OUR CODE OF BUSINESS CONDUCT AND ETHICAL GUIDELINES

Dear Colleagues,

As representatives of Kohat Cement Company Ltd. (KCCL), we are each responsible for shaping our company's image in a positive way.

The purpose of this code of business conduct and ethical guidelines is to assist us in understanding the values and beliefs that we share and stand for as an organization.

This code of business conduct offers many guidelines, but it cannot make decisions for you and it is not all-inclusive of every ethical dilemma that could arise. You should seek guidance from your line manager or human resource if you have questions.

We urge each employee to thoroughly read this booklet and discuss it with your line manager.

Through alignment of our values and in demonstrating commitment to this code of conduct, we will ensure that our message to each other is clear. The KCCL team will operate at the highest level of integrity and strive to demonstrate exemplary behavior.

Nadeem Atta Sheikh

CEO KCCL

Contents

I. Definition and applicability

II. Vision, mission and values

III. Decision test

IV. Reporting non-compliance

Whistle blowing

Violation of Code

V. Fair dealing standards

Selling practices

Buying practices

Competitors

VI. Conduct in the workplace

Respect & fair treatment

Discrimination and workplace harassment

Work hours

Internal information posting

Display of religious material

Alcohol and substance abuse

VII. Conflict of interest

Outside employment

Gifts and other benefit

Former employees

Family members

VIII. KCCL property and records

KCCL assets

Use of KCCL name

KCCL records

Confidential information

IX. Complying with the law

Insider trading

Political contribution and activities

Bribery and kickbacks

Health, safety and environment

I. DEFINITION AND APPLICABILITY:

To run our business effectively, we have developed management tools that include a vision and mission statement and corporate values. In addition, we created this code of business conduct and ethical guidelines upon which we base the operation of our business.

This code of business conduct and ethical guidelines is a standing guide for handling business situations in an honest and professional manner. Furthermore, it serves as an aid when making key business decisions. We designed this code to deter wrongdoing and to promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships
- Compliance with applicable governmental laws, rules and regulations
- The prompt internal reporting to an appropriate person or persons, identified in the code, of any violations of the code
- Accountability for adherence to the code

This code applies to all KCCL employees. These principles are not intended to be all-inclusive, but they do provide important information about the Company's established way of doing business.

Your understanding of these guidelines will help to ensure that the company and our employees conduct their business with uncompromising integrity and professionalism.

II. VISION, MISSION AND VALUES:

This is the responsibility of the employee to ensure compliance to Vision, Mission and Values of the Company in letter and spirit as mentioned hereunder:

Our Vision

Be the best in the eyes of all stakeholders

Mission Statement

Our Mission is to provide:

Our customer with quality cement at competitive pricing
Our Shareholders with good returns and sustainable growth
Our Employees with Care and career development opportunities

Our Values

- **Result Orientation**
  Ability to exceed in ambitious goals and deliver the required results.
- **Coaching & Development**
  Ability to develop self and others to create diverse and high performing teams.

- **Empathy**

  Ability to understand the perspective of customers, stakeholders and employees to maintain a win-win approach.
- **Humility**

  Ability to be humble in a demonstrable way and lead with an example of always doing the right thing.
- **Ownership**

  Ability to make and own decisions without fear of taking risks.
- **Team work**

  Ability to understand ***WE*** versus ***I*** mindset, and work together to ensure that everyone wins.

III. DECISION TEST:

The Decision Test is a set of criteria that you can use to help determine the appropriate course of action regarding any action you take in compliance to this Code.

Simply Ask Yourself:

a) Is "My Action" legal and ethical?
b) Is "My Action" the right thing for our company?
c) Is "My Action" consistent with the Vision, Mission and Values of our company?
d) Is "My Action" consistent with the spirit of our SOP's and policies?
e) Is "My Action" something I am willing to be held accountable for?

However; if you are unsure about what to do, you should first seek to address your concerns to your line manager. If you are still unable to decide, you may also contact Human resource department. When in doubt, ask!

IV. REPORTING NON-COMPLIANCE:

Whistle blowing

a) It is the responsibility of every employee to report to the Management about any inappropriate behavior or organizational malpractice that compromises the interest of the shareholders, investors, customers and the general public.
b) Employees are encouraged to raise all concerns about the affairs of the company to the Management without any fear of victimization.
c) Employees must act in a responsible and effective manner rather than overlooking a problem or blowing the whistle outside.
d) Employee is encouraged to discuss the matter first with immediate superior, this is the fastest way to clear up any misunderstanding and also the best way to ensure a good and open work environment throughout the organization.
e) If notifying the immediate Superior is not reasonably possible or inappropriate for whatever reason, or if the employee is of the opinion that the response received is not in the best interest of Company or its stakeholders, (S)he can choose to contact any Head of Department.

f) Any Employee who prefers not to inform any Senior Officer about his/her concern is welcome to raise the matter directly with the Chief Executive directly or through HR Helpline (0334 111 5225) or through sending email at :whistle.blowing@kohatcement.com

g) The Company shall ensure that employee will be protected from victimization or unfair treatment for disclosing concerns in good faith.

h) The company will make every effort to treat all disclosures in a confidential and sensitive manner. The identity of the individual employee making the allegation will not be disclosed without the employee's consent.

i) Employee should exercise due care to ensure the accuracy of the information before making any allegations, however if an individual is mistaken, he will not be at risk of losing his/her job or suffer any form of retaliation provided that (s)he has acted in good faith.

j) Disciplinary action will be taken against employees deliberately raising false and malicious allegations.

Violation of Code

The Code of Conduct is more than just another set of rules. The Code is the essential framework for how we do our daily work. Please keep in mind that failure to conduct business in compliance with these guidelines may result in disciplinary action, up to and including termination.

V. FAIR DEALING STANDARDS

Selling practices

Without loyal customers, our business would not thrive. Consequently, we are dedicated to providing our customers with reliable, quality product and are equally committed to continuing to treat them with the utmost degree of honesty, fairness and respect.

Buying practices

Over the years, KCCL has devoted a substantial amount of time and effort to build trusting, long-term relationships with our suppliers. Our ability to build such relationships is, in a large part, based upon the fact that we foster fair business practices and we treat people with honesty, dignity and respect.

Competitors

We firmly support the principle of fair competition and will continue to compete in the market, based solely on our merit.

VI. CONDUCT IN THE WORKPLACE

Respect & fair treatment

At KCCL we treat each individual fairly, and recruit, select, train and pay based on merit, experience and other work-related criteria. We believe that differences in backgrounds, experiences, perspectives and talents are considered a fundamental strength. We also believe that true open mindedness,

respect and absence of any prejudices concerning fellow employee's views are essential for an amicable work environment.

Discrimination & workplace harassment

At KCCL we are committed to providing employment opportunities without regard to race, religion, color, national origin, sex, age, ancestry, veteran status, personal beliefs, marital status, or disability or any other reason prohibited by law. These principles apply to all aspects of the employment relationship, such as hiring, assignments, promotion, compensation, discipline and termination. Decisions on these employment relationships should be based solely upon job related qualifications and performance.

We also strive to maintain an environment free of harassment, where all employees are respected. Workplace harassment is defined as any action that inappropriately or unreasonably creates an intimidating, hostile or offensive work environment.

Work Hours

At KCCL, being at work on time and available during normal business hours is part of our company's commitment to our stakeholders.

It is the duty of every employee to report for work on time every day, except in cases of illness or when the employee is on approved leave. Absenteeism or tardiness makes proper work scheduling difficult and also imposes additional hardship on fellow employees who may have to take over the work.

Advanced notice of absence must be given to the immediate superior. If some unforeseen situation has arisen, the employee concerned should make every effort to notify his immediate superior as early as possible.

Disciplinary action will be taken against an employee proceeding on unauthorized leave. The Company shall have the right to terminate the contract of service where an employee absents himself without prior approval and proper reason for more than 10 days..

Internal information posting

KCCL has a number of methods for posting information throughout the facilities and on information systems for the purpose of communicating with employees. Posting in any of these places is limited to company-related material, including statutory and legal notices, safety and disciplinary rules, company policies, memos, announcements of general interest and other items relating to the Company. All postings require prior approval by the office manager at each site who manages the posting place in question.

Display of religious material

KCCL encourages both diversity and harmony in its workforce. Religion is a personal matter. To this end employees are expected to display due courtesy and be sensitive to the beliefs of other colleagues. Any overt display of religious verses, artifacts etc. is discouraged and must be confined to personal workspaces which is not visible to all.

Distribution of religious material in any shape or form is strictly prohibited within the offices of KCCL.

Employees are also advised to refrain from discussion on religious topics and themes within the office.

Alcohol & substance abuse

Drinking alcohol, taking drugs or a substance, either intermittently or continuously, such that it adversely interferes with an individual's health, work performance or conduct or affects the work performance and/or safety of themselves and/or others, is strongly prohibited.

VII. CONFLICT OF INTEREST

It is KCCL's policy that all employees avoid any activity that is or has the appearance of being hostile, adverse or competitive with the company, or that interferes with the proper performance of duties, responsibilities or loyalty to the company.

Outside employment

KCCL requires the complete commitment of all employees. Such employees may not engage in any outside activity or accept work in any outside position that either interferes with their ability to devote their full and best efforts to KCCL's interests or raises an actual or potential conflict of interest or the possible appearance of a conflict of interest.

Gifts & other benefits

Employees are not allowed to receive personal gifts or any kind of benefits from customers or suppliers without first checking with the management.

Further this applies to giving and taking gifts within employees which may affect the decision making either of performance or productivity.

Former employees

KCCL will not conduct business with a former employee who becomes employed by a supplier or who offers his or her services as an independent contractor for a period of 12 months from the employee's exit date without prior written approval from the KCCL's CEO.

Family members

KCCL discourage the employment of family members or employees' close personal friends as suppliers or customers. Clearly, everyone is entitled to pursue a career of his or her choice. It is the company's intention, however, to ensure that neither a real nor apparent influence is exerted in its business relationships as a result of such employment.
Where a relative of an employee is involved in a business and if the Company requires services of products which can be provided by the said relative's business, then it can only be done so with the prior approval of the Chief Executive.

In addition KCCL also discourage employment of family members in any position at KCCL.

VIII. KCCL PROPERTY AND RECORDS

KCCL assets

Our shareholders have a right to expect that the Company's assets are properly maintained and used in an economical and efficient manner.

We must safeguard KCCL's assets against loss, damage, carelessness, waste, misuse and theft.

Assets, such as intellectual property, electronic media, work time, equipment, funds, products and services, are intended for legitimate business use, never for illegal or unethical purposes.

As a general rule, we should not use Company equipment or resources for personal use, however certain exceptions are permitted when there is no undue cost to the Company or adverse effect on productivity or the work environment.

Employee will be responsible for the safe keeping and return in good condition, all the Company's property/assets which may be in his/her use, custody, care or charge.

Use of KCCL name

Being an employee of KCCL does not automatically confer the right to the employee to act on behalf of the Company.

This also pertains to the right to make statements to the press or to any other person or body on behalf of the Company, and to issuance of reference letters for employees.

Any letter to the employee will be from HR Department.

KCCL records

The company requires honest and accurate recording and reporting of information in order to make responsible business decisions. For example, only the true and actual number of hours worked should be reported.

Many employees regularly use business expense accounts, which must be documented and recorded accurately. If you are not sure whether a certain expense is legitimate, ask your supervisor or your controller. Rules and guidelines are available from your supervisor.

All of the company's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the company's transactions and must conform both to applicable legal requirements and to the company's system of internal controls. Unrecorded or off the books funds or assets should not be maintained unless permitted by applicable law or regulation.

In addition, employees are prohibited from modifying Company records or destroying such records without the prior written approval of their manager and an officer of the Company.

Senior officers of the Company are obliged to disclose material deficiencies in the Company's internal controls and any fraud involving any member of management.

Confidential information

KCCL insists on the undivided loyalty of all employees. The protection of confidential, sensitive, and proprietary information is of critical importance to the Company, its work force, and its clients.

It is therefore essential that all employees take steps to safeguard such information. Employees must not use any confidential, sensitive, or proprietary information of the Company in any manner that is unauthorized or detrimental to the best interests of the Company.
All Company affairs must be treated as confidential and not discussed with third parties during the service with the Company or even after leaving the service of the Company.

COMPLYING WITH LAW

All KCCL employees must comply with all applicable laws and regulations. Employees are expected to be familiar with the legal and regulatory requirements applicable to their business responsibilities and to fulfill their duties in accordance with these laws and regulations.

Questions concerning the applicability of any legal or regulatory provision should be directed to KCCL's legal department.

It is essential that an employee who becomes involved in legal proceedings, whether civil or criminal should immediately inform his/her Manager.

Insider trading

KCCL recognizes and supports the value associated with the open and free exchange of securities on the stock market. To ensure the fairness and integrity of such trading and to avoid any violations of Corporate laws, KCCL prohibits employees who are privy to material, non-public information from engaging in "insider trading", by using such information to buy and sell stocks for their own personal gain.

Political contribution & activities

KCCL does not support any political party nor contributes to the funds of the groups whose activities promote party interest.

Bribery & kickbacks

KCCL employees may not offer or accept a bribe or kickback. A bribe is defined as a thing of value given to someone with the intent of obtaining favorable treatment from the recipient.

Kickbacks consist of payment in cash or in kind, including goods, services, the use of another company's property, or forgiving any sort of obligation provided to a customer or supplier for the purpose of improperly obtaining or rewarding favorable treatment in connection with a sale or purchase.

Bribes and kickbacks may not be offered either directly or through a third party in order to obligate the recipient to return the favor.

Health, safety and environment

KCCL is committed to achieving a safe, healthy and environmentally friendly workplace, and is dedicated to principles and practices of "continuous improvement" in striving to provide high-quality Health, safety and environment (HSE) standards and practices for team members, customers, visitors, suppliers and the communities in which we live and work.

KCCL shall continue to demonstrate environmental responsibility through compliance with relevant environmental regulations; implementation and monitoring of guidelines; and training of team members to minimize the opportunity for environmental insult, including proper storage, transportation and disposal of hazardous waste materials, conservation of natural resources and energy management.

KCCL shall strive to eliminate accidents, occupational injuries and workplace illnesses by providing the appropriate training and support for team members, suppliers, contractors and visitors.

KCCL shall ensure that safety and environmental responsibility take precedence over expediency, and that our HSE standards meet international and local requirements.

KCCL expects all team members to comply with the HSE standards by getting the appropriate education and training to carry out HSE requirements in all phases of work and business.

Infringement of any of the above instructions will be viewed seriously and result in disciplinary actions.