



Business Code of Conduct

93.0 Statement of Intent

Sui Southern Gas Company Limited (SSGCL) requires of its entire staff, both executive staff and subordinate employees, to observe the highest ethical standards in the conducting of its business activities. The Business Principles and Ethics Policy (BPEP) is intended to assist SSGC staff in meeting the standards of professional and personal integrity expected and required of them. SSGC staff will act with integrity at all times, to protect and safeguard the reputation of the Company. Contravention of the BPEP will be regarded as misconduct.

94.0 Code of Conduct

- 94.1 SSGC will ensure that, through this BPEP, and through other means of communication, its entire staff is aware of the required standards, rules and regulations. The Code of Conduct has been prepared for the use and guidance of all SSGCL executives. It clearly sets out the standards of professional behaviour that are expected and outlines the principles that should guide executives in maintaining the highest professional level of ethical conduct.
- 94.2 In all facets of employment, individuals are required to exercise as sincerely as possible, impartiality in the performance of their job(s) for the Company. The renowned reputation of the Company can easily be tarnished attributing to even the slightest substandard behavior of its executives. It is for this reason, that SSGCL has developed this policy to direct individual behaviour in situations where an individual's personal interest may conflict with the interests of the Company or its customers.
- 94.3 All executives must avoid situations where there is a conflict of interest, as failure to comply with these ethical policies may render an individual liable to disciplinary action and even subsequent dismissal in an instance where a severe breach of policy occurs.
- 94.4 It is not possible to make a policy comprehensive enough to cover every eventuality; hence, staff should use common sense and remain conscious of their personal behaviour with respect to the Company and its operations. The following guidelines provide a business code of conduct within which all SSGCL executives must abide.

95.0 Confidentiality

- 95.1 During the course of employment with SSGCL, executives may have access to confidential information pertaining to the Company or its customers. As a matter of course, they are expected to maintain the confidentiality and integrity of all such information during and after their employment with



SSGCL. Within the Company, disclosure of such information must be limited to those persons whose duties require and permit them to have access to it. It may be noted that customer privacy is a basic principle of relationship management.

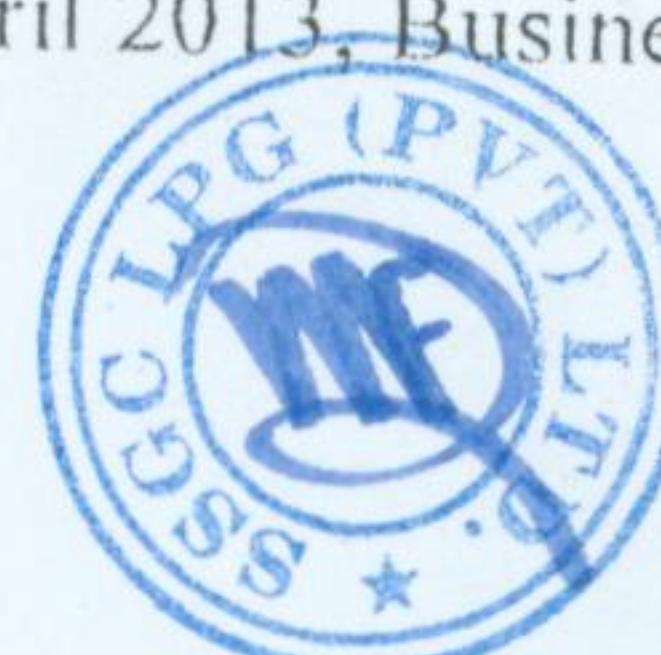
- 95.2 Executives should also guard against unintentional disclosure through careless handling of data. Desks and open areas should be clear of business related paperwork each evening and sensitive information should be kept in a locked area. During telephone conversations, care must be taken to prevent outsiders from overhearing confidential information. Particular care needs to be exercised in handling of credit information and data given must be governed by acceptable standard practice. A supervisor must be referred to whenever a doubt exists in the minds of staff.

96.0 Honesty & Integrity

- 96.1 Company executives shall not convert for their own personal use any funds or property which is not their own, nor should they assist another person in the misappropriation of such assets. The Management of SSGC expects absolute assurance of its executives when it comes to honesty and integrity. Maximum caution has to be exercised in making sure that information given to customers is free of errors, making it as truthful or honest as can be.
- 96.2 In particular, no funds or accounts should be established for a purpose that is not fully reflected in the books and records of SSGC whether pertaining to receipts or disbursements.
- 96.3 SSGCL executives shall not indulge in speculative trading of shares of the company, or of a company or companies under the management of SSGC.

97.0 Personal Conflict of Interest

- 97.1 An executive must not engage in any activity that could result in a potential or perceived conflict of interest. Thus, an executive should not represent SSGCL in any transaction if the personal interests of the executive might affect his or her ability to represent SSGC fairly and impartially. Any transaction by SSGC that also involves a member of the executive's family must be brought to the attention of the Company management and authorized by the Company to be handled by another executive.
- 97.2 Executives should never become personally involved in any transaction, negotiation, or contract on behalf of the Company with an entity, a family



member, or a friend if a personal interest is taken without full written disclosure and prior consent of head of HR and respective Department Head.

98.0 Exchange of Gifts

98.1 Receiving Gifts. It is the Company policy that no gifts should be accepted from customers or suppliers. Having said this, potential donors of gifts should be informed as politely as possible regarding this policy. Since moderate hospitality is an accepted courtesy of a business relationship, recipients should not allow themselves to get into a situation where they might be influenced in making a business decision as a consequence of accepting such hospitality. However, where a refusal of a gift would be regarded as an insult or where the return of a gift would be impractical, a gift may be accepted under the following criteria:

- 96.1.1 The gift cannot be in the form of liquid cash
- 96.1.2 The gift cannot be received with the above intention as such
- 96.1.3 The gift cannot be of other than higher nominal value i.e. PKR 2,000/- and Gift Report Form is to be submitted (Annex L)

98.2 Giving Gifts. It is also Company policy that no gifts should be given either directly or indirectly, or through third parties to promote SSGC's political or economic advantage. Exceptions are made for gifts of nominal value that are given on the Company's behalf as common promotional goodwill such as diaries, pens, etc.

99.0 Doing Business with the Company

A conflict of interest could arise if an employee, a spouse, a relative, or a close personal friend, has a personal stake in a business that supplies or seeks to supply goods or services to the company, is a customer or potential of the customer, or competes with the company. The following standards will apply in such situations:

- a. If an employee of the company, spouse, relative, or close personal friend is an employee of, or has a significant interest in a business that provides or is seeking to provide goods or services to the company, the employee must not attempt to use his or her position with the company to influence the bidding process or negotiation in any way. Similarly, the employee of the company must not use personal relationships to improperly influence dealings with a customer or a potential customer.



- b. If the position of a relative or friend who works for a competitor is such that a potential conflict of interest could arise, the company's employee should seek guidance from the concerned department head / HR Department.

100.0 Outside Employment

- 100.1 No executive without prior written approval of the Company (see *Employment Policy*) should enter into any employment or occupation, paid or unpaid, or any personal business venture. Although, service by executive in a voluntary capacity for charitable organizations is encouraged, it does require approval even if there is no conflict with their work.

101.0 Employment of Relatives

- 101.1 The Management of SSGC discourages employment of relatives. In case a relative of an executive is employed the individuals concerned should not directly or indirectly be supervised, controlled or influenced work is concerned by one another and have no say in the other's performance evaluations.
- 101.2 The above restrictions are in place in order to eliminate any actual or potential conflict of interest in exercise of authority. All such relationships should be disclosed in writing to the head of HR at the time of recruitment of the relative. A relative is defined as follows: husband, wife, child, parent, brother, sister, parent-in-law, brother / sister-in-law, son / daughter-in-law, or individuals residing in the same household.

102.0 Personal Loans From Colleagues & Customers

- 102.1 SSGC offers a handsome compensation package with fringe benefits to facilitate staff with maintaining a respectable standard of living and for the acquisition of various assets and as such allows them to borrow sufficient monies from their lenders. Therefore borrowing money from fellow colleagues, customers or placing oneself under pecuniary obligation to a moneylender or broker or subordinate Company staff or any other person or group having dealings with the Company is strictly forbidden.

103.0 Media Communications

If an executive wishes to write any article or give an interview that may be construed as representing SSGC's position, prior written approval must be obtained from the Managing Director. All other contacts with the media should be reported to the Company immediately, including any type of acting, television appearances, etc.



104.0 Taking Part in Collective Agitation and Political, Religious or Subversive Activities

- 104.1 NO political activity that interferes with employment by the Company should be carried out by any SSGC executive. Nor should an executive utilize company facilities and material in the pursuance of political end.
- 104.2 NO executive should not collectively or through an association agitate for demands relating to their remuneration or terms and conditions of service.
- 104.3 NO executive should propagate any religious or sectarian creeds or take part in such controversies as are likely to affect his / her integrity in the discharge of his / her duties, to embarrass the Company, or to create feelings of discontent or displeasure amongst the Company's executives.
- 104.4 NO executive should indulge in provincialism, parochialism, or willful abuse of his / her office.

105.0 Reporting Legal Violations

- 105.1 If an executive becomes aware of any improper, unethical or illegal conduct on the part of a colleague, he/ she has a moral obligation to report it immediately to their Department Head or Line Manager. Situations that may cause concern include but are not limited to the following: any action that is detrimental to the reputation or profitability of SSGC; any action that undermines employee or customer rights; any action that may qualify as misconduct as defined and explained in this policy; and any illegal action. The Company prohibits any retaliatory action against an executive for reporting in good faith, any suspected violations of proper conduct.

106.0 Use of SSGCL Computer Resources

Use of SSGC computer resources is strictly limited to business requirements. Executive should be aware that e-mails are not confidential and may be accessed for monitoring purposes. Any breach of IT security protocol that involves private business use or unsuitable material will be considered as a disciplinary matter. Executive will be accountable for all activities created under their password and subsequently, any unauthorized use of a password will be treated as gross misconduct.

107.0 Personal Telephone & Mail



- 107.1 The Management of SSGC understands that it is occasionally necessary to attend to personal matters during office hours. However, executives should restrict their overall personal use of telephones and computers at the workplace towards urgent and unavoidable issues.
- 107.2 Mail received through SSGC facilities is assumed to be for the necessary for conducting Company's business and may be opened as deemed appropriate. Executives should avoid having their personal mail addressed to the Company. SSGC does not hold any responsibility if a confidential document is opened which may result in inconvenience to the letter. Any offensive or graphic mail or that of a personal / private use should not be sent on any Company address or computer terminal. Violation of such will also result in a breach of appropriate conduct at the Company and may result in subsequent disciplinary action.

108.0 Health Safety and Environment

- 108.1 Each executive at SSGC must take reasonable care to ensure the health and safety of both self and others who may be affected by his / her acts or omissions at work. Staff members should not tamper with or misuse any item belonging to the Company to secure the safety, health, and welfare of its staff and protection of the environment.
- 108.2 All SSGC staff is to operate Company facilities so as to ensure the trust of their surrounding communities. Executives should promote resource conservation, waste minimization, and the release of chemicals / gas into the environment. The company also has a detailed Health Safety & Environment Policy and referrals should be made to the policy for guidance in a typical matters pertaining to the same.

109.0 Post Employment Obligations

- 109.1 During the course of executive, employees might obtain confidential information with regard to SSGC or the business interests of the Company's clients. Hence, upon cessation of employment, executives have a moral obligation to be bound by the following restrictions:
 - 109.1.1 For a period of three (3) months after cessation of service, an executive may not without SSGC's prior written consent, on their own account or on behalf of any other entity, canvass, or solicit business from any client of the Company, in respect of the services provided by SSGC.
 - 109.1.2 Immediately upon cessation of services or in a prior preparatory period towards the same, a departing executive must ensure that information about the possession of all company property entrusted upon him/her during service is returned to the company



and every effort is made to facilitate and support such process.

- 109.1.3 Upon separation from service, executives should not use or disclose any confidential information concerning SSGC's business which may have been acquired by them during the course of their service.

110.0 Compliance of Code of Conduct and Corporate Governance

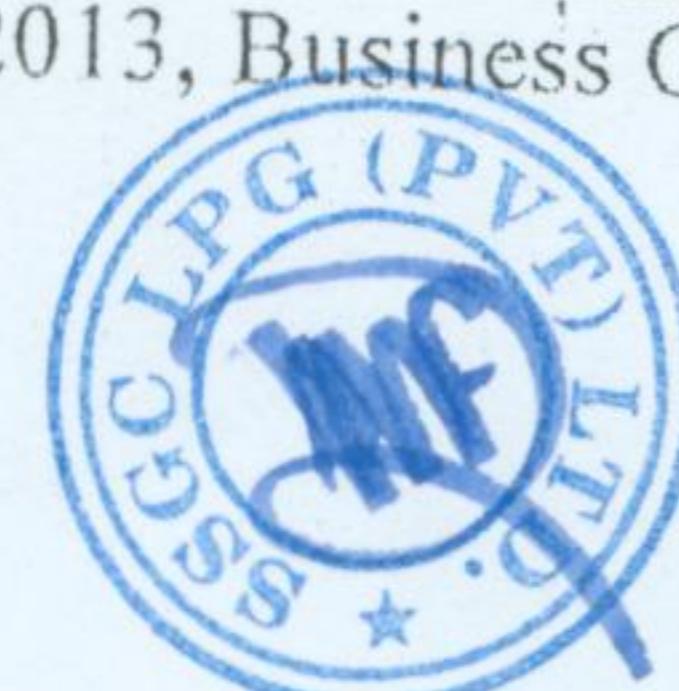
- 110.1 It is the personal responsibility of each executive to understand and comply with SSGC's Code of Conduct (BPEP) to protect the interest of the Company. The Company requires all executives to confirm in writing, their understanding and adherence to this Code (BPEP). Managers should ensure that their subordinates understand the requirements and any violations are immediately brought to the attention of senior management including Division Head and Head Human Resource.
- 110.2 SSGC cooperates fully with all government and regulatory bodies and is committed to high standards of corporate governance. The Company complies fully with its obligations under the Listing Rules of all Stock Exchanges on which the company is listed.

111.0 Breaches of Code of Conduct

Breaches of the Code of Conduct (BPEP) can have serious implications for the Company. It can result in reprimands or penalties by regulators or other law enforcement agencies and cause reputation risks if such a breach becomes public knowledge. It is very important, therefore, that the executives of SSGC are aware of such consequences and take immediate remedial action as soon as they witness a violation of the code. Incidents that lead to a breach of conduct or regulation of the Company must be identified, documented, and resolved. Each department or business function must take responsibility for training its staff and informing them of the Code of Conduct (BPEP) and procedures that relate to reporting a breach in the same.

112.0 Reporting Procedures for Breaches of Code of Conduct

- 112.1 In the event that a breach of code of conduct is observed which may result in a direct financial loss, regulatory sanction, or reputation damage to the Company, the following action steps must be taken:
- 112.1.1 The event must immediately be reported to the SGM of the relevant Division, and Head of HR who will then advise jointly on remedial action and report the matter to the Managing Director and / or to any other relevant parties as necessary.
- 112.1.2 Thereafter, for each such breach, the affected department or business function must promptly complete a formal SSGC



Breach Report and send it to the Head of HR (*Annex M*)

- 112.1.3 The relevant regulator(s) must be promptly notified of such breaches in consultation with the Head of HR and relevant Department Head, with appropriate explanations.
- 112.1.4 A complete review of the circumstances leading to the breach must be undertaken by an independent authority, either within the department or business function concerned or by an investigation team appointed by the respective Department Head, and Head of HR if the matter is considered to be relatively serious.
- 112.1.5 Where the review indicates a need for change in controls, procedures, or processes, it must be documented to show that it has been implemented and subsequently reviewed for effectiveness.
- 112.1.6 Appropriate communication must be sent to all concerned executives and departments to ensure that there is no recurrence of this nature and that the amended procedures are clearly understood by all.
- 112.1.7 Corporate Communication Department must be notified in advance if it is anticipated that the incident may result in negative media coverage. While this section of the policy is largely intended to cover the process for reporting of breach of BPEP and remedial action taken, it is important to note that the Company takes a serious view where there is good reason to believe that a breach occurred as a result of deliberate misconduct or carelessness. In such circumstances, appropriate disciplinary action will be taken in line with the policies laid within this service rules manual.

