



ANTI-CORRUPTION & CONFLICT OF INTEREST POLICY

National Power Parks Management Company

**ANTI CORRUPTION
POLICY
October 2016**

Issuing Officer
Company Secretary

Target Audience

All Directors, employees, temporary staff, business partners, service providers and any other agent or entity, directly or indirectly, related to or conducting business with the Company or on behalf of the Company

Approving Authority
Board of Directors

Issuing Date
October 8, 2016

Revision
Initial Issue

Copy Rights
National Power Parks Management Company (Pvt.) Ltd.

1. POLICY STATEMENT

National Power Parks Management Company (Private) Limited (the "Company") is committed to conduct its business in an honest and ethical manner. The Company has zero-tolerance approach towards bribery and corruption, and upholds all anti-bribery and anti-corruption laws of Pakistan. The Company also expects from its employees to act in the best interests of the Company and avoid personal activities and financial interests that might conflict with their commitment to the Company.

2. OBJECTIVES

- 2.1** To set out our responsibilities, and of all directors and employees, in observing and upholding Company's position on bribery, corruption and conflict of interests;
- 2.2** Provide information and guidance on how to recognize and deal with bribery, corruption and conflict of interest issues, and
- 2.3** To reduce the risk of incurring any criminal liability or reputational damage to the Company.

3. SCOPE

- 3.1** This policy is applicable to all directors, employees and temporary staff of the Company (each a "Covered Person").
- 3.2** The Company also expects from its business partners, service providers and any other agent or entity, directly or indirectly, related to or conducting business with the Company or on behalf of the Company to approach issues of bribery and corruption in a manner that is consistent with the principles set out in this policy.

4. GUIDING PRINCIPLES

4.1 Objectivity

The Company shall conduct its business in a fair and balanced manner and shall expect that all decisions are based on hard facts and evidence rather than personal judgements and associations. Covered persons must not compromise, or appear to compromise, their ability to make objective business decisions in the best interest of the Company.

4.2 Integrity

Integrity is fundamental to the Company. Integrity means doing what is right. Acting with integrity reflects positively on the reputation of the Company but it is about more than our Company's image and reputation, or avoiding legal issues. It's about sustaining a place where we all are proud to work. This means acting honestly and treating each other and our partners, suppliers and regulators fairly, and with dignity.

4.3 Follow the Code and Law

The Covered Persons are expected to comply with the Code of Conduct and other policies of the Company and all applicable Government Laws, rules and regulations.

5. PROCEDURAL GUIDELINES

These procedural guidelines supplements and should be read in conjunction with guidelines mentioned in Chapter-X “Conduct and Discipline” of HR Manual of the Company.

5.1 Bribery, Corruption and Kickbacks

- 5.1.1 The company prohibits the Covered Persons from engaging in acts of corruption, and from paying bribes or kickbacks to, or accepting bribes or kickbacks including not only cash and cash equivalents, but also an improper advantage and anything else of tangible or intangible value from individuals or companies with which the company does business.
- 5.1.2 The Covered Persons will not make or accept facilitation payments even if such payments are a norm or custom in a particular context or indulge in preferential treatment and/or favorable change in regulations.

5.2 Gifts, Hospitality and Favors

- 5.2.1 The Covered Person should not demand or accept gifts, entertainment, favors, hospitality or any other benefit for himself or his family, close relatives and friends, or persons or organizations with whom he has or has had business or political relations which may influence or appear to influence the impartiality with which he carries out his duties or may be or appear to be a reward relating to his duties.
- 5.2.2 The Covered Person should not allow himself to be put, or appear to be put, in a position of obligation to return a favor to any person or body. Nor should his conduct in his official capacity or in his private life make him susceptible to the improper influence of others.
- 5.2.3 The gifts may however be accepted or offered keeping in view the norms and traditions of the persons or organizations from whom the gifts are accepted or to whom these are offered as the case may be.
- 5.2.4 Acceptance or offering of gifts requires approval of the CEO and recording it in an appropriate manner as may directed by CEO.
- 5.2.5 The clause 5.2.4 shall, however, not be applicable in case of token souvenirs like pens, caps, memento shields, diaries, calenders, key chains, USB, cups, photo frames etc.

5.3 Conflict of Interest

- 5.3.1 The Covered Person should never take undue advantage of his position for his private interest.
- 5.3.2 The Covered Person should not offer or give any advantage in any way connected with his position, unless lawfully authorized to do so.
- 5.3.3 The Covered Person should not seek to influence for private purposes any person or body, including other employees by using his official position or by offering them personal advantages.

5.4 Charitable Donations

- 5.4.1 As part of its corporate social activities, the Company may support local charities or provide sponsorship, for example, to sporting or cultural events. Any such sponsorship must be transparent and properly documented.
- 5.4.2 The Company will only provide donations to organizations that serve legitimate public purpose, and which are themselves subject to high standards of transparency and accountability.
- 5.4.3 The Company will not make charitable donations or contributions to political parties or organizations and individuals engaged in politics.
- 5.4.4 Appropriate due diligence must be conducted on the proposed recipient and a full understanding obtained as to its bona fides.

5.5 Political Activities

- 5.5.1 The Company has a policy of strict political neutrality; it will not make any political affiliation.
- 5.5.2 The Company will co-operate with governments and other official bodies in the development of policy and legislation that may affect its legitimate business interests, or where it has expertise.
- 5.5.3 Covered Persons can have their own political views and activities, but they may not use Company premises or equipment to promote those views or associate their views with those of the Company.

5.6 Books and Records

- 5.6.1 The books and records of the Company must reflect, accurately and fairly, the transactions of the Company and dispositions of its assets. No undisclosed or unrecorded funds or assets are to be established for any purpose.
- 5.6.2 All record including accounts, invoices, memoranda and other documents related to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness.
- 5.6.3 No accounts must be kept "off-book" to facilitate or conceal improper payments.

5.7 Anti-Corruption Laws

The anti-corruption laws of Pakistan apply to the conduct of the Company's business. The Covered Persons must become familiar with the anti-corruption laws of Pakistan and are responsible for seeking the advice of the office of Chief Legal Officer of the Company in any situation involving questionable circumstances.

5.8 Inquiries from Auditors

Any inquiry from internal or independent auditors of the Company must be responded to fully and promptly. No information shall be withheld that may be material to providing complete and accurate answer.

6. RED FLAGS

- 6.1 Special attention is required if certain factors or “red flags” are present. A “red flag” is a set of facts that given the context would give a reasonable person a basis to be concerned that improper activities may be intended or likely to occur. The presence of a “red flag” would suggest that heightened due diligence is necessary and may, depending on the circumstances, preclude the business relationship.
- 6.2 A list of possible third party “red flags” is given under **Annex-I** attached to this policy. The list is not intended to be exhaustive and is for illustrative purpose only.

7. RAISING CONCERN

- 7.1 Prevention, detection and reporting of bribery and other forms of corruption is the responsibility of all Covered Persons.
- 7.2 Directors are encouraged to raise their concerns about any issue or suspicion that a conflict with this policy has occurred or may occur at the earliest possible stage before the Chairman of Board of Directors of the Company.
- 7.3 Employees are encouraged to raise concerns about any issue or suspicion that a conflict with this policy has occurred or may occur at the earliest possible stage, in accordance with Company's Whistle Blowing Policy.

8. NON-COMPLIANCE

Failure to comply with this policy may lead to:

- 8.1 Personal criminal liability followed by fines or imprisonment;
- 8.2 Disciplinary action initiated by the Company, including dismissal;
- 8.3 Personal reputational damage.

9. SAVINGS

This policy can be changed, modified or abrogated at any time by the Audit Committee.

RED FLAGS

- A.** The third party has a reputation for accepting or demanding bribes, and/or has requested to make or receive a bribe.
- B.** The third party has been subject of previous enforcement action(s) for corruption related offenses.
- C.** The third party's report of its business structure is unusual, incomplete, or overly complex with a lack of transparency.
- D.** The third party provides incomplete, false, or misleading business contact information.
- E.** The third party requests unusual payments or financial arrangements e.g. requests to accept payments in cash or through a third party; requests the Company to complete unnecessary, inaccurate or unexplained invoices or has a pattern of over-invoicing or incorrect invoicing, or overpayments and requests for refunds.
- F.** The third party requests a split of purchases to avoid procurement thresholds.
- G.** The third party proposes unnecessary change orders to increase contract values after award of the contract.
- H.** The third party is vague or elusive about the source of funds for the transaction or activity.
- I.** The third party has large sums of cash or currency available for the transaction or business activity with no corresponding business that generates the high revenue stream.
- J.** The third party seeks to make or receive payment from or to a foreign country account other than the location of the party's business or the service performed, unless the third party has legitimate reasons for requesting for such arrangement.
- K.** An unnecessary middleman or local is involved in the contract or negotiations, and his addition has no obvious value to the performance of the contract.
- L.** The third party engages questionable subcontractors or local agents.
- M.** The third party threatens to withhold services asking for payments to individuals in addition to contractually agreed payments, or payments in cash or cash equivalents.
- N.** A Government Official insists on a specific person or company to serve as a third party.

- O.** The third party's business is not listed in standard industry directories, or is unknown to people knowledgeable about the industry.
- P.** During negotiations, the third party seems indifferent to the price for the Company products or services, or otherwise fails to act in a profit- seeking manner.
- Q.** The third party insists that its identity remains confidential or refuses to divulge the identity of its owners or principals.
- R.** The third party does not have offices or a staff, or frequently moves locations.