



# **MASOOD TEXTILE MILLS LIMITED**

CODE OF CONDUCT / ETHICS FOR EMPLOYEES AND DIRECTORS  
APPROVED AND UPDATED BY THE BOARD OF DIRECTORS OF  
THE COMPANY IN THEIR MEETING HELD ON 23RD DAY OF  
FEBRUARY, 2019.

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**MASOOD TEXTILE MILLS LIMITED**  
**CODE OF CONDUCT AND ETHICS CODE**

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**1. INTRODUCTION**

**1.1. PURPOSE AND SCOPE**

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The Listed Companies (Code of Corporate Governance) Regulations, 2017 requires every listed company to have formal code of conduct in place that promotes ethical culture in the company. The purpose of this Conduct and Ethics Code (the Code) to which Masood Textile Mills Limited (the Company) is committed, is to maintain the highest standards of conduct and ethics. The Company's objective is to getting results consistent with its values.

The board shall be responsible for disseminating code of conduct throughout the company along with supporting policies and procedures and these shall be put on the company's website.

This Code of Conduct (hereafter referred to as "Code") aims to provide a frame of reference, to the Directors and Employees of the Company, for seeking guidance in all actions.

**1.2. APPLICABILITY**

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The Code has been approved by the Board and is to be strictly observed by the Directors, Senior Management and other employees of the Company for the governance of good corporate practices. Any issue relating to the interpretation of the Code will be handled by the Board.

Any violation of the Code could result in disciplinary action, including termination of employment or criminal prosecution or both.

**1.3. DEFINATION**

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Word or Phrase	Explanation
BoD	Board of Directors of Masood Textile Mills Limited
CEO	Chief Executive Officer
Employees	All employees of Masood Textile Mills Limited
Senior Management	officers/personnel of the Company who are members of the core management team excluding the Board of Directors and shall comprise all members of management one level below the executive directors, including all functional heads
Director	a member of the Board
Code of Corporate Governance	Listed Companies (Code of Corporate Governance Regulation, 2017)

**2. POLICIES AND PROCEDURES**

**2.1. COMPLIANCE WITH LAWS, POLICY AND PROCEDURE**

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Directors/employees are bound by the law to comply with all the rules and regulations applicable to the Company and its employees with the highest principles of integrity, truthfulness, objectivity and honor. Directors/employees shall neither use their position to engage in unfair, deceptive or misleading practices nor shall they offer, promise or provide anything to a customer or supplier in exchange for an inappropriate advantage for himself or even for the Company. No payment or transaction shall be made

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or instructed to be made, without approval of authorized Personnel of the Company if the consequence of that transaction or payment would be the violation of any law in force

#### **2.2. CONFIDENTIALITY**

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Directors/Employee must maintain of sensitive information relating to the Company which comes to their knowledge in the course of duty. He should not make public such information which would harm the interests of the Company. Every employee must be cautious and discreet when using information categorized as "classified" or "confidential-restricted access." In case a third party or joint venture firm shares any confidential information, the information will be treated with agreed upon confidentiality agreement

All copies of correspondence, electronic data, documents, paper & records and list of clients or customers shall be surrendered to the company when any employee leaves the Company's employment or is no longer affiliated or connected with the Company.

#### **2.3. CONFLICT OF INTEREST**

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It is always expected from every director/employee to act in the best interests of the Company this means that business decisions should be made free from any conflict of interest. They should also appear impartial. Decisions must be made on sound business reasoning.

If a Conflict of Interest situation arises, the employee must immediately disclose it to the Head of Department or Human Resource Department so that matter can be handled timely and in a professional manner

#### **2.4. HONESTY, INTEGRITY, TRUTHFULNESS AND RESPECT FOR OTHERS**

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Directors/employees are bound by the law to comply with all the rules and regulations applicable to the Company and its employees with the highest principles of integrity, honesty, truthfulness, objectivity and honor.

No employee should indulge himself in any fraudulent activity. If he believes and finds anyone engaged in a fraudulent activity he should inform about it to his seniors and Head of Department

The Directors and Senior Management shall encourage employees of the Company to report violations of laws, rules, regulations or this Code to the appropriate personnel. Honest conduct means conduct that is free from fraud or deception.

#### **2.5. INSIDER TRADING**

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It is illegal for Director/employee and his spouse to purchase or sell securities/share of the Company if there have any non-public information concerning the company. If anybody engages in insider trading than he/she will face disciplinary actions including significant civil and criminal penalties.

#### **2.6. REPORTING AND FAIR DEALING WITH GOVERNMENTS AND REGULATORS**

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Directors/Employees are responsible for accurate reporting to the SECP, FBR, stock exchanges and other regulatory bodies. They should make possible that the financial statements of the Company are published and circulated among shareholders in time. Employees shall also maintain constructive relationship with regulators and Comply with all applicable laws, rules and regulations.

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#### **2.7. GIFTS & BENEFITS NOT ACCEPTED**

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Director /Employees shall not offer and accept gifts from persons or entities dealing with the Company, where any such gift is perceived as intended directly or indirectly, to influence any business decision or transaction. The Company shall not accept or permit any member of his/her family or any other person acting on his/her behalf to accept any gift from vendor, dealer, contractor, suppliers and anyone having business dealings with the Company.

#### **2.8. RECORD KEEPING**

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The Company shall maintain accounting records and its records with transparent manner and must be prepared accurately and honestly and fairly both by our accountants who prepare records of transactions and by any of us who contribute to the creation of business records.

#### **2.9. HARASSMENT POLICY MEASURES**

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Masood Textile Mills Limited is committed to provide and maintain a work environment that respects and uphold principles of personal dignity, privacy, inclusion and rights of every employee. Employees are responsible for understanding, abiding and upholding the commitment. Therefore employees must not discriminate on the basis of origin, nationality, religion or perceived religious affiliation, disability, race, gender, age. Employees can share their queries and concerns with the Human Resource Department or Head of Department in case of breach.

#### **2.10. EMPLOYEE TRAINING PROGRAM**

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The Company will offer competitive packages to the deserving candidates. The Company strongly believes in personnel development and employee-training programs are arranged regularly.

#### **2.11. SAFETY POLICY**

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The Company is highly concerned with the safety of both employees and non-employees on its premises and maintains standard operating procedures in case of emergencies. All the employees must follow these procedures and are required to inform their seniors in case of any mishap.

#### **2.12. WORK ENVIRONMENT**

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All employees are to be treated with respect. The Company is highly committed to providing its employees and directors with a safe, healthy and open work environment, free from harassment, intimidation, or personal behavior not conducive to a productive work climate. In response the Company expects consummate employee allegiance to the Company and due diligence in his job.

The Company also encourages constructive reasonable criticism by the employees of the management and its policies. Such an atmosphere can only be encouraged in an environment free from any prospects of retaliation due to the expression of honest opinion.

#### **2.13. COMMUNICATION**

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All communications, whether internal or external, should be accurate, forthright and where ever required, confidential. The Company is committed to conduct business in an open and honest manner and provide open communication channels that encourage candid dialogue relative to

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employee concerns. The Company strongly believes in a clean desk policy, and expects its employees to adhere to it not only for neatness but also security purposes.

#### **2.14. SALIENT FEATURE OF EMPLOYEE ETHICS CODE**

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- All the employees, other than those who are authorized, cannot carry any weapon whether on or off duty if they are using premises, vehicle or any other property of the Company.
- Employees should ensure that all assets of the Company must be used for the benefit of the Company. They are required to exercise best of their abilities and judgment to put the assets of the company for efficient use and benefit of the Company.
- All the employees of the Company are required to use computer and information technology system of the Company according to the Company information technology policy and guidelines.
- An employee should be mentally and physically fit when he is on work. He should not use any drugs. Even if he is using any prescribed medicine which might affect his performance at work he should inform about it to his senior.
- An employee should have contact information of his senior and inform him if he is not able to report on work.
- All the employees are required to promote culture of environmental protection among employees, customers, suppliers, public authorities and communities. They must use the Company's facilities and processes in an environmentally sustainable way.
- Employees must restraint themselves from any form of violence at the Company premises otherwise he will be terminated from his job.

#### **2.15. Compliance and breach of conduct and its policy**

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It is the responsibility of each director/employee to comply with this code. Failure to do so will result in appropriate disciplinary action, including possible warning issuance, suspension, and termination of employment, legal action and reimbursement to the Company for any losses or damages resulting from such violation. Compliance also includes the responsibility to promptly report any apparent violation of the provisions of this code.