



## **Ethical Code of Conduct of NET4GAS, s.r.o.**

### **Preamble**

NET4GAS, s.r.o. (hereinafter referred to as the "NET4GAS") is aware of its role in society and its liability towards customers and business partners, as well as its shareholder and employees. Therefore, it adheres to clear principles, which form a framework of NET4GAS's business and social conduct. The conduct of NET4GAS and its employees is based on principles of own responsibility, honesty, loyalty and respect for others, their safety and the environment. In this respect, managers bear particular responsibility.

NET4GAS focuses its efforts primarily on providing the required services to customers and attaining the corresponding business success. Adequate market revenue for the shareholder may consistently be achieved only if the company continues to strive for better quality and performance respecting safety and risk management requirements.

In this connection, NET4GAS relies on:

- the expertise, strengths and enthusiasm of its employees
- the reliability of social and political framework conditions
- the possibility of scientific and technical progress.

### **The Ethical Code of Conduct fulfils two fundamental tasks:**

Firstly, it is to encourage responsible behavior in every employee and help him/her orient himself/herself correctly.

Secondly, it defines the objectives and principles for NET4GAS's business conduct.

## **I. Scope of validity and principles**

### **Scope of validity**

The Ethical Code of Conduct (hereinafter referred to as the "Code of Conduct") applies throughout NET4GAS. NET4GAS strives to act so that its conduct influences the further spreading of principles which are rooted in the Code of Conduct. The companies which NET4GAS maintains business relations with are also invited to accept the NET4GAS Code of Conduct and accept it as their own. Should competing bodies of rules collide within the framework of such business relations, NET4GAS will strive for negotiations towards a mutual agreement.

The Code of Conduct is the basis for the company's further internal management documentation. It applies to business matters at the company and all areas in which employees are considered representatives of the company.

## **Global Compact**

The "Global Compact" United Nations initiative expect business entities to recognize and promote a catalogue of basic values in their place of activity in the area of human rights, work standards, environmental protection and fighting corruption, and to act in accordance with this catalogue in practice.

### **Human rights**

1. The Company shall support the internationally declared human rights and promote their protection, and
2. Ensure that it does not participate in violating human rights.

### **Employment**

3. The Company shall defend the freedom of association and effective recognition of the right to collective negotiation, and will also act to
4. Eliminate all forms of forced and mandatory labor,
5. Truly eliminate child labor, and
6. Eliminate discrimination in employment and occupations.

### **Environment**

7. The Company shall proceed with caution when facing the threat of environmental harm,
8. Shall develop initiatives to support a responsible approach to the environment, and
9. Promote the development and spreading of ecological technologies.

### **Fighting corruption**

10. The Company shall fight all forms of corruption, including extortion and bribery.

### **NET4GAS values**

The specific NET4GAS values are based on the foregoing principles – performance, willingness to change, my energy, collaboration - the reference point for the conduct of all NET4GAS employees. Respecting these values creates NET4GAS identity.

## **II. Adherence to the law**

### **General principles**

In all areas of its business, NET4GAS adheres to laws, directives and similar regulations. At the same time, it respects both international and national provisions, as well as regional and local regulations. These are rules that determine e.g. security and ecological standards for facilities and their operation, describe requirements for product and service quality, amend behavior on various markets or prohibit certain types of conduct and practice.

NET4GAS considers it its primary task to fulfil the requirements of these rules and act within the limits, albeit continually changing, set by these rules. Because adherence to the set rules is an important condition for consistent business success, NG expects conduct in accordance with the law. NET4GAS itself shall do everything required to inform employees of the provisions which concern them and instruct them of their recognition.

The framework conditions for NET4GAS's business conduct are formed not only by international law or the laws of the CR, but also by a number of other rules, such as societal, cultural and social. NET4GAS includes these often unwritten rules into its decision-making and controlling processes and strives to abide by them in spirit of regional and local customs and traditions.

### **III. External relations**

#### **General principles**

NET4GAS conducts its business in a manner that is incontestable in terms of law and ethics, and expects the same from its employees. NET4GAS also requires adherence to these principles from its business partners, suppliers and customers.

The private interests of NET4GAS employees and the interests of the Company must be strictly separated. A conflict of interests arises when private interest collide with the interests of NET4GAS in any manner, or when mere suspicion of this arises.

An employee must not demand or accept financial performance from any third party or offer or provide such performance which would be NET4GAS business related. This applies without exceptions, but particularly towards public figures, meaning persons in public functions, such as politicians, persons in state administration or local government, on all levels and also in foreign or international organizations.

No other types of gifts may be required from supplies, customers or other business partners. Only such performance which corresponds to standard business customs and cannot affect business decisions may be accepted. This refers, for example, to occasional gifts, hospitality or other courtesies. NET4GAS may provide such performance only within the framework of standard business policy, only if it cannot be perceived as inadequate influencing.

#### **Conduct towards customers**

NET4GAS offers its customers a wide range of products and services, particularly in the area of its core activity – gas transmission. In doing so, NET4GAS seeks suitable and effective solutions to meet customers' needs. Therefore, NET4GAS must continually control the portfolio of provided services and adjust it in advance according to expected market demands. NET4GAS strives to ensure the fair treatment of all its customers.

#### **Conduct towards the shareholder**

NET4GAS considers its shareholder's capital the prerequisite and basis of its business. Maintaining and preserving this capital, attaining revenues on the corresponding markets and sustaining transparency and liability towards the shareholder are crucial objectives for NET4GAS.

#### **Conduct towards suppliers**

In relation to suppliers, NET4GAS ensures adherence to the rules in the Code of Conduct. Therefore, NET4GAS does not maintain business relations with suppliers which are publicly known to violate the basic principles arising from the "Global Compact" initiative. Moreover, NET4GAS upholds the further promotion of this initiative in its business relations.

#### **Conduct towards advisors**

NET4GAS concludes consulting agreements only with individuals or companies whose qualifications can demonstrably contribute to the development of NET4GAS. These agreements must comply with the following principles:

The use and selection of advisors is decided based on a documented profile of requirements and specification of tasks. The value of remuneration must correspond to the ratio of the value of provided services and the personal qualifications of advisors. Remuneration is generally paid to advisors only after the agreed service has been provided. Payment in cash is precluded.

When granting authorization the area of corporate, strategic, market or organizational consulting or personal management consulting and during consulting activities related to the opening of new markets, the management of the Company must be involved in the decision-making process whilst respecting *the four eyes principle*. Agreements with NET4GAS must contain a clause in which the persons acting on behalf of the company declare that their activity shall not violate legal provisions or the NET4GAS Code of Conduct.

### **Conduct towards the public**

All notices from NET4GAS are made completely, substantively, correctly in terms of content, comprehensibly and currently. NET4GAS respects the professional independence of journalists and the media. Therefore, NET4GAS does not pay for editorial contributions.

Information concerning NET4GAS may be provided to the public and media by the authorized persons only.

## **IV. Conduct towards the political sphere**

With regards to its importance for the economy and society, NET4GAS is aware of the need for dialogue with the representatives of state authorities and political parties. However, in order to prevent even the slightest hint of inadequate influencing, NET4GAS has compiled the following principles:

NET4GAS behaves as a politically and party neutral entity and does not provide any donations to political parties, organizations or foundations which have close relations to political parties.

NET4GAS shall not employ or conclude a consulting agreement with persons whose main occupation is the bearer of a public mandate or with members of parliament.

NET4GAS explicitly accepts co-responsibility for the development of general wellbeing. Therefore, NET4GAS welcomes the civic, political and societal – particularly charity and social involvement of its employees. Employees who are engaged in this manner do so as private individuals and are not representatives of NET4GAS in this respect. If NET4GAS employees are active in this sphere, the company by no means pursues its business interests through this.

## **V. Identification with social responsibility**

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### **General principles**

The perception of responsibility towards society and the environment is a crucial factor for consistent corporate success. With its products and services, investments and role as an employer, NET4GAS fulfils an important task both structurally and in terms of the overall economy.

On an international, national, regional and local level, NET4GAS acts with awareness of its own responsibility as a living part of the said communities. In this connection, NET4GAS seeks dialogue with the groups affected by its activities, or whose activities have a direct effect on NET4GAS's business activities.

NET4GAS sees its particular responsibility in supporting social development, especially on a regional and local level – whether by providing educational facilities beyond the framework of its own needs, initiatives primarily in the social, ecological and cultural sphere, volunteering by NET4GAS employees or other suitable means.

Therefore, NET4GAS welcomes all civic, political and societal – particularly charity and social involvement of its employees, provided it is considered reasonable under the respective national, regional or local circumstances and avoids collision with the business interests of NET4GAS.

## **Sponsoring and initiatives to support general wellbeing**

Sponsoring and initiatives focused on the development of regions and local communities are an important instrument for applying social responsibility. Essentially, they involve the contextual and financial support of generally beneficial affairs and public interests.

### **Register**

All monetary payments and non-monetary performance provided to holders of a mandate, public authorities and institutions or public welfare organizations active in the public sphere must be entered in the register. Performance is provided free of charge. Remuneration in cash is impermissible.

Registers are updated at the end of each year. The registers are managed by the Compliance Officer, who may submit them at any time.

## **VI. Internal relations**

### **Occupational health and safety and work environment**

NET4GAS continually strives to improve in the area of occupational health and safety and work environment.

Each employee in his/her area is jointly responsible for the protection of human lives and the environment. NET4GAS considers it crucial to adhere to all the respective laws and regulations. Each manager is obliged to instruct his/her colleagues and lead them towards accepting this responsibility. Each breakdown or accident must be reported immediately to the respective responsible places.

### **Equal opportunities and mutual respect**

NET4GAS respects the dignity and personality of each individual employee. Mutual relations are characterized by mutual respect, courtesy, team spirit, professionalism and openness. Managers serve as an example in this conduct, and act as competent contact persons particularly in conflict situations.

NET4GAS supports equal opportunities and diversity. We consider both a crucial condition for the company's good reputation and business success.

No employees or applicants are put to disadvantage based on their sex, family status, race, nationality, age, religion or sexual orientation. The selection, education and support of employees are based exclusively on criteria that pertain to the given activity.

Excellent performance is a prerequisite for business success. Therefore, NET4GAS particularly supports those employees who contribute to the company's long-term success with their expertise and their social skills. NET4GAS offers the corresponding option of professional and personal development and motivates employees to take advantage of these offers. NET4GAS strives to allow employees to tune their private lives with business interests. In this connection, special attention is paid to the compatibility of family and work.

## **VII. Adherence to the Ethical Code of Conduct / Reporting**

### **General principles**

Each NET4GAS employee receives one copy of the Code of Conduct. The Code must become an established corporate fact and thereby a part of the everyday work lives of all NET4GAS employees. Its implementation and adherence thereto should be actively promoted particularly by managers. They should also ensure that all subordinate employees are familiar with the Code of Conduct and are able to abide by it. Besides managers, it is the auditor that also cares for adherence to the Code of Conduct during his inspections.

Answers to questions concerning this Code and adherence to it may be sought by each employee first from his/her superior or the respective department. On this level, for example, it is possible to explain

how individual passages of the Code should be interpreted or how specific conduct according to the benchmarks of the Code shall be assessed. If the employee or any of his/her colleagues violates the Code, it is necessary to solve the reasons for this violation within the closest group of peers first.

### **Compliance Officer**

If it is impossible or if it seems inadequate under the circumstances, each NET4GAS employee may address the Compliance Officer who is an authorized employee of NET4GAS.

The Compliance Officer shall consider every inquiry, every notification and every initiative strictly confidential and shall investigate it as required by the given situation. Upon request, the employee shall be informed as to how his/her information was handled and what measures were adopted, if any. No employee must be concerned about any type of prosecution for contacting the Compliance Officer – with the exception of sanctions for violating the provisions of the Code of Conduct.

To support adherence to the Code, NET4GAS has also appointed external contact person – an Ombudsman. Each employee may turn to the Ombudsman if an internal explanation is impossible. Notices for external contact place shall then be submitted – anonymously if desired – to the Compliance Officer of NET4GAS, who will handle them as described in the previous paragraph.

The contact data of the Compliance Officer and the Ombudsman are published on the intranet and the internet.

### **Confirmation and reporting**

Based on the submitted specimen, each manager with personal responsibility shall submit a report on implementation of the Code of Conduct in his/her area to the Compliance officer on an annual basis; this report must contain all violations of the Code of Conduct.

The implementation of the Code of Conduct shall be verified by an externally, specially qualified auditor or similar institution.

Prague, 1 March 2017



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Andreas Rau  
Company Executive



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Václav Hrach  
Company Executive



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Radek Benčík  
Company Executive