**“ASCO Caspian Holding S. A Company Representative in Republic of Azerbaijan**

In response to the accusations against the Company, please see below comments by ASCO Caspian Holdings S.A Representative Office (ASCO).:

ASCO provided Supply Base Management Services in Azerbaijan to BP, which ceased effective 1st July 2015. Intended notice of termination of ASCO’s contract had been communicated by BP late 2014 due to negative developments in the Oil market and due to SOCAR’s (the Azerbaijani national oil company) desire to nationalise the service being provided by ASCO. ASCO started immediate action for cost reductions and one of the main steps was headcount reduction.

In January 2015 ASCO laid off 18 out of 461 employees. During termination proceedings, ASCO ensured all legal requirements were met and all applicable compensations paid. All the above mentioned actions were confirmed and validated by Ministry of Labor and Social Protection during the inspection conducted due to the complaint filed by the individuals in question.

During the redundancy ASCO exercised its right to evaluate the professional qualifications of employees as per Article 78 of Labor Code of AR.

During discussions with SOCAR’s subsidiary, Bosshelf, who took over the contract from ASCO, Bosshelf was asked to provide job opportunities for redundant staff. All necessary bases for termination of employment contract were clearly stated within the Redundancy notice as per requirement of Article 71.3 of Labor Code of AR

Both Abbasov Elchin Boyukaga and Valiyev Shamil Elkhan were paid more than minimum required redundancy including 2 months’ payment in lieu of terms plus 1 month’s severance pay plus full month salary for January (even though they only worked half that month). The money was well received by both of employees, which the Company treated as an expression of consent.

Finally, ASCO won all recent Court instances including, Supreme Court (Resolution dated 09-Feb-2016 and 28-Aug-2015), Court of Appeal (Resolution dated 19-Oct-2015) and Yasamal District Court (Resolution dated 17-Mar-2015), which again proves that the Company was in compliance with all necessary Laws & Regulations of Azerbaijan Republic.