

	The Hub Power Company Limited	Ethics and Business Practices
	Approved by Board on 18 February 2014	

Introduction

The key task for every employee of Hubco is to work hard to secure continuing success of our business, strengthening relationship with the customer and building an image of a good corporate citizen in the country. Therefore, we must appreciate that this will be achieved using only proper standards of behavior. We must ensure that we maintain a reputation among our shareholders, customer, the Government, and suppliers alike – as a Company that observes the highest standards of personal and corporate integrity.

This policy sets out the minimum standards expected of the entire Hubco team. The policy requirements must be met at all times. This will help to ensure that the Company maintains a good reputation by dealing and being seen to deal with all our business contacts in a professional and acceptable way.

The conduct of Hubco's business should above all be characterized by honesty and integrity. Unethical practices of any sort should not find way into our business. We, therefore, have a duty to ourselves and to the Company to raise any matters of business conduct or ethics which causes us concern at all levels and in particular the Management Committee. This will help to protect both ourselves and the Company from unfounded accusations of deception and fraud, and will ensure that where corruption and fraud has or might have taken place, it will be properly investigated and dealt with in a timely manner.

The following notes provide guidance on the standard of conduct for all of us in our work, particularly when dealing with business contacts outside the Company.

General Principles

1. As a general rule, Hubco employees are expected to promote the Company's best interests whilst maintaining the highest standards of personal integrity and business practice.
2. Hubco's employees must act at all times in the interests of the Company's shareholders, and must abide by the Company's stated standards of environmental, safety and management practices.
3. No employee should ever commit an illegal or unethical act, or instruct or encourage another employee to do so. The known laws and regulations of the country should always be observed.
4. Employees should also be aware that the way in which others perceive our business relationships can be equally important; even perfectly ethical acts may be open to misinterpretation.
5. Therefore, in everything we do, we should always ask ourselves whether any of our actions, if known publicly in the locality and in the country as a whole, could be damaging to Hubco in any way. If your proposed action appears to fail this test, it should not be progressed, and further line management advice should be sought.
6. The key to achieving the necessary standards of conduct is likely to be openness, with transparent recording of actions, and full declarations of all interests and concerns to line management.
7. Compliance is also required with the various policies, procedures and control guidelines issued from time to time by the Company.

Specific requirements

Relations with officials and prospective business partners

1. These relationships should be conducted ethically and within the law. Unethical or unlawful payments should neither be made nor received, directly or indirectly, regardless of the amount.
2. We should strive at all times to avoid practices that might be construed to promote our own or the Company's interests by other than legitimate means. Integrity in our dealings is a prerequisite for successful and sustained business relationships.
3. It is Company policy not to make political donations.

	The Hub Power Company Limited	Ethics and Business Practices
	Approved by Board on 18 February 2014	

Some of the issues likely to give rise to difficult decisions or uncertainty as to the proper course of action are:

Laws of the Pakistan

The laws of Pakistan should be obeyed. The traditions, culture and conventions of the Country should also be respected.

Commissions, fees and similar payments

1. Commissions, consultants' fees, retainers, loans, or similar payments should be clearly related to, and commensurate with, the services being performed. Should this clear relationship do not exist, or could such payments be regarded as an improper inducement, they should not be made or accepted.
2. Agents or advisers, acting on our behalf should be made aware of our ethical values and expectations.

Public Activities

Where its experience can be useful, the Company is encouraged to co-operate with governments, individuals, agencies and other organizations in the development of proposed legislation and other regulations, which may affect such legitimate interests.

Hubco is also encouraged to respond to requests from governments and other agencies for information, observation or opinions on issues relevant to business and the community in which they operate.

Political Activities

The Company does not support any political party or activity. Employees may have their own opinions. However, these must not be used to influence the Company's way of doing business.

Corporate Affairs

In order to defend and promote its legitimate interests, Hubco has adopted the strategy of strengthening its corporate affairs activities. Corporate affairs are conducted under the direction of the Board through the CEO.

No employee is allowed to take a representative role vis-à-vis government bodies, trade associations or the media unless authorized by the CEO for specific instances.

The following are some examples, which conflict with the above principle:

- Media statements
- Participation in non-Hubco conferences, seminars etc. on behalf of Hubco
- Membership of trade associations.

Corrupt Business Practices

Hubco does not give or receive bribes in order to retain or bestow business or financial advantages. Hubco employees are directed that any demand for or offer of such bribe must be immediately rejected and reported to the Management.

Relations with suppliers and customers

1. All the guidelines above, which are designed to promote ethical conduct with business partners, apply.

	The Hub Power Company Limited	Ethics and Business Practices
	Approved by Board on 18 February 2014	

2. The Company's policy is that competitive tendering should be adopted wherever possible. Hubco cannot afford to show partiality towards any company with whom it does business. This is especially true of any company which is seeking to secure a supply contract.
3. The establishment of long-term and close relations between purchasers and suppliers is recognized, in the right context, as having the potential to benefit both the parties to such an arrangement and those with whom they deal. However, Hubco employees and representatives are required to avoid relationships, whether with suppliers or others, which are, or might have the appearance of being contrary to the principles of fair competition.

Proper control and accounting

1. The Company must maintain an adequate system of internal control and strict compliance with Company policies.
2. Prescribed accounting systems and rules should be set in place to ensure that all transactions are accurately recorded and that no secret or other assets are established or maintained.
3. If, regardless of Hubco's efforts in this regard, standards are not applied in companies in which the Company has an interest, Hubco's representative should refer the matter to the Management Committee.

Reports and Periodic Reviews

- a. Any employee who is requested to engage in any activity which is or may be contrary to this Policy will promptly report such information to the manager whom the individual reports, or, if the employee was so directed by the manager, then to assigned Company legal counsel.
- b. Any employee who acquires information that gives the employee reason to believe that any other employee is engaged in conduct forbidden by the Policy will promptly report such information to the manager to whom the employee reports or, if the manager is engaged in such conduct, then to the assigned Company legal counsel.