



Our Code of Behaviour
..... Guiding the way we do business

United Cement Company of Nigeria Limited

August 2009

Message from the MD

Dear Employee,

This is a collection of documents describing the behaviour and performance expectations required of all employees. It embodies the principles, values and standards that guide our decisions and actions, and provides direction and clarification on how we conduct our daily business and relate with our stakeholders. It proceeds from the recognition that high business ethics and personal integrity ensure our credibility and good reputation as a company.

This Code of Behaviour puts greater emphasis on what employees should do rather than what they should not do. It aims to bring about a change in mindset, moving from an employee discipline approach that is punitive to one that is reformative and corrective.

This approach strongly supports our goal of maintaining desired employee behaviours and delivering superior performance. It affirms our belief that our employees have the ability to take responsibility for their individual actions and decisions, and be held accountable for them.

I trust that we will all invest time and effort to know and understand this Code of Behaviour, so that it can effectively guide us in our everyday work life.

Sincerely yours,

Didier Tresarrieu
Managing Director

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I. UNICEM's Vision, Mission and Values

Our Vision: Building a Better Future

Our Mission: To be the leading cement company in Nigeria by:

- Optimizing shareholder value;
- Being the employer of choice; and
- Being recognized as the most socially responsible company in Nigeria

Our Core Values:

SAFETY

1. The safety and well-being of our employees is our number one priority.

Therefore, we are expected to:

- 1.1 Constantly monitor the level of safety in our work environment.
- 1.2 Be educated on the company's rigorous safety measures and practices during the initial induction.
- 1.3 Go through continual and additional safety training.
- 1.4 Know that only licensed, qualified employees may operate/use special equipment and products.
- 1.5 Ensure that quality, protective safety equipment is supplied and must be used/worn at all times when performing relevant tasks.

PERSONAL AND PROFESSIONAL DEVELOPMENT

- 2. UniCem provides relevant and ongoing training for every employee, including a comprehensive initial induction, through to continual training and learning opportunities, while part of our team. We strive to ensure each employee is equipped with the right company and specific job-related knowledge, so they may make the most of their role and company opportunities.**

We are expected to:

- 2.1 Ensure that UniCem employees don't just have a job, they have a career path.
- 2.2 Retain our valuable people.
- 2.3 Provide ongoing benefits to the company.
- 2.4 To seek our future leaders preferably from within the company.
- 2.5 Identify and develop our future Managers and company leaders.
- 2.6 Reward and recognized the key factors to keep our employees happy, loyal and productive.
- 2.7 Offer Competitive compensation, profit sharing and performance-based rewards.

RESPECTFUL, SAFE AND FUN WORK ENVIRONMENT

- 3. We pride ourselves on fostering a work environment that is safe and enjoyable for all employees. Safety is always our top priority, and is everyone's responsibility.**

We are expected to:

- 3.1 Believe our positive work culture which begins with our leaders.
- 3.2 Encourage honest and open communication at all levels within the company.
- 3.3 Seek regular feedback from our employees.
- 3.4 Seek to resolve any conflict fairly, quickly and respectfully.
- 3.5 Encourage diversity of people, skills and interests within the company.

- 3.6 Be intolerant to any form of discrimination.
- 3.7 Trust our leadership style in our dealings with employees and business partners.
- 3.8 Believe in fair, accommodating and respectful relationships that fosters good business and good will.

CONTINUAL CUSTOMER FOCUS

4. Our customers are the foundation of our business. If we help make our customers successful, then UniCem will also be successful.

Therefore we are expected to:

- 4.1 Maintain regular communication with our customers in order to understand their business and to meet their challenges.
- 4.2 Make our Customers happy and satisfied.
- 4.3 Use our long established network of suppliers and partners to obtain the Highest quality materials in order to deliver the best quality products to our customers —all backed with the highest quality service possible.
- 4.4 Maintain close communication with our partners and suppliers.
- 4.5 Frequently review of our materials, packaging, transport and other costs.

SEARCH FOR EXCELLENCE

5. We strive to be the cement company of choice for our customers, our shareholders, our employees, our suppliers and partners. UniCem endeavour to remain one step ahead of the competition.

So we are expected to:

- 5.1 Be the leading cement company in Africa.
- 5.2 Be customer focus and quest for appropriate company expansion.
- 5.3 Use new technologies and improved business practices in our choice of suppliers and partners, and our dedicated employees.
- 5.4 Seek the best possible outcome for our customers, our company and our shareholders.

- 5.5 Decide if we have reached our mission — and how we are doing along the way.
- 5.6 Prevail through our work and business conduct.

ENVIRONMENTAL RESPONSIBILITY

6. Minimizing any environmental impact on the communities and surrounding areas in which we operate, or plan to operate, is a top priority for UniCem.

Therefore, we are expected to:

- 6.1 Encourage a high level of awareness of environmental issues among our employees, customers and partners.
- 6.2 Continually seek new ways to be more environmentally responsible throughout our business.
- 6.3 Frequently assess environmental issues in all existing operations, and are a major factor when considering new ventures.
- 6.4 Produce the lowest CO2 emissions.
- 6.5 Conduct profitable operations, by using the latest green-focused technologies and manufacturing methods.
- 6.6 Reuse, recycle or repurpose as many materials as possible within our manufacturing and business operations.

HIGH LEVELS OF PRODUCTIVITY

7. UniCem aims to be the market-leader in Nigeria.

Therefore, we are expected to:

- 7.1 Use best business practices and technologies throughout the organization.
- 7.2 Operate as cost and time effectively as possible.
- 7.3 Produce highest quality products at the best possible prices.
- 7.4 Be challenged to seek and utilize new ideas and practices for continual productivity improvements.
- 7.5 Set Key Performance Indicators (KPIs) to measure and monitor our efforts and achievements from a corporate level, right down to the individual job level.

SOCIAL RESPONSIBILITY

8. The communities where UniCem operates are very important to us, and we endeavour to support and protect them at all times.

We are expected to:

- 8.1 Encourage open dialogue between our company and the communities where we work.
- 8.2 Value community feedback.
- 8.3 Give back to our local communities through specific sponsorship programs.
- 8.4 Be open and transparent with the local communities.
- 8.5 Include them in decision making.
- 8.6 Support the local economies whenever possible.
- 8.7 Educate, train, and raise up competent individuals from the local communities to work in our company.

FOSTERING PROFESSIONALISM AND INTEGRITY

9. UniCem Executives and Management are charged with being role models to all employees in order to develop and maintain a professional, ethical, trustworthy and respectful work ethic at all times.

Therefore, we are expected to:

- 9.1 Abstain from practices that are illegal, unethical or unsafe.
- 9.2 Treat our employees, partners, suppliers, advisors and communities as we expect them to treat us.

II. Our Code of Behaviour

A. Policy Statement

This Code of Behaviour establishes a common and consistent framework for how we will achieve our mission and our goals. It provides direction and clarification on how we conduct our daily business. It proceeds from the recognition that high business ethics and personal integrity ensure our credibility and reputation as a Company and as a Group.

Our Code of Behaviour is anchored on our Corporate Values and the Unicem's Code of Conduct. The Values are supported by company standards in the form of policies, procedures, systems and programs relating to behaviour and performance. The CoB is a fundamental reference manuscript for employees of UniCem. We believe that stating our values and principles in this manner clarifies the path we choose as we work for UniCem Nigeria.

All of us are expected to adhere to this Code of Behaviour in both letter and spirit. Violations against this Code will not be tolerated. Non-compliance will be dealt with in a manner that is fair and firm and in accordance with due process.

B. General Principles

Corporate Governance

Corporate Governance aims at protecting the legitimate interest of our stakeholders in an appropriate and effective way.

Corporate Governance considerations are consistently reflected in our evolving organizational structure and procedures.

Corporate Social Responsibility

We recognize our social responsibility and aim to improve the quality of life of our workforce, their families and the communities around our operations.

We pursue a clear policy dealing with employment practices, occupational health and safety, community involvement as well as customer and supplier relations.

Sustainable Environmental Performance

We strive to preserve the environment for future generations by striking a balance between economic growth and continuously improving environmental performance and social

responsibility.

Compliance

Appropriate measures are put in place to assist in complying with applicable laws and regulations in Nigeria in particular with regard to:

Fair Competition

We respect principles and rules of fair competition prohibiting anti-competitive behaviours and the abuse of a dominant market position.

Bribery and Corruption

We will not utilize bribery and corruption in conducting our business. We will not offer or provide, either directly or indirectly, any undue pecuniary or other advantage for the purpose of obtaining, retaining, directing or securing any improper business advantage.

Insider Trading

Each of us who has access to insider information, likely to result in substantial movements in the price of the stock or any other financial instruments of an involved company, shall comply with applicable insider-trading laws.

Use and Protection of Assets and Information

Each of us entrusted with property belonging to or controlled by UniCem is responsible for the careful use, protection, expenditure and administration of such assets.

We use and protect confidential proprietary information, except to the extent we are required to disclose such information in the proper course of our duties.

We pay particular attention to IT aspects such as data protection and data security.

Conflict of Interest

In situation in which our personal or financial interest may conflict materially with those of UniCem, we are expected to fully disclose them.

We shall not take part in any business activities of UniCem were we may be influenced by our personal relations that are, or may be, construed as a hindrance to objective decision taking.

If we see ourselves in a potential conflict of interest, we shall seek advice from line management or from our legal counsel so that an appropriate solution can be found.

Gift and Donations

We are prohibited from offering, soliciting or accepting gifts and donations related to our business. However, entertainment and gifts of insignificant monetary value arising out of ordinary corporate hospitality are acceptable.

Donations for political or social purposes are permitted only within the limits of local laws and in

complete transparency.

Records and Accounting

All business transactions are recorded in a true, fair and timely fashion.

In accordance with established procedure, appropriate accounting systems, controls and audit, we ensure the reliability and accuracy of our accounts, records and reports.

Communication

We have a clear communication policy with our shareholders, employees and other stakeholders. We commit ourselves to open, transparent, impartial and timely information.

Responsibility

Each of us is responsible to know the relevant laws and regulations including this Code of Conduct.

In all business situations where the requirements of the law or this Code of Conduct appear incomplete or unclear, each of us shall use good judgment and common sense, and if needed, seek advice from line management and our legal counsel.

All of us are expected to adhere to this code of Conduct in both the letter and the spirit.

Violations against this Code of Conduct will not be tolerated. Non-compliance may be subject to disciplinary sanctions including termination of employment.

C. Guide Behaviours

Employees are expected to behave in a manner that is consistent with our Corporate Values.

STRENGTH

1. We act responsibly and with integrity.

We are expected to:

- 1.1. Be fair, honest and ethical.
- 1.2. Be consistent in words and actions.
- 1.3. Honour commitments and promises.
- 1.4. Seek and give truth.
- 1.5. Protect and respect confidentiality of information.
- 1.6. Exercise accountability and accept the consequences of our actions.

2. We build strong relationships with our employees, customers, suppliers, contractors and other stakeholders.

Each employee is a dedicated, highly motivated and skilled professional, building trust and confidence among our customers and other stakeholders.

We are expected to:

- 2.1. Treat others with respect and dignity.
- 2.2. Value diversity in our workforce and respect individual differences.
- 2.3. Practices open communication and value feedback.
- 2.4. Value partnership with stakeholders.

PERFORMANCE

3. We take pride in performing well and recognizing and celebration our success.

Our expertise, passion and enthusiasm are key to our performance.

We are expected to:

- 3.1. Know, understand and perform our responsibilities well, ensuring the delivery of quality results.
- 3.2. Know, understand and comply with company policies, procedures, and guidelines that govern our work standards.
- 3.3. Observe work schedules.
- 3.4. Take responsibility and hold ourselves accountable for our performance.
- 3.5. Recognize good performance or positive contribution of others.

4. We demand excellence from ourselves and continuously search for better ways to do things.

We strive to create a work environment that encourages continuous improvement.

We are expected to:

- 4.1. Build competence and exercise diligence in our work.
- 4.2. Find resources and seek support to enable delivery of good performance.
- 4.3. Be proactive in responding to the needs of our internal and external stakeholders.

5. We work as a team to provide sustainable value to our stakeholders.

Teamwork is one of the foundations of an effective and successful organization. It also contributes to a work environment that is fun and vibrant.

We value individual skills and strengths, and unity in diversity. We strive to create a culture that respects the individual, and fosters collaboration and participation.

We are expected to:

- 5.1. Contribute to the overall team effort.

- 5.2. Support team initiatives and implement decisions.
- 5.3. Energize and inspire each other.
- 5.4. Foster an atmosphere of good working relationship based on mutual trust and respect.

PASSION

6. We aim for zero harm to people

The company commits to provide a safe and healthy work environment in all our facilities.

We are expected to:

- 6.1. Know, understand and fully comply with safety rules and regulations.
- 6.2. Be responsible for our own safety and that of others.
- 6.3. Know, understand and comply with occupational health requirements.

7. We empower our employees to achieve their full potential.

We are expected to:

- 7.1. Be responsible for our personal and professional development.
- 7.2. Learn skills needed to perform our job.
- 7.3. Accept or volunteer for assignments and new work challenges and responsibilities.
- 7.4. Foster opportunities for others to grow and learn.

8. We care about our customers and their success.

We seek to develop new solutions, products and processes to better meet the needs of our internal and external customers.

We are expected to:

- 8.1. Listen, understand and anticipate the needs of customers.
- 8.2. Deliver the highest standards of customer satisfaction.

9. We are dedicated to the communities we live and work in.

We are expected to:

- 9.1. Act responsibly and contribute positively to the communities where we operate.

III. Approach to Non-compliance

Employees normally aspire to do well in their respective jobs and responsibilities and align their behaviour with the values of the company. However, there are situations when an employee fails to:

- **Meet performance standards**, that is, failure to deliver on the goals and objectives as agreed in the Dialogue, of perform the responsibilities and accountabilities as defined in the job description; or
- **Exhibit the expected behaviours**, that is, failure to follow company policies, procedures, work instructions, rules and regulations or professional standards; or act in a manner that is inconsistent with the Code of Behaviour and applicable laws.

In addressing these performance and behavioural gaps, the company adopts reformatory and corrective approaches.

A. Reformatory Approach

We provide employees the opportunity to reform in situations where there is a lapse in performance or behaviour. The reformatory approach allows the employee to analyze, understand and correct performance or behavioural gap. It focuses on early correction of a problem and holds the employee responsible for his own actions. This can be in the form of coaching and relevant interventions as agreed upon by the employee and his supervisor.

B. Corrective Approach

The corrective approach holds the employee accountable for his performance or behavioural gap by way of a penalty to deter similar violations in the future.

Fraud, corruption or similar acts are serious violations of the Code of Behaviour and are considered terminable offenses. In this case, the reformatory approach is not applicable.

An employee reported to have committed an infraction to the CoB is entitled to **Due Process**.

Reformatory and Corrective Actions

Reformatory or corrective action must be fair and appropriate. The decision on the appropriateness of the action shall be based on the gravity, frequency, circumstance, and impact of the performance or behavioural gap as may be shown in the results of the Due Process.

A corrective action must be accompanied with a reformative action to sustain improvement except for separation decision.

A. Reformative Action

Action	Description	Application
Coaching for improvement	<p>Coaching is guiding, motivating and making the employee recognize and commit to address performance or behavioural gap.</p> <p>The aim is to improve performance or behaviour of the employee by providing feedback and motivation.</p> <p>Coaching should be immediate and specific.</p>	When the observed or reported gap is minor or is a first-time violation and can be corrected immediately
Improvement Plan	<p>A specific and measurable action plan that the employee commits to follow in order to address performance or behavioural gap.</p> <p>This could be in the form of:</p> <ul style="list-style-type: none"> ▪ Clarification of expectations ▪ Review of Dialogue agreements ▪ Specific training requirements including self-learning ▪ Other similar interventions 	When there is a gap in knowledge or skills that hinders good performance, or a gap in proper behaviour, and when this can be corrected within reasonable period given appropriate guidance and intervention.
Sharing of Learning	<p>This involves sharing of experience and learning with relevant stakeholders.</p> <p>The aim is to have the employee internalize the lessons and share these with others so that similar situations may be avoided.</p>	When an employee commits a performance or behavioural violation that is likely to be repeated by other employees, (e.g. safety) and there is value in sharing lessons learned.

B. Corrective Action

Action	Description	Application
Written Reminder	<p>A documented reminder to warn an employee of a gap.</p> <p>The aim is to enforce performance and behavioural improvement and to make the employee realize the importance of correcting the gap.</p> <p>This action is a prelude to potential severe penalty if the performance or behaviour gap is not addressed.</p>	When an employee fails to meet performance or behavioural standards and the impact to person, productivity, efficiency, or financial is minimal.*

Suspension	<p>Suspension is forced absence from work without pay.</p> <p>The aim is for the employee to realize the impact of the undesirable performance or behaviour and to reflect on future action or decision with regard to his work.</p> <p>Suspension ranges from a minimum of 3 work days to a maximum of 7 work days.</p>	<p>When an employee repeatedly (up to 3rd time) fails to meet performance or behavioural standards, or when the impact of the infraction to person, productivity, efficiency, or financial is moderate*.</p>
Separation	<p>Separation is a sanction applied for serious violation of the CoB.</p> <p>An employee may be separated through:</p> <ul style="list-style-type: none"> ▪ Dismissal for Cause, in which case the employee will not be entitled to claim benefits from the retirement plan, or ▪ Termination, in which case the employee may claim benefits from the retirement plan. ▪ Voluntary separation may be allowed depending on the circumstances of the case, subject to approval of the Functional Head and HR Head and/or MD 	<p>When an employee commits:</p> <ul style="list-style-type: none"> ▪ Gross and habitual neglect of duties, or ▪ Wilful disobedience of lawful orders of the company or its representatives in connection with his work, or ▪ Serious misconduct, or ▪ Fraud or corruption, or ▪ Acts that result in loss of trust and confidence, or ▪ A crime or offense punishable by imprisonment, or ▪ An act where the impact to person, productivity, efficiency, or financial is substantial*, or ▪ Other causes similar to the foregoing, or <p>When an employee continually (more than 3 times) fails to meet performance or behavioural standards.</p>

*the financial impact varies depending on the employee's position and nature of the job. Whether the impact is substantial, moderate or minimal, will be determined by the investigating committee in concurrence with the Department or Functional Head taking into consideration the nature of the job and the circumstances of the infraction.

IV. Due Process

In administering the CoB, the Company commits to observe Due Process at all times regardless of the nature of the offense.

A. Performance Gap

Step	Process	Description	Responsible	Reference
1	Observation and report	<ul style="list-style-type: none"> • Observe and report (if not observed by the supervisor) performance gap • Dialogue rating showing below 	<p>Anyone Supervisor HR</p>	<ul style="list-style-type: none"> - Dialogue - Performance or Behavioural

		expectation –“D” performance		Gap Report
2	Validation	<ul style="list-style-type: none"> Gather relevant data and facts <ul style="list-style-type: none"> Impact, frequency Support provided to achieve goal Past discussions, actions, etc. Determine performance gap based on CoB Decide whether to proceed with informal coaching or the next step 	Supervisor with HR	<ul style="list-style-type: none"> Dialogue Job description Other reports
		<ul style="list-style-type: none"> Coach employee for first time or minor gap 	Supervisor	-
3	Notice of Gap	<ul style="list-style-type: none"> Inform employee of the gap Ask him to explain within 2 working days depending on the urgency of the matter 	Supervisor	- Notice of Gap
4	Explanation	<ul style="list-style-type: none"> Prepare and submit explanation Provide supporting documents as need 	Employee	- Written explanation
5	Decision	<ul style="list-style-type: none"> Review and decide appropriate reformative or corrective action in consultation with HR Prepare Corrective Action memo Inform employee of the decision Agree on improvement Plan where applicable 	Functional/ Departmental Manager Supervisor HR	<ul style="list-style-type: none"> Corrective Action Memo Improvement Plan
6	Implementation	<ul style="list-style-type: none"> Implement decision Decision must be implemented within 5 working days from the date of decision except for <u>separation</u> which should be <u>implemented immediately</u>. 	Supervisor HR	- Improvement Plan

- Performance gap must be addressed immediately or as appropriate.
- An employee with performance of below expectation (“D”) rating at year end will automatically be served with a Notice of Gap, and Due Process will be followed to ensure that that gap is addressed.

B. Behavioural Gap

Step	Process	Behavioural	Responsible	Reference
1	Report observation	<ul style="list-style-type: none"> Observe and report (if not observed by the supervisor) behavioural gap Inform HR of infraction Fraud or corruption issue may be reported directly to Immediate Superior, Excom or Operations Director. 	Anyone or Supervisor	Performance or Behavioural Gap Report
2	Validation	<ul style="list-style-type: none"> Gather and document information and relevant facts May conduct interviews, internal audit, lifestyle check or special investigation Determine specific infraction based on CoB 	HR Supervisor Responsible	Performance or Behavioural Gap Report

		<ul style="list-style-type: none"> Decide whether to proceed with informal coaching or the next step <ul style="list-style-type: none"> Coach employee for first time or minor gap Fraud or corruption cases may be validated at the department or functional level before elevating to the Anti Fraud & Corruption Committee 	Manager	
3	Notice of Gap	<ul style="list-style-type: none"> Inform the employee of the gap Ask to explain within 24 hrs Preventive Suspension will be imposed where the continued presence of the employee concerned may impact the investigation or poses danger or threat to the company, co-employees or other stakeholders. <p>Preventive suspension shall be imposed for a maximum of 30 calendar days with compensation.</p>	Supervisor and Manager with HR	Notice of Gap Preventive Suspension Memo
4	Explanation	<ul style="list-style-type: none"> Prepare and submit explanation Provide supporting documents, as needed 	Employee	Written Explanation
5	Investigation	<ul style="list-style-type: none"> Depending on the seriousness of the violation, investigation and review will be conducted by: <ul style="list-style-type: none"> Supervisor or next level manager Ad hoc or Peer Review Committee Anti Fraud and Corruption Committee HR and Departmental /Functional Head will determine the appropriate Committee Conduct investigation Submit findings and recommendations to the concerned Department or Functional Head. 	HR Supervisor/ Manager Committee	Investigation Report
6	Decision	<ul style="list-style-type: none"> Decide appropriate action based on investigation findings and recommendations and in consultation with HR Prepare Corrective Action Memo Inform employee of the decision in writing Agree in improvement Plan if applicable <p>Penalty shall be decided as follows:</p> <ul style="list-style-type: none"> The Operations Director has the final decision in the case of Plant employees on JB 12 – 8 while employees on JB 7 and above, the Operations Director or the Head of Department make his recommendations to HR Director who liaises with the MD for final decision. 	Department / Functional Head HR Supervisor	Corrective Action Memo Improvement Plan if applicable
7	Impleme	<ul style="list-style-type: none"> Implement decision 	Supervisor	Improvement

	ntation	<ul style="list-style-type: none"> Decision must be implemented within 5 working days from the date of decision except for separation which must be done immediately, Monitor progress of employee, conduct coaching and other intervention as needed 		Plan
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Timeframe to address a gap.

It is the interest of the employee and the company to address behavioural performance gap immediately.

- A gap must be address and decided with **14 calendar days** from the observation or the receipt of the report, except for serious offences which may take longer to reach a decision, e.g. fraud.
- The concerned manager shall explain in writing if no action or decision is made within the 14 day period.
- An employee subjected to an improvement Plan must show improvement in performance or behaviour based on agreed targets and timeframe but not to exceed six (6) months. The improvement must be sustained.
- Report or observation or non-compliance to the CoB can no longer be pursued nor used as a reference to penalize an employee if no action has been taken after three (3) months from the observation or discovery of the incident.

V. Roles and Responsibilities

Developing and maintaining a productive and disciplined workforce is a joint responsibility of the following:

1. **Employees.** Every employee is expected to perform and contribute to the success of the organization and act according to the values and code of Behaviour of the company. It is his responsibility to seek, understand and comply with the company’s policies, systems and procedures as well as to report any violations to CoB.
2. **Supervisor/ Immediate superior.** The supervisor is responsible for ensuring that his direct reports are provided with appropriate information and orientation regarding the code of Behaviour.

The superior shall report an infraction, observe Due Process, implement and monitor status and results.

3. **Department Head.** The Department Head shall review, recommend or decide on disciplinary actions based on the recommendation of his immediate report or the Committee (Ad hoc or Peer Review Committee or Anti Fraud and Corruption Committee).

4. **Human Resources Department.** HR ensures that the CoB is updated and communicated to all stakeholders.

It is the responsibility of HR to ensure consistent implementation of the CoB, safe-keep records and maintain pertinent database.

5. **Excom/ Functional Head.** The Excom approves the review and amendments to the CoB. The Functional Head ensures consistent application and implementation of the CoB within his area

6. **Anti and Corruption Committee.** This Committee is tasked to evaluate, conduct investigation and decide on fraud or corruption reports

This Committee, composed of not more than five (5) members, is responsible for the conduct of an investigation and ensures a fair and speedy process.

The findings of the Committee are recommendatory and subject to the final disposition by the Operations Director (in case of Plant employees on Job Grade 12-8) and the MD in all other cases in conjunction with HR Head.

VI. Communication

This CoB serves as guide in the way we do business. Each employee has the responsibility to know and apply the CoB as well as to understand the implications and consequences for non-compliance. Ignorance of company policies, systems and procedures and of this Code cannot be as an excuse for an infraction and its corresponding disciplinary legal actions.

The CoB is communicated to all employees using various avenues:

1. Orientation. All employees will be given appropriate orientation on the new CoB.
2. Brochure. Each employee will receive a CoB brochure which will be fully acknowledged.
3. Intranet. A copy of the CoB, including related policies and procedures, will be available in the intranet.
4. Database of CoB application. This will be used for reference by supervisors and CoB committee in the event of investigation.
5. Open discussion. Employees are encouraged to ask questions or seek clarifications from their immediate superior, manager or to HR with regard to the content and interpretation of the CoB.

VII. Annexes

- A. Conflict of Interest Procedure.
- B. Anti Fraud and Corruption Policy.
- C. Examples of Non-compliance with the CoB.
- D. Definition of Terms.
- E. Forms.

CoB 01: Performance or Behavioural Gap Report

CoB 02: Notice of Gap

CoB 03: Improvement Plan

CoB 04: Corrective Action Memo

CoB 05: Employee Disclosure Statement

- F. Acknowledgement.

Annex A. Conflict of Interest Procedure

The procedure on Conflict of Interest is an integral part of the Code of Behaviour and must be complied with by all concerned:

1. All employees are required to disclose the following personal interest:
 - a. Business Ownership, securities or investments that could interfere with one's duty to the company
 - b. Outside position and business participation
 - c. Outside professional engagement
 - d. Position and business participation of relatives up to the 4th degree of consanguinity and affinity or personal relations that could cause probable conflict of interest
 - e. Gifts and other consideration received from suppliers or contractors. Acceptable considerations are limited only to those arising from ordinary corporate hospitality
2. All suppliers and contractors are required to disclose any affiliation or personal relations with any employee or officer of UniCem Nigeria Ltd. prior to accreditation or awarding of contract bids:

Failure to comply with this requirement shall be a disqualification or non-accreditation.
3. Suppliers and contractors are prohibited to give gifts and other consideration to employees of UniCem Nigerian Ltd except those arising from ordinary corporate hospitality.

4. It shall be the responsibility of the employee to disclose possible conflict of interest as defined above by submitting the Employee Disclosure Statement to his Supervisor to HR.

Annex B. Anti Fraud and Corruption Policy (the “Policy”)

A. Policy Statement

United Cement Company of Nigeria Limited (UniCem) is committed to sound corporate governance and will not tolerate fraud or corruption by its employees, customers, suppliers and other stakeholders. The Company shall put in place systems and procedures to prevent or address fraud or corruption issues. Every case of attempted, suspected or proven fraud or corruption will be addressed in a thorough and expedient manner.

B. Guiding Principles

This Anti Fraud and Corruption Policy is based on fundamental principles that:

1. The Company has the right to protect its assets and reputation, and the obligation to provide a secure environment for its employees.
2. All employees are required at all times to act honestly and with integrity and observe the highest degree of ethical, personal and professional standards.

C. Definition of Fraud and Corruption

Fraud is a deception deliberately practiced, whether consummated or attempted, and executed with malice by an individual or group of people internal or external to the organisation, in order to secure unfair or unlawful gain, regardless of the degree of impact to the organisation. It may be in the form of:

- False representation
- Failing to disclose information
- Abuse of position
- Unauthorized or misuse of information, or
- Acts analogous to the above.

Corruption is defined as the act of offering, giving, soliciting or accepting inducement or reward which may influence the action or decision of a person for personal gain.

D. Roles and Responsibilities

1. Executive committee

The Executive Committee ensures that suitable policies, systems and procedures are in place to safeguard the Company against fraud or corruption.

The Excom shall provide the avenue to allow anyone to report acts or suspicions of fraud or corruption in the organisation without compromising personal security. It shall ensure that the Policy is communicated to all employees and stakeholders of the company.

The Excom shall ensure that reported acts of fraud or corruption shall be investigated thoroughly and appropriate disciplinary and/or legal actions are taken. It shall ensure that a review of systems or procedures is conducted and changes, if needed, are implemented to prevent similar acts from happening.

2. Functional Head

The Functional Head shall put in place appropriate policies, systems and procedures to prevent or detect the commission or acts of fraud or corruption in his functional area.

He shall communicate and implement this Policy as well as report and initiate investigation of reported, observed or suspected fraud or corruption in his functional area.

3. Anti Fraud and Corruption Committee (the “Committee”)

The anti Fraud and corruption Committee is responsible for the following:

- Administer and implement the Policy
- Investigate and decide fraud or corruption cases elevated by the Functional Head
- Report cases of fraud or corruption to the Excom and the Audit Committee of the UniCem Board.

The Committee is composed of the following:

Chairman: Chief Financial Officer

Members:

- Human Resources Director
- Legal Manager
- Internal Audit Manager
- Excom member of functional area affected

In case a member of the committee or a member of the Excom is involved or is implicated in a fraudulent or corruption activity, he must inhibit himself from participating in the Committee’s proceedings. If deemed necessary, the Committee, at its option, may elevate the matter to the Audit Committee of the UniCem board for further investigation and/or appropriate action.

4. Manager

Every manager shall communicate this Policy in his department. He shall be responsible for the prevention, detection or reporting of fraud or corruption in his area.

5. Employee

Every employee is expected to comply with Company policies, procedures and work standards, and must act honestly and with integrity in the performance of his function.

It is the responsibility of every employee to immediately report observed or suspected fraudulent or corrupt act/activity to his immediate superior, Operations Director or any member of the Excom.

E. Disciplinary Action

Cases of proven fraud or corruption shall be dealt with in accordance with the Company’s Code of Behaviour.

F. Fraud and Corruption Response Plan (the “Plan”)

The Fraud and Corruption Response Plan is a guide for the proper handling of fraud or corruption issues.

1. Objective

The Plan is intended to provide guidelines to all employees in cases they observe or suspect acts of fraud or corruption by any employee or by external party conducting business with the company. It shall ensure that timely and effective actions are taken in order to prevent damage or prejudice, and that appropriate sanction is imposed.

2. Reporting Acts of Fraud or Corruption

An employee shall immediately report observed or suspected acts of fraud or corruption to his immediate supervisor, Operations Director or any member of the Excom. An external party may report to any of the Company. An employee who receives such information shall thereafter report the said information to his immediate superior, Operations Director or any Excom member.

Acts or suspicions of fraud or corruption maybe reported oral or in writing. To avoid frivolous, false or malicious allegations, the Company shall not entertain anonymous letters, unknown calls or messages in any form of alleged fraudulent or corrupt act committed by an employee or stakeholder of the company.

The Company guarantees that the identity of the reporting employee shall not be revealed, if so requested. The Company shall provide feedback to the reporting individual on the results of the investigation within a reasonable time from the conclusion thereof.

3. Evaluation and Investigation

The Department Manager, in coordination with HR, shall conduct an initial investigation to validate the facts of any report of fraud or corruption.

If grounds for further investigation exist, the Manager shall immediately report to the Functional Head, who in turn shall elevate the issue to the Committee.

The Committee shall ensure that appropriate action is taken on the report. The services of internal Audit or Specialists may be availed of to assist with the investigation, as the Committee may deem necessary. Appropriate sanction shall be imposed in accordance with the Code of Behaviour.

Upon conclusion of the investigation, the Committee shall submit a written report on the proceedings to the Excom and the Audit Committee of the UniCem Board.

4. Preservation of Evidence

All documents and evidence used in the investigation shall be preserved in accordance with prevailing company policy on Document Retention.

5. Asset recovery

The company shall exert best effort to recover the losses sustained as a result of fraud or corruption.

G. Review

This Anti Fraud and Corruption Policy shall be reviewed as may be recommended by the committee.

Below are some examples of behaviour and performance gaps and the corresponding violations in the CoB

Behaviour Exhibited	CoB Violated
Engaging in a fight within company premises	<ul style="list-style-type: none"> ▪ Foster an atmosphere of good working relations based on mutual trust and respect ▪ Be responsible of own safety and that of others
Delaying repair work without valid reason	<ul style="list-style-type: none"> ▪ Know, understand and perform our responsibilities well, ensuring delivery of quality results ▪ Meeting Dialogue expectations and work standards
Attempting to bring out company materials e.g. cables, grinding balls with proper authorization	<ul style="list-style-type: none"> ▪ Protect company assets and exercise diligence in their efficient use ▪ We act responsibly with integrity
Borrowing money from contractors or customers	<ul style="list-style-type: none"> ▪ Avoid actual or apparent conflict of interest in personal and professional relationship ▪ Breach of Trust
Awarding bids or contracts to contractors who is a relative of the spouse or self	<ul style="list-style-type: none"> ▪ Avoid actual or apparent conflict of interest in personal and professional relationships. ▪ Promote transparency ▪ Adhere to the Procurement Code of Practice
Providing sales volume information to competitor	<ul style="list-style-type: none"> ▪ Protect and respect confidentiality of information
Sleeping while on duty	<ul style="list-style-type: none"> ▪ Observe work schedules ▪ Know, understand and perform our responsibilities well, ensuring delivery of quality results.

Annex D. Definition of Terms

- a. **Employee** means all regular, full-time, part-time, temporary, and direct hired contractual employees, as well as officers of the company.

- b. **Company policy** shall mean all existing policies promulgated, approved and not otherwise repealed or abrogated by the company.
- c. **Rightful or proper authority** shall mean such person exercising control or supervision over a particular section, department or function.
- d. **Conflict of interest** shall mean when an official or employee of the corporation acts on a matter that affects his private interests such as his business, his relatives, or his properties or that condition which may impair the individual's objectivity or impartiality or could create an unfair competitive advantage for any person or organisation.
- e. **Serious misconduct** means improper or wrong conduct. It is the transgression of some established and definite rule of action, a forbidden act, a dereliction of duty, wilful in character, and implies wrongful intent and not mere error of judgment.
- f. **Wilful disobedience** shall mean the concurrence of two (2) requisites namely (i) the employee's assailed conduct must have been wilful, that is characterized by a wrongful and perverse attitude; and (ii) the order violated must have been reasonable, lawful, made known to the employee and must pertain to the duties which he had been engaged to discharge.
- g. **Gross Negligence** implies a want or absence of or failure to exercise slight care or diligence, or the entire absence of care in the performance of one's duties. It evinces a thoughtless disregard of consequences without exerting any effort to avoid them.
- h. **Repeated** shall mean if an employee within a period of six (6) months from his first infraction/performance gap shall commit another infraction of the same nature up to the 3rd time.
- i. **Continuous neglect** implies habitual failure to perform one's duties for a period of time of more than 3 times.

Annex E. Forms

CoB 01: Performance or Behavioural Gap Report

To :

Cc :

From :

Date :

Subject : **Performance / Behavioural Gap Report**

Employee Concerned : _____

Position : _____

Department/Section : _____
Group : _____
Date of Incident : _____

FACTS: (use additional sheet if needed to fully explain the violation)

Reported by:

Name

CoB 02: Notice of Gap

UniCem Nigeria Limited

To :
Cc :
From :
Date :
Subject : **Notice of Gap**

This is to inform you of a reported incident or gap in your performance or behaviour as follows:

Incident	
CoB Violation	

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You are required to submit a written explanation within _____ day(s) (not exceeding 2 days) from receipt of this memo

You are reminded that failure or refusal to comply with this directive shall be construed as waiving your right to be heard.

For your compliance.

Immediate Supervisor

Acknowledgement/Received By:

_____/_____
Employee's Signature / Date

Copy: HR

CoB 03: Improvement Plan

UniCem Nigeria Limited

Name of Employee		Date	
Department / Function			
A. Supervisor's Discussion Guide			
	1. Open by identifying improvement opportunity a. State purpose of discussion b. Identify importance (impact on/benefits to person, team, organisation)		
	2. Clarify details about the performance or behaviour gap a. Seek and share information b. Identify issues and concerns		
	3. Develop ideas for improvement a. Seek and discuss ideas b. Explore needed resources and support		
	4. Agree on specific plan and self-monitoring method a. Specify actions, including contingency plan if appropriate b. Confirm how to measure progress		
	5. Close by summarizing and confirming positive expectations a. Highlight important features of plan		

b. <i>Confirm confidence and commitment</i>		
B. Performance or Behavioural Gap		
Situation / Task	Action (Performance or Behaviour)	Result / Consequence
C. Improvement Action		
Action	Alternative Result / Measure	Support Needed
D. Sign off		
Name	Signature	Date
Employee		
Supervisor		
Manager		
E. Monitor Progress (up to 6 months)		
Review / Date	Status	Sign off (Employee / Supervisor)
1st review: date		
2nd review : date		
3rd review : date		

CoB 04: Corrective Action Memorandum

UniCem Nigeria Limited

To :

Cc :

From :

Date :

Subject : **Corrective Action Memo**

This is to inform you of a reported incident or gap in your performance or behaviour as follows:

Incident	
CoB Violation	

Corrective Action	

For compliance.

Department / Functional Head

Acknowledgement/Received By:

_____/_____
Employee's Signature / Date

CoB 05: Employee Disclosure statement

UniCem Nigeria Limited

Name	Position	Holding Position Since			
Function	Department	Date of Disclosure			
I. Employee's Business Participation Outside HPHI					
Name of Company	Address	Type of Business / Organisation	Position Held		
II. Employee's Relative(s)* Business Participation (with Business dealing with HPHI)					
*4 th degree of consanguinity and affinity or anyone with personal relationship with the employee					
Name of relative	Relationship to Employee	Name of Company	Address of Company	Type of Business/Organisation	Position held by relative

III. Employee's outside profession engagements

Name of Client	Address of Client	Nature of Engagement	Type of Organisation

IV. Gifts and consideration from suppliers received last year

Name of Supplier	Company	Address	Type of Business	Gift received	Date Received

I hereby certify that the statement I have made in his form and all attached statement are true, complete, and correct to the best of my knowledge.

Employee Signature		Supervisor's Signature		HR Copy	
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*A degree of consanguinity or affinity is the measure of how far removed a person is from his collateral and direct relatives. It is measured by counting the number of times an ascent is made to the common ancestor and the descent made to the person with whom the computation is to be made. Hence, a person is 1 degree removed from his parents; 2 degree removed from his brother; 3 degree removed from his uncle and aunt; and, 4 degrees removed from his first cousin.

Copy:

- Employee's copy
- 201 file

Annex F. Acknowledgment

I acknowledge the receipt of the UniCem Nigeria Limited Code of Behaviour which took effect on October 1, 2009.

Furthermore, I acknowledge that the contents of the CoB, including Conflict of Interest procedure and Anti Fraud and Corruption Policy, has been thoroughly explained to me during the CoB orientation conducted on _____

Employee : _____

Signature : _____

Date Signed : _____

Copy:

- Employee's copy
- 201 file