The Person must accept personal responsibility for compliance with the code of ethical conduct and in particular:

- ✓ perform duties with diligence, professionalism and integrity;
- ✓ take the time to read and understand the code of ethical conduct and the implications of non compliance;
- ✓ observe appropriate acts, regulations, determinations and lawful directions that relate to the performance of his duties;
- ✓ treat colleagues and members of the public with courtesy and be sensitive to their rights, duties and aspirations;
- ✓ avoid waste or extravagance use of Murphy Shipping & Commercial Services Ltd property;
- ✓ strive for the highest ethical standards, not just the minimum required to meet legal or procedural requirements;
- ✓ behave in a manner that maintains or enhances the reputation and professional standing of Murphy Shipping & Commercial Services Ltd.

### **3.3. Due diligence**

Murphy Shipping & Commercial Services Ltd ensures that it has adequate controls and procedures in place so that it knows the Persons with whom it is dealing or whom its name could be associated with. Adequate due diligence on new and existing persons is a key part of these controls.

Before a business relationship is entered into with a third party who is either not well known to, or doesn't enjoy a commonly reputable name in the market, due diligence is to be conducted by the relevant manager to ensure the ongoing integrity of the Company and of its relationship with third parties.

This due diligence, prevents Murphy Shipping & Commercial Services Ltd from becoming subject to serious counterparty risks, especially reputational, operational, legal and concentration risks that are interrelated and can result in significant financial cost.

### **3.4. Cases of doubt and violations of the rules**

If the person comes across of ethical doubts and violations of Murphy Shipping & Commercial Services Ltd code of ethics, these concerns must be reported immediately to his superior or competent officer who handles such matters.

Murphy Shipping & Commercial Services Ltd ensures not to implement sanctions in any form against any person who in good faith and in a loyal manner informs persons in charge or relevant authorities about possible violations of this document, applicable laws and regulations.

### **3.5. Consequences of violation**

Breach of Company's code of ethics or relevant statutory provisions may result in disciplinary action. Local disciplinary guidelines will be detailed with respect to consequences and comply with laws and regulations.

### **3.6. Ethics committee and compliance officer**

Murphy Shipping & Commercial Services Ltd management designates Ethics Committee and its departments within each business area directed by ethics or compliance officers to advise and educate employees and provide guarantee for confidential counseling, as well as facilitate compliance with Company's ethical code.