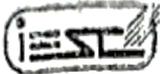


Islamabad Electric Supply Company Limited (IESCO)

CONFLICT OF INTEREST POLICY



1. Objective

The 'Conflict of Interest' policy of Islamabad Electric Supply Company Limited (the "Company") declares and affirms that Directors, Officers and Employees should avoid any conflict between their own interest and the interests of the Company, in dealing with suppliers, customers and all other organizations or individuals doing or seeking to do business with the Company or any affiliate.

2. Application

- 2.1 In compliance with the requirements of Rule 5, Clause-5(b)(ii) of the Public Sector Companies (Corporate Governance) Rules, 2013, a Conflict of Interest Policy needs to be developed and implemented to lay down circumstances or considerations when a person may be deemed to have actual or potential conflicts of interests and the procedure for disclosing such interest.
- 2.2 The Conflict of Interest Policy is applicable on all Directors, Officers and Employees and any one acting on behalf of Islamabad Electric Supply Company Limited (IESCO).

3. Disclosure of interest by Directors

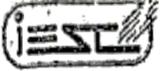
- 3.1 Every Director of a company who is in any way, whether directly or indirectly, concerned or interested in any contract or arrangement entered into, or to be entered into, by or on behalf of the company shall disclose the nature of his concern or interest at a meeting of the Board.
- 3.2 A Director shall be deemed to be interested or concerned if any of his relatives, is so interested or concerned.

For this purpose, "Director's relatives" are:

- (a) the Director's spouse;
- (b) the Director's children, including the step children; and
- (c) the Director's parents

3.3 The required disclosure by a Director shall be made:

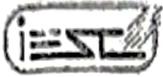
- (a) in the case of a contract or arrangement to be entered into, at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or, if the Director was not, on the date of that meeting, concerned or interested in the contract or arrangement, at the first meeting of the Board held after he becomes so concerned or interested; and
- (b) in the case of any other contract or arrangement, at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.



- 3.4 For this purpose, a general notice given to the Board to the effect that a Director is a director or a member of a specified body corporate or a partner of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made.
- 3.5 Any such general notice shall expire at the end of the financial year in which it is given, but may be renewed for further period of one financial year at a time, by a fresh notice given in the last month of the financial year in which it would otherwise expire.
- 3.6 No such general notice, and no renewal thereof, shall be of effect unless either it is given at a meeting of the Board, or the Director concerned takes reasonable steps to ensure that it is brought up and read at the first meeting of the Board after it is given.
- 3.7 No Director of a company shall, as a Director, take any part in the discussion of, or vote on, any contract or arrangement entered into, or to be entered into, by or on behalf of the company, if he is in any way, whether directly or indirectly, concerned or interested in the contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void.
- 3.8 A Director who has a material personal interest in a matter that is being considered at a Board meeting shall not be present while that matter is being considered.

4. Disclosure of interest by Officers

- 4.1 Save as provided above in respect of Directors, no other officer (chief financial officer, company secretary or other authorized officer) of a company who is in any way, directly or indirectly, concerned or interested in any proposed contract or arrangement with the company shall, unless he discloses the nature and extent of his interest in the transaction and obtains the prior approval of the Board, enter into any such contract or arrangement.
- 4.2 Any officer (including the Chief Executive and other Executives) of a Public Sector Company, if he or his relative, is in any way, directly or indirectly, concerned or interested in any proposed contract or arrangement by the company shall disclose to the Company through a communication to the company secretary, the nature and extent of his interest in the transaction. Such officer and the company shall ensure that such information is properly placed and considered by any forum where the matter relating to such proposed contract or arrangement is to be discussed and approved. It is the responsibility of the executive or other employee who has a conflict of interest in a matter, such person shall play no part in the relevant discussion, decision or action.



5. Disclosure of interest by other Employees

5.1 The following instances are provided as affairs where disclosure of interest by other employees of the Company is mandatory:

5.1.1 For an employee or any dependent member of his or her family to have an interest in any organization which has, or is seeking to have, business dealings with the Company or any affiliate where there is an opportunity for preferential treatment to be given or received, except with the knowledge and consent of concerned Head of the Department (HOD) and CEO.

5.1.2 For an employee or any dependent member of his or her family to buy, sell or lease any kind of property, facilities or equipment from or to the Company or any affiliate or to any company, firm or individual who is or is seeking to become a contractor, supplier or customer, except with the knowledge and consent of concerned HOD and CEO.

5.1.3 For an employee to serve as an officer or Director of any other company, or in any management capacity for, or as a consultant to any individual, firm or other company doing or seeking to do business with the Company or any affiliate, except with the knowledge and consent of concerned HOD and CEO.

5.1.4 For an employee, without proper authority, to give or release to anyone not employed by the Company any data or information of a confidential nature concerning the Company or any affiliate, such as that relating to decisions, plans, earnings, financial or business forecasts, discoveries or competitive bids or otherwise use such information which is not generally known to the public for personal advantage and not in the best interest of the Company, as, for example, by acquiring or selling, or inducing others to acquire or sell, any interest in securities of the Company or any other company involved in or which may become involved in, any transactions with the Company or any affiliate.

5.1.5 For any employee or any dependent member of his or her family to accept commissions; a share in profits; gifts in cash; gift certificates, travel or other payments; loans or advances (other than from established banking or financial institutions on normal commercial terms); materials, services, repairs or improvements at no cost or any unreasonably low prices; excessive or extravagant entertainment; or gifts of merchandise of more than nominal value from any organization, firm or individual doing or seeking to do business with the Company or any affiliate, or, for personal advantage and not in the best interest of the Company, to provide any of the foregoing to any such organization, firm or individual.

5.2 It is recognized that circumstances may arise where compliance with the policy may be achieved without strict adherence to the guidelines, and such adherence would be unreasonable or result in undue hardship for an employee. If an employee wishes approval for an exception or if an employee is in doubt about the acceptability for any situation, he should communicate the full circumstances to the Head of Human Resource through his Department Head/Manager. The Head of Human Resource will review the case, obtain Legal Department's opinion where necessary and refer it to the CEO.



5.3 The CEO shall make a final decision in writing. Written approval assures appropriate management awareness of the circumstances and provides the employee with documentation of disclosure. A copy of the written decision will be placed in the employee's personnel file.

6. Register of Interests

As required under Rule 5, Clause 5(b)(iv&v) of the Public Sector Companies (Corporate Governance) Rules, 2013, a "register of interests" shall be maintained to record all relevant personal, financial and business interests, of directors and officers who have any decision making role in the company, and the same shall be made publicly available. Moreover, a declaration by the directors and officers shall be made that they shall not offer or accept any payment, bribe, favor or inducement which might influence, or appear to influence, their decisions and actions.

A handwritten signature in black ink is located on the right side of the page, overlapping the end of the text in section 6.