



RELATED PARTY TRANSACTION POLICY

Last Amended: June 08, 2020
Adopted by the Board: June 08, 2020

1. PREAMBLE

Subject to Public Sector Companies (Corporate Governance) Rules 2013 and applicable relevant law on the subject in force explicitly adopted by the HESCO Board from time to time and to ensure Conflict of Interest Policy with Corporate Governance as enunciated in relevant laws and rules thereunder, for the Board of Directors, Senior Management, and all employees of Hyderabad Electric Supply Company Limited (the “**Company**” or “**HESCO**”) and inconsequent to the requirement of Rule 5 (4) of the Public Sector Companies (Corporate Governance) Rules, 2013 (the “**Rules**”) the HESCO Board has unanimously approved this policy.

2. OBJECTIVES

The policy is intended to ensure that every Related Party Transaction is conducted in a manner that will protect the Company from conflict of interest which may arise between the Company and its Related Parties; and to comply with legal and regulatory requirements, governing “Related Party Transactions”.

3. DEFINITION OF A RELATED PARTY

For purposes of this policy, a Related Party means:

1. Water & Power Development Authority (WAPDA)
2. Ex- WAPDA Corporate Entities including:
 - 2.1 Pakistan Electric Power Company (PEPCO),
 - 2.2 Distribution Companies (DISCOs),
 - 2.3 Generation Companies (GENCOs),
 - 2.4 National Transmission & Dispatch Company (NTDC) &
 - 2.5 Central Power Purchase Agency Guarantee (CPPAG)

4. RELATED PARTY TRANSACTION

Transactions made by HESCO with related parties including _____.

5. PROCEDURE FOR REVIEW AND APPROVAL OF RELATED PARTY TRANSACTION

- a) All related policy transactions must be made according of WAPDA Rules & Procedures adopted by HESCO and relevant Policies approved by the Board of Directors of HESCO.
- b) Details of related party transactions must be provided separately in the Accounts of the company and will be subject to the concurrence of the statutory auditors.
- c) Related party transactions will be approved by the Shareholders annually.

6. RELATIONSHIP WITH OTHER POLICIES

This policy needs to be read in conjunction with other relevant policies and Rules i-e.

- 1. HESCO Conflict of Interest Policy
- 2. Accounting Manual of HESCO
