	The Hub Power Company Limited	Gifts and Business Entertainment
HUBCO	Version 02 Approved by The Board on 28th October2026	

1. Purpose

The purpose of this policy is to establish clear guidelines for the giving and receiving of business gifts, hospitality and entertainment to promote ethical behavior and integrity in all business interactions. It aims to prevent any potential conflicts of interest and ensure that all employees maintain professional standards while fostering transparent and respectful relationships with stakeholders including vendors and business partners.

2. Scope

This policy sets out the minimum standards expected from employees regarding the giving and receiving of business gifts and entertainment, covering all interactions and activities where there is a potential risk of bribery, inappropriate influence, or unethical business practices.

All interactions must be conducted in accordance with local laws, regulations, industry codes, and company policies. Where any local laws, regulations, or industry codes are more stringent than those established in this policy, the more stringent requirements must be applied.

3. Applicability

All full-time, part-time and contract employees at HUBCO and its Group Companies (collectively, 'employees').

4. Key Definitions

- **Gifts** are items, benefits, or services given to or received by an employee as part of a business relationship, where no payment of fair market value is exchanged. This includes tangible items such as goods or promotional materials and non-material benefits such as discounts or special privileges. It also covers tokens of appreciation, courtesy gifts for culturally recognized occasions, or small gifts typically given during festive seasons.
- **Hospitality** includes the provision of refreshments, meals, accommodations, and travel arrangements offered as part of business interactions to facilitate professional relationships.
- **Business Entertainment** refers to recreational or leisure activities related to business relations, such as attending plays, concerts, sports or similar events, intended to foster goodwill and strengthen connections.
- **Group Companies** are any and all associated companies, affiliates and/or subsidiaries of the Company, whether wholly-owned or not, in respect of which HUBCO has management control.

5. Guiding Principles

- **Integrity:** Employees must act with honesty and integrity in all business dealings, ensuring that gifts and entertainment do not compromise their objectivity or the company's reputation.
- **Transparency:** All gifts and entertainment must be disclosed and documented to ensure transparency and accountability. Employees should seek guidance when uncertain about the appropriateness of a gift or entertainment.
- **Fairness:** Gifts and entertainment should not create or appear to create an obligation or expectation of favoritism. Employees should ensure that their actions uphold fairness in all professional relationships.

- **Cultural Sensitivity:** Recognizing that cultural differences may influence perceptions of gifts and entertainment, employees must consider both the giver's and recipient's cultural contexts when engaging in such practices.

6. Absolute Prohibitions

Regardless of value, business justification, or local custom, the following are prohibited at all times:

- Offering or receiving Cash gifts or cash equivalents.
- Gifts or entertainment given to, or received from, a counterparty when a procurement decision, contract award, contract renewal, or regulatory approval involving that counterparty is pending or under active consideration.
- Gifts or entertainment intended to, or likely to, improperly influence a business or government decision.
- Any form of entertainment that is inconsistent with HUBCO's values and Code of Conduct.
- Gifts solicited by, or on behalf of, an employee.
- Any gift or entertainment that would violate applicable law.

7. Acceptable Standards

7.1 Business gifts

Gifts may only be given or accepted where they are modest in value, serve a clear and legitimate business purpose, and are properly authorized and recorded.

- Gifts received must not exceed USD 100.
- Gifts exceeding this threshold must be declined or, where declining is not feasible, or value can not be determined at the time of receiving, the gift must be surrendered for charitable disposal (see Section 8).
- Company branded giveaways (up to $100) may be given to external stakeholders by Head of Departments.
- For giving gifts other than HUBCO branded items, the following approval limits shall apply:
  - LT member for items worth up to PKR 10,000
  - CEO for items worth more than PKR 10,000
- Employees must not solicit gifts of any kind in connection with their duties.
- Offers of cash, cash equivalents or extravagant gifts (including free travel tickets or hotel / other accommodation, club or health membership at no or unreasonably low charge, discounts, loans, commission or other favors) must be declined and reported to Line Manager and Internal Audit, particularly where the offer may be intended to influence the employee in the conduct of their duties.

7.2 Business Entertainment and Hospitality

Modest hospitality and entertainment exchanged in the course of official business may be offered and accepted as part of normal business courtesy, provided it meets the standards set out in this section.

- Hospitality must be proportionate to the business relationship and must be consistent with what would be considered reasonable and customary in the relevant professional context.

- 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 department and intimation to internal audit. 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.

8. Declining or Returning Gifts

Where a gift or entertainment offer does not comply with this policy, employees must decline it. Employees may reference this policy when doing so, declining a gift in accordance with Company policy will not be held against an employee in the assessment of their performance or business relationships.

Where it is not feasible to return a non-compliant gift received, the gift must be surrendered to Internal Audit for disposal through auction or donation, with proceeds directed to a charitable cause approved by the Company.

Any demand or pressure to give or accept a non-compliant gift, entertainment or hospitality must be reported to the line manager and the Head of Internal Audit without delay.

9. Reporting

Gifts received: All gifts received, regardless of value including occasional or seasonal gifts such as Eid/Ramadan baskets, boxes, and perishable items (e.g., chocolates, sweets, fruits and dry fruits) must be reported to the Internal Audit Department.. Internal Audit shall assess the gift against this policy and maintain the respective records, Compliance with value limits does not by itself make a gift appropriate; the recipient and Internal Audit shall ensure that ethical principles are upheld and that no gift influences the recipient's judgment.

Gifts given: All gifts given on behalf of the Company must be reported to Internal Audit, except seasonal gifts given by Heads of Department or LT members, for which records shall be maintained by the Corporate Communications & PR department and made available to Internal Audit on request.

Exemptions: Small annual giveaways such as calendars, diaries, pens, etc. do not require reporting.

Additionally, any offers of inappropriate gifts or bribes, even if declined, must be reported to both line manager and the Internal Audit Department.

10. Exceptions

Any exception to this policy requires prior written approval from the CEO.