

MEMORANDUM OF UNDERSTANDING

Considering that bribery is a widespread phenomenon in international and national business transactions, including trade and investment which raises serious moral and political concerns, undermines good governance and economic development, and distorts international competitive conditions.

Considering that all companies / organizations within Pakistan share the responsibility to combat bribery in all its forms and manifestations.

Having regard to the present policies of the Pakistan Government and our own company / institution policy to support the OECD Recommendations on Combating Bribery in International Business Transactions, which inter alia, calls for effective measures to deter, prevent and combat the bribery of foreign public officials in connection with international business transactions, in particular the prompt criminalization of such bribery in an effective and coordinated manner and in conformity with the agreed common elements set out in that Recommendation and within the jurisdictional and other basic legal principles of Pakistan.

Welcoming other recent developments within Pakistan such as the SECP Code of Corporate Governance and the Institute of Chartered Accountants Code of Corporate Conduct and the UN Convention against corruption;

Welcoming the efforts of Transparency International Pakistan and other like-minded companies, business organizations as well as other non-governmental organizations to combat bribery;

Recognizing the role of the Pakistan Government in the ADB-OECD Anti-Corruption initiative and the Recommendations of the National Anti-Corruption Strategy approved by the Cabinet and signed by the President in 2002.

Recognizing that achieving progress in this field requires sustained efforts not only on a company level but on a National level in terms of implementation and monitoring and follow up;

Have agreed to support and implement to the best of our ability, both in letter and in spirit, recommendations given in the following;

1. The OECD Convention on Bribery of Foreign Public Officials
2. The OECD Guidelines for Multinational Enterprises
3. The UN Convention on Corruption
4. The International Chamber of Commerce Rules of Conduct
5. The German Code of Corporate Governance
6. The Securities and Exchange Commission of Pakistan Code of Corporate Governance.
7. The Institute of Chartered Accountants Code of Corporate Conduct.

Have agreed to treat all "Facilitation payments" as outlined in the US FCPA 1977 as encouraging the culture of "Speed Money" being paid for services rendered to the organization and not acceptable under the Law of the country.

Have agreed that our organization shall take such measures as may be necessary to prevent that any person from our organization intentionally offers, promises or gives any undue pecuniary or other advantage, whether directly or through intermediaries, to a public official, for that official or for a third party. In order that the official act or refrain from acting in relation to the performance of official duties, in order to obtain or retain business or other improper advantage in the conduct of international business.


Have agreed to take any measures necessary to establish that complicity in, including incitement, aiding and abetting, or authorization of an act of bribery of a public official shall be criminal offence. Where a "public official" means any person holding a legislative, administrative or judicial office in Pakistan, whether appointed or elected; any person exercising a public function, including for a public agency or public enterprise; and any official or agent of a public organization.

Have agreed to take such measures as may be necessary, within the framework of its laws and regulations regarding the maintenance of books and records, financial statement disclosures, and accounting and auditing standards, to prohibit the establishment of off-the-books accounts, the making of off-the-books or inadequately identified transactions, the recording of non-existent expenditures, the entry of liabilities with incorrect identification of their object, as well as the use of false documents, by companies subject to those laws and

regulations, for the purpose of bribing local / foreign public officials or of hiding such bribery.

Have agreed that in case the Pakistan Germany Business Forum, fails to carry out the above agreed-upon recommendations Transparency International Pakistan has the right to withdraw from the memorandum of Understanding and declare so through a public announcement and that, any one of the parties may withdraw from this Memorandum of Understanding by submitting a written notification. Such withdrawal shall be effective 30-days after the date of the receipt of the notification.

This Memorandum of Understanding signed between Pakistan German Business Forum and Transparency International Pakistan shall enter into force on March 1, 2013, Karachi



Qazi Sajid Ali
Chairman
Pakistan German Business Forum



Sohail Muzaffar
Chairman
Transparency International Pakistan

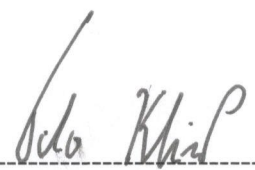


Nadeem Kazmi
Vice Chairman
Pakistan German Business Forum



Syed Adil Gilani
Adviser
Transparency International Pakistan

In the kind presence of his Excellency



Dr. Tilo Kliner
Consul General
Federal Republic of Germany