

	The Hub Power Company Limited	Insider Trading Policy
	Approved by the Board on August 26, 2024	

I. Introduction

The purpose of this Insider Trading Policy (the “**Policy**”) is to ensure compliance with applicable securities laws including but not limited to the Securities Act, 2015 (the “**Securities Act**”) by the Hub Power Company Limited (“**Hubco**” or the “**Company**”) and all directors, officers and employees thereof, in order to preserve the reputation and integrity of the Company as well as that of all persons affiliated with it.

This Policy shall supersede any other rules related to Insider Trading previously enacted; and in case there is any conflict in the provisions of this Policy and any other Rules of the Company then this Policy shall prevail.

II. Applicability

The Policy is applicable to all directors, officers and employees of the Company.

Questions regarding this policy should be directed to Hubco’s Company Secretary.

III. Policy

If a director, officer or any employee of the Company or any agent or advisor of the Company, its subsidiaries and affiliates has material, unpublished price sensitive information relating to the Company, it is the Company’s policy that neither that person nor any Connected Person (as defined below) may buy or sell securities of the Company (the “**Company Securities**”) or engage in any other action to take advantage of, or pass on to others, that information. This Policy also applies to material, unpublished price sensitive information relating to any other company with publicly-traded securities, including our customers or suppliers, obtained in the course of employment by or association with Hubco.

To avoid even the appearance of impropriety, additional restrictions on trading Company Securities apply to directors and members of executive management. See Section VI.


IV. Definitions/Explanations

A. Who is an “Insider”?

Any person who possesses material, unpublished price sensitive information is considered an insider as to that information. Insiders include the Company’s directors, officers, employees, independent contractors and those persons in a special relationship with the Company, e.g., its auditors, consultants, attorneys and also include the family members of the above in some circumstances. The definition of insider is transaction specific; that is, an individual is an insider with respect to each material, unpublished information of which he or she is aware. Insiders shall also include all personnel and legal persons included in Section 130 of the Securities Act.

B. What is “Material” Information?

The materiality of a fact depends upon the circumstances. A fact is considered “material” if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell or hold a security or where the fact is likely to have a significant effect on the market price of

	The Hub Power Company Limited	Insider Trading Policy
	Approved by the Board on August 26, 2024	

the security. Material information can be positive or negative and can relate to virtually any aspect of a company's business or to any type of security – debt or equity.

PSX Regulation 5.6.1(a) of the PSX Rule Book applicable to Listed Companies sets out a non-exhaustive list of events that are indicative and may constitute price-sensitive information. Some examples of material price sensitive information include:


- Any material change in the nature of business of the company due to technical, strategic, manufacturing or marketing related changes, opening of a new line of business or closure of an existing line of business, either partly or fully;
- Unpublished financial results;
- News of a pending or proposed company transaction;
- Significant changes in corporate objectives;
- News of a significant sale of assets or purchase or sale of significant assets, franchise, brand name, goodwill, royalty, financial plan, etc.;
- Changes in dividend policies;
- issue or redemption of securities or any change in the terms of issued securities;
- material change in ownership of the Company;
- any default in repayment, rescheduling or restructuring of loans or breach of loan agreement by the Company;
- default, delay, rescheduling or restructuring in payment of markup, profit, interest or rent etc., as the case may be and in redemption of principal amount in respect of Debt Securities issued by a Listed Company along with reasons thereof;
- change in directors, Chairman, CEO or auditors of the Company;
- fraud/default by the Company or fraud/default/arrest of its directors, CEO or executives;
- initiation of winding up proceedings against the Company or any of its associated/subsidiary Company;
- non-renewal of license by the Commission or any other relevant licensing authority along with reason(s) of the non-renewal; and
- any other information that is deemed price sensitive information.

The above list is only illustrative; many other types of information may be considered “material,” depending on the circumstances. The materiality of particular information is subject to reassessment on a regular basis.

C. What is “unpublished price sensitive information”?

Information is “unpublished price sensitive information” if it is not available to the general public and it could potentially have any effect on the price of the Company Securities. In order for information to be considered public, it must be widely disseminated in a manner making it generally available to investors through such media as the website of the Stock Exchange, newspapers or other media outlets. The circulation of rumors, even if accurate and reported in the media, does not constitute effective public dissemination.

A complete list of “unpublished price sensitive information” can be found in Section 2(m) of the Listed Securities (Prohibition of Insider Trading) Guidelines issued in 2001 by the SECP.

	The Hub Power Company Limited	Insider Trading Policy
	Approved by the Board on August 26, 2024	

D. Who is a “Connected Person?”

As per the Securities laws of Pakistan the following persons fall under the ambit of ‘Connected Person’ if such person is:

- a. Is in the position as an officer or an employee of the company or holds a position involving a professional relationship between himself and the company;
- b. Is a company under the same management or group or any subsidiary company;
- c. Is an official or a member of a Stock Exchange or of a clearing house of that stock exchange or any employee of a member of a stock exchange;
- d. Is an investment bank, share transfer agent, registrar to an issue, Trustee of Term Finance Certificates, Investment Advisor, Investment Company (closed end mutual fund) or an employee thereof, or, is a member of the Board of Directors of the Asset Management of an Investment Scheme (open end mutual fund) or is an employee having fiduciary relationship with the company;
- e. Is a member of the Board of Directors, or an employee, of a financial institution as defined in sub-section thirty-one (31) of Section 2 of the Companies Act, 2017 (“**Companies Act**”);
- f. Is an official or an employee of a self-regulatory organization recognized by the Commission;
- g. Is a relative of any of the aforementioned persons; or
- h. Is a banker of the Company.

E. What is a Security?

“Security” shall have the meaning ascribed to it under clause (lii) of Section 2 of the Securities Act and includes any share and stock of a company, scrip, debenture, loan stock, participation term certificate, modaraba certificate, mushariqa certificate, Sukuk Certificates, term finance certificate, bond, note, pre-organization certificate or any such other instruments as the Federal Government may by notification in the Official Gazette specify for the purpose or by the Securities and Exchange Commission of Pakistan.

F. What is the ‘closed period’?

As per the Code of Corporate Governance issued by the SECP in 2012 as well as Regulation 5.6.4 of the Pakistan Stock Exchange Limited Regulations (the “**PSX Rule Book**”), the closed period shall start from the day when any document/statement, which forms the basis of price sensitive information, is sent to the board of directors and terminates after that information is made public.

G. What is an ‘affiliate’?

A Company or body corporate shall be deemed to be an affiliate of HUBCO, if HUBCO directly or indirectly, beneficially owns twenty percent or more of its voting securities or has power to elect and appoint twenty percent of its directors.

V. Guidelines

A. Non-disclosure of Material Unpublished Price Sensitive Information

Material, unpublished price sensitive information must not be disclosed to anyone, except the persons within the Company or third party agents of the Company (such as investment banking advisors or outside legal counsel) whose positions require them to know it, until such information has been publicly released by the Company.

	The Hub Power Company Limited	Insider Trading Policy
	Approved by the Board on August 26, 2024	

B. Prohibited Trading in Company Securities

No person may place a purchase or sell order or recommend that another person place a purchase or sell order in Company Securities (including changes in elections or information relating to the prospects of future projects of the company) when he or she has knowledge of material information concerning the Company that has not been disclosed to the public. Loans, pledges, gifts, charitable donations and other contributions of Company Securities are also subject to this Policy.

C. “Tipping” Information to Others

Insiders may be liable for communicating or tipping material unpublished price sensitive information to any third party (“tippee”), not limited to just Connected Persons. Further, insider trading violations are not limited to trading or tipping by insiders. Persons other than insiders also can be liable for insider trading, including tippees who trade on material, unpublished information tipped to them and individuals who trade on material, unpublished information which has been misappropriated.

Tippees inherit an insider’s duties and are liable for trading on material, unpublished information illegally tipped to them by an insider. Similarly, just as insiders are liable for the insider trading of their tippees, so are tippees who pass the information along to others who trade. In other words, a tippee’s liability for insider trading is no different from that of an insider. Tippees can obtain material, unpublished information by receiving overt tips from others or through, among other things, conversations at social, business or other gatherings.


D. Avoid Speculation

Directors, officers and employees, and their Connected Persons may not trade Company Securities or sell Company Securities “short.” In addition, directors, officers and employees, and their Related Persons may not hold Company Securities in margin accounts. Investing in Company Securities provides an opportunity to share in the future growth of the Company. Investment in the Company and sharing in the growth of the Company, however, does not mean short-range speculation based on fluctuations in the market. Such activities may put the personal gain of the director, officer or employee in conflict with the best interests of the Company and its security holders. Anyone may, of course, in accordance with this Policy and other Company policies, exercise options granted to them by the Company.

If any of the persons mentioned above make any gain the trading of securities, he shall be required to report and tender the amount of such gain to the Company and shall send an intimation to this effect to the Registrar (at the SECP) and the Commission.

In accordance with PSX Regulation 5.6.4, if any Director, Chief Executive, Auditor, other employee or person, directly or indirectly, holding more than ten percent of shares of the Company or any lineal ascendant or decedent or the spouses of the above mentioned persons makes any gain by trading the shares of the Company within a period of six months then the gain shall be tendered to the Company / Commission as per the requirements of the PSX Rule Book and Sections 104 and 105 of the Securities Act.

The requirements of Section 104 and 105 of the Securities Act shall also be applicable to the Directors, CEO and executives of the subsidiaries and affiliates of the Company.

	The Hub Power Company Limited	Insider Trading Policy
	Approved by the Board on August 26, 2024	


E. Trading in Other Securities

No director, officer or employee may place purchase or sell orders or recommend that another person place a purchase or sell order in the securities of another company if the person learns of material, unpublished information about the other company in the course of his/her employment with the Company.

VI. Additional Restrictions and Requirements for Directors and others

A. Prohibition on Trading During Closed Period

As per Regulation 5.6.4 of the PSX Rule Book, no Director, CEO or executive shall, directly or indirectly, deal in the securities of the Company in any manner during the closed period. This shall also be applicable to the Directors, CEO and executives of the subsidiaries and affiliates of the Company.

	The Hub Power Company Limited	Insider Trading Policy
	Approved by the Board on August 26, 2024	

The closed period shall start from the day when any document/statement, which forms the basis of price sensitive information, is sent to the Board of Directors and terminates after the information is made public. Every listed company shall advise its Directors about the closed period at the time of circulating agenda and working papers for the board meetings, along with sending intimation of the same to the Exchange. It is expected that such a restriction would help minimize the risk of insider trading by key management/directors or employees of the company.

B. Reporting

All trades in Company’s shares by all Directors, CEO or Employees, or their spouses, of the Company, its subsidiaries and affiliates shall be immediately notified in writing to the Company Secretary. This is to be followed by a written record of the price, number of shares, form of share certificates, (i.e., whether physical or electronic within the Central Depository System), and nature of transaction along with supporting invoice from broker to the Company Secretary within three days of effecting the transaction.

The Company Secretary shall immediately forward all trade in shares by the employees of the Company, other than those by the employees of subsidiaries and affiliates, to the Exchange for its dissemination to all concerned and shall also place before the Board of Directors at their meeting immediately subsequent to such transactions as required by Code of Corporate Governance (clause xxiii).

VII. Consequences for violation of this Policy

Employees who violate this Policy shall be subject to disciplinary action by the Company in accordance with Company policy and applicable laws.

Pursuant to the national Security Laws including but not limited to the Securities Act, 2015, PSX Rule Book and any other applicable laws in force from time to time, Insiders may be subject to civil fines and penalties for engaging in transactions in the Company’s securities at a time when they have knowledge of material unpublished price sensitive information regarding the Company or its subsidiaries. In addition, Insiders may be liable for improper transactions by any person to whom they have disclosed material unpublished price sensitive information regarding the Company or its subsidiaries or to whom they have made recommendations or expressed opinions on the basis of such information as to trading in the Company’s securities.