

	The Hub Power Company Limited	Gifts and Business Entertainment
	Approved by Board on 18 February 2014	

Definitions

- Gifts – Anything that is given to staff, either as a result of a relationship with a particular party or because the member of staff is a public figure and for which the recipient staff member does not pay fair market value.
- Business Entertainment – Business entertainment includes the act of dining or participating in a recreational or related activity.

Business gifts

- Gifts within the context of business relationships or activities should not be given or accepted if they could influence a business decision or be considered by an impartial observer to be extravagant. Gifts or favors must never be solicited. All spending on gifts should be properly authorized and recorded.
- It is not Company policy to offer gifts of other than small value (for example key chains, pens, diaries or calendars). In the event of larger gifts being considered, approval must be sought from the Chief Executive.
- No business gifts should be accepted other than those of small value. Small value would imply items having a value not exceeding Rs. 10,000 for gifts received / given within Pakistan and US\$ 100 in case of gift received / given outside of Pakistan. Internal Audit will assess the value of all gifts received by employees.
- Refusals to offers of gifts should be framed with due regard to the actual background and expectations of the offerer. If necessary, reference to this policy, and the constraints it demands, may be required. If it is not feasible to return the gift, the Internal Audit department will arrange an auction and send sale proceeds to an appropriate charity.
- Managers should instruct their staff to notify them of any larger gifts (including free travel tickets or hotel / other accommodation, membership in club / health facilities at no charge or at unreasonably low charge, discounts, loans, commission or other favors) that have been offered to them, especially if it is suspected that the gift may have been offered in order to influence the employee in the conduct of his / her duties. If the issue of materiality or motive is still in doubt, line management should determine what course of action should be taken.
- When assessing the value of gifts to companies or individuals of another country, it is important to assess their value, not only by the standards of the giver, but also by those of the recipient, who may ascribe a different value to them, according to their cultural and economic expectations.

Gifts within the Company

- The Company does not in general subscribe to gift presentations to its employees. Therefore, gift presentations to employees will be limited to service and performance awards under the approved programs and to gifts to outgoing / retiring employees.
- Regarding exchange of gifts between employees, value limits stated above in this policy will apply in case of all direct line supervisors in the chain. For all others value of gift will be determined by social norms.

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Promotional / give-away items

Promotional / give-away items over Rs. 3,000 and up to Rs. 10,000 can be given with the prior approval of the CEO.

Business Entertainment

- Modest hospitality exchanged in the course of official business can be offered and accepted as part of normal business courtesies.
- No offers of other than modest hospitality should be made to business contacts without prior consultation with a line manager.
- Offers of hospitality outside normal business criteria e.g. invitations including spouses will be made only with the prior approval of the appropriate head of the department. In particular, reciprocation of hospitality should not be automatic, but decisions should be made on a case-by-case basis, taking into account the type of business relationship involved and any other considerations such as the cultural background of the other party.
- Employees should ensure that any subsequent actions should not be such that they could be deemed by others to have been influenced by such hospitality. Again, prior and open declaration to line management will help to counter any allegations of undue influence.
- Sequences of entertainment should be avoided, except as may be justified, for example by protracted negotiations.
- All entertainment spending should be properly authorized and recorded. Managers may wish to request monthly reports of entertainment given and received by their staff.

Accounting for Expenses

Expenses incurred for gifts and entertainment should be reported on the Expense Claim Form (ECF) and approved in accordance with the Limits of Authority Manual. Details of expenses as to the business purpose, name and business relationship of the recipient of gifts / entertainment should be given on the ECF.