

The Code of Ethics envisaged for **Arif Habib Corporation Limited (AHCL)** is as under:

INTRODUCTION

- This Code is established on the basis that unless a limitation is specifically stated the objectives and fundamental principles are equally valid for all employees.
- An employee is distinguished by certain characteristics including:
 - Expertise in a particular ability or skill, acquired by training and education.
 - Acceptance of a duty to society as a whole in addition to duties to the organization and employer.
 - An outlook which is essentially objective.
 - Rendering professional services to a high standard of conduct and performance.
- The specialized knowledge, training and experience required to be a proficient employee and the nature of the services that are rendered, ordinarily make performance of such services, a valuable asset for the organization, which goes a long way in training sub-ordinates, and imparting skills to those working directly and indirectly under a superior.

1 Code of Professional Conduct

The Company's main line of business is management of strategic investments as well as investment in listed securities, which gives it fiduciary responsibilities and access to market sensitive information. The Company expects all employees to apply internationally accepted norms of professional conduct and wherever in doubt with regard to the interpretation of any rules or law, the more conservative view will be taken. It is essential that all employees adhere to a very strict Code of Professional Conduct.

1.1 Code for AHCL

- a) *AHCL at all times shall implement, maintain and follow policies which do not contain any exaggerated statement about the performance of the company or mislead the investor about the capabilities to render certain services or their achievements in regard to services rendered to others and shall not use unethical means to induce any investor to buy our shares.*
- b) *The company wishes to promote social causes and may allocate a budget from time to time for supporting social development. Employees are encouraged to bring good causes to the company's attention.*
- c) *AHCL is an "equal opportunity employer", i.e., it will not give any preference simply because of the gender, religion or ethnic background of an employee for employment with or advancement in the company. All employment and advancement in the company will be purely on merit and suitability for the position.*

1.2 Code for Employees

- a) Every staff member is expected to understand the implication of reputational and operational risk and shall act with integrity and strictly adhere to the code of conduct.
- b) Employees shall not indulge in front running (buying or selling of any securities ahead of transaction of the company, with access to information regarding the transaction which is not public and which is material to making an investment decision, so as to derive unfair advantage).
- c) Employees shall not indulge in self dealing (using their position to engage in transactions with the company by which they benefit unfairly at the expense of the company).
- d) Employees shall not engage in any act, practice or course of business in connection with the purchase or sale, directly or indirectly, of any security held or to be acquired by the company, which is fraudulent, deceptive or manipulative.
- e) Employees shall not, in respect of any securities, be party to :
 - creating a false market;
 - price rigging or manipulation;
 - passing of price sensitive information to brokers, Members of stock exchanges and other players in the capital markets or take action which is unethical or unfair to investors;
 - insider trading.
- f) Employees shall not enter into tax evasion activities.
- g) *Employees shall elude* any action or inaction that would knowingly result in the contravention of any law or regulations, or constitutive documents of the Company.
- h) *Employees shall not enter into activities such as* trading or dealing in the financial markets in any way except as allowed under Employees' Securities Trading Policy.
- i) *Employees at all times shall maintain confidentiality of information and shall not pass out information (unless so required in the course of business) with regard to the Company's operating procedures, computer systems, rules and regulations, personnel policy, analytical and investment techniques, tools and procedures.***
- j) *Every employee in particular shall not divulge any information relating to the affairs of our shareholders except in circumstances in which it is in accordance with law.***

- k) **Employee shall not disclose to any third party any information relating to our shareholder unless:**
- The investor has given prior written consent; or
 - Disclosure is compelled by law; or
 - Disclosure is necessary to protect the company's assets, for example disclosure is necessary to the investigating agencies in cases of suspected fraud.
- l) *Employees shall not enter into activities such as taking up any assignment, for profit, other than for social or charitable purposes or where there can be a conflict of interest in an assignment that is not for profit.*
- m) AHCL is an "equal opportunity employer", i.e., it will not give any preference simply because of the gender, religion or ethnic background of an employee for employment with or advancement in the company. All employment and advancement in the company will be purely on merit and suitability for the position. Every employee shall at all times observe the said standards in their capacity.
- n) All kinds of bribes or facilitation payments or receipt in cash or in kind are strictly prohibited
- o) In addition to observing the fundamental principles listed above, the organization should be and appear to be free of any interest which might be regarded, whatever its actual effect, as being incompatible with integrity, objectivity and independence.

The code of ethics is also applicable to the directors of the company and shall be signed by all directors and employees. Employees, here, include managerial (top, middle and lower management), clerical, non-clerical and secretarial staff. However, clause 1.2 (h) is not applicable to non-executive directors.

1.3 Contravention of laws and regulations

The Company endeavors to comply with all the applicable requirements of Laws and Regulations. The Company is committed to high standards of corporate governance.

Under the Code of Professional Conduct an employee is required to report in writing to his/her immediate superior with a copy to the next higher authority any situation where the employee believes that an action or inaction by the Company is (or will be) in contravention of any law or regulations, or in material breach of the constitutive documents of the Company.

2 Disciplinary Action

- a) Employees are expected to maintain a high standard of professional discipline. They are required to act strictly according to Rules, Regulations and the Policies of the Company. However, where the Rules/Policies are infringed the employee will normally be given the opportunity to explain his/her conduct. If the explanation is

- not satisfactory, disciplinary action will be taken, which may be in the form of termination of employment or such other action the Management may deem fit.
- b) The following are acts of misconduct on which disciplinary action will be taken and if the case warrants, civil and/ or criminal proceedings will also be commenced in an appropriate court of law:
- Breach of Code of Professional Conduct;
 - Willful insubordination or disobedience, whether acting alone or in collaboration with others, of any lawful and reasonable order of a superior;
 - Theft, fraud or dishonesty in connection with the Company's business and property;
 - Willful damage to, or loss of Company's property or assets;
 - Taking bribes or illegal gratification;
 - Serious level of negligence towards the job requirements;
 - Making commitments on behalf of the Company beyond the scope of delegated authority, which result in serious financial consequences for the Company;
 - Engaging directly or indirectly, without the Company's permission in any other business or paid occupation, whilst in the service of the Company;
 - Riotous or disorderly behavior at the or any act subversive of discipline;
 - Striking work or indulging in go-slow tactics or inciting others to do so;
 - Prolonged or habitual absence without authorized leave;
 - Habitual late attendance;
 - Serious breach of Rules and Regulations of the Company;
 - Conviction by a court of law for criminal activity;

2.1 Delegation of Authority

Authority will be exercised as prescribed in the Delegation of Authority document circulated separately.

2.2 Company Procedures

Procedures covering various operations of the Company are updated and circulated from time to time by the Company is required to be followed in letter and spirit.