

Formal Code of Conduct

Mahmood Textile Mills Limited

(Approved by the Board of Directors)

1. Introduction

Mahmood Textile Mills Limited ("the Company") is committed to maintaining the highest standards of integrity, transparency, and ethical behavior. This **Code of Conduct** establishes the principles that guide the actions of employees, management, and directors, ensuring compliance with all relevant laws and regulations while promoting a healthy and sustainable workplace environment. This Code applies to all individuals associated with the Company, regardless of their role or location.

2. Compliance with Laws, Regulations & HR Policies:

All employees, officers, and directors must fully comply with the laws, regulations and HR policies applicable in Pakistan. Non-compliance is not tolerated, and ignorance of the law is not considered a defense.

3. Integrity and Ethical Behavior

- Employees and directors are expected to act honestly, fairly, and ethically in all business dealings.
- All transactions and interactions with customers, suppliers, regulators, and other stakeholders should be conducted with the highest level of integrity.
- Dishonest practices, including fraud, misrepresentation, or manipulation of information, will result in disciplinary action, including potential termination.

4. Confidentiality

- Employees and directors must maintain confidentiality concerning the Company's sensitive information, including trade secrets, financial data, marketing strategies, and internal processes.
- Confidential information must not be disclosed to third parties without proper authorization, except when required by law.
- The obligation to protect confidential information continues even after employment or directorship ends.

5. Workplace Environment

- The Company is committed to maintaining a safe, healthy, and harassment-free work environment.
- Discrimination based on race, religion, gender, age, disability, or any other unlawful criterion is prohibited.

- All employees are expected to treat each other with respect and dignity, promoting a culture of mutual respect and collaboration.

6. Conflict of Interest

- Employees and directors must avoid any situation where personal interests conflict or appear to conflict with the Company's interests.
- Any potential conflict of interest, whether financial or otherwise, must be disclosed immediately to the management or the Board of Directors.
- Employees must not engage in activities that compete with the Company's business or influence decisions for personal gain.

7. Insider Trading

- Employees and directors must not trade in the Company's securities while in possession of material, non-public information (insider information).
- Any trading based on insider information is illegal and subject to severe penalties under the law.
- Directors and senior management are also required to follow the reporting obligations under the **Securities Act, 2015** and other relevant laws.

8. Protection of Assets

- All employees must protect the Company's assets, including physical property, financial resources, and intellectual property, from damage, misuse, or theft.
- Company assets should be used exclusively for legitimate business purposes and never for personal benefit.
- Employees are responsible for maintaining the integrity of Company records and data.

9. Bribery and Corruption

- Mahmood Textile Mills Limited maintains a zero-tolerance policy towards bribery and corruption.
- No employee, director, or agent of the Company may offer, give, solicit, or receive any form of bribe or improper payment, whether in cash, goods, or services, in any business transaction.
- All business dealings must be conducted in a manner that prevents even the appearance of improper influence.

10. Health, Safety, and Environment

- The Company is committed to providing a safe and healthy working environment in compliance with all relevant health and safety laws.

- All employees must adhere to safety protocols and report any unsafe conditions to their supervisors immediately.
- Environmental responsibility is an integral part of the Company's operations, and employees are expected to follow environmental protection guidelines and practices.

11. Transparency in Financial Reporting

- Financial records must be accurate, complete, and maintained in accordance with international and local accounting standards, as well as regulatory requirements.
- Any attempt to falsify financial records or mislead auditors or regulatory authorities is strictly prohibited.
- Employees involved in the financial reporting process must ensure that all information is presented in a truthful, timely, and transparent manner.

12. Corporate Social Responsibility (CSR)

- Mahmood Textile Mills Limited recognizes its responsibility towards the community and the environment.
- The Company is committed to adopting sustainable business practices and contributing to social development through various CSR initiatives.
- Employees are encouraged to participate in activities that promote the welfare of the community and the environment.

13. Disciplinary Actions

- Any violation of this Code of Conduct may result in disciplinary action, up to and including termination of employment or directorship, depending on the severity of the breach.
- The Company reserves the right to report any illegal or unethical conduct to the relevant authorities.

14. Amendments and Review

This Code of Conduct will be reviewed periodically by the Board of Directors to ensure its relevance and effectiveness. Any amendments or updates to the Code will be communicated to all employees and stakeholders.

Detailed HR policies can be viewed at the HR Portal Mahmood Textile Mills Limited.

Acknowledgment:

I acknowledge that I have read and understood Mahmood Textile Mills Limited's Code of Conduct and agree to abide by the principles outlined herein.

Signature: _____

Name: _____

Date: _____

This formal Code of Conduct can be adapted further to fit any specific policies or guidelines unique to Mahmood Textile Mills Limited as a listed textile manufacturing company in Pakistan.