



Pakistan Oxygen Limited

(Formerly Linde Pakistan Limited)

Code of Ethics

A comprehensive guide to

**Pakistan Oxygen Limited's
expectations for integrity in the workplace**



Message from Chairman

Dear colleagues,

One of the Company's most valuable assets is our reputation and prestige, which have been built over the years and decades by people in this organization who have been uncompromising in upholding the highest of values and our Code of Ethics. It is our good reputation that sets us apart from the rest of the field and gives us the license to operate.

The enclosed Code of Ethics document, states our Ethics Policy, the foundation on which it is based, our values and defines behaviours expected of its employees. Hence, it is a guide for all employees on the value system that they need to uphold in an increasingly complex business environment which should help steer us in the right direction where we live our core values of safety, integrity, sustainability and respect for all.

By continuing to uphold the Code of Ethics, together we too must contribute to the legacy of our good reputation, and while doing so earn the respect of all our stakeholders.

Dated this 26th day of April 2018.

Waqar Ahmed Malik
Chairman



1. **Ethics and compliance within Pakistan Oxygen Limited (“the Company”)**

The Company

In Pakistan, our Company has led the development of the industrial gases industry for more than 80 years, providing customized solutions to meet the specific needs of our customers. The Company manufactures and distributes industrial, medical and speciality gases as well as welding products and provides a wide range of related services including the installation of on-site plants, gas equipment, pipelines and associated engineering services. The Company supplies products to more than 4,000 customers from a wide spectrum of industries ranging from chemicals and petrochemicals to steel, food and healthcare.

What does the code mean for each employee?

Each employee must, using the code as a reference point, learn and comply with the standards and laws that apply to their job. The code applies to all employees, directors and officers. The Company will seek to influence and encourage its business partners to adopt the standards set out in the code. The standards in the code must be applied to all our business operations.

The code does not alter the terms and conditions of employment with the Company, rather it helps each of us to understand what is expected of us to make sure we always act responsibly and with integrity. The Company will actively monitor the standards set out in the code. Failure to comply with the standards set out in the code may result in disciplinary action, including dismissal, and may also result in criminal or civil prosecution.

Why does the Company need a code?

The standards set out in this code determine how the Company will maintain its relationships with customers, suppliers, government, other businesses, the environment and people. These standards provide clear guidance on how we are expected to act in certain circumstances and will ensure that the Company's good reputation will be maintained and enhanced. Failing to follow the Company's Code of Ethics may expose the organisation and its employees to serious



harm - to the business, environment, people and the reputation we have all worked to earn. We could also be exposed to penalties and even imprisonment of individuals in serious cases of misconduct. Acting responsibly is important and requires ever greater care given the ever-changing corporate environment.

How will the Company sustain the code?

The Company's Code of Ethics is to be a reference point for all employees. The Company will make every effort to uphold and sustain the code and as a starting point will provide training on relevant ethical and legal issues to all employees. A comprehensive program is designed to uphold and sustain the code on an on-going basis.

Does the code include all the Company's standards, policies and practices?

The code cannot describe in detail every policy statement, a standard or practice that may apply in every situation. Where there are more detailed guidelines or standards to clarify the code, details of how to find these are given within the code itself. The guidelines, standards, policies or information sources referred to in this code are not part of the code itself.

How is the code organised?

The Company's Code of Ethics is structured to reflect the expectations of our main stakeholder groups. Our stakeholders are people with an abiding interest in our company; customers, - customers who are satisfied and feel understood, suppliers – suppliers who appreciate us because we are demanding, yet fair, markets, markets in which we play an important role, shareholders – shareholders who expect our organisation to maximise the value of their investment, employees – employees who work with enthusiasm and pride because they feel challenged and valued, communities – communities in which the Company plays a practical and positive role.



Are there higher standards for managers?

People in management or supervisory roles, depending on their function within the organisation and their corresponding employment duties, are expected to:

- Support and foster a working environment where ethical conduct is recognised, valued and exemplified.
- Ensure that their employees and teams understand and follow the code and have the resources to do so.
- Support employees who raise questions or concerns in good faith about ethical questions.
- Monitor and consistently enforce the standards set down in the code.
- Set a good example and encourage others to do likewise.

Does the code cover local laws?

The code sets minimum standards of behaviour expected within the Company. The Company will comply with all applicable laws, internal company policies and rules, abide by sound social norms and take appropriate action against any illegal or criminal acts or acts in violation of the Company's policies and rules. If you are unclear about which laws or policies apply to you and your job then please consult your line manager or your legal department.

Non retaliation policy

The Company will not tolerate and strictly prohibits retaliation against anyone who reports issues or concerns in good faith.

Values

The Company's Code of Ethics is designed to build and enhance the ethical integrity of all its employees and directors. In that regard, the Code of Ethics supports the Company's corporate vision, values and principles.



2. Making ethical decisions

On some occasions, whilst the Company's Code of Ethics may give you some guidance on a specific set of circumstances, you may still feel uncertain about what decision to make. You should try to consult with your line manager or supervisor in such a situation.

The Company will also conduct itself fairly and honestly, always competing as vigorously as possible within legal boundaries.

3. Dealing with our customers, suppliers and markets

Competition

- Competition or anti-trust laws are designed to protect free and fair competition and to ensure that the best interests of consumer are served.
- The Company will abide by competition laws meant to preserve free, fair and open competition and to promote a competitive marketplace.
- The Company supports vigorous, lawful and ethical competition. The success of the Company is based on the quality of its products and the services it offers through its employees or third-party associates in a fair and transparent manner.
- While, the Company needs to know what its competitors are doing in order to effectively compete in the market, it may gather information through fair & transparent means and not by deception, misrepresentation, or any other illegal or unethical way.
- Anticompetitive behaviour, such as entering into unlawful agreements with competitors, can lead to severe consequences; including,
 - Fines of upto Rs. 75 million or upto 10 percent of annual turnover.
 - Private actions can be brought against the Company by its customers for damages.



- Serious reputational harm, which in turn can affect the Company's share price.
- Unintentional violations of Competition Law may be punishable.

Therefore, no violations of Competition Laws will be tolerated by the Company.

Incase of doubt regarding matters related to the Competition Law, all employees are encouraged to consult with the Company's Legal Department.

Dealing with government Officials

- Special care must be taken when:
 - dealing with the government departments/officials either in the capacity of customer or regulator.
- All Company employees must take care not to expose the Company to unnecessary risk during such dealings.
- Any information provided to a government official, either as a customer or a regulator, must be truthful and accurate and protect the Company's legitimate interests effectively.
- The Company's legal department can provide guidance for such information.

Our products

Our business and reputation is built around our customers. Whatever the industry or interest, we continue to respond to its needs as quickly and effectively as possible. The ever changing requirements of customers are the driving force behind the development of all our products, technologies and support services. The Company provides gas products, facilities and turnkey services and solutions which are customized to meet the unique needs of our customers and add value to their businesses. Our competitive advantage is our extensive process engineering, project development and comprehensive product



portfolio. We have the widest range of bulk and compressed gases product lines as well as welding consumables, equipment and safety gear.

The Company strives to ensure that our products are made to the highest standards with respect to safety, health, the environment and quality (SHEQ).

Ethical purchasing

The Company's suppliers play a critical role in its ability to operate and provide products and services to its customers, and as such ethical performance of the Company's suppliers is scrutinised by external stakeholders and can affect the way the Company is viewed.

The Company therefore, selects its suppliers carefully based on a defined criteria and will subsequently demand that all suppliers to comply with legal requirements and act in a manner that is consistent with the Company's Code of Ethics. Furthermore, the Company expects its suppliers to actively cooperate in achieving the objectives of the SHEQ policy.

Advertising

In order to uphold the trust of our customers, the Company's marketing, advertising and sales activities will fairly, honestly and legally describe product and services on offer. The Company's trademarks must be used consistently and appropriately to avoid loss of our legal rights. If a customer or supplier wants to use the Company's name or logo in their advertising, this must be approved in advance by the Company. All official advertising and promotions must be approved by the Company. Any marketing practice that is false, misleading or deceptive is strictly prohibited.

4. Dealing with our shareholders



Financial reporting and communication

Shareholders, financial analysts, creditors, lenders and other members of the public rely on the Company to provide them with reliable information regarding the Company's operations, performance and outlook. The Company's credibility is measured in particular by the integrity of its books, record keeping and financial reporting. Failure to keep accurate and complete records can be construed as a financial irregularity or as fraud.

The Company will implement and maintain effective business controls to ensure that financial reporting has a sound basis to work from. All relevant employees of the Company must help to ensure that the reporting of business information - computerised, on paper or in any other format – is accurate, honest and timely. The Company will provide all members of the public with equal access to the same information source.

Insider dealing

Insider dealing laws prevent people from trading for their own or another person's benefit based on relevant information, which they become aware of ahead of the market. Insider dealing typically occurs when an insider or a related party trades in shares or other securities based on material or non-public information obtained through the insider's job, stolen or otherwise misappropriated. The Company's employees must not engage in insider trading, such as disclosing confidential information to anyone outside the Company, including family members. The Company's employees, like all other people, are prohibited from dealing in shares or other securities belonging to the Company, or any other company based on "inside information" obtained from their jobs.

Protecting company secrets

The Company's intellectual property is its competitive edge. Much of the information and data possessed by the Company consists of confidential materials, such as company secrets, that must not be



disclosed except to relevant persons within the Company. Innovative products and solutions are important for the continuous growth of the Company.

The Company produces valuable, non-public ideas, strategies and other business information, i. e. intellectual property, which it owns and needs to protect. Misappropriating third parties' confidential information can expose the Company and its employees to risk. Various laws protect confidential information. Employees must take adequate steps to protect the Company's confidential information, which they have in their possession. Even after retirement or resignation from the Company, employees must not reveal or disclose the confidential information and data that they came to know, learned or acquired during their employment at the Company. The Company will not use the confidential information they have on other companies.

All inventions made by employees or by third parties for use by the Company must be given adequate legal protection. Licences for the Company's patents or know-how must be negotiated and issued only in coordination with the legal department and Company management.

All employees must respect confidential information belonging to others. All employees must immediately report to their superior and/or relevant division if they become aware of a person engaging in illegal or criminal acts or acts in violation of the Company's policy and rules, including any violations of the Company's confidentiality obligations.

Protecting company assets

The Company's assets, whether in physical or intangible form, are intended to help employees achieve business goals. Damaged, stolen, misused or wasted company assets impact negatively on all of us and the operational and financial performance of the Company. Company assets must be used for legitimate business purposes only.

Employees may occasionally use company resources, such as photocopy machines or telephones for personal use provided that there are no significant increased costs, other employees are not being



distracted or inconvenienced, and that the Company's standards are being followed (the Information Services access rules of the Company).

Employees must use Information Technology (IT) assets in accordance with the Company policy.

5. Dealing with our employees

Conflicts of interest

Avoiding or managing situations where other interests of employees may impair their ability to make unbiased decisions on behalf of the Company. Conflicts of interest raise doubts about the quality of the business decisions made and the integrity of the person making those decisions. Conflicts of interest, or even the appearance of a conflict of interest, must be avoided at all times. Where conflicts cannot be avoided, they must be carefully managed. All employees must actively disclose to their manager any apparent or real conflicts and must work with such manager to discuss, document and manage these conflicts.

Bribery

Bribery is the offer, promise, or payment of cash, gifts, or courtesies or even excessive entertainment, or an inducement of any kind offered or given to any public official or private person in a position of trust to influence that person's views or conduct or to obtain an improper advantage.

The Company is committed to conducting its business in accordance with all applicable laws, rules and regulations and the highest ethical standards.

The purpose of this policy is to reiterate the Company's commitment to full compliance by the Company and all individuals working at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, volunteers, interns, agents, sponsors, or any other person associated with the Company (collectively referred to as "Company personnel") with all anti-bribery or anti-corruption laws that may be applicable.



The Company has a zero tolerance approach to bribery and corruption and upholds all the laws relevant to countering them. Hence, all Company personnel are expected to conduct themselves with honesty, fairness and high ethical standards, follow this policy, as well as abide by all anti-corruption/bribery laws of Pakistan, and any other country where such Company personnel may conduct business for and on behalf of the Company, and avoid even the perception of impropriety or a conflict of interest.

Any acts of bribery or corruption committed by any Company personnel will have detrimental effects on the Company as a whole; therefore, partaking in such acts, directly or indirectly, is prohibited.

Facilitation Payment

The Company does not make, and will not accept, facilitation payments or "kickbacks" of any kind.

Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official such as processing a visa, scheduling an inspection, securing mail pick-up or delivery, or getting utilities connected.

Gifts and entertainment

Giving or receiving gifts or entertainment can build understanding and goodwill in everyday business life. The exchange of gifts is a part of our culture and tradition. However, it is important to be able to make the distinction between gifts that have no ulterior motives and those that are used for corrupt purposes. Giving or receiving gifts in some cases may be considered illegal or improper or may be seen as a bribe. Company personnel must not partake in the giving or receiving of such gifts. If there is any suspicion or confusion about a gift it must be reported to a superior at the earliest possible time to avoid any problems.

Company employees shall not accept gifts from any current or prospective supplier, dealer or customer of the Company. In the event where it may not be appropriate to decline a gift, the gift may be accepted, and subsequently must be reported to the Head of Human Resources of the Company.



Data protection

The Company is committed to treating all personal information, including our own, appropriately. The Company shall obtain personal information concerning our employees, customers, suppliers and our business partners only by legitimate means. We shall acquire, collect, process, retain and protect such information in a secure manner, and use the information only within the scope allowed.

Safety, Health, Environment and Quality (SHEQ)

Safety, health and care for the environment and quality are all pre-requisites to any business the Company undertakes. All operations must be undertaken in a way that conserve resources and energy. All employees must take personal responsibility for SHEQ and managers at all levels demonstrate visible leadership.

The Company is committed to creating and managing a safe, secure and healthy working environment. There are no higher priorities than the safety, health and the security of our employees, customers, suppliers and local communities.

The Company will comply with all laws, regulations, rules and agreements relating to environmental preservation. In the event of any violation of such laws or accidents, if any, should occur, we will immediately take appropriate actions to correct the situation.

Human Rights

The Company respects human rights and supports the protection and promotion of human rights. The Company does not engage in unjust discrimination based on, for example politics, gender, age, nationality, race, ethnic background, belief, religion, disabilities, marital or parental status. The Company does not tolerate violations of human rights, such as forced labor or child labor or harassment of any kind, whether sexual or otherwise.

Dealing with each other

The Company is committed to fostering a workplace that is safe and that is founded on fair employment practices. The Company will



respect the rights and dignity of all employees and believes that every employee is entitled to fair treatment, courtesy and respect.

It not tolerate or engage in unlawful discrimination based on, for example politics, gender, age, nationality, race, ethnic background, belief, religion, disabilities, marital or parental status, abuse or harassment in any form.

6. Dealing with communities and the public

Corporate Responsibility

The Company's Corporate Responsibility philosophy is based on the Company's vision, values and principles, that is to demonstrate responsible behaviour and action towards each other, our communities and our environment.

The Company is committed to developing technologies and products that combine customer benefit with sustainability and will actively support educational and research projects related to our core business areas.

Political activity

Donations to charitable organizations where government officials have any stake should be avoided as these may be considered as influencing means under international laws.

No assets, including time at work, use of the Company premises or equipment, or direct or indirect monetary payments, may be contributed to a political candidate, office holder or political party, on behalf of the Company unless authorised in writing by the appropriate level of management of the Company.