

**SUI SOUTHERN GAS COMPANY LIMITED**  
**MINUTES OF THE 64<sup>TH</sup> ANNUAL GENERAL MEETING (AGM)**  
**HELD ON WEDNESDAY, AUGUST 05, 2020 AT 11:00 AM THROUGH VIDEO**  
**FACILITY**

In accordance with the members' attendance record 38 shareholders attended the 64<sup>th</sup> Annual General Meeting (AGM) in person or by proxy including the following Directors and other representatives:-

**Present:**

Dr. Shamshad Akhtar	Chairperson
Mr. Muhammad Raziuddin Monem	Director
Mr. Faisal Bengali	Director
Ms. Nida Rizwan Farid	Director
Capt. (Retd.) Fazeel Asghar	Director
Mr. Imran Ahmed	Director
Dr. Ahmed Mujtaba Memon	Director
Dr. Sohail Razi Khan	Director
Mr. Manzoor Ali Shaikh	Director
Mr. Zuhair Siddiqui	Director
Mr. Ayaz Dawood	Director
Mr. Muhammad Amin Rajput	Acting Managing Director

**In attendance:**

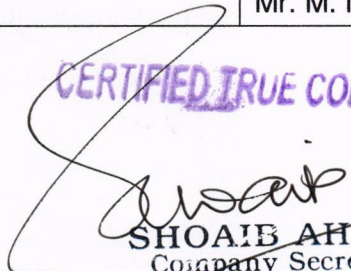
Mr. Shoaib Ahmed	Company Secretary
Syed Fasihuddin Fawad	ACFO
Ms. Hena Sadiq	External Auditors - M/s. Deloitte, Yousuf Adil, Chartered Accountants
Mr. Nadeem Ahmed	Legal Advisor - M/s. Orr, Dignam & Co.
Key management personnel of SSGC	

**PROXYHOLDERS / AUTHORIZED REPRESENTATIVES ON BEHALF OF**

S. NO	NAME OF SHAREHOLDERS	NAME OF PROXYHOLDER
1	The President Islamic Republic of Pakistan	Mr. Imran Ahmed
2	SSGC Employees Empowerment Trust	Mr. Muhammad Amin
3	Trustees of SSG Non-Executive Staff GF	
4	Trustees of SSG Executive Staff GrF	
5	Trustees of SSG Non-Executive Staff PF	
6	Trustees of SSG Executive Staff PF	Mr. M. Naveed Iqbal
7	Pakistan Reinsurance Company Limited	

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8	State Life Insurance Corp. of Pakistan	Mr. Waseem Roa
9	CDC - Trustee National Investment (Unit) Trust	Mr. Salman H. Chawla
10	CDC - Trustee NIT State Enterprise Fund	
11	CDC - Trustee NIT-Equity Market Opportunity Fund	
12	CDC - Trustee NIT Islamic Equity Fund	
13	CDC-Trustee NITIPF Equity Sub-Fund	
14	UPS Group Trust	Mr. Shoaib Ahmed
15	California Public Employees Retirement System	
16	Mercer UCITS Common Contractual Fund	
17	Vanguard Inv Fnds ICVC-Vanguard FTSE GI AI Cap In Fd	
18	Vanguard FTSE All-World Ex-Us Small Cap Index Fund	
19	Vanguard Total World Stock Index Fund	Mr. Ateeq Ur Rehman
20	Parametric TMEFC Fund LP	

Mr. Shoaib Ahmed, Company Secretary introduced himself and welcomed the shareholders in the 64<sup>th</sup> AGM of Sui Southern Gas Company Limited. He stated that due to prevailing circumstances of COVID-19, the AGM is arranged through electronic means. He requested the Chairperson to formally convene the meeting.

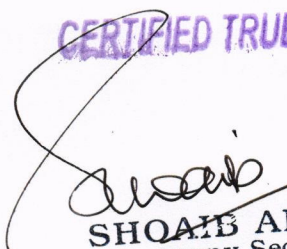
The Chairperson welcomed the shareholders and called the meeting in order with the quorum being present as confirmed by Company Secretary i.e. 10 Members present in person representing not less than 25 percent of the total voting power of the Company either on their own account or as proxies shall be the quorum. She informed that proxies have been received from the major shareholders.

Proceedings of AGM started with the recitation of the Holy Quran by Syed Fasihuddin Fawad ACFO – SSGC.

**NOTICE OF THE 64<sup>TH</sup> ANNUAL GENERAL MEETING (AGM)**

The Chairperson informed that the Notice of 64<sup>th</sup> AGM was published in the newspapers on 14<sup>th</sup> July, 2020 and was circulated to the shareholders on 15<sup>th</sup> July, 2020.

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**ORDINARY BUSSINES**

**AGENDA ITEM NO.1**

- 1. To review the minutes of the Extra Ordinary General Meeting (EOGM) of the Company held on October 28, 2019.**

The Chairperson informed that the Minutes of the Extra Ordinary General Meeting (EOGM) held on October 28, 2019 were uploaded on PUCARS within 60 days from holding of EOGM and provided to the shareholders who requested for the same.

**The shareholders agreed and had given consent to take the minutes of the EOGM dated 28 October, 2019 as read.**

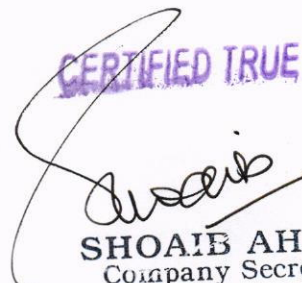
**AGENDA ITEM NO.2**

- 2. To consider the Annual Audited Financial Statements of the Company for the year ended June 30, 2018 together with the Directors' Report in English and Urdu version and Auditors' Reports thereon.**

The Chairperson stated that the Directors Report and Audited Accounts of the Company for the year ended 30 June 2018 along with the report of the Auditors' have been circulated to the Shareholders along with the Annual Report. She added that the reasons for delay in holding of AGM and laying therein audited accounts are disclosed in detail in the Annual Report.

The Chairperson informed the shareholders that in order to start the process of finalization of Financial Statements (FS) for FY 2018-19, SSGC is required to submit duly initialed Financial Statements by Statutory Auditors to OGRA along-with petition for Final Revenue Requirement for requisite Determination / Decision as per the provisions of OGRA Ordinance and Rules thereto. This process will start as soon as appointment of External Auditors is approved in today's General Meeting. It is expected that AGM for FY 2018-19 will be held in the month of December 2020 subject to timely issuance of OGRA decision on SSGC's Final Revenue Requirement petition.

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Further, the Management is now advised to present the Financial Statements to the shareholders in a timely manner in compliance to the requirements of the Companies Act, 2017 and finalization of Financial Statements and holding of AGM for FY 2017-18 is a step in that direction.

The Chairperson added that to avoid persistent delay in finalization of annual Financial Statements, the Board had also taken a principled decision that in future the Financial Statements will be prepared based on OGRA's decision on Final Revenue Requirement petition, while the process of appeals and review motions will be pursued in parallel thus avoiding delays. She also stated that the Board has also advised the Management to immediately finalize and circulate the pending interim / quarterly Financial Statements and in compliance, the financial results of periods ended 30 September, 2017 and 31 December, 2017 have been disseminated to the shareholders on the last working day before the Eid holidays. The remaining pending interim / quarterly Financial Statements will be finalized and circulated soon.

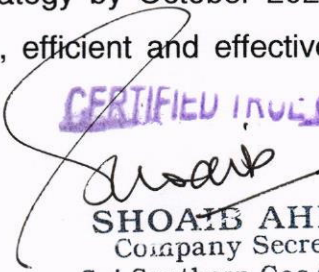
She also informed the shareholders that the new Board after taking charge in October 2019 has steered the management to re-structure and reform the Company and promote good governance practices in every sphere of SSGCs business. The organizational structure is re-aligned to business and operational needs and reforms in almost all the critical business areas are underway to make SSGC a dynamic, vibrant and sustainable organization both from the financial and operational perspective.

She added that the Board has recommended substantial HR reforms including revamping of performance assessment system, defining the roles and responsibilities of staff and each hub, promote team work and enhance accountability. The management was directed to ensure implementation of the reforms in letter and spirit.

She also added that on June 30<sup>th</sup>, 2020 a few days after posting of the 2017-18 accounts, the Board has advised the management to rationalize the revenue budget, this will require rationalization of operational expenses including staff compensation.

She further informed the shareholders that the Board is also working with the management to finalize new Corporate Strategy by October 2020 with emphasis on identifying solutions to make SSGC a lean, efficient and effective organization using

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resources to enhance operational effectiveness and efficiency to maximize stakeholder value.

She stated that besides Corporate Strategy, a comprehensive strategy is formulated to curb Un-accounted for Gas (UFG) which is critical from both operational and financial perspective due to its adverse impact on the bottom line of the company.

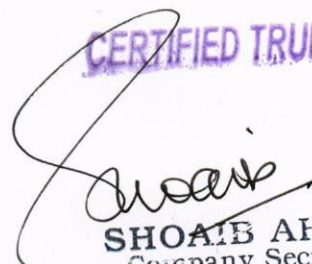
She also highlighted following key initiatives of the Board:

- Introduction of new PMS which rationalizes the ratings and links it closely to company performance.
- In the past, the KPIs of management were focused on the execution of large projects. Over the last year, the Board has amended KPIs of management to focus on UFG reduction, reduction in receivables, and reduction in HR costs and other expenses.
- Maximize the use of IT to automate processes to reduce resource requirements and time as well as monitoring and accountability of UFG.
- An independent UFG Hub, under a DMD, has been set up with full autonomy and accountability to reduce UFG aggressively and will be subject to full rigorous accountability.
- A strong Quality Assurance and Quality Control department is being set up to ensure quality of materials, workmanship and processes.
- Risk Management is being strongly promoted in SSGC, in every department. The Risk Management Framework is being set up, and trainings being carried out in every department.
- Training & Development Framework focusing on skill-gap analysis is introduced.

She finally appreciated members of the Board for their contribution in the decision making.

The Chairperson invited shareholders for questions, if any, on Annual Report 2017-18. Since, there was no question on Annual Report 2017-18 the following resolution was adopted unanimously:

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**“RESOLVED THAT the Audited Accounts for the year ended 30 June 2018 and Directors’ Report be and are hereby adopted.”**

**AGENDA ITEM NO.3**

**3. To appoint Auditors for the year ended June 30, 2019 and fix their remuneration. The retiring auditors M/s. Deloitte Yousuf Adil, Chartered Accountants who, being eligible, have offered themselves for re-appointment.**

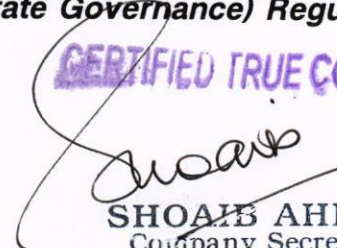
The Chairperson informed the shareholders that M/s. Deloitte Yousuf Adil, the retiring auditors, being eligible, have offered themselves for re-appointment. She added that they have informed the Board of Directors that effective November 15, 2020, their Firm would undergo a change in status from a Member Firm to Independent Correspondent Firm of Deloitte Touche Tohmatsu Limited as a result of which, the name of the Firm will be changed. However, they have ensured to continue to serve SSGCL with the same level of commitment. Therefore, keeping in view of their representation, the Board of Directors on the recommendation of the Board Audit Committee have recommended for re-appointment of M/s. Deloitte Yousuf Adil, Chartered Accountants as External Auditors of the Company for the Financial Year 2018-19 at a fee not exceeding Rs. 4.4 million plus out of pocket expense as Auditor’s Remuneration which is at previous year’s level and for engagement for Review of Compliance with Public Sector Code of Corporate Governance 2013 & Compliance with Companies (Code of Corporate Governance) Regulations, 2017 as well as other SECP and OGRA related certifications not exceeding the fee of Rs. 500,000 and Rs.645,000 respectively which is also at previous year’s level.

The following resolutions were unanimously passed as proposed by Mr. Salman H. Chawla and seconded by Mr. Imran Ahmed:

***“RESOLVED THAT that the appointment of M/s Deloitte Yousuf Adil, Chartered Accountants as External Auditors of the Company for the year ended June 30, 2019 be and is hereby approved at a remuneration not exceeding Rs. 4.4 million plus out of pocket expenses as Auditor Remuneration and for engagement for Review of Compliance with Public Sector Code of Corporate Governance 2013 & Compliance with Companies (Code of Corporate Governance) Regulations, 2017***

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**as well as other SECP and OGRA related certifications at a fee not exceeding Rs.500,000 and Rs.645,000, respectively.**

**FURTHER RESOLVED that the Board is authorized to negotiate and finalize the audit fee and fee for Review of Compliance with Public Sector Code of Corporate Governance 2013 & Compliance with Companies (Code of Corporate Governance) Regulations, 2017 as well as other SECP and OGRA related certifications with External Auditors.**

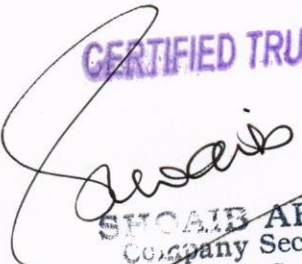
**FURTHER RESOLVED that after 15 November, 2020 when External Auditors M/s. Deloitte Yousuf Adil, Chartered Accountants would undergo a change in status from a Member Firm to Independent Correspondent Firm of Deloitte Touche Tohmatsu Limited as a result of which, the name of the Firm will be changed, the firm will continue to serve as External Auditors by whatever name is adopted. The Board is authorized to fulfill all the necessary formalities which are required in this regard."**

The Resolution was carried unanimously.

**AGENDA ITEM NO. 4**

**4. To transact any other business with the permission of the Chair.**

There being no other business, the meeting concluded with a vote of thanks to the Chair.

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**CHAIRPERSON**