



HR Policy Manual

For Mahmood Group of Companies

Approving Authority	Signature
Mr. Khawaja M. Ilyas	
Mr. Khawaja M. Younas	
Mr. Khawaja M. Muzaffar	
Mr. Khawaja Abdul Haq	
Mr. M Mohsin Khawaja	
Mr. Khawaja M. Mehr Ali	
Mr. Khawaja M. Qasim	
Mr. M. Anees Khawaja	
Mr. Khawaja M. Jawad	

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1 Introduction to the HR Manual

This Human Resources Manual has been prepared in order to document all current personnel-related policies that are to be applied to the employees of the Mahmood Group of Companies. It will help in minimizing the need for management staff meetings to resolve routine policy questions. It will promote fair and uniform administration of company policies. It will serve as an aid in recruiting new employees and will promote compliance with government employment and laws.

This manual contains human resources related policies, procedures and related forms for Mahmood Group of Companies. The Policies and procedures discussed in this manual are for Management Staff of the Organization, but some of the policies and procedures are also applicable to non-management staff.

This document is confidential and is the property of Mahmood Group of Companies. No unauthorized use shall be made of this document by anyone.

1.1 Objectives of the Manual

- To set out the policies, procedures and forms relating to all aspects of employment for use by Mahmood Group of Companies.
- To provide Mahmood Group of Companies with uniform rules in order to ensure equitable and consistent application of the company policies.
- To ensure that proper documentation and follow-up are available to support the personnel rules.
- To provide a tool for managers to ensure proper management control and follow-up.
- To communicate that the policies in this manual are applicable to the persons employed by Mahmood Group of Companies.
- To record the company's rules in order to ensure consistent application of the policies in Mahmood Group of Companies.
- To ensure that each manager administers these policies consistently and impartially to his/her staff.
- In order to achieve the above objectives, retains all managerial and administrative rights and prerogatives that include but are not limited to:
 - The right to exercise judgment in establishing and administering policies, practices, and procedures, and to make changes in them as directed by the Concerned Managing Director of Mahmood Group of Companies.
 - The right to take whatever action is necessary to achieve Concerned Managing Director Objectives and business needs.
 - The right to set the standards for employee productivity and performance.

1.2 Maintenance & Distribution of the Manual

The Concerned Chief Performance Executive of Mahmood Group of Companies is the process owner of this document. All enquiries and matters relating to the HR Manual should be addressed to him. Copies of this manual are distributed to the following:

- Directors
- Chief Performance Executive (CPE)
- Chief Executive Officer (CEO)
- HR Department
- Audit Committee

This Manual should always be kept in a safe custody and must not be copied/alterd without the prior approval of CPE. Contents of the Manual are confidential and are intended for internal use only. Under no circumstances may the content of the HR Manual be revealed to a third party without the written permission of the CPE. Requests for updating the Manual can originate from HR Department. The user may describe the suggested amendments with the rationale for the amendment to the CPE.

All updates will identify the revision date and will be distributed to the authorized persons, as mentioned above. The Group Head HR & OD will maintain a record of all updates to the HR Manual.

If there is any deviation required to execute day-to-day operations of the company, a prior permission shall be required from the CPE.

1.3 Human Resource Strategy of Mahmood Group of Companies.

Mahmood Group of Companies considers its human capital as the most valuable asset of the organization. In order to achieve a competitive edge over its competitors, aims to attract, develop, and retain the best human capital available in the market. For this Mahmood Group of Companies has adapted the following HR policies.

- To select and recruit employees on merit.
- To provide encouraging environment to all its employees.
- To be consistent in development of people by periodically conducting training needs analysis and implementation of the training plans for each employee.
- To develop employee relations with its employees in order to build an organizational culture of teamwork, trust, and satisfaction.
- To give the employees a fair opportunity to grow and progress in their careers by implementing monthly Performance Review System.

1.4 Role of HR Department

- To facilitate the process of implementation of fair policies for all the colleagues.

- To bring about a system of check and balance whereby management could make sure that no unfair action has been taken against anyone.
- To make every colleague's career at Mahmood Group of Companies rewarding and satisfying.
- To reward the efforts of high performers.
- To make sure that the best management practices are followed.
- To develop a culture based on performance, cost conscientious, and innovation.
- To advise the management on HR trends, policies, and procedures.
- To involve the Line Managers in the process of fair implementation of HR policies.
- To make Line Managers responsible and authoritative by owning the policies developed by the HR Department and approved by the CPE of Mahmood Group of Companies.

2 EMPLOYMENT POLICIES

2.1 Employment Types at Mahmood Group of Companies

Mahmood Group of Companies offers six types of employment.

- Permanent Employment.
- Contractual Employment.
- Internships.
- Management Trainee
- Third Party Employment.
- Daily Wage Based Employment.
- Apprentice

2.1.1 Regular (Full Time) Permanent Employment

Those employees who are hired to work as regular full-time employees (permanent employees) and they are eligible for the complete salary and benefit package offered by Mahmood Group of Companies. These employees are hired for jobs of permanent / continuing nature of work where they are required to complete a probation period of 3 months which shall not be extended more than 9 months by assigning proper written reasons of extension in probation. After completion of probation these employees are referred to as permanent confirmed employees. Permanent employees can be both in management and non-management staff grades.

2.1.2 Contract Employment

An employee hired for a specific and limited period. Contract employee means an employee who has been engaged for work on a short-term contract because a person suited to the post is not available at the time of appointment or the job is of limited time period (non-permanent nature). A job description is required before hiring procedure is followed. Contract staff is usually hired usually for a transitory period of nine (9) months and in no case exceeding eleven (11) months.

For such employees, all terms and conditions of employment will be conveyed in their employment contracts. All terms and conditions of contract will be written in contract letter, which will govern both employee and employer. In Contractual Employment there will be no employee benefits. Contractual Employee will get Total Monthly Package only. Contract employees can be both in management and non-management staff grades.

2.1.3 Intern

The third type of employment at Mahmood Group of Companies. It shall range from four to twelve weeks extendable on case-to-case basis, at the sole discretion of the Management. Intern will get the per month stipend as per term and condition of Internship letter. An intern is a learner who may be paid a fixed stipend/allowance during the period of his/her training/internship (for further details please see internship policy in chapter 'Training & Development').

2.1.4 Management Trainee Officers

Mahmood Group of Companies regularly runs an MTO Program in the months of March & April where it hires fresh university graduates in batches on training-based service contract. The recruitment and selection activity of MTOs will be run in the Month of March every year, and the selected candidates will be on-boarded on 1st July. These MTOs are hired for 12 Months duration where in first 3 months the MTOs will be rotated in different Units and departments at Mahmood Group of Companies and on the basis of their 3 months performance evaluation and aptitude test, they will be allocated to a specific department on 1st October for getting trained for the next nine months. The MTO Program will end on June 30th the next year.

2.1.5 Third Party Employment

The fifth type of employment is where the labor is hired on a Third Party's payroll to perform specified production tasks at Mahmood Group of Companies. Third party workers are not eligible to receive leave and other benefits and are also not entitled to rights of grievance and appeal directly from Mahmood Group of Companies. However, company will facilitate them for benefits through the contractor as per company policy.

2.1.6 Daily Wage Based

The sixth type of employment at Mahmood Group of Companies is Daily Wage Based Employment. For the tasks of temporary nature in production at Mahmood Group of Companies or for the tasks that need up to skilled & semi-skilled level workers the daily wage-based employees are hired and are paid consolidated daily wages at the end of 26 working days or at the end of job (if task is less than 26 Days). Daily Wagers total work tenure must not exceed 89 Days. Daily Wage of an employee can also be calculated on per piece produced by them.

2.2 Employment Categories at Mahmood Group of Companies.

Offers employment in two types of categories.

- Management Staff (Could be Permanent, Contractual, Interns)
- Non-Management Staff (Could be Permanent, Contractual, Daily Wagers or Third-Party Workers)

2.2.1 Management Staff

The staff who is having a minimum graduation degree after 14 years of education and is performing a white-collar job is hired in Management Staff Cadre. The Management Staff is from Grade M-1 to Grade M-13. (14 years minimum qualification) is necessary for all new entrants in management staff to be hired from July, 2023).

2.2.2 Non-Management Staff

The staff who does not possess a graduation degree and/or is performing blue collar or supervisory level jobs at Mahmood Group of Companies is hired in Non-Management Staff Cadre. Blue-collar is involving in physical labor or in a skilled trade. The Non-Management Staff is from Grade N-1 to Grade N-5.

2.3 Employment Policies for Management Staff

2.3.1 Recruitment and Selection of Management Staff

Scope

This policy is for recruitment and selection of Management Staff (Grade M-1 to Grade M-13) for Mahmood Group of Companies.

Policy

The aim of this policy is to adopt fair and consistent methods of recruitment and selection for Mahmood Group of Companies Management Staff.

- Recruitment age for Junior/entry level vacancies should preferably be above 18 and under 28 years of age.
- Selection criteria will be as per Job Descriptions and other job skills and competencies related information provided in Manpower Requisition Form.

Procedure

- 2.3.1.1 When a job opening occurs, the Immediate Supervisor / Line Manager of that vacancy fills the Manpower requisition form along with approved organogram copy and Job Description and forwards it to Head of Department. HOD (if approves the Request) forwards it to the HRBP of concerned Business Unit.

- 2.3.1.2 HR Business Partner, first examine the need of manpower by doing the job analysis of requested position by doing interview with HOD and immediate supervisor to check the actual need of manpower.
- (Examination is required both in Replacement and New Position Cases).**
- 2.3.1.3 After assessment if HR Business Partner comes to the conclusion that manpower is required, then only in that case he will approve the manpower Requisition and send for the final approval from CEO / CPE.
- 2.3.1.4 Upon Approval, HR Business Partner sends the requisition to Talent Acquisition Section for starting recruitment activities. Talent Acquisition will collect applications or CVs for the required post from various recruitment methods.
- 2.3.1.5 Upon collection of sufficient number of applications, TA Specialist will do initial screening and send the relevant applications to concerned HR Business Partner. HR Business Partner will further scrutinize all the applications against the approved job description and forward the shortlisted CVs to TA Specialist so that he can make calls to candidates for further process.
- 2.3.1.6 TA Specialist calls the shortlisted candidates for the tests, if the job requires personality testing and technical skill testing, the HRBP will get the test prepared, conduct the test and check it. (In case of hiring a fresh graduate, personality testing is a must activity).
- 2.3.1.7 TA Specialist calls shortlisted applicants for initial interview. HR Business Partner will conduct the initial interviews. Before Interview, all the candidates must fill an employment application form. During the Initial Interview the HR Business Partner will evaluate the candidate in perspective of finding a best culturally fit candidate and will also inquire the salary expectations.
- 2.3.1.8 The candidates selected in the initial test and interview shall be called for a technical interview with concerned Head of Department. The interviewer should fill the Interview Evaluation Form. After the interviews, department head and HR Business Partner mutually decide the most suitable candidate based on the Interview Evaluation.
- 2.3.1.9 After the Technical Interview evaluation, in case if the person is suitable, but not found competent enough on the already mentioned salary; it's the duty of HR Business Partner to convey the results and negotiate salary with the candidate.
- 2.3.1.10 The candidate selected by HR Business Partner and respective Head of Department will also be interviewed by the Concerned VP. For hirings in management Above M-8 grades, final interview with CEO / CPE is also required, top 3 shortlisted candidates coming for final interview with CEO/CPE will be given one sided premium bus fare.
- 2.3.1.11 The communication of job offer is done in written by TA Specialist. Upon consent and acceptance of offer, at the date of joining the employee will be given an Appointment Letter duly signed by both parties. A copy of appointment letter will be maintained in personnel file while the photocopy is sent to the HR Operations and HR (C-&B) team. The TA Specialist also informs all the employees about the newly selected employee through email.

- 2.3.1.12A candidate may be hired as a permanent employee against a position/vacancy that is deemed to be a long-term tenure whereby a candidate may be provided with opportunity to pursue long-term career with the company.
- 2.3.1.13For the jobs of limited time duration, which are not likely to continue after completion of the given assignment, services of the candidates are hired on contract basis.
- 2.3.1.14Personnel possessing specialized skills may be re-hired by the Company on contract basis if they have attained the age of superannuation and cannot continue as regular employees.
- 2.3.1.15The designations assigned are intended to describe the level of responsibility attached to the job in a general manner. The Management may assign any position considered more appropriate according to the requirement and in line with the job description.
- 2.3.1.16All new employees are subject to the following standards of employment.
- 2.3.1.17Any person who has been dismissed from the employment of Mahmood Group of Companies due to disciplinary / misconduct reasons will not be re-employed.
- 2.3.1.18They must be legally qualified to work in Pakistan as evidenced by submitting appropriate identity and employment authorization documents.
- 2.3.1.19They must be physically and mentally fit to perform assigned job duties.
- 2.3.1.20They must possess a valid driver's license appropriate for any vehicle, which may be operated in the course of performing job duties, if the job requires regular or frequent travel.
- 2.3.1.21They must provide sample/proof of their competence in order to justify their claim for employment.
- 2.3.1.22The selected candidates will then go through an orientation program conducted by HR Team.

2.3.2 Recruitment & Selection for MTO

Scope

This policy is for hiring of Management Trainee Officers (MTOs) in Management Staff (Grade M-1) at Mahmood Group of Companies.

Policy

MG regularly runs an MTO Program in the months of May & June where it hires fresh university graduates in batches on training-based service contract. The recruitment and selection activity of MTOs will be run in the Month of May every year, and the selected candidates will be on-boarded on 1st July. These MTOs are hired for 12 Months duration where in first 3 months the MTOs will be rotated in different departments at MG and on the basis of their 3 months' performance evaluation and aptitude testing they will be allocated to a specific department on 1st October for getting trained for the next nine months. The MTO Program will end on June 30th the next year.

Eligibility

In order to apply to the program, candidates for MTO program must possess a Master's Degree or a four-year Bachelor's degree from HEC/PEC-recognized institutes with a minimum 3.0 CGPA /

1st Division. Some roles are open to degrees in any subject. However, other functional areas require specific qualifications as per mentioned in the person profiles of every subject division.

Procedure:

- 2.3.2.1 In the month of March every year the HR Business Partners run an assessment throughout their respective Business Units in order to plan for the MTO requirements.
- 2.3.2.2 The finalized MTO requirement planning is presented to Group Head HR & OD in order to seek his inputs and approval.
- 2.3.2.3 Finalized document of required number of MTOs and budgets are presented by HRBP and Group Head HR & OD with logical arguments to Concerned CEO / CPE for final approval.
- 2.3.2.4 After approval, the TA Specialist/Representative runs recruitment process for getting the CVs for MTO program through different mediums.
- 2.3.2.5 Candidates short-listed through CVs will be called to take a General IQ, Personality type, and Motivational Drivers tests. The tests will last approximately 45-60 minutes. The tests are conducted by HR Team under the supervision of Group Head HR & OD.
- 2.3.2.6 After the general tests, shortlisted candidates will be invited to take part in an Assessment Centric Activities. It will be a day-long event consisting of various scenarios, presentations and activities to determine candidate's suitability for company's positions. These activities will assess both, candidate fit with the organization in terms of culture as well as technical skills. Assessment Centric activities run by HR Team.
- 2.3.2.7 The candidates shortlisted through tests and assessments will be interviewed by a panel comprising Group Head HR & OD and HOD / VP of relevant department.
- 2.3.2.8 The Shortlisted candidates by the panel will be given offer letters for MTO program by TA Specialist.
- 2.3.2.9 The candidates who accept MTO-ship offer are called for joining from 1st July.
- 2.3.2.10 At the Day of joining the MTOs will Report to HR department and submit the photocopies of his/her past credentials. TA Specialist will issue the appointment letter signed by Group Head HR & OD to employee and get some documents signed from the employee. These are as follows;
- Appointment Contract Letter (stating contract duration from 1st July this year to 30th June Next Year, provided successful completion of rotational training period).
 - Joining Report.
 - Statement of ethics
 - Confidentiality Agreement
 - Reference Forms for at-least Two Referees will be filled by the employee (referees must not be blood relations).
 - Relatives Declaration Form
- 2.3.2.11 Since MG is investing in MTOs in terms of their training thus the contract that is signed with them is a training service agreement where an amount is mentioned (salary for no of months he/she served) and if an MTO wants to leave during the contract period he/she has to pay back the training investment to the organization according to the terms and conditions mentioned in the contract.

- 2.3.2.12 After the signatures on documents, HR buddy will be assigned with them and he will start briefing the MTOs about company's vision, mission, values, structure and policies.
- 2.3.2.13 Following the oral demonstration, the HR Buddy will take the MTOs to a physical tour of the company and will get them introduced by all the colleagues.
- 2.3.2.14 After the orientation the MTOs are assigned a training schedule according to which they will get themselves trained in different departments at Mahmood Group of Companies.
- 2.3.2.15 Upon completion of three months rotation of candidates in different departments the HR department conducts a performance assessment for each MTO in the last week of September and compiles a report.
- 2.3.2.16 The candidates whose 3 months evaluation is not up to the requirement are issued an internship experience letter and their contract tenure is terminated by organization.
- 2.3.2.17 The MTOs who get satisfactory evaluation of three months performance, the Head HR along with the other line managers decide about them on the basis of evaluation that which MTOs should be placed in which Department and Business unit for next 9 months.
- 2.3.2.18 After the allocation of MTOs to different departments in agreement with Line Managers the MTOs interviews are scheduled with relevant VP. After VP approval the MTOs are issued contract confirmation letters of MTOship in a specific department and Business Unit.
- 2.3.2.19 Upon the completion of one year the organization then again conducts performance evaluation and a decision is made about which MTOs should be hired as permanent employees. MTOs cannot claim employment as a right, their hiring as a permanent staff member is based on two things; 1). Permanent Vacancy available in organization, 2). Performance of MTO in his/her one-year MTO-ship.
- 2.3.2.20 The selected MTOs are given permanent employment offer (as per the criteria mentioned in Management Staff recruitment & Selection policies) and the rest of them are issued a training certificate along with a 12 months experience letter of MTO program at Mahmood Group of Companies. Group Head HR & OD gets a performance review list of MTOs signed by VP and then according to that approval, signs experience letters for MTOs.

2.3.3 Terms of Employment / Appointment Letter

Scope

This policy is for appointment of Management Staff (Grade M-1 to Grade M-13) for Mahmood Group of Companies.

Policy

The aim of this policy is to provide a standard written format for all appointment letters and to ensure that the letter clearly communicates all the employment terms and conditions. Mahmood Group of Companies signs Appointment Letter with all its employees. (The Industrial and Commercial Employment Ordinance, 1968.)

The Appointment Letter will cover major terms and conditions of the contract such as:

- Designation.
- Position
- Job Grade.
- Date of effectiveness of contract.
- Location.
- Probation Period.
- Termination conditions (including notice periods).
- Confidentiality agreement; and
- Pakistan Labor Law applicability and any other employment rules that may be applicable from time to time.

If the terms and conditions of the appointment letter change, Mahmood Group of Companies will provide employees with notice of any change in writing.

Mahmood Group of Companies and its employee will honor all the terms and conditions of the appointment letter. In case of any disagreement on interpretation of the terms and conditions of the letter, the Group Head HR & OD or top management of the organization provides the interpretation and in the event of a dispute, the Labor Law of Pakistan will prevail.

Procedure

- 2.3.3.1 The TA Specialist will ensure that employees receive and accept their appointment letter. Appointment letters contain details about: function, effective date, duration, confirmation of appointment, probation period, place of work, termination, salary, allowances, and any other benefits.
- 2.3.3.2 The TA Specialist prepares the appointment letter for those appointees whose approval received from concerned VP and CEO / CPE. The HR acts as a signatory authority for appointment letters. After employee's acceptance, the appointment letter is given to the employee; a copy is filed in the employee's file while another copy is sent to the HR Ops and C&B team for payroll processing.

2.4 Employment Policies for Non-Management Staff

Scope

This policy is for recruitment and selection of Non-Management Staff of Mahmood Group of Companies (Grade N-0 to N-6).

Policy

The aim of this policy is to adopt fair and consistent methods of recruitment and selection for Mahmood Group of Companies Non-Management Staff.

- 2.4.1 Recruitment age for entry level vacancies should preferably be above 18.
- 2.4.2 Selection criteria will be as per job skills and competencies related information mentioned in manpower / labor requisition form.
- 2.4.3 The site supervisors will be hired as permanent or contractual employees depends upon job nature.
- 2.4.4 The non-management staff at Production (labor) will be hired on company payroll, and non-management staff (Support Services) will be hired on daily wagers, or contractual employees; these employees can also be hired at third party contractors' payroll at some places.
- 2.4.5 The Security Guards will be hired as permanent employees at company's payroll. Security guards can also be outsourced to third party vendors meaning external company may provide security guards and services (in that case they will not be permanent employees of the company).

2.4.1 Procedure for hiring of Staff at Production Floors

This procedure describes the hiring of non-Management staff at Production floors (labor) that are hired at company payroll. This procedure also applies to the hiring of supervisors (permanent staff) at Production Floor.

- 2.4.1.1 When a job opening occurs at production floors of any MG unit, the Immediate Supervisor fills the labor requisition form and get approved from HOD / TD / VP and forwards it to HR / IR.
- 2.4.1.2 HRBP / Head IR first assess the need of hiring, discusses it with Concerned HOD / TD / VP (in case if labour requisition is within the approved strength) and takes approval from CEO / CPE (if the labor requisition is above the approved strength).
- 2.4.1.3 Upon approval, HRBP /Head IR intimates about the hiring decision to HR Generalist / IR Specialist.

- 2.4.1.4 The requesting supervisor and his concerned HOD call in applications from their sources. HR Generalist /IR Specialist becomes a part of labor screening along with the supervisor and HOD in order to ensure transparency.
- 2.4.1.5 Before Interview, all the candidates must fill an employment application form.
- 2.4.1.6 The communication of job offer is done in oral by the HR Generalist / IR Specialist and upon consent and acceptance of offer, employee will be assigned a joining date.
- 2.4.1.7 On the joining date the HR Generalist / IR Specialist takes employees' signatures on Joining report and collects following documents from employee.
- Copy of CNIC
 - Passport size photograph
 - Police character certificate/Portal from police or relevant authority
 - Medical certificate in specific cases
 - Other credentials/documents
 - Relative declaration intimation
 - Reference Form for guarantee
- 2.4.1.8 The HR Generalist / IR Specialist is responsible to gather all supporting documents and keep record in employee file.
- 2.4.1.9 All new employees are subject to the following standards of employment.
- Any person who has been dismissed from the employment of Mahmood Group of Companies due to disciplinary / misconduct reasons / blacklisted category will not be re-employed.
 - Re-hiring is discouraged but if its deniable/unavoidable on technical grounds then it'll be done after 6 months.
 - They must be legally qualified to work in Pakistan as evidenced by submitting appropriate identity and employment authorization documents.
 - They must be physically and mentally fit to perform assigned job duties.
 - They must provide sample/proof of their competence in order to justify their claim for employment.

2.4.1.10 The newly joined candidates will then go through departmental and facility orientation with colleagues conducted by concerned supervisor and Compliance Team.

2.4.2 Procedure for hiring of Staff other than Production

This procedure describes the hiring of non-Management staff other than production that is hired at company payroll contractual employees.

2.4.2.1 When a job opening occurs for non-management staff in any department other than production (i.e., Stores, Janitorial Staff etc.), the Immediate Supervisor fills the Manpower requisition form and forwards it to HRBP / Head IR.

2.4.2.2 HRBP / Head IR first assess the need of hiring, discusses it with Concerned Department head and gets his approval from VP and directs HR Generalist / IR Specialist to initiate the recruitment process.

2.4.2.3 The HR Generalist / IR Specialist adopts various recruitment methods to collect applications and arrange walk-in interviews on a date pre-approved by HRBP / Head IR.

2.4.2.4 HRBP / Head IR along with the concerned HOD conducts interviews and mutually shortlist candidates. Before Interview, all the candidates must fill an employment application form.

2.4.2.5 Once the candidates are selected, HRBP / IR Specialist informs the HR Generalist /IR Specialist about decisions and job offers. The communication of job offer is made to candidates in oral by the HR Generalist / IR Specialist and upon consent and acceptance of offer, employee will be assigned a joining date.

2.4.2.6 On the joining date the HR Generalist / IR Specialist takes employees' signatures on joining report and collects following documents from employee.

- Copy of CNIC
- Passport size photograph
- Police character certificate/Portal from police or relevant authority
- Medical certificate in specific cases
- Other credentials/documents
- Relative declaration intimation
- Reference Form for guarantee

2.4.2.7 All new employees are subject to the following standards of employment.

- Any person who has been dismissed from the employment of MG due to disciplinary / misconduct reasons will not be re-employed.
- They must be legally qualified to work in Pakistan as evidenced by submitting appropriate identity and employment authorization documents.
- They must be physically and mentally fit to perform assigned job duties.
- They must provide sample/proof of their competence in order to justify their claim for employment.

2.4.2.8 The newly joined candidates will then go through departmental orientation and facility tour with colleagues conducted by concerned supervisor and Compliance team.

2.4.3 Procedure for hiring of Security Guards

This procedure describes the hiring of non-Management staff (Security Guards) that are hired at company payroll as permanent employees.

- 2.4.3.1 When a job opening occurs for security guards the Security Supervisor of Concerned Business Unit fills the manpower requisition form and get this approved from Head Admin and forwards it to HRBP / Head IR.
- 2.4.3.2 HRBP / Head IR first assess the need of hiring, discusses it with Head Mill Admin and gets his approval on form from VP (in case if requisition is within the approved strength) and takes approval from CEO / CPE (if the requisition is above the approved guard's strength).
- 2.4.3.3 HRBP / Head IR then also places his initials on Manpower form and informs the Security Supervisors to go ahead with recruitment. The supervisor calls in applications from his sources. HR Generalist /IR Specialist also facilitates the security supervisor in recruitment process.
- 2.4.3.4 HR Generalist /IR Specialist and Security Supervisor mutually shortlist the guard(s) in initial interview. Before Interview, all the candidates must fill an employment application form.
- 2.4.3.5 The Shortlisted guards are interviewed by Head Site Admin for final selection.
- 2.4.3.6 The communication of job offer is done in oral by the HR Generalist /IR Specialist and upon consent and acceptance of offer, employee will be assigned a joining date.
- 2.4.3.7 On the joining date the HR Generalist /IR Specialist takes employees' signatures at joining report and collects following documents from employee.
- Copy of CNIC
 - Copy of Valid Armed License
 - Any other documents as needed by Security department SOPs

- Passport size photograph
- Police character certificate/Portal from police or relevant authority
- Medical certificate in specific cases
- Other credentials/documents
- Relative declaration of intention
- Reference Form for guarantee

2.4.3.8 All new guards are subject to the following standards of employment.

- Preferably ex-forces employee.
- Any person who has been dismissed from the employment of MG due to disciplinary / misconduct reasons will not be re-employed.
- They must be legally qualified to work in Pakistan as evidenced by submitting appropriate identity and employment authorization documents.
- They must be physically and mentally fit to perform assigned job duties.
- They must provide sample/proof of their competence in order to justify their claim for employment.

2.4.3.9 The newly joined candidates will then go through departmental orientation with colleagues conducted by concerned supervisor.

2.4.4 Procedure for hiring of Third-Party Contractor Staff

This procedure is for recruitment & selection of Third-Party Contractor Staff (labor).

2.4.4.1 Group Head HR & IR and HRBP are responsible to annually lock labor strength and budgets for all of the business units. Once the department strength is locked it must be approved by VP/Technical Director/GM/CEO/CPE of each business Unit and reviewed every 3 months for any changes due to business orders flow.

2.4.4.2 HR/IR Head are then responsible to coordinate with third party contractors and make sure that required number of third-party workforces is available in factory as scheduled within the defined (approved) budgets.

2.4.5 Retirement of Management / Non- Management Staff

Scope

This policy is for the Management (M1 -M13)/ Non-Management Staff (Grade N-1 to Grade N-5) of Mahmood Group of Companies.

Policy

The aim of this section is to outline the Retirement policy for Employees. The normal retirement age for Mahmood Group of Companies employees is 55 years for females & 60 years for males. Any extension (not exceeding 5 years) over retirement age has to be approved by Concerned CEO/CPE. After retirement, a person can be re-hired on contractual basis only.

2.4.6 Re-appointment

Re-appointment of non-management staff is done on case-to-case basis but not before six months.

3 ON-BOARDING & ORIENTATION

Scope

This policy is for On-boarding and Orientation of Mahmood Group of Companies Management Staff (Grade M-1 to Grade M-13).

Policy

The aim of the policy is to specify a program to introduce new joiners to the organization, work colleagues, its culture and environment. All new employees will go through an orientation & Induction program by Concerned HR Business Partner. Orientation & Induction introduces employees to the vision, mission, values, structures, and policies of Mahmood Group of Companies Moreover, describes its operations.

Procedure

- 3.0.1 At the Day of joining the employee will report to HR Generalist of concerned BS Unit and submit the photocopies of his/her past credentials.
- 3.0.2 HR Generalist will issue the appointment letter to employee and get some documents signed from the employee. These are as follows;
 - Appointment letter.
 - Joining Report.
 - Statement of ethics
 - Confidentiality Agreement
 - Reference Forms for at-least Two Referees will be filled by the employee (referees must not be blood relations).
 - Health Questionnaire Form.

- 3.0.3 After the signatures on documents the HR Generalist will start briefing the employee about company's vision, mission, values, structure and policies.
- 3.0.4 Following the oral demonstration, the HR Generalist will issue the employee handbook to employee in order to study in detail all the policies that have been told during orientation;
- 3.0.5 and then will take the employee to a physical tour of the company and will get him/her introduced to all the colleagues.
- 3.0.6 After the orientation the HR Generalist will issue an orientation checklist to the employee, where the employee will fill the checklist and will give his/her feedback about orientation.
- 3.0.7 The orientation checklist will be filed into the employee file and feedback will also be used for further improvements in orientation program (if required).
- 3.0.8 All equipment and tool required for that particular position must be arrange before joining date.

3.1 Probation and Confirmation

Scope

This policy is for probation and confirmation of Mahmood Group of Companies Management Staff (Grade M-1 to Grade M-13).

Policy

The aim of this policy is to ensure that all new permanent employees and employer are able to evaluate each other during the initial employment period. The result of probationary period evaluation is confirmation, and/or increment and confirmation, or termination.

- All new permanent employees will be required to complete a probationary period of 3 months. However, the probationary period could be increased in written depending upon his/her performance. The Probationary period cannot be extended to more than nine (9) months.
- The management reserves the right to terminate the employment without serving any notice if the employee's performance is found to be unsatisfactory during the probationary period. (The Industrial and Commercial Employment Ordinance, 1962).

Procedure

- 3.1.1 The HR Generalist informs the Immediate Supervisor one week prior to completion of the probationary period (as specified in the Appointment Letter) and asks the immediate supervisor to evaluate the performance of the employee on 'Probationary Period Evaluation Form'.
- 3.1.2 The immediate Supervisor evaluates the employee's performance, and comments on the form, and forwards the form to the concerned department head for further comments.
- 3.1.3 Department head put his comments / recommendations and forwards the form to the HR Generalist for further action.
- 3.1.4 The HR Generalist takes Approval from Concerned HOD/VP/GM for confirmation/ Termination/ or increase in probation period of an employee and proceed the related action.

- 3.1.5 In case of Termination, The HR Generalist prepares the Termination Letter, get it signed from Concerned CEO/CPE/HOD/VP/GM. The HR Generalist holds formal meeting with the employee and explains the grounds for termination. One copy of the termination Letter will be filed in the employee file while the other copy will be sent to the Accounts Department for clearance.
- 3.1.6 If the Department Head increase in probation period performance of the employee, the HR Generalist hold a meeting with the employee and explains the decision to him/her.
- 3.1.7 If the Department Head approves upon satisfactory probation period performance of the employee, the HR Generalist prepares confirmation letter for business unit employee get it signed from HOD/VP/GM and issues it to employee and files one photocopy in employee's file while the other copy is sent to Audit for payroll processing.

Note: During probation employee can resign with 14 days of notice period. The company can terminate employee during probation at any time without any reason. The employee shall receive the salary only for the days worked (only if he/she is not found guilty of any misconduct or fraudulence).

4 EMPLOYMENT TENURE

Scope

This policy is for Management Staff (Grade M-1 to Grade M-13) of Mahmood Group of Companies.

Policy

The aim of this policy is to specify the conditions and process for concluding the employment tenure. After confirmation, Mahmood Group of Companies may terminate an employee by giving a one-month notice at any time due to his/her unsatisfactory performance, any violation or breach of the provisions contained in the Appointment Letter. Alternatively, an employee can also resign from job by serving a notice.

4.1 Procedure for Resignation

- 4.1.1 The services of an employee may be ceased through his resignation, under the provision(s) defined in the Letter of Appointment/Contract.
- 4.1.2 The employee must have to serve a notice, formally in writing, stating the reason(s) which have led to this decision and indicating the last day of work, if applicable, as per provisions(s) defined in the Letter of Appointment.
- 4.1.3 Employee will inform his department head about his/her intention to resign, forward his/her Resignation to Concerned HRBP/IR for further action.
- 4.1.4 HRPB/IR will ask the Department head for recommendation.
- 4.1.5 In case the resignation is not accepted by the HOD, HRPB/IR will initiate the counseling as per circumstances till a mutual agreement is reached.
- 4.1.6 After approval, HRBP/IR will conduct Exit interview of Employee (see Exit Interview Form) and also issue a letter of acceptance to the concerned employee against the

resignation. (Exit interview comments from relevant HOD are mandatory for Mgt & Non-Mgt Staff)

- 4.1.7 Clearance Certificate (on prescribed Form) is mandatory for every employee leaving services of the Company. Clearance Certificate will be initiated by HRBP and processed by respective employee on second last day of working. Signatures of all the concerned departments' representatives are mandatory before the clearance certificate is presented to get final Approval.
- 4.1.8 Disbursement of final payment and issuance of service experience certificate will be subject to the Clearance Certificate, and will be processed by HRBP as per company policy or within 15 days of separation, the clearance of outstation employees will be given priority for settlement.

4.2 Procedure for Termination

- 4.2.0.1 The services of an employee may be ceased by the company through Termination under the provision(s) defined in the Letter of Appointment/Contract.
- 4.2.0.2 The company must have to serve a notice, formally in writing, stating the reason(s) which have led to this decision and indicating the last day of work, if applicable, as per provisions(s) defined in the Letter of Appointment.

Note: In case of breach of any of the terms of Letter of Appointment or Company rules and regulations, or any fraudulent activity which may constitute a misconduct on employee's part, the services of an employee are liable to immediate termination (without any notice) where employee will not be entitled to any company's benefits as a result thereof.

- 4.2.0.3 HRBP will inform the employee about a termination decision.
- 4.2.0.4 Clearance Certificate" (on prescribed Form) is mandatory for every employee leaving services of the Company.
- 4.2.0.5 Clearance Certificate will be initiated by HRBP and processed by respective employee on second last day of working. Signatures of all the concerned departments' representatives are mandatory before the clearance certificate is presented to Head HR/IR & OD.
- 4.2.0.6 Disbursement of final payment and issuance of service experience certificate will be subject to the Clearance Certificate, and will be processed by HRBP Within two weeks from last working day (the clearance of outstation employees will be given priority for settlement).
- 4.2.0.7 Termination may be for many reasons. Following are some reasons:

- As a result of disciplinary action.
- As per code of conduct policy
- Anti-fraud and anti-corruption policy
- Abolition of post.
- For poor performance.
- End of a fixed term contract.
- The employee having been declared medically unfit for further service.

NOTE: This is not an exhaustive list. The final authority to terminate confirmed employee is CEO/CPE for any Business Unit and Concerned HOD/VP/GM.

4.2.1 Notice Period for Resignation/Termination:

- 4.2.1.1 Notice period for terminations / resignation for either party (Company or Employee) will be as per provision(s) defined in Letter /Contract of Appointment. Generally, for permanent (Confirmed) and for contractual employees, notice period will be of 30 days.
- 4.2.1.2 Where either party decides to terminate / resign without serving the required notice period, shall pay to the other party salary-in-lieu of such a notice period (un-served) based on the last drawn gross salary.
- 4.2.1.3 The working day on which the notice of termination / resignation is served shall be included in the notice period.

If an employee serves resignation while on leave will be treated to have left the services without notice on the day of proceeding on leave.

- 4.2.1.4 In case of gross misconduct or serious performance concerns, the services of an employee may be terminated with immediate effect or on one (1) day notice, by assigning proper reasons and evidence; No Company benefits shall be claimed by the employee in such case.

4.2.2 Waiver of Notice Period for Resignation/Termination:

- 4.2.2.1 The notice period to be served by the party who decided to terminate / resign may be waived, fully or partially, by the other party to whom such notice period is due. Where the Company or Employee agrees to a full waiver or part thereof, the party whose obligation is to serve notice, need not pay to the other party any salary in lieu of the notice period waived.
- 4.2.2.2 Company may consider waiving employee's notice period under the following exceptional circumstances: (For M6 and above CEO/CPE will approve, rest will be requiring approval from respective HOD/VP/GM & Head HR/IR)

4.2.3 Leave during notice period for Resignation/Termination:

- 4.2.3.1 Leave in any case is not allowed in Resignation/Termination Notice Period other than Annual Leave.

4.2.4 Other Terms & Conditions for Resignation/Termination:

- 4.2.4.1 At the event of dismissal of employee from service due to misconduct, the employee will not be entitled to any notice period or salary in lieu thereof.
- 4.2.4.2 In case a contract employee is offered a permanent employment, and the service contract is terminated as a result thereof, no compensation against notice shall be admissible.
- 4.2.4.3 In such a case the condition of probation period for a permanent employment may be exempted as per sole discretion of the Management.
- 4.2.4.4 An employee who has resigned or terminated, has to serve the Company properly till the date mutually agreed. Non-compliance to this clause shall make employee liable to pay the loss/damages caused to the Company.
- 4.2.4.5 No resignation shall be deemed effective during the period of disciplinary proceedings instituted against the employee concerned.
- 4.2.4.6 In addition to the aforesaid terms and conditions, the Company reserves the right to amend or change this policy, rules & regulations, without any prior notice, at its sole discretion, and the amended rules & regulations shall take precedence over old one.

4.3 Specific Guidelines for Experience Letter

- 4.3.1 No experience letter will be issued to employee if he/she is on probation and who leaves Mahmood Group of Companies during first 3 months from the date of his appointment.
- 4.3.2 No experience letter will be issued if the employee is fired, or his/her employment is terminated due to any disciplinary reason or gross misconduct.

- 4.3.3 Internship experience letter will be issued to only those interns who successfully completes the internship period and submit his/her internship report.
- 4.3.4 If employee needs experience letter for specific reason (i.e., further education purpose, credit card, personal loan etc.) then the letter will be addressed to that specific University/College/Bank etc.
- 4.3.5 Experience letter for all employees M-1 to M-13 will be signed by Group Head HR, IR & OD.
- 4.3.6 A copy of experience letter will be filed in employee file.

4.4 Re-appointment

Re-appointments are not encouraged, however if re-appointment has to be done it must be performed against an open vacancy, and not to accommodate any past employee. The decisions of re-appointment are done on case-to-case basis and final authority lies with the concerned CEO/CPE to decide re-appointment, that too after 6 months for non-management, 1 year for management employees.

4.5 Retirement

Scope

This policy is for Management Staff (Grade M-1to Grade M-13) of Mahmood Group of Companies.

Policy

The aim of this section is to outline the Retirement policy for Employees. The normal retirement age for Mahmood Group of Companies employees is 55 years for females & 60 years for males. Any extension over retirement age has to be approved by the Mahmood Group of Companies Concerned Managing Director, CEO, CPE, after retirement, a person can be re-hired on contractual basis only.

4.6 Job Evaluation and Grades

Policy

The aim of this policy is to evaluate jobs and accordingly allocate them to a salary structure composed of salary Grades. The job evaluation process is based on the responsibility (financial and people), skills and representation of the job rather than on the individual employees in the job position.

Job evaluation results are determined by the Job Factors identified in the job evaluation process. A detailed analysis of the relative content of jobs determines the overall company salary structure and the compensation related to salary grades.

Every job is assigned to an appropriate salary Grade and Designation. Based on the Job Evaluation System every job in Mahmood Group of Companies should be assigned to an appropriate Grade as determined by the work content and the value of the job to Mahmood Group of Companies. Salary Slabs are attached in Annexure for each Unit.

4.6.1 Grading Structure - Management Staff

Grade	Designation	Job Evaluation Points
M-0	Intern	
M-1	Officer / MTO	11 - 12
M-2	Executive	13 - 14
M-3	Senior Executive	15 - 16
M-4	Assistant Manager	17 - 19
M-5	Sr. Assistant Manager	20 - 22
M-6	Deputy Manager	23 - 25
M-7	Sr. Deputy Manager	26- 28
M-8	Manager	29 - 31
M-9	Sr. Manager	32 - 34
M-10	Assistant General Manager	35 - 37
M-11	Deputy General Manager	38 - 40
M-12	General Manager	41-42
M-13	Sr. General Manager	43-44

4.6.2 Grading Structure – Non-Management Staff

Grade	Designation
N-0	Helper / Unskilled
N-1	Skilled Worker
N-2	Multi-Skilled Worker
N-3	Supervisor

N-4	Sr. Supervisor
N-5	Incharge
N-6	Sr. Incharge

5 COMPENSATION & BENEFITS

This chapter outlines the Compensation & Benefits related policies and procedures of Mahmood Group of Companies. The details of all negotiated fixation of salary to the individual employee concerned shall remain confidential. The gross salary shall be determined according to the responsibilities (financial and people), skills, representation, and the prevailing market trends for Grades and Designations.

5.1 Salary Segregation

6 COMPENSATION & BENEFITS

This chapter outlines the Compensation & Benefits related policies and procedures of Mahmood Group of Companies. The details of all negotiated fixation of salary to the individual employee concerned shall remain confidential. The gross salary shall be determined according to the responsibilities (financial and people), skills, representation, and the prevailing market trends for Grades and Designations.

6.1 Salary Segregation

Overall salary segregation for permanent and contractual employees shall consist of the following elements.

5.1.1 Permanent Employees

The monthly gross salary may consist of the basic salary; house rent allowance, Utility Allowance and/ or any other benefits whichever is applicable according to the grades.

Basic Salary	90%
Medical Allowance	10%

5.1.2 Contract Employees

Consist of technical/ professional assistance fee.

5.1.3 Daily Wage Based Employees

For unskilled workers employed in the company which are paid once in a month on aggregate base.

5.1.4 Interns / MTO

Interns / MTO are paid a monthly stipend as decided in their internship contract.

5.1.5 Third Party Workers

Third party contract workers are paid by the contractor. Company pays to contractor a lump sum payment per worker which includes its salary and other legal benefits.

5.2.3 Annual Grade Slabs Review

Policy

The aim of this policy is to allow for the increase in salaries to provide for increases in the cost of living and changes in economic indicators in the country.

The salary structures are reviewed once a year to account for substantial increases in cost-of-living standards and adjust the Internal Adjustment Rate Levels.

The allowances are also adjusted once a year to account for any changes in the market levels. The reference index used will be the Price Index. Any changes or adjustments in the salary structures will need the approval of the CEO/CPE.

5.2.4 Settlement of Accounts on End of Service

At the end of the service of any employee the HR Department prepares settlement of accounts showing all the amounts due, to and from the employee. This is forwarded to the employee. The employee must revert to the HR Department within seven working days to seek clarifications, if required.

The final settlement of an employee's account on separation is calculated as follows:

- Gross salary up to the last working day.
- Pay and allowances (if applicable); and Deductions for any amounts outstanding such as:
 - Gross salary and allowances in lieu of notice where the employee has not given sufficient notice, advance or excess payments in respect of gross salary or any other amounts which remain outstanding will either be recovered in cash or deducted from his payments.
 - Employee loan balances, lended items (laptop, phone set, etc.)

Other Guidelines

- If the last salary which was due to an employee (at the time of his/her departure from Company), is not sufficient to recover the dues of Company in the form of notice pay, loss/damages then the remaining amount may be recovered from him/her in cash.
- If the employee leaves without giving notice, then one month's salary in lieu of notice will be deducted.

Benefits, Allowances and Facilities

The aim of this section is to detail the employee benefits for permanent staff of Mahmood Group of Companies.

6.2 Attendance

5.3.1 Work Schedule

Policy

The aim of this policy is to specify the standard working hours for Mahmood Group of Companies.

Regular Work Schedule

Regular working schedule, 6 working days. The nature of the work is such that there may, on occasion, be work requirements, which demand that the regular work hours be exceeded. Sunday shall be the official day off along with public holidays.

The current applicable schedules are summarized below:

Categories	Location	Work Hours	Lunch Break
Management & Support Staff.	Head Office	(Monday to Friday) 09:00 am – 6:00 pm (Saturday) 09: 00 am – 1:30 PM	01:30 pm to 02:30 pm including Zohar prayer (Friday Break) 12:30 pm to 2:30 pm)
Management & Non-Management Staff.	Business Unit	(Monday to Saturday) 08:00 am – 5:00 pm General Shift	01:00 pm to 02:00 pm including Zohar prayer (Friday Break) 12:30 pm to 2:00 pm)

* Company gives paid prayer breaks to its employees. Zohar, Asar, Maghrib prayer breaks are given as per prayer calendar. Prayer breaks are allowed for meeting religious obligations; the allowed break time for prayer is 15 minutes each and expected not to be misused.

5.3.2 Attendance & Punctuality

Policy

The management seeks to establish an Attendance Culture in Mahmood Group of Companies which sets clear attendance expectations, recognizes good attendance, pays attention to absences and deals firmly with attendance problems.

- Employees are expected to be at their workstation in a fit condition and ready to work at start time. Work activity should commence at starting time and continue until the normal designated times for lunch, prayers, or end of work.
- In the event of absence or tardiness from an assigned work schedule, the employee is required to report absence to the Company. When reporting absence, the employee must call his or her supervisor, or other designated individual as specified by management.
- Excessive tardiness shall be subject to corrective discipline or termination. Excessive tardiness may lead to deduction of salary/minute.

Note: Office or work station arrival time exceeding following limits will be considered as tardiness: i.e 15 Minutes above assigned time

- An employee's request to leave work early may be considered by the Immediate Supervisor or Team Lead. Approval of such absences should be based upon the urgency of the reason for absence and department staffing needs.

5.3.3 Public Holidays

Policy

All the national holidays that are approved by the CEO/CPE are official paid public holidays. Moreover, any off day announced by company due to any emergency (i.e., electricity failure, heavy rain or etc.) shall be regarded as a paid off day for company employees on account of "Emergency". These emergency day offs can be adjusted against overtime and also could be alternated by Sunday as a working day.

6.3 Leaves

The aim of this policy is to outline the eligibility and guidelines for employees regarding their leave. The Scope of this policy is applicable on all the employees of Mahmood Group of Companies.

Leaves Entitlement of Permanent Employees

All permanent (Confirmed) employees of Management, and Non-Management Staff Cadres will be entitled to 32 legal leaves in a year.

5.4.1 Casual Leave

An employee, on being confirmed as a permanent employee, may be granted Casual Leave of absence with pay, not exceeding ten (10) days in a Calendar year.

- Casual Leave shall not be granted for more than two days in a month.
- Casual Leave shall not be accumulated and balance un-availed Leave shall lapse automatically at the end of the Calendar year.
- Encashment of un-availed casual leaves is not allowed.
- Casual Leave shall not be combined or sandwiched with public holidays or Sundays, otherwise it will be considered a two-three days absence respectively.
- Any absence which is not pre-approved by immediate supervisor will not be considered at leave in any case and shall be deducted from monthly pay.
- Employees on probation can take a maximum of 1 leave per month which upon their confirmation shall be balanced with their casual leaves.
- In special cases and to compensate the employees of outstation residences, management can allow an employee to apply for 4 days accumulated casual leave after 2 Months regular attendance.

5.4.2 Sick Leave:

Sick Leave may be granted to a permanent employee for a period of eight **(16 – Half days)** in a fiscal year.

- Sick Leave applied shall be accompanied by a certificate from a Registered Medical Practitioner.
- Sick Leave shall not be combined or sandwiched with public holiday or Sunday. Any such Leave availed on a working day shall be treated as off day unless accompanied by a Medical Certificate from Registered Medical Practitioner.
- Un-availed Sick Leave cannot be accumulated.
- Un-availed Sick Leave shall not be en-cashed.
- In case of prolonged sickness; when all the Sick Leaves have been availed:
 - a. Casual leaves at employee's credit may be granted at the discretion of the Management.
 - b. Special Sick Leave without pay may be granted for a maximum of 60 days at the sole discretion of the Management.

5.4.3 Annual Leave / Earned Leave

The permanent employees of all management and non-management grades at Mahmood Group of Companies are allowed an annual leave for **14 days** for their personal recreation. For any business unit employee prior approval will be required from concerned Department VP/GM/HOD, CPE/CEO.

Annual Leaves maximum 14 can be carried forward to next year and cannot exceed from 28.

***Half of the annual leaves must be encashed at end of each fiscal year.**

5.4.4 Study Leave

The permanent employees of all management and non-management grades at Mahmood Group of Companies are allowed leave for **14 days** for their education exams, **once in service**. Study leaves can only be taken with 1-month prior approval from concerned department HOD/VP/GM. Respective employee will be bound to share result of exam with HR for record purpose.

- In case that particular employee couldn't pass the exams then these study leaves will be adjusted with his/ her annual leaves.
- Educational degree program must be professional degree (affiliated with professional body only).
- Distance learning degree program such as **Virtual University Degree Program or AIOU Degree Program** even general degree programs from general universities are not included in this.

5.4.5 Umrah / Hajj Leave

The permanent employees of all management and non-management grades at Mahmood Group of Companies are allowed leave for Hajj / Umra as per below guidelines

- Paid Hajj leaves shall not exceed 21 days allowed once during a tenure of ten years.
- Paid Umrah leaves of 12 days once during a tenure of five years.
- If an employee plans to exceed the time period mentioned he is required to take prior approval from the respective CPE/CEO.
- For all the exceeding leaves, deduction will be made from annual leave balance and in case the balance is insufficient the days will be considered as leave without pay (LWOP).
- The procedure to apply this type of leave shall be same as for other leaves.
- In both the cases, employee needs to submit document of proof (i.e. air tickets, hotel bookings etc.) to the HR Department prior to the leave approval

5.4.6 Maternity Leaves

All female management & non-management staff are entitled for maternity leaves.

- Maximum maternity leaves are 90 days.
- 2 month's prior approval is mandatory.
- Maternity leaves would be paid and can only be avail 2 times in whole service.
- Earned leaves can be adjusted with maternity leaves, if needed.

5.4.7 Paternity Leaves

All male management staff are entitled for paid paternity leaves.

- Maximum paternity leaves are 3 days.
- 1 month's prior approval is mandatory.
- Paternity leaves would be paid and can only be avail 2 times in whole service.
- Earned leaves can be adjusted with paternity leaves, if needed.

5.4.8 Bereavement Leaves

The policy cares about management employee's wellbeing in traumatic situation due to immediate family member's death or child miscarriage of female employee or wife of male employee. We at MG, concern about emotional, mental and physical health needs of our staff hence employee will be allowed for bereavement leave as per below guidelines

- Maximum paid bereavement leaves are 3 days.
- Bereavement leaves would be paid and can only be avail 2 times in whole service.
- Earned leaves can be adjusted with bereavement leaves, if needed.

5.4.9 Compensatory Leaves (CPL)

The concept of CPL is to provide leave in compensation of an announced public holiday or a non-working day.

- It is applicable to all those employees who are not entitled for overtime pay.
- CPL will apply only when an employee has worked for at least 6 hours in day on an announced public holiday or a non-working day.
- This rule is applicable where the Manager has requested the employee to work on a non-working day (i.e. closing, physical audits, special assignment crossing deadlines etc.)
- The leave should be availed within 45 days of its accrual or it will lapse.
- The CPL shall not be adjusted against any leave taken in the past.
- This type of leave is not cashable for both management & non-management staff.

5.4.10 Menstrual Leaves

All female management staff are entitled for paid menstrual leave with below guidelines

- 12 menstrual leaves per year. (1 per month only)
- 1 day's prior approval is mandatory.
- Keeping in cultural barriers, we named this leave as **work from home**.

5.4.11 Half Day Leave

Mahmood Group of Companies employees are allowed at the discretion of the Immediate Supervisor to avail half leave (up to 4 hours leave). Employee must fill the Leave Application Form available with the HR/IR Rep. stating the reason for short leave. A maximum of two (2) half day leaves are allowed in a month; where two half leaves will be considered as one full casual leave.

5.4.12 Short Leave

Mahmood Group of Companies are allowed at the discretion of the Immediate Supervisor to avail short leave (up to 2 hours leave). Employee must fill the Leave Application Form available with the HR Rep. stating the reason for short leave.

A maximum of two (2) short leaves are allowed in a month; where two short leaves will be considered as half day casual leave.

5.4.13 Leave without Pay

A leave without pay may be granted in special cases if all the granted leaves may be exhausted. The management will decide such sanctions on case-to-case basis.

Continuity of Service

Absence from duty by an employee even for one day without authorized (pre-approved) leave shall entail a break in the continuity of service and shall dis-entitle an employee from annual allowed leave for that day. Contradiction in this regard may be on the sole discretion of management.

General Guidelines for all types of leaves:

- On case-to-case basis, with approval of management, the casual leaves can be accumulated in sick leaves, but the sick leaves cannot be accumulated in casual leaves.
- If any employee who wants to avail more than two types of leaves in a month, can only avail on a discretionary decision of management.
- All staff leaves must be recommended by immediate supervisor and approved by Department Team Lead.
- An un-approved off day is not deducted from leave entitlement, it is considered as an absent and is deducted from monthly salary and restrict continuity of service.

- Subsequent to the tendering of resignation by an employee, he/she shall cease to avail any type of Leave (except Annual leaves) in order to ensure smooth transition of handing/ taking over the responsibilities, irrespective of mgt/non-mgt cadre.
- A Leave year is defined as a financial year as per company practice (July-June).
- If the employee is going on leave and off day(s)/holidays comes in between these leaves, then the off days /holidays that comes in between these leaves will be also considered as leave days.

Leave Entitlement of Contract Employees & MTO

Contractual and MTO employees are awarded monthly one (1) day as paid leave entitlement. Contract employees' leaves cannot be carried forward into next month.

Note: This policy can be amended or revised at the discretion of management.

6.4 Regularity & Punctuality Award

Scope & Eligibility

All the Permanent Management (M1 – M13) and non-management (N1- N5) staff is eligible for this benefit.

Regularity & Punctuality award will be awarded to employees who were present regularly and no late or short times were marked during the quarter.

Employee will be awarded with the certificate and cash prize 1000 for non-management staff and 2000 for management staff.

Note: This policy can be amended or revised at the discretion of management.

Procedure

- 5.5.1 Firstly, the HRBP/IR will examine the attendance at the end of each month and separate the list of employees who were regular throughout the month and even no leave availed.
- 5.5.2 In step two HRBP/IR will critically evaluate the attendance of all employees through HR Shared Services who were present throughout the month as well as no late or short time marked.
- 5.5.3 HR Shared Services will accumulate the results of 3 months, it will send to Concerned HOD/VP/GM for approval.
- 5.5.4 Employees will be awarded with a certificate and cash prize on quarterly basis & this will be process in the current month payroll.

6.5 Advance Against Salary

Scope

Advance against salary is offered to Permanent staff members of all management and non-Management staff M1 to M13 & N1 to N5.

Purpose

The purpose behind formulating this policy would be to accommodate all the employees with genuine request for Advances against salary. A maximum funds limit has been prescribed for the company. Request for Advance can be entertained within the - approved limit. If the demand for Advance is getting in access with the - approved limit, the applicant will wait till sufficient funds are available.

This amount is given against current month earned salary only depending upon the salary of the employee.

Criteria

Any employee applying for advance against salary must meet the following criteria:

- 5.6.1 Minimum period of eligibility for advance against salary is 3 months (permanent employee).
- 5.6.2 After 3 months or more service period, a permanent employee is entitled to an amount of half earned salary of perspective month after the date of 15th till 24th.
- 5.6.3 Collective amount does not exceed the total maximum amount approved to a Unit.
- 5.6.4 The Employees having 50,000 PKR & above salary are entitled for advance salaries twice a year.
- 5.6.5 The Employees having less than 50,000 PKR are entitled for advance salaries (quarterly basis) four times a year.
- 5.6.6 Employee who needs advance salary apart from these criteria shall get special approval from concerned VP in case of Non-Mgt & CEO for Mgt.

Application Procedure

- 5.6.7 The employee shall make an application in the prescribed form to HR/IR Manager. All particulars in the prescribed form shall be dully filled. HR/IR Manager are authorized to approve advance against salary.
- 5.6.8 HR Office shall forward application to Accounts department after Audit and payment of advance shall be made accordingly.

Payback;

1. Advance shall be deducted against current month salary and there is no relaxation in this regard.
2. Advance shall be paid after 15th of the month. Except any special case approved by CPE/CEO before 15th of the month.

Note: This policy can be amended or revised at the discretion of management.

6.6 Employee Contributory Pension Fund (VPS)

Scope

Company provides Voluntary Pension Fund for all permanent confirmed employees of Management Staff grades (M1 – M13). For non-management (N1- N5) staff will be covered by Gratuity.

Policy

VPS Fund contribution equal to 8.33% of Gross Bank Salary is made by the Company on behalf of all permanent confirmed employees of the company, upon matching deduction of 8.33% of Gross Bank Salary from the employee's monthly salary. This Policy shall be applicable from 1st July 2023.

Procedures

All employees, upon confirmation of service, VPS Fund contribution will be start from employer and employee side. An amount equivalent to 8.33 % of employee's Gross Bank Salary will be deducted and deposited into VPS Fund Account, and simultaneously a matching amount equivalent to 8.33 % of employee's Gross Bank Salary will be deducted from his/her salary and contributed to the fund. The employee shall be entitled to profit/loss disbursements from the VPS Fund, which shall be distributed to all participating employees on monthly basis which they can see and monitor through their individual VPS fund account.

VPS Fund Withdrawals

Since it's an employee contributory pension fund govern by mutual funds company, so each and every employee is entitled to see and monitor his funds balance and profit on monthly sis through official portal or mobile app of that mutual fund company.

Each and every employee can utilize his fund for getting loan from any bank. Company will not give him loan from internal resources.

Every employee who wants to withdraw funds or want to get loan from his funds, he has to get NOC from company duly signed by Head HR & OD.

6.7 Group Life Insurance

Scope

Company provides Group Life insurance option for all permanent confirmed employees of Management staff grades M1 to M13 and non-management staff grades N1 to N6.

Policy

Objective of this Policy is to insure all the permanent employees against natural as well as accidental death and injuries in compliance with statutory requirements under Standing **Order 10 B and Workmen Compensation Act 1932**. To extend this facility to management staff in accordance with industry practices

Company provides group life insurance for all permanent confirmed employees of Mahmood Group of Companies (Grade M1 to M13 and N1 to N6). Group Life Insurance would in the following categories. Maximum sum insured for any individual will be 600,000/- PKR.

- Group Accidental Permanent Total or partial Disability.
- Group Accidental Temporary Total or partial Disability.
- Death of individual

Note: This policy can be amended or revised at the discretion of management.

6.8 Health / Medical Insurance:

Scope

Company provides Health insurance option for all permanent confirmed employees of management and non-management staff of MG (having salary more than 50,000 per month) who want to enroll themselves up in the company's insurance plan and are not covered under Social Security Scheme.

Policy

This benefit is applicable to employees upon employee's confirmation with the company. Under the health insurance benefit, company pays 100% of the premium of insurance only for the employee's own, his spouse and Kids treatment which is applicable for following services only.

PLAN	LIMITS OF BENEFITS							
	Type	Daily Room & Board (Sub-Limit)	HOSPITALIZATION		OPD (Per Family)	MATERNITY		
			Inpatient Medical Cover	Dread Disease Cover		Normal / Assisted / Forceps Delivery	Caesarean / Multiple Births / Ectopic Pregnancy	
B (M8- M13)	Employee	12,000	500,000	—	—	80,000	150,000	
	Spouse							
	Children							

C (M1-M7)	Employee	8,500	350,000	–	–	60,000	100,000	
	Spouse							
	Children							

Maximum Age Limit for Inpatient Medical Cover

Up to 70 Years

Health Declaration at time of enrollment

Required

* For details on Insurance plan, the health insurance policy rules issued by Insurance company, must be considered.

Grades	Insurance Plan
Grade N1 – N5 (only those not covered in PESSI) and Salary greater than 50K	Plan C
Grade M1 – M7	Plan C
Grade M8 – M13	Plan B

- 5.9.1 This Health care plan is only for registered medical bed patient as per Insurance Policy and does not cover Out Door Patient.
- 5.9.2 Health cards will be issued by insurance company to all eligible employees.
- 5.9.3 Eligible employee his/her spouse & children will be entitled to avail facility according to their plan in panel hospitals all over Pakistan on producing health card to hospital administration.
- 5.9.4 List of panel hospitals will be available from HRD/IR.
- 5.9.5 Outdoor treatment is not covered in the policy.
- 5.9.6 In case of non-availability of panel hospital in the vicinity the employee will get reimbursement of expenses incurred as per his/her entitlement by filing Claim Form in the prescribed manner through HRD/IR.
- 5.9.7 In the event of planned hospitalization employees should use pre authorization form.
- 5.9.8 Employees should get comprehensive information from HRD/IR in case of any query.
- 5.9.9 Employees are welcome to consult HRD/IR to avoid any inconvenience caused by noncompliance of procedural requirements or any other eventuality.
- 5.9.10 Management reserves the right to amend, add, delete, suspend, rescind, or revoke this policy at its sole discretion.

5.9.11 Management will grant this facility purely on its discretion as ex-gratia benefit and no employee can claim this facility as a matter of his/her right or legal entitlement on the bases of practice custom & usage.

6.9 Employee Old Age Benefit (EOBI)

Scope

This Policy is Applicable for all Permanent & Contractual Employees of Management and non-management Staff of Mahmood Group of Companies.

Policy

Mahmood Group of Companies pays E.O.B. on monthly basis on behalf of all of its employees. Minimum Wage Rate for EOBI Calculation this year is **PKR 32,000** (Changes apply to wage rate w.r.t. Government Announcements) where for each employee the contribution of Mahmood Group of Companies would be 5% of minimum wage rate (**Rs.16,00**) and 1% of minimum wage rate (**Rs.320**) should be contributed by employee. So Monthly (**Rs. 1,920**) for each employee will be submitted to Government by the Mahmood Group of Companies.

Employees are given following benefits from government against EOB Contribution;

- Monthly Pension is paid to eligible employees after completing age of 60 years.
- Monthly Pension is paid to widow after death of employee.
- Monthly Pension is paid to unmarried daughter under age of 18 after death of widow.
- Pension is paid to employee in case of permanent disability.

6.10 Social Security

Scope

This policy is applicable for all permanent and confirmed employees of management and non-management Staff who at the time of joining are hired under PKR 50,000 per month.

Policy

Mahmood Group of Companies pays Social Security for its employees of staff who at the time of their joining are hired under PKR 50,000 Monthly Salary. These employees can avail following social security benefits at the designated hospitals and dispensaries of Social Security Institute.

- a) Free Medical Treatment of employee and his family including parents.
- b) In case of Hospitalization Social Security will pay salary during days of admission.
- c) Fee benefits in Social Security Schools & other Universities Quota.

- d) Any other benefits from Government time to time like (home, Hajj etc.)
- e) Grant on daughter's marriage.
- f) Grant to family in case of death of employee.

6.11 Mobile Phone Allowances

Mahmood Group of Companies issues Mobile allowances to following Position titles as per the allocations on job requirement basis. Mobile allowance is given to employees on monthly basis. If allowance requirement not listed in policy.

Scope

Applicable to the permanent employees of Mahmood Group of Companies as per job need and for business use only.

Eligibility

Grade	Mobile Allowance	Handset	Eligibility
M-1, M-2	500 PKR	25,000 – 30,000	On job Need Only
M-3, M-4	1,000 PKR	30,000 – 40,000	On job Need Only
M-5, M-6	1,500 PKR	40,000 – 50,000	On job Need Only
M-7	2,000 PKR	50,000 - 65,000	On job Need Only
M-8, M-9	2,500 PKR	65,000 – 100,000	On job Need Only
M-10, M-11	3,000 PKR	100,000 – 150,000	On job Need Only
M12, M13	4,000 PKR	150,000 – 250,000	On job Need Only

Usage of Company

1. Mobile allowances are only to be used for work purposes.
2. Company will issue Mobile allowances and mobile internet package based upon expected usage of the employee. However, if that package exceeds requirement or is not sufficient, then employer is responsible for suggesting a better-suited package to the management.
3. International calls can be made however must be for work purposes only.
4. If an employee is on a foreign trip for work purposes, then they must avail local sim at destination, company will reimburse for usage of local sim on fair usage basis.
5. Replacement of handset will be only on basis of non repairable situation or on continuous use of 3 years.
6. In case of lost and stolen or snatching employee will have to share police report and new set will be issued to him and insurance process will start for stolen set.

Note: This policy can be amended or revised at the discretion of management

6.12 Vehicle Allowance policy (No Car Given)

If employee don't want to get any vehicle from company, then he will be entitled for vehicle allowance as per below approved compensation policy.

Sr. #	Employee Category	Allowance
1	M13 (SGM)	85000
2	M12 (GM)	85000
2	M10 – M11 (AGM – DGM)	55000
3	M8 – M9 (Mgr – Sr. Mgr)	32000
4	M7 (SDM)	22000

1. Car Policy (If employee has been given company car)

- If employee has been given existing vehicle (company-maintained car) then the market rate of the car from market will be get by Manager Fleet.
- Employees will be given discount in percentage according their length of service. For example, if an employee's length of service is 3 years, then he will be given 3% discount on market price of vehicle.
- Remaining amount of car value will be deducted from employee in 48 months.

2. Employee contributory new Car Policy

Mode of Buying and Company Contribution

- A. Mahmood Group of Companies would Ijarah the car from the bank in its own name.
- B. Mahmood Group of Companies would try to get the best rates with 25% to 50% down payment and four-year Ijarah period.
- C. Company will contribute 25% to 50% in Car down payment.
- D. Company and employee will mutually contribute in Installments (where 40% is by the Company in shape of markup and 60% by the employee in shape of monthly installment on principal amount).

Based on the functional requirement and subject to the availability of funds, the eligibility for car for various grades of senior management and employees will be according to the following:

Sr. #	Employee Category	Entitlement	Payment Facility	Ownership (Post Installments)	Allowance
1	M13 (SGM)	SUV (12 Million Limit)	Installments	Employee	85000
2	M12 (GM)	1800 CC (10 million Limit)	Installments	Employee	85000
2	M10 – M11 (AGM – DGM)	1300 CC (6.5 million Limit)	Installments	Employee	55000
3	M8 – M9 (Mgr – Sr. Mgr)	1000 CC (5 million Limit)	Installments	Employee	32000

Employee's Contribution in Case Car Bought Is Over Approved Limit

If any eligible employee selects to get a car of price more than maximum approved limit, he/she can do so (maximum up to 50% more than the approved limit) and he/she will have to bear all costs as well as financial charges over and above the approved limit.

The procedure in this regard will be as follows. The employee will have the choice to:

- Pay the additional down payment proportionately from his/her own sources.
- Any difference of Ijarah/ rental over the approved limit will be deducted from employee's monthly salary. OR
- Employee can pay the full amount over and above the approved limit of Car to MG. In such a case the differential in Ijarah /rental will be paid by MG to the bank and will not be charged to the employee.

Insurance & Other Yearly Charges

- A) Insurance premium of the car will be borne by Mahmood Group of Companies up to approved limit of car. For any sum insured above the approved limit, extra premium will be borne by the employee.
- B) All the other yearly recurring taxes (Token tax or any other tax imposed by the government at time to time) would be borne by employee.

Maintenance of the Vehicle

The formula used for calculation of milage on official travels must be included some points (RS) for this kind of maintenance cost.

Replacement of tyres after every 50,000 KM will be borne by the Mahmood Group of Companies.

Fuel Allowances

1. All Employees of management staff from M-6 to M-13 will be paid an amount equivalent to the price of super petrol according to their entitlement as mentioned against their grade or job title. This allowance will be paid via fuel card or cash along with his / her monthly salary on monthly basis.
2. Cost of petrol will be calculated on basis of prevailing rate on the 1st day of each month.

Sr. No	Grade	Fuel Allowances (Apparel)	Fuel Allowances (HO)
01	M-6	75 - 99 liters	8,000
02	M-7	100 - 124 liters	12,000
03	M-8	125 - 150 liters	28,000
04	M-9	151 - 200 Liters	35,000
05	M-10	201-250 Liters	42,000
06	M-11	251-300 Liters	56,000
07	M-12	301 - 350 Liters	84,000
08	M-13	351-400 Liters	98,000

Transfer of Car

Case # 1: If Employee Remains In MG

The Official Car will be transferred to employee's name on completion of 4 years from the date of purchase.

Case # 2: If Employee Leaves MG Before 3 Years

In case the employee leaves before three years after the Ijarah of the car, depending on the condition of the car and other factors, **MG** will have at its sole discretion the option:

A. To Keep the Car:

In such a case **MG** will refund to the employee any amount deducted from employee as consideration for transfer of vehicle at end of agreed period.

B. To Sell the Car to the Employee:

In such a case the employee will pay the down payment of the car to **MG** and any transfer fees applicable. Car will be transferred to employee name with all balance rentals payable to the bank as well as balance portion of outstanding insurance premium. The employee will also be responsible for paying the outstanding portion of road and annual road tax.

Case # 3: If Employee Leaves MG After 3 Years

If employee leaves after 3 years of leasing the car, but before the expiry of the Ijarah term:

- A) Employee will have the first right to pay all outstanding payments (total rentals) to the bank along with down payment of car to **MG** and get the car transferred in his/her name. If it will be possible to transfer the Ijarah in employee name, **MG** will do so.
- B) If the employee does not want to exercise option (A) then the employee would have to pay the down payment of the car to **MG** and any transfer fees applicable. Car will be transferred to employee name with all balance rentals payable to the bank as well as balance portion of outstanding insurance premium.
 - The employee will also be responsible for paying the outstanding portion of road and annual road tax.
 - The cases in which the employee does not pay these payments, **MG** would deduct this amount from the settlement and the balance salary of the employee, leave encashment or any other amount due.
 - In case settlement and the salary amount with the company is not enough to pay the due amounts, the employee would have to arrange the extra funds from his/her own sources to pay to the company.
 - For transfer of Car, no additional loan, advance in any form would be given to the employee before the car gets transferred to him. Transferring fee for transfer of the car to employee will be borne by the employee.
 - If the employee has invested any money in the car, the written down value of the amount invested by the employee would be given to the employee, if the car is not given to him/her on his/her own choice. The pre-mature penalty would be charged as per schedule of the bank with which the deal is finalized. It could vary from bank to bank.

6.13 Employee Birthday Celebration

Scope

This policy is applicable to All Permanent employees of Management (M1 to M13) for Head Office and (M8 and Above) for Mills.

Policy

The company considers its employees the precious asset and believes in sharing feelings of happiness & joy with them.

Management wants to extend well wishes to its employees on happy occasions of birthdays. Cards and Gift (Rs. 2000 per blessed employee) will be presented to employees and Cakes will be cut at office for birthday celebration. The Objective of this initiative is to enhance the motivation and engagement level of employees.

Responsibility

Human Resource Department shall be responsible for implementation of this policy. Head HR shall obtain approval of the budget in the beginning of fiscal year.

Note: This policy can be amended or revised at the discretion of management

6.14 Official Local Travel

Policy

This policy covers all employees of Management, and Non-Management staff grades (M1 to M13, and N-1 to N-5). The aim of the policy is to discuss Local Travel for official purposes within city by an employee if he/she uses personal or public transport.

Mileage Allowances

- Where the company pays Air, Rail, Road fare no separate mileage allowance will be paid for that journey. However, all employees not using company's conveyance can claim actual Taxi/Rickshaw fare as per entitlement from residence/Hotels to Airport, Railway Station, Bus stand and back as per actual.
- The employees, who are being given fuel allowance as their managerial package, will not be entitled to claim fuel for intra city travel.
- For all employees using own/personal vehicles for official tours will be reimbursed along with toll receipts as per following:

LOCAL / DOMESTIC TRAVEL:												
Head Office	Site					Travelling Mode			Intra-City Travel	Daily Allowance	Accommodation	Own Accommodation Allowance
	Main / Support Offices	Production	Electrical	Power	MG Apparel	By Road	By Train	By Air				
HODs	---	Technical Director, General Manager	---	Technical Director	AGM /DGM / GM / SGM /VP	Own Car / Pool Car / Rental Car	Business Class / AC Parlour	Economy	Own / Company Car / Rental Car / Uber / Careem	5,000	Actual or 15k, which ever is lower	4,000
All Managers	Manager Admin, Office Manager	Sr. MM, MM,	---	Plant Manager / Incharge	SAM / DM / SDM /Mgr /S. Mgr	Own Car / Pool Car / Executive Bus	Lower AC	Economy	Own Car / Uber / Careem	3,000	Actual or 8k, which ever is lower	3,000
DM, AM, Specialist / Executive / Generalist	Auditor, HR Officer, Labour Officer	Sr. TM, TM	Electrical Incharge / Engineer	---	Officer / Executive / Sr. Exec. / AM	AC Bus	Lower AC	Economy	Own Car / Uber / Careem	2,000	Actual or 7k, which ever is lower	2,000
Below	---	SM, DSM, ASM & Quality Incharge	---	Electrical Supervisor	---	AC Bus	Lower AC	N/A	Rickshaw / Public Transport or Rs. 1,500 (Which ever is lower)	1,500	Actual or 6k, which ever is lower	1,500
---	Below	Below	Below	Below	Below	AC Bus	Economy	N/A	Public Transport	1,000	Actual or 4k, which ever is lower	1,000

Guidelines:

- Eligibility criteria for Daily Allowance is minimum 200 kms. round trip or minimum 6 hours for that round trip.
- Own Accommodation means that if anybody manages to stay at his / her own arrangement (not in his house) and doesn't claim expense than he / she is entitled for own accommodation allowance.
- Daily Allowance includes daily meal, laundry and communication expense.
- Travel Advance (if taken) will be adjusted in respective month's salary if not cleared within 6 days of arrival.
- Travel expense claims will be entertained only on Saturdays.

Local Travel Re-imbursement

- The Request of Local Travel Form & Local Travel Forms are available with HR Department.
- After returning from the Local travel, the employee shall fill "Local Travel Form", shall attach the following (whatever is applicable) with the said form.
 - Toll Tax bill
 - Ticket (Bus etc.)
 - Receipts/bills of any other expenses.
- The approved filled form shall be forwarded to Accounts department on the very day or next day of travel for release of payment.
- The Accounts department will not release re-imbursement in case if the request for Local Travel Form is not filled / submitted.

Note: This policy can be amended or revised at the discretion of management.

6.15 Official Foreign Travel

Policy

The aim of this policy is to specify the standards of travel and related reimbursement of expenses for employees traveling on official business and training purposes.

Approval Requirements

The employee shall get the approval on “Request for Foreign Travel” from Chief Performance Executive / CEO prior to travel: -

The Transport allowed w.r.t. grades is as follows;

FOREIGN TRAVEL:												
Head Office	Site					Meal (Daily)			Hotel (Daily)			Taxi / Train & Calls
	Main / Support Offices	Production	Electrical	Power	MG Apparel	United Kingdom	Europe	Rest of World	United Kingdom	Europe	Rest of World	
HODs	---	Technical Director, General Manager	---	Technical Director	VP /GM / Sr. GM	£ 65.00	€ 65.00	\$ 50.00	£ 150.00	€ 150.00	\$ 150.00	Actual
All Managers	Manager Admin, Office Manager	Sr. MM, MM,	---	Plant Manager / Incharge	Manager / Sr. Mgr / AGM / DGM	£ 50.00	€ 50.00	\$ 40.00	£ 100.00	€ 125.00	\$ 125.00	Actual
DM, AM, Specialist / Executive / Generalist	Auditor, HR Officer, Labour Officer	Sr. TM, TM	Electrical Incharge / Engineer		---	£ 30.00	€ 30.00	\$ 30.00	£ 80.00	€ 80.00	\$ 80.00	Actual

Guidelines:

- Prior approval of Chief Performance Executive /CEO is mandatory for foreign travel.
- Travel Advance (if taken) will be adjusted in respective month's salary if not cleared within 14 days of arrival.
- In case Daily Meal or Hotel expenses exceed described limit, approval from Chief Performance Executive / respective Director/CEO will be required to reimburse.
- Flight mode for foreign travel will be Economy Class only.

Re-imbursement of Foreign Travel & Allowances

5.16.1 Travel reimbursement forms are available with HR Department.

5.16.2 In any special case if an employee needs an advance for travel expenses, he will fill the advance request form, get it approved by concerned Director/ CEO / CPE and submit to Accounts department. Where the accounts department will issue payment before the departure.

5.16.3 After returning from the travel, the employee shall fill “Travel Form” in accordance with the guidelines mentioned above and on the form.

- 5.16.4 The employee shall attach the following (whatever is applicable) with the said form.
i. Ticket (Bus, Train etc.) ii. Receipts/bills of any other expenses like toll tax etc. iii. Local Travel form (in case of rickshaw)
- 5.16.5 Company will not make any payment of traffic violations like over speeding ticket etc.
- 5.16.6 The filled form shall be forwarded to Accounts department on the very next day of return from travel for release of payment.
- 5.16.7 Payment is released by Accounts Department twice in a month.
- 5.16.8 No advance shall be allowed if any amount is outstanding in respect of previous travelling.
- 5.16.9 Travelling allowance shall be admissible on the basis of journey by the shortest route, that is to say, the route by which an employee can reach his/her destination in the shortest possible time by approved mode of travel.

Pool Car Usage Guidelines:

- Allowed to female residing in hostels twice a month for grocery purpose
- All female management staff are provided door to door pick & drop
- Apart from that pool car is being used in emergency circumstances & official travel approved by relevant HOD/VP.

Note: This policy can be amended or revised at the discretion of management

6.16 Yearly Performance Reward

Policy

“Yearly Performer Reward Every year after 30th June when each quarterly performance is accumulated into annual performance company rewards the top performers of the year. This policy is applicable on all permanent employees of Management staff (Grade M1 to M13).

Guidelines for identifying performers

- 5.17.1 HR Department will identify the performers of every grade.
- 5.17.2 The top performer of each grade shall be identified (Top performers are employees having a maximum aggregate performance score of more than 90% or above).

- 5.17.3 Employees' performance is below 90% marks will not eligible for Performance Reward.
- 5.17.4 If in any grade there is a tie between two employees, both will stand for the performance benefit.
- 5.17.5 If there are more than 2 people of same grade on highest score the top performer will be identified through a draw.
- 5.17.6 All the best Performers are eligible for the reward amount sectioned by management for a performance Reward.

Note: This policy can be amended or revised at the discretion of management

6.17 Long Term Loan

Scope

Permanent employees (M1- M13 & N1-N5) have successfully completed their two (2) years of service starting from the date of appointment are eligible to apply for the loan.

Policy

The loan entitlement and schedule are as below:

Years of Service	Entitlement	Monthly Installments
2 years but less than 5 years	2 months' gross salary	12
5 years and above	3 months' gross salary	12

- Any amount higher than the entitlement amount will be upon Managing Director's discretion to approve.

The instalment will be calculated as follows:

- Loan amount/number of instalments.
- The deduction of instalments from the salary will commence from the month subsequent to which the loan has been sanctioned.
- No request for the loan will be catered if there is an outstanding balance on the previous loan.
- If an employee wants to repay the loan amount to the Company at any time within 12 months, he/she will inform the Group Head HR & OD who shall further facilitate the repayment process.
- An employee may re-apply for the loan after one (1) years of successful completion of outstanding balance.
- The maximum limit for a loan amount is 1 million PKR.

- Annual bonus and leave encashment will be adjusted against remaining loan instalments if any.

Procedure

- 5.18.1 Request for the loan by an employee shall be on prescribed 'Employee Loan Form' (Annexure O) dully completed and signed.
- 5.18.2 The employee will submit the request on the prescribed form to the HR Department after having it approved by the respective HOD /VP along with the supporting documents as evidence against the purpose selected as per the form.
- 5.18.3 The Group Head HR & OD will facilitate the approval of loan request from the concerned Director / CEO / CPE.
- 5.18.4 After approval, Loan Agreement between the employee and the employer will take place that will outline the terms and conditions of the loan to be granted.
- 5.18.5 After signing off the Loan Agreement Group Head HR & OD will forward the case to the Finance department for preparing the cheque.
- 5.18.6 Loan application will be entertained only through proper channel as mentioned in the clauses above.
- 5.18.7 Group Head HR & OD is at the liberty of cancelling the loan application, if the above pre-requisites are not met.
- 5.18.8 Approval is subject to availability of funds. Management may reject loan application or reduce amount of loan, in case of shortage of funds.
- 5.18.9 As a pre-condition / loan security company will take crossed cheques of Employee's own account equivalent to loan amount.
- 5.18.10 Loans can only be claimed in cases of medical emergencies, weddings, and funerals in immediate family (provided the evidence is given by employee with loan application).

Note: This policy can be amended or revised at the discretion of management

6.18 Long Service Awards

Scope

This policy is applicable to All Permanent (Confirmed) employees of Management (M1 to M13) & Non-Management (N1 to N5) Staff members of Mahmood Group of Companies.

Policy

This Policy is to recognize with gratitude long association of employees with the company and honor their valuable loyalty. The company respects its veteran & seasoned employees and highly values their long association with the company and encourages them to build longer relations with

the company Management and wishes to recognize their services by presenting souvenir & memento as token of acknowledgement of their contribution towards progress of the company.

Eligibility

Employees will be rewarded on the basis of length of service.

Employees putting in 5, 10, 15, & 20 years of service shall be eligible for long service awards as per their entitlement.

Group Head HR & OD will be responsible for implementation of this policy.

HRBP / HR generalist will ascertain the number of employees completing 5, 10, 15, 20 & 25 years of service as on 30th of June every year. And Group Head HR & OD shall get the approval of Concerned Director / CEO / CPE on the list of Long Service Award Holders along with the prescribed budgets.

Entitlement of Award

- Employees shall be entitled for awards on the basis of length of service.
- Awards and gifts shall be prescribed as per status & cadre of the employees.
- Long Service Certificate shall be given to all eligible employees irrespective of their designations.
- Employees in Management cadre from M6 to M13 shall be granted shields along with certificate of merit.

Grades	5- Years	10- Years	15 Years	20 Years
N1 to N5	10,000	15,000	To be decided on case-to-case basis	
N6, M1	15,000	20,000		
M2 – M3	20,000	25,000		
M4 – M5	25,000	35,000		
M6 – M7	35,000	50,000		
M8 – M9	50,000	70,000		
M10 – M13	75,000	100,000		

Procedure

5.19.1 All awards shall be distributed in the Annual Dinner hosted by Company in July every year.

- 5.19.2 All the entitled employees shall be guest of the Company & shall be accorded Warm Welcome by Human Resources Department.
- 5.19.3 Non-Management Staff Employees who qualify for the Long Service Award are also invited to Annual Dinner along with their spouses.
- 5.19.4 HR Staff shall be responsible for making befitting arrangement to make the event a great success.
- 5.19.5 Management reserves the right to amend, add, delete, suspend, rescind or revoke this policy as its sole discretion.

Note: This policy can be amended or revised at the discretion of management

6.19 Worker Welfare Fund Policy and Budget

Scope

This Policy is applicable for all Permanent Employees who are drawing a salary up to Rs.50, 000/- per month and are not covered under Social Security.

Note: eligibility criteria of salary may be revised on the start of every fiscal year.

Policy

The following needs to be fulfilled through Worker Welfare Fund:

Marriage Grant:

Marriage grant of permanent needy employees for the marriage of their Kids, this grant from the Fund is given to him once in his/her whole service period as;

- In case of Daughters; Maximum 2
- In case of son: Maximum 1
- In case of own First Marriage

Medical Treatment / Funeral Expenses:

Employee or his/her dependent who needs medical treatment or funeral expenses that is not covered in his/her company provided health insurance, social security or Government Health card is eligible for Fund.

Education/Emergency:

Fund may be given to employee or his/her depended for education or education enhancement up to 16 years' qualification or in case of climatic emergency.

Fund Limits:

- For Head Office: Rs. 200,000 per month.
- For Mills: Rs. 100,000 per unit per month

Case Assessment Committee

The Case Assessment Committee is based on the followings;

- Head Accounts for HO
- Head HR & OD for HO
- Head Admin / IR for Mills
- VP / TD / GM for Mills

Procedure

- The employee will fill out the Employee Welfare Fund (EWF) form and send it to HR / IR Department.
- On collection of the form, the HR/IR Department will review the application and the same will send to other committee members for review.
- The Committee will perform an investigation of the information mentioned in the form within 7 days of receiving the form.
- The committee will be Keeping in view the number of application forms and funds available with the Management for that month while deciding the amount that will be paid to the applicants/cases each month.
- If the committee unanimously agrees on the eligibility of the Case, then only the Case will present to the Chairman / Vice Chairman / CPE for approval.
- After the approval, the Accounts Office will prepare the slips for this Fund amount and the same will be paid to the staff concerned against these slips.
- This allowance will be paid to the staff opting for it for one fiscal year and for the subsequent year; the same procedure will be adopted for its continuity, provided the salary limit remains as fixed above.

Death / Funeral Grant

Death grants are available to workers who are employees of Mahmood Group of Companies. Deceased Workers must be covered. No Length of Service is required. The death should have occurred during service.

For Employee (Grade N5 – N6 and M1 – M13):

Three months' salary (last drawn gross salary / 600,000 Life insurance amount will be paid to the deceased's family at the time of death.

For Employee (Grade N0 – N4):

12 months' salary (last drawn gross salary / 600,000 Life insurance amount will be paid to the deceased's family at the time of death.

Note: This policy can be amended or revised at the discretion of management

6.20 Laptop Policy

Mahmood Group of Companies issues laptop to employees as per job needed. For M-4 to M13 employees MG will issue new laptop and after successfully completion of three years employment with MG, the company will issue new laptop in case old is not working well.

Eligibility for laptop

- 5.21.1 The company will provide standard laptop according to the entitlement.
- 5.21.2 The concerned Employee will be responsible to maintain the laptop in good working condition.
- 5.21.3 Company laptop is only to be used for work purposes. Any misuse and overuse will be responsibility of Employee.

Replacement

- 5.21.4 Company laptop will be replaced after three years of purchase only if the requirement is there due to performance issue.
- 5.21.5 In case the employee is promoted to the next level before the maturity of the laptop, then he will be using the same laptop till the time of its maturity.

Note: This policy can be amended or revised at the discretion of management

6.21 Late Sitting Meal Allowance Policy

Objective

Objective of this policy is to facilitate staff who have been assigned special duties from their respective department heads, which require late sitting working.

Scope

This policy will be applicable on all employees of Mahmood Group of Industries.

Policy

The policy is setup to facilitate staff for late sitting due to work load. The basic understanding prevails that any employee who sits late after office hours can avail meal as per rate fix by the company.

Procedures

- 5.22.1 Late sitting by any employee requires prior approval from respective department head. Department head will inform admin department (Main Gate Security Desk) regarding purpose of late sitting along with staff names.
- 5.22.2 Late sitting meal will be allowed after 8:00 PM. If any employee leaves before 8:00 PM, he/she will not be entitled to meal allowance.
- 5.22.3 The meal cost will require approval from respective Head of Department /VP for reimbursement, where per head meal cost is one third of eligible daily allowance rate approved in travel policy.
- 5.22.4 Employees availing this meal facility will be required to mention the cause and employee name on the expense claim form along with HOD/VP approval.
- 5.22.5 Staff availing company's pick and drop will be allowed to take "Careem / Uber" in case of late sitting.
- 5.22.6 Original bills of meal and Careem / Uber will be required for the reimbursement.
- 5.22.7 Audit Department will verify the bills / machine attendance and will proceed for the payment from accounts department.

6.22 Guest House / Employee Accommodation Policy

Objective

This policy aims to provide clear directions and instructions for HR & Admin departments to facilitate all official visitors, guests or employees staying at MG Guest House/ Accommodation and ensure a comfortable and enjoyable experience throughout their stay.

Accommodation facilities for Mill staff

Grades & Positions	Family Accommodation	Bachelor Accommodation	Subsidies
M10 – M13 AGM / DGM / GM / TD / SGM / VP	<ul style="list-style-type: none"> - 02 AC (Heat & Cool Facility 1.5 Ton) - 01 LED TV 40" - Wifi Facility - 1 Double Bed with Side Tables & 4"Mattress & 2 Chairs with center table & Wall mounted Mirror - 2 Single Beds with mattress & 1 Side Table with each bed - 1 Dining Set (6 Seater) - 1 Sofa Set (5 Seats) with Center Table - 1 Refrigerator 12 CFT with Freezer - 1 Washing Machine Twin Tub - 1 Hob / Stove (2 burners) - 1 Water geezer - 1 Microwave Oven - 1 Water Dispenser - 	<ul style="list-style-type: none"> - Single Bedroom - 1 AC (Heat & Cool Facility) - 1 32" LED 32"TV in Room - Wifi Facility - 1 Queen Sized Bed with Side Tables & 2 Chairs with center table & Wall mounted Mirror - Provisions of Cooking, Laundry & Cleaning 	<ul style="list-style-type: none"> - Electricity Subsidy - 1200 Units - 60,000 PKR Electricity bill whichever is lower
M8 - M9 Sr. MM / MM / Sr. Mgr / Manager Admin / Office Manager	<ul style="list-style-type: none"> - 01 AC (Heat & Cool Facility 1.5 Ton) - 01 LED TV 32" - Wifi Facility - 1 Double Bed with Side Tables & 4"Mattress & 2 Chairs with center table & Wall mounted Mirror - 1 Dining Set (4 Seater) - 1 Sofa Set (5 Seats) with Center Table - 1 Refrigerator 12 CFT with Freezer - 1 Hob / Stove (2 burners) - 1 Water geezer - 1 Microwave Oven - 1 Water Dispenser 	<ul style="list-style-type: none"> - Single Bedroom - 1 AC (Heat & Cool Facility) - Wifi Facility - 1 queen sized Bed with Side Tables & 2 Chairs with center table & Wall mounted Mirror - 32" TV in Room - Provisions of Cooking, Laundry & Cleaning 	<ul style="list-style-type: none"> - Electricity Subsidy - 900 Units - 50,000 PKR Electricity bill whichever is lower

M6 – M7 DSM / SM / Sr. TM / TM	<ul style="list-style-type: none"> - 01 AC (Heat & Cool Facility 1.5 Ton) - Wifi Facility - 1 Double Bed with Side Tables & 4”Mattress & 2 Chairs with center table & Wall mounted Mirror - 1 Sofa Set (5 Seats) with Center Table - 1 Hob / Stove (2 burners) - 1 Water geezer - 1 Water Dispenser 	<ul style="list-style-type: none"> - Single Bedroom - 1 AC (Heat & Cool Facility) - Wifi Facility - 1 queen sized Bed with Side Tables & 2 Chairs with center table & Wall mounted Mirror - 32” TV in Room - Provisions of Cooking, Laundry & Cleaning - 	<ul style="list-style-type: none"> - Electricity Subsidy - 600 Units - 30,000 PKR Electricity bill whichever is lower
M4 – M5 Production Manager / Production Incharge	<ul style="list-style-type: none"> - 01 AC (Heat & Cool Facility 1.5 Ton) - Wifi Facility - 1 Double Bed with Side Tables & 4”Mattress & 2 Chairs with center table & Wall mounted Mirror - 1 Sofa Set (5 Seats) with Center Table - 1 Hob / Stove (2 burners) - 1 Water geezer - 1 Water Dispenser 	<ul style="list-style-type: none"> - Twin Sharing - 1 AC per room (Heat & Cool Facility) - Wifi Facility - 1 Single Bed / person - Wall mounted Mirror - Provisions of Cooking, Laundry & Cleaning 	<ul style="list-style-type: none"> - Electricity Subsidy - 300 Units - 15,000 PKR Electricity bill whichever is lower
M2 to M3 ASM / MTO	<ul style="list-style-type: none"> - 01 AC (Heat & Cool Facility 1.5 Ton) - 2 Single Beds with mattress & 1 Side Table with each bed - 2 Chairs with center table & Wall mounted Mirror - 1 Sofa Set (2 Seats) with Center Table - 1 Water geezer - 1 Water Dispenser - 01 LED TV 32” 	<ul style="list-style-type: none"> - Triple Sharing - 1 AC per room (Heat & Cool Facility) - Wifi Facility - 1 Single bed / person - Provisions of Cooking, Laundry & Cleaning 	<ul style="list-style-type: none"> - Electricity Subsidy - 150 Units - 5,000 PKR Electricity bill whichever is lower
M1 AFM / FM / Officer	<ul style="list-style-type: none"> - Air Cooler - 2 Steel Cots / Wooden Beds & 1 Side Table with each. - 2 Chairs with center table & Wall mounted Mirror - 1 Water geezer 	<ul style="list-style-type: none"> - Quad Sharing - Air Cooler - Wifi Facility - Bunk Beds - Provisions of Cooking, Laundry & Cleaning 	<ul style="list-style-type: none"> - Electricity Subsidy - 100 Units - 3,000 PKR Electricity bill whichever is lower

Below	-	<ul style="list-style-type: none"> - Sharing Room - Iron Cot - Room Coolers 	<ul style="list-style-type: none"> - Company paid utilities
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Guidelines

- Total cost of food will be shared by all bachelor residents equally.
- All residents are bound to maintain discipline in Group Residence.
- In case of complaints of disturbing others, the case will be handled by disciplinary committee set up by HR and Admin departments and accommodation facility can be called off for the person found guilty of creating disturbance.
- HR/Admin reserves the right to make periodic visits to group houses for inspection and necessary maintenance.
- All rooms will have duplicate keys for access to rooms for inspection.
- Management shall bear no responsibility for any loss due to theft or otherwise.
- Visitors can only visit in day timing for maximum 02 hours, overnight stay is not allowed.
- Female visitors are not allowed in any circumstances.
- Management has rights to change residences & rules in the best interest of company

Procedures

- 5.23.1 Company provides guest house facility for the boarding, lodging and dining of its official visitors, guest and employees.
- 5.23.2 Allocation of rooms and services will be done in compliance with company's travelling policy.
- 5.23.3 Employee needing to use guest house facility will give a prior intimation to administration department through email while attaching scanned copy of approved travel authorization slip.
- 5.23.4 In case of official guests, concerned head of department will give a prior intimation to administration department through email while attaching approval of category to be allowed for specific official guest.
- 5.23.5 Administration department will make all necessary arrangements keeping in view comfort of employee / official guest and as per company's travelling policy.

- 5.23.6 Housekeeping staff at guest house is responsible for the cleanliness of guest house at all times and facilitating guests.
- 5.23.7 Housekeeping staff will follow same house keeping guidelines as given below in housekeeping procedure.
- 5.23.8 All repair and maintenance at guest house will be carried out as per repair and maintenance procedure stated below.

7 PERFORMANCE MANAGEMENT

Scope

This policy is for all permanent employees of management staff (Grades M1 to M13) and is implemented on them from the day of their confirmation.

Policy

The aim of this policy is to encourage a performance-driven culture and open communication within the staff of MG. It also aims to provide a proper mechanism in which the individual employees' performance is linked with organizational overall performance and the employee promotion and/or salary increments (if the employee deserves so). The Performance Year Starts in July and Lasts till June.

The performance rating will be carried out quarterly (04 times a year).

Procedure for Monthly Performance Evaluation

- 6.1.1 Due to quarterly evaluation process, the KPIs are set, revamp, update and assigned to employee during the performance evaluation of that quarter. KPIs against each KRA are developed in 4 levels.
- 1. Unacceptable**
 - 2. Improvement Needed**
 - 3. Meet Expectations**
 - 4. Exceed Expectations**
- 6.1.2 After developing KPIs and listing KRAs in rating form, one copy of the whole document comprised of the updated Job Description, KRAs, KPIs and rating form will be issued the employee for his self-monitoring & assessment whereas the other copy will be filed in employee files.

- 6.1.3 During the quarter, HODs will continuously monitor the performance of their team respectively and give feedback to them on performance and if employees will not perform as per expected performance, then head of the department will give one-to-one coaching to subordinates to improve their performance.
- 6.1.4 Performance Rating are carried during quarter as per the performance evaluation schedule shared by the HR Department before the end of the running quarter.
- 6.1.5 During the Performance Evaluation Meeting: The HODs / Team Leads:
- Evaluates the appraise against the defined KRAs and KPIs.
 - Summarizes the areas of strengths and weaknesses in the Appraiser's Performance Rating Form.
 - Proposes a Career Development Plan for the employee including the type of training needed and its purpose.
 - Completes the Performance Rating Form and calls the appraise for a performance interview.
 - In the performance interview the appraise comes with his self-evaluation Form and the HODs come up with his evaluation of the employee. In Interview the HODs first discuss the employee's performance against their KPIs, the strengths & weaknesses and the career plans with the employee and then ask the employee for describing his self-evaluation.
 - For evaluation to be made (positive OR negative), the documentary / data evidence/log must be present from the employee. In case, if supporting evidence for any KRA is not available, that KRA will be rated as "Unacceptable"
 - If there is some difference between both evaluations, then it is the duty of the Appraiser to communicate the justification for his evaluation to the employee and vice versa. If employee's justification of performance is acceptable then only in that case the Appraiser changes his evaluation (purely on merit).
 - Lastly the appraise fills in the portion specified for his comments on the Rating form and the form is filed in Employee's File.
 - In cases where during a performance quarter a KRA has to be nullified, the HOD at time of evaluation splits the weightage of that KRA equally and adds it up in the two most important KRAs.
- 6.1.6 HR Representatives must be present in the performance feedback meeting of all HODs.
- 6.1.7 After all the performance ratings, the HR Department compiles a performance report with suggested training (where required) which is sent to Concerned HOD every quarter.
- 6.1.8 The Performance Rating Report will also present in the quarterly KPIs evolution meeting.

6.1.9 The actions to be taken after quarterly performance evaluations are as under;

NOTE: The aggregate Performance rating of 12 months will become an input for the annual cumulative performance.

Performance Result	Occurrence	Decision / Action
Unsatisfactory (0 – 30 Marks)	3 rd incident in Fiscal Year	Give Warning (that if performance does not improve in next quarter, then the decision for discontinuation of service will be taken).
Unsatisfactory (0 – 30 Marks)	4 th incident in Fiscal Year	Dismissal
Below Average (31 – 45 Marks)	3 rd incident in Fiscal Year	Give Warning (that if performance does not improve in next quarter, then the decision for discontinuation of service will be taken).
Below Average (31 – 45 Marks)	4 th incident in Fiscal Year	Dismissal

7.1 Procedure for Annual Accumulation of Performance

- For Annual Review, at the end of 12th month (in July every year) HR Department compiles the quarterly ratings of all staff and formulates an annual performance rating of each employee.
- HR representative then calculates increment as per percentages of increment against performance parameters, decided earlier with Directors, prepares a suggested increment report, and forwards the report to Director/CEO/CPE for further action.
- Director/ CEO/CPE approve or disapprove the increments and resend the report to HR.
- Approved report is sent to audit then to Accounts Department for processing.
- Increments for One Performance Year (July to June) will be made effective from 1st July next year.
- Increments for those new joiners whose confirmation has been made effective before December will be given an increment.

7.2 Guideline for HR

The whole performance management policy and procedure will be administered by HR Department. This is one of the core responsibilities of HR to execute the performance policy on mentioned months in policy and procedure of MG Performance management, guide managers to set KPIs against KRAs, how to rate the subordinates, and also train staff for their self-assessment.

7.3 Guideline for HR and HODs

Employees' KRAs and Performance KPIs should be linked with departmental goals and departmental goals should be linked with organizational overall financial and non-financial goals.

7.4 Procedure for Increment / Reward Calculation

At the end of the performance year, the annual aggregate performance of an employee is calculated and the reward percentages are calculated as per given criteria.

Once an increment percentage is defined against performance results by HR department, the line Heads of Departments cannot suggest or change the increment percentages assigned to employees on the basis of employee's performance.

Performance Result	Increment / Action
Below Average (31 – 45 Marks)	No increment at all. No Internal Adjustment Rate Adjustment. Increment = 0%
Average (46 – 60 Marks)	No Performance-based percentage is added to increment (Only Internal Adjustment Rate raise is given) Total Increment Awarded = I %
Satisfactory (61 – 75 Marks)	Internal Adjustment Rate Raise= I % Performance Raise = (X-I)% Total Increment Awarded = (X-I)+I%
Highly Satisfactory (76 – 90 Marks)	Internal Adjustment Rate Raise= I% Performance Raise = ((X-(I/2)))% Total Increment Awarded = ((X-(I/2))+I %
Outstanding (91 – 100 Marks)	Internal Adjustment Rate Raise= I % Performance Raise = X% Total Increment Awarded = X+I%

Notes:

1. Here “X” is the overall increment percentage decided by Director/s
2. “I” denotes rate of Internal Adjustment Rate. Calculated from Consumer Price Index as under.

$$I = \text{Last year's CPI} - \text{This Year's CPI}$$

3. Market adjustment of salaries of employees is not linked to annual performance increments. The market adjustments are handled in compensation policy after performing salary survey.

7.5 Procedure or Promotions

There are two ways of promotion for an employee:

- Promotion in reporting structure
- Promotion in Grading Structure

6.6.1 Promotion in Grading Structure

Promotion in the grading structure will be made if the employee after annual increment crossed the salary slab of his grade. In this case the promotion will be made but the employee's job description will be enriched and re-evaluated to justify the placement in next grade. If in any way job enrichment is not possible and the employee has reached at the maximum of his pay slab, he will not be promoted to next grade and his salary will be capped at max limit of the slab. All the promotions are approved by Director/ CEO/CPE. Promotion letters will be signed by the HR Head, an original letter will be issued to employee and copy will be filed in employee record.

6.6.2 Promotion in Reporting Structure

Promotion in reporting structure will only be made if the person possessing senior role has vacated the position due to any reason. In this case the successors in line will be evaluated for promotion:

1. Against the Job Specification (to evaluate the potential for promotion)
2. And their last 2 years performance evaluation will be considered on their current job role which shall be on meet expectations (more than 75%).

All the promotions are approved by Director/CEO/CPE. Promotion letters will be signed by the HR Head, original letter will be issued to employee & copy will be filed in employee record.

7.6 Performance Tracking Dashboards

The weekly and monthly performance will track through dashboard meetings in every month. Performance Tracking Dashboards meetings are an effective way to review and discuss key performance metrics and progress towards organizational goals.

Procedures to consider when conducting these meetings:

- Head HR & OD is responsible to provide advance notice to participants and share the agenda and relevant data or reports in advance, allowing participants to review and come prepared.
- Set a schedule for the meetings, and ensure that they will conduct on time in each month/Quarter.
- Clarify the objectives of the meeting, which may include reviewing performance metrics, discussing achievements and challenges, identifying areas for improvement, and making informed decisions based on the data presented.
- Start the meeting by reviewing the agreed-upon KPIs or metrics that track progress towards organizational goals.
- Display these metrics on a visual dashboard or presentation to provide a clear overview of performance.
- Dive into the performance data and analyze trends, patterns, and variations. Identify any significant deviations from targets or benchmarks and discuss the potential reasons behind them.
- Encourage open discussion and seek input from participants to gain different perspectives.
- Acknowledge and celebrate achievements and milestones during the meeting.
- Collaboratively brainstorm strategies to address the challenges and set action plans for improvement.
- Assign responsibilities and deadlines for each action item and track progress in subsequent meetings.
- Regularly follow up on action items and track progress against the agreed-upon plans.
- Hold individuals accountable for their assigned tasks and provide support or resources as needed.
- Use the subsequent meetings to review progress and make necessary adjustments.

- HR & OD is responsible to take meeting minutes or record the key discussion points, decisions, and action items.
- Distribute the minutes to all participants after the meeting to ensure everyone is aligned and aware of their responsibilities.
- Continuously evaluate the effectiveness of the meetings and seek feedback from participants.
- Incorporate suggestions for improvement to enhance the value and impact of the Performance Tracking Dashboards meetings over time.

8 TRAINING & DEVELOPMENT

8.1 Training & Development

Scope

This Policy is for all Permanent and Contractual employees' grade M1- M13, N1 & N5.

Policy

The aim of this policy is to outline the role of training in Mahmood Group of Companies to help the management and its employees to work in the knowledge intensive environment and to enable them to develop the necessary skills to carry out its operational programs. The trainings will be conducted through in-house programs for existing and new staff. The training arrangement will be done at discretion of management of Mahmood Group of Companies.

7.1.1 Procedure for Management Development Program

This program is mandatory for all management staff Grade M1 – M13 who joined the Mahmood Group of Companies as per annual training calendar. This program will be conducted by in house trainer can be any representative from human resource department or any head of department / unit head/ VP who qualify to conduct this program. On successful completion of this program Rs 25,000/- will be given to trainer for his / her appreciation.

Training topics (as per training calendar) which must be cover by all management staff. If in house trainer is not available than training can be outsource for outsource trainer approval will be needed from the Director/ CPE/CEO.

7.1 Upon approval of Director/ CPE/CEO, OD department will coordinate with the trainers as per approved training calendar.

7.2 After training, employee fills the training Evaluation form and submit to HR Department.

7.3 Mahmood Group of Companies issues certificates to training attendees and keep the photocopy of Certificate in employee record.

7.1.2 Procedure for Regular Trainings

Training needs will be identified during the performance appraisal of each quarter. Human Resource department will develop the monthly / quarterly training calendar based on the TNA conducted during the quarter. Head HR & OD will take training calendar to the Director / CEO / CPE for approval. Preferably these trainings shall be conducted by in house trainer who can be any representative from human resource department or any head of department / unit head / VP, who qualify to conduct this program. On successful completion of the training Rs 10,000/- will be given to trainer for his / her appreciation.

- 7.1.2.1 If in house trainer is not available than training can be outsource for outsource trainer approval will be needed from the Director / CEO / CPE.
- 7.1.2.2 Upon approval of, Director / CEO / CPE the OD team will coordinate with the trainers and after finalization informs the nominee(s) and HODs about the date, time and duration of the course.
- 7.1.2.3 After training, employee fills the training Evaluation form and submit to HR Department.
- 7.1.2.4 Mahmood Group of Companies issues certificates to training attendees and keep the photocopy of Certificate in employee record.

9 EMPLOYEE RELATIONS

The aim of Employee Relations is to establish fair and consistent guidelines for the behavior standards expected from employees of Mahmood Group of Companies both inside and outside the workplace and work hours.

8.1 Disciplinary Policy

The policy outlines the corrective steps that will be taken if an employee exhibits behavior that is deemed unacceptable.

The maintenance of socially acceptable and ethically correct behavioral standards is essential and in the best interests of Mahmood Group of Companies and its employees. Where such standards are breached, the organization has a right and responsibility to initiate corrective action.

The organization's disciplinary code and disciplinary procedures are designed to make clear the behavioral standards required from Mahmood Group of Companies employees and to specify the actions to correct unacceptable deviations from these standards.

The dismissal of an employee may take place only where corrective action has failed or subject to the seriousness and nature of incidents.

8.1.1 The Disciplinary Code

Mahmood Group of Companies aims to provide its employees with the contracted compensation, worthwhile employment and competitive conditions of service and fringe benefits, and in return expects acceptable behavior & adherence to the organization's rules, regulations, and standards of discipline.

Mahmood Group of Companies therefore expects its employees to:

- Carry out the duties and responsibilities for which they have been engaged or subsequently appointed, in a conscientious and energetic manner, with due regard to the interest of the organization and to other employees.
- Carry out instructions other than those considered to be unreasonable or illegal requests; and maintain high standards of honesty with due respect for the property and possessions of the organization and other employees.
- Furthermore, employees are expected to abide by the current rules and regulations governing:
 - Hours of work and timekeeping.
 - Confidentiality.
 - Cleanliness and tidiness of Mahmood Group of Companies properties.
 - Security of property
 - Safety of themselves and colleagues.
 - Follow Rules of State Bank of Pakistan
 - Comply with FATF requirements
 - Avoid Cyber Malpractices
 - Adhere Core Values

8.1.2 Violations of Organization Rules & Regulations

The following offenses are considered as violations of organization rules and will be treated with the penalties specified under disciplinary actions:

- Theft or intentional damage of property of organization or another employee.
- Unauthorized/misuse of computer, Internet, and Intranet.
- Assault on supervisor or another employee.
- Unprofessional behavior or being involved in work politics or any activity detrimental to proper functioning of departments.
- Crossing one's authority and interfering in other departments.
- Threatening or intimidating employees or supervisors.
- Falsifying organization records.
- Removal of organization records or release of confidential information.
- Posting or removing notices on the bulletin board without organization approval.
- Distributing printed matter on organization premises without permission. Also, soliciting contributions on organization premises. Religious sectarianism is strictly prohibited.
- Stopping work before shift ends, stretching breaks or otherwise wasting time.
- Leaving department or office premises during working hours without permission or filling out logbook / Short Leave Slip or form.
- Unauthorized absence.
- Excessive absenteeism or lateness.
- Possession of illegal weapons or firearms on organization premises.
- Reporting for work under the influence of alcohol or drugs or drinking alcohol or using illicit drugs on organization premises including company provided residence.
- Smoking in unauthorized areas.
- Gambling on organization property.
- Eating at workstation other than at authorized times. Also, eating in unauthorized areas.
- Using another employee's tools without permission.
- Fighting or attempting to provoke a fight on organization premises.
- Failure to observe traffic and parking rules on organization property.
- Unauthorized operation of equipment.
- Misuse of organization resources/important data.
- Play games during work hours.
- Any illegal / unethical conduct or activity.
- Culturally compromised act or behavior.

8.1.3 Disciplinary Actions

Depending on the nature, frequency, and seriousness of a breach of the disciplinary code, one of the following actions may be taken (the actions are taken in sequence and escalated as appropriate):

1. An oral (informal warning).
2. A written (formal) warning (1st formal warning).
3. A final written (formal) warning (2nd formal warning); or Suspension
4. Dismissal/Termination.

Warnings

In the interests of fairness and in terms of the prime objective of a warning (correction rather than censure), every warning should include the following:

- Facts and evidence that support/corroborate the warning.
- An explanation for the warning.
- An opportunity for the employee to give his/her point of view and to be fairly heard;
- The required behavioral standards clearly stated.
- An adequate, correct, and fair record of the disciplinary process maintained; and
- The degrees to which these components are elaborated upon or formalized depend on the nature of the breach of standards and the type of warning being given.
- By definition, a written warning is committed to paper and is given to the employee, and a copy of the warning is filed in the employee's personal file.

Suspension:

After an oral warning is given to employee due to negligence in work and the Immediate Supervisor feels no improvement in employee's behavior then written warning is given to the employee and copy of the written warning is filed in the employee file. Employee is given time to improve. If employee does not improve then final written warning is given, or Immediate Supervisor may request the HR /IR Department to suspend the employee for 3 to 5 days and last chance is given to employee to improve. Request is forwarded to VP / Head HR / IR for approval in case of Non-Management Employees and approval from CEO / CPE is required for Management staff. After approval, employee is suspended.

Dismissal:

Dismissal of an employee is the most serious form of censure and is appropriate only when corrective action has failed or when the nature of breach is so serious that continued employment is untenable. The following list details the cases where an employer may dismiss the employee without notice after the hearing and with forfeiture of all or part of his/her end of service benefits. The list is not exhaustive.

- Insubordination / Willful disregard of instructions given by Immediate Supervisor.
- The possession/ use of/ or being under the influence of alcohol or drugs while on Office / work premises.
- Willful action or behavior resulting in conflict between employees.
- Habitual or substantial neglect of duties/Go Slow.

- Theft/fraud / pilferage.
- Absence without permission for more than total five (05) days in any one year or more than two (2) consecutive days; provided that Mahmood Group of Companies gives the employee written warning prior to his dismissal when he is absent for three days in the first case.
- If an employee strikes or abuses his Immediate Supervisor at his place of work or if he strikes his colleagues at his place of work.
- If an employee divulges secrets belonging to the place in which he works; and
- Failure to comply with instructions, including safety instructions.
- If the employment contract is terminated, it is essential that the following elements be considered:

Evidence

The evidence supporting dismissal should be firm, reliable, and adequately documented.

8.1.4 Formal Hearing (at the request of the employee as right of appeal)

There should be a formal “hearing” at which the employee must have a fair and reasonable opportunity to present his/her point of view unless this is clearly not possible, e.g., where an employee has absconded.

A committee of unbiased and independent managers, including the Group Head HR & OD will hear the employee’s views and report key findings of the hearing. Managers that are members of the committee must not be directly involved in the situation giving rise to the dismissal to avoid any actual or perceived personal involvement, bias, or subjectivity.

- **Authority for dismissal**

A decision to dismiss an employee should be forwarded to VP / Head HR / IR for approval in case of Non-Management Employees and approval from CEO / CPE is required for Management staff

- **Grievance Handling**

Policy

The aim of this policy is to provide a method for employees to express any grievance they may have and approach different levels of authority in the organization to address the grievance.

There is formal grievance handling procedure within the organization. However, it is recognized that on occasions an employee may feel that he/she has been unfairly dealt with by his/her senior or the organization in general.

If this situation arises the employee is first advised to try and settle the grievance with his/her Immediate Supervisor. If, however this is not possible or does not resolve the grievance, then he/she should contact the next level up which is the Departmental Head of his Immediate Superior. The superior’s head then attempts to resolve the grievance. If the above channels cannot resolve the matter, the final step for the employee is to put his/her grievance in writing to the grievance handling committee.

The HR/ IR Representative either himself mediates in an attempt to arrive at a satisfactory solution or forwards the request to grievance handling committee, who tries to mediate initially and confirms any decision/proposed action to the employee.

The final authority for all grievances is Head Grievance Handling Committee

Grievance Handling Committee

Please find below **Grievance Handling Committee** members for Apparel

Name	Designation	Department
Saba Anees		
Raza Baloch	Sr.Manager	IR Compliances
Zoha Shahzad	Sr. Deputy Manager	Human Resource
Maimona	Officer	Cutting Production
Amina	Sr. Executive	Industrial Engineering
Sidra	Executive	Washing Production
Maryam	Executive	Business Affairs

Please find below **Grievance Handling Committee** members for Group

Name	Designation	Department
Any Director Nominated by chairman		
Asif Nazir	Sr.Manager	Human Resource
Adnan Shahzad	Sr. Deputy Manager	Human Resource
Iqra Khalid	Manager	Internal Audit
Umer Malik		Accounts
Syeda Tabinda	Deputy Manager	Finance

All grievance cases related to Non-Management & Management will be addressed by HR/ IR department. In case IR/HR department couldn't resolve those cases then all these will divert to Grievance Handling Committee. IR/HR department will provide data on weekly basis to Grievance Handling committee. This committee will share monthly report with Head Grievance Handling Committee in order to check how many cases reported and how many resolved

8.2 Code of Conduct

Policy

The aim of this policy is to establish the principles by which the employees conduct business on behalf of Mahmood Group of Companies.

Code of Conduct

All the employees of Mahmood Group of Companies are hereby informed to follow these guidelines as “Code of Conduct” of the organization.

8.2.1 Employee Discipline: Violation of any items in code of conduct, violation of any of organization rules & regulations, employee misconduct, excessive lateness, absence, failure to comply with organization procedures, or other breaches of the employer, employee relationship are examples of problems for which strict disciplinary action would be taken.

8.2.2 Dress Code: Employees at Mahmood Group of Companies are advised to follow business formal or business casual dress code. Clean and properly ironed dress code should be followed.

- In order to reflect a professional ambience at workplace, it is appropriate to observe certain classification with respect to the general appearances. By virtue of this communication, employees of Mahmood Group are being informed of the dress and appearance code that one needs to observe while being in office business premises or while representing at any other/outside location.
- **Guidelines:**
- All male employees up to Management level should wear decent attire comprising polo shirt or dress shirt with or without necktie and straight trousers with proper shoes.
- All female employees are expected to carry themselves in an elegant manner remaining within social and professional circumferences.
- All the mentioned dress adhering norms are to be observed from Monday to Thursday. However, Shalwar Kameez is permitted on Fridays.
- Working Saturdays are to be observed as casual dress days (Other than Shalwar Kameez)
- **Inappropriate Dressing/ Prohibitions/Exclusions:**
- Torn, stained, wrinkled, dirty and frayed clothing.
- T-shirts, shirts with inappropriate slogans, logos, pictures, cartoons.
- Cargo/ Sweat Pants, sweatshirts, T-shirts without collar.
- Flashy athletic shoes, joggers, sneakers other than Saturdays.
Flip-flops or slippers.
- Facial beards must be properly trimmed.
- Mandatory Fragrance
- **Enforcement/Implementation:**

- Department Managers and HODs are responsible for monitoring and enforcing this policy.
- 8.2.3 **Smoking:** The company employees who smoke as a habit are required to smoke outside company premises or in their office (if they are allotted a separate cabin / office). The smoke breaks should not exceed 5 minutes and more than 2 times a day.
- 8.2.4 **Insubordination and Reporting Procedures:** Willful failure to carry out any reasonable order by Organization Management, including refusal to work on job assigned by the immediate supervisor. All the employees will remain responsible to their immediate supervisors for efficient performance and achievement of the objectives set by him or her.
- 8.2.5 **Confidential Information:** All the official documents will remain confidential with the organization. Any disclosure of the organization's critical success factors to outsiders shall result in disqualification from the job. All intellectual property, including inventions and copyrights conceived, developed, or made by employees during their employment with the organization shall be the property of the organization.

CLEAN DESK POLICY:

To ensure privacy and security control so that all sensitive and confidential data, whether on paper, storage media or hardware is properly secured and protected from unauthorized view. This policy reduces the risk of unauthorized access, loss and damage to information during and outside of normal business hours or when workstations are left unattended and also saves time.

Guidelines:

- At the conclusion of every working day, employees are expected to clean their desks and ensure that all sensitive/ confidential information in hardcopy or electronic form is secured and always from prying eyes.
- Documents, loose papers, writing pad and post-it notes containing sensitive data and critical business cards ought to be filed or placed in the appropriate cabinet/ drawers at the end of the day and /or whenever the employees are away from their desks for an extended period.
- Laptops/PCs must be locked whenever employees are away from their desks and must be shut completely down at the end of the working day.
- File cabinets containing restricted or sensitive information must be kept closed and locked when not in use or when not attended.
- Data consisting of confidential information must be password protected and the password must be shared only with the relevant individuals.
- Restricted or controlled documents must be shredded upon disposal.

- Other personal and official stuff / stationery items should be kept organized at the work desks.
 - While leaving office all must ensure to clean their desks and make sure no loose paper or document is left; everything should be left arranged. .
- 8.2.6 **Misuse of Organization Resources:** Misuse/unauthorized use of an official car, misuse/unauthorized use of a computer, official data, modem, tools, internet & intranet, unauthorized operation of equipment, failure to observe traffic and parking rules on organization property, disregarding safety rules, falsifying organization records, posting or removing notices on the online bulletin board without organization approval, using co. equipment for unofficial personal use; is the example of misuse of organization resources for which strict disciplinary action would be taken.
- 8.2.7 **Outside Employment:** No permanent employee shall seek temporary or part-time job without prior approval of Director / CEO / CPE. A person wishing to work part- time, etc. other than at Mahmood Group of Companies must take prior approval in writing from the Director / CEO / CPE. In case the organization finds anybody working in addition to Mahmood Group of Companies, strict disciplinary action would be taken against him/her.
- 8.2.8 **Conflicting Interest:** No employee will indulge in any activity contrary or conflicting to the interest of the organization.
- 8.2.9 **Punctuality:** Everyone is expected to show a responsible attitude towards timekeeping and attendance. Lack of punctuality may lead to disciplinary action and deductions from your pay for time not worked. Starting and finishing times refer to period of work. Getting ready to start work and to leave the premises should be done in one's own time.
- 8.2.10 **Gender Based Harassment:** Gender Based harassment in the workplace has many negative consequences and against the ethics. So, it is Mahmood Group of Companies policy that its workplace and the conduct of all employees be free from gender-based harassment.
- 8.2.11 **Equal Opportunity Environment:** Mahmood Group of Companies is committed to equal opportunity environment and bears no prejudice or bias on the bases of gender, race, color, disability, religion, class and etc.
- 8.2.12 **Organization Asset Management:** The Organization has the right to inspect all letters, e-mails, computers, chats, desks, packages etc.; brought into or off the premises. Employees refusing to allow organization representative to conduct an inspection shall be subject to strict disciplinary action.
- 8.2.13 **Other:** Any individual acts or pattern of acts, conduct or expressions, which are not in line with company's general / ethical code of conduct.
- 8.2.14 **Work Place Ethics**
- All employees should respect their colleagues.
 - Any kind of discriminatory behavior, harassment or victimization by one employee against other employee, client, vendor etc. won't be tolerated.

- Employees should refrain from using foul, offensive or abusive language with anyone.
- Employees should avoid using words, phrases or tones that reflect prejudiced, stereotyped or discriminatory views of particular people or groups.
- Employees should refrain from shouting or fighting with colleagues, vendors or customers.
- Employees should encourage other coworkers to share their valuable ideas.
- Employees should help out newcomers by introducing them to other colleagues.

Anti-Corruption Policy:

Mahmood Group is committed to conducting its business with the highest standards of ethics, integrity, and transparency. Corruption poses a serious threat to our values, reputation, and the communities we serve. This Anti-Corruption Policy outlines our unwavering commitment to preventing, detecting, and addressing corruption within our organization.

Definitions:

Corruption: Any act or behavior, including but not limited to bribery, embezzlement, fraud, extortion, and nepotism that involves the misuse of authority or position for personal or organizational gain.

Bribery: The offering, giving, receiving, or soliciting of anything of value to influence or gain an improper advantage in any business, political, or governmental transaction.

Policy Statement:

Mahmood Group prohibits all forms of corruption, including bribery, in any of our operations, interactions, or relationships. We are committed to:

1. Promoting a culture of integrity and transparency throughout our organization.
2. Complying with all applicable anti-corruption laws and regulations in the jurisdictions in which we operate.
3. Proactively preventing and deterring corrupt practices within our organization.
4. Promptly investigating and addressing any reported incidents of corruption.
5. Holding all employees, contractors, and stakeholders accountable for adhering to this policy.

Leadership Commitment:

Our leadership, including directors, executives and managerial staff, will lead by example in upholding this policy and promoting ethical behavior. They are responsible for setting a tone of zero tolerance for corruption.

Code of Conduct:

All employees, contractors, and stakeholders are required to adhere to our Code of Conduct, which includes:

1. Avoiding conflicts of interest and promptly disclosing any potential conflicts.
2. Rejecting any form of bribery, extortion, or unethical influence.
3. Maintaining accurate and transparent financial records.
4. Reporting any concerns or suspicions of corruption through established reporting mechanisms.

Reporting Mechanisms:

Mahmood Group provides confidential and accessible channels for reporting suspected corruption, including a designated compliance officer. Whistleblowers will be protected from retaliation, and their confidentiality will be maintained.

Investigations and Enforcement:

All reports of suspected corruption will be promptly and impartially investigated. Violations of this policy will result in disciplinary actions, which may include termination, legal action, or fines, depending on the severity of the offense.

Training and Awareness:

Regular training and awareness programs will be conducted to educate employees, contractors, and stakeholders about this policy, relevant laws, and the consequences of corruption.

Compliance with Laws:

This policy complies with all applicable anti-corruption laws and regulations. Violating these laws may result in criminal or civil penalties.

Third-Party Relationships:

Mahmood Group expects all third parties, such as suppliers, partners, and consultants, to adhere to the same anti-corruption standards. Engaging in corrupt practices may lead to the termination of business relationships.

Continuous Improvement:

We are committed to the ongoing improvement of our anti-corruption policy and its implementation, taking into account emerging risks and changing circumstances.

Transparency:

Mahmood Group will maintain transparency by disclosing our anti-corruption efforts, successes, and challenges to relevant stakeholders as required by law or industry standards.

This policy will be effectively communicated throughout the organization, and all stakeholders will be regularly reminded of their responsibilities.

By adhering to this Anti-Corruption Policy, we aim to maintain the integrity, reputation, and legal standing of Mahmood Group of Industries while contributing to a transparent and ethical business environment.

Communication Policy:

That outlines the types of information to be communicated
The suggested communication mediums.
The Communication Ethics and Code of Conduct

This procedure is applicable to all internal and external communication being held at MG.

Communication made in 2 dimensions;

Internal Communication

Internal Communication is made in 3 dimensions

- Up to Downward Communication (When senior communicates something to his reportees)
- Down to Upward Communication (When reportees communicates something to his senior)
- Lateral – Horizontal Communication (Communication among different Departments staff member – peers at the same level in different departments)

External Communication

- External Communication (Communication with Customers / Vendors)

Communication Medium

For both internal and external communications following mediums can be used:

- **External Communication**
 - Meetings
 - Emails
 - WhatsApp (Only where requested by external party)
 - Skype Calls / Phone Calls: (Audio Communication on Phone/Skype - Must be followed by detailed Email, outlining the Points Discussed during Call)
- **Internal Communication**
 - Meetings
 - Emails

- SMS / WhatsApp
- Notice boards
- Handbooks and Instruction Manuals

Meetings

- Meetings are used as a communication medium between Immediate head and direct reportees.
- Every meeting must have a written purpose, agenda and must be time-bounded.
- A meeting must not exceed the pre-set time duration as per agenda.
- Generally, the purpose or agenda of a meeting within organization includes task assignment OR review of task / KPI / Performance.
- Review meetings should be focused on Desired end results status (achieved OR Not), and should not focus on describing the efforts put in or activities carried out during the achievement of a task.

Emails

- Email is the mode preferred mode of communication within and outside the organization, since it is formal as well as trackable.
- Emails are used for requiring and sending information, Updates, Reports and Giving Approvals.
- While writing an email, to address someone, the Prefix “Mr.” for Males and “Ms.” For Females must be used before their name.
- Using someone’s first name in email directly (without Mr. or Ms.) is prohibited.
- Using Suffixes Like Sahib or Sb. is also not preferred.
- Avoid using ALL CAPS in email Subject or Text.
- Triple Check who you are sending the email to. Do Not cc anyone who is not directly related to the subject matter.
- Do Not Copy CEO / Director in emails. If you want a matter to brought to his attention, follow the process and first generate the email to concerned department to get a solution.
- If you want to email the VP / HOD of another department, generate an email to your HOD and request him to follow-up the query with his counterpart in the other department.
- Only use Formal Fonts (Times New Roman, Calibri, Arial, Tahoma, Sans Serif etc).
- Use Black color in font when typing usual email. However, to highlight a point, text can be bold or underlined or highlighted with a different color (avoid using flashy or neon colors)
- Double check at Spellings of the Name of person you are writing to.
- Check your email twice to make sure that you have added all the required information. Do not send too many emails in a row.

- Subject of email must refer to the context / purpose of email. Never use unclear email subjects like hi, Urgent, Important, please see this.... etc.
- There are 4 parts of a business email, structure your emails accordingly:
 - **The Opening:** Tells the reader why you are writing – The Purpose
 - **The Focus:** Tells the details about the topic – The Description and Detail
 - **The Action:** Tells what you want to happen and gives a time frame
 - **The Closing:** Thank the reader and mention future communication
- Wait at least 36 hours before sending a follow-up e-mail, unless it's an emergency, in which case use a call to follow-up.
- If you want the receiver to do something for you, make it clear. Tell the receiver exactly what action you want done.
- If you want the receiver to respond by a certain date, write the response date.
- Emails are not for fighting over petty things or Ego wars.

Phone messaging and WhatsApp

- SMS and WhatsApp are used for general communication among peers and within the reporting hierarchy of a department.
- WhatsApp can be used for Seeking Emergency Approvals when the person who is seeking approval is out of Office OR do not have an access to email.
- Critical operations and firefighting updates can also be shared at WhatsApp.
- Voice notes in WhatsApp messages are highly discouraged. (Only allowed in cases where it is required to explain or detail the information that is already written in message but requires further explanation.
- WhatsApp messages / groups must not be used for Late Attendance or Leave Approvals.
- Members are not allowed to share any forwarded messages, Political, Humorous, General Knowledge, Religious or ethnic or any other any kind of posts other than business requirement in any of the official WhatsApp groups.
- Following should be the Standard format of a WhatsApp Message

Addressed to:

Purpose:

Subject Matter / Discussion Detail:

Attach Picture (if required):

Attach Voice Note (only if a detail needs to explained):

1.1.1. Notice boards at Mills

- Notice boards are used for displaying important notices about Holidays, timings, company certifications or any general information for employees which is already emailed to them but is displayed as a reminder.
- Physical Notice Boards are controlled and managed by Team Lead Administration
- Electronic Notice Boards are managed by IT / MIS.

Sending a Message

When sending messages:

- Include complete information
- Prefer Bullets instead of Paragraphs to ensure no important information is overlooked
- Before sending, review the information to make sure it is correct
- If it is a message that requires timely feedback from the receiver, check later that the message has been received.

Receiving a Message

When taking messages:

- Re-check the information to make sure it is correct;
- Respond / Give feedback to the sender as soon as possible; and
- If necessary, check later that the message has been received.
- Confirm important information and decisions in writing for the record and/or so that the information can be referred to from time to time.

Communication Rules & Guidelines

- It is mandatory that each employee in this organization show maximum respect to every other person in the organization and other contacts in a business context.

- The purpose of communication should be to help others and to make our business run as effectively as possible, thereby gaining the respect of our colleagues and customers.
- Courtesy, friendliness, and a spirit of helpfulness are important and guide the company's dealings with employees and customers.
- Differences of opinion should be handled privately and discreetly. Gossip and backbiting are to be avoided. Communicate directly with the person or persons involved to resolve differences.
- Constructive criticism —which will improve business by clarifying or instructing — should be welcomed when delivered with respect and tact.
- Destructive criticism —which is designed to harm business or another person — is not to be practiced and to be strictly dealt with.
- Employees should strive to maintain a civil work atmosphere at all times and refrain from shouting, yelling, heated cross-texting, using vulgarities, obscenities or swearing at co-workers or customers.
- We aim for MG to be a diversity friendly organization and it is only possible when each employee has the responsibility to foster an understanding of others' differences in order to create an environment where those differences contribute to a better organization.
- Inappropriate remarks based on any of the following are not tolerated and such behaviour will result in immediate termination of employment: race, religion, ethnic origin, physical attributes, mental or physical disability, color, ancestry, marital status, medical condition, gender, citizenship and/or age. Inappropriate remarks include those that treat a group of people in a uniform way, assign a behaviour in a derogatory way, imply inferiority of a group, are supposedly funny at someone else's expense, and/or cause embarrassment or distress to others.

- **Confidentiality:** All documentation, correspondence and company-related information, unless and until publicly available must be treated as confidential. Non-public information from or concerning suppliers, customers, employees, agents, consultants and other parties must also be protected in accordance with legal and contractual requirements.
- While communicating with Customers for Order Inquiries, make weekly two follow-ups with Customer (every Tuesday and Friday), only in cases where customer has not defined the follow-up time. In cases where customer has already specified the follow-up time, follow customer's timeline.
- Concerned HODs will hold weekly one-hour performance review meeting with their respective reporting lines where meeting agenda will include weekly status report on Targets / KPIs or assignment of any new targets. The Weekly meeting days for each HOD will be finalized among the HODs and reportees and shall be followed accordingly.

Conflict of Interest Policy:

A conflict of interest arises when an individual's personal interests or activities interfere, or have the potential to interfere, with their ability to act in the best interests of Mahmood Group of industries. Such conflicts may involve financial, personal, professional.

Disclosure Requirements:

1. Initial Disclosure:

All employees, board members, officers, and individuals associated with Mahmood Group are required to make an initial disclosure of any potential conflicts of interest upon commencement of their association with the organization.

2. Annual Disclosure:

An annual disclosure process will be implemented for all individuals associated with the organization, during which they are required to update and reaffirm their disclosures of any potential conflicts of interest.

3. Prompt Disclosure:

Individuals must promptly disclose any conflicts of interest that arise during the course of their association with the organization.

Review and Evaluation:

The Board of Directors or designated committee will review all conflict of interest disclosures to determine whether a conflict exists and whether it requires action. The board or committee will consider whether the conflict could affect the individual's ability to act in the organization's best interests

Procedures for Addressing Conflicts:

1. Recusal

Individuals with a conflict of interest must recuse themselves from any discussion, decision-making process, or vote relating to the matter in which the conflict exists.

2. Decision-Making Committee

For certain conflicts of interest, a decision-making committee consisting of impartial individuals will be convened to evaluate the matter and make recommendations to the board.

3. Mitigation Measures

The board or committee may impose mitigation measures, such as requiring full disclosure to other parties or establishing safeguards to minimize the impact of the conflict.

4. Removal from Position

In cases where conflicts of interest cannot be adequately managed or mitigated, the organization may consider removing the individual from their position or role.

Documentation and Recordkeeping:

All disclosures, evaluations, and actions taken regarding conflicts of interest will be documented and maintained in accordance with applicable laws and regulations.

Education and Training:

Mahmood Group will provide education and training to all employees, board members, officers, and other individuals associated with the organization to help them recognize and address conflicts of interest.

9 EMPLOYEE RECORDS

Policy

The aim of this policy is to maintain consistent information required about employees: legal, administrative, and operational status.

It is the requirement by law that the organization shall maintain employee data. Job-related and necessary personnel information is managed by the organization in an official Employee Personal Record file maintained by HR / IR Department. This file contains job-related information. It also contains necessary personal information including mailing address, telephone number and the person to contact in an emergency. Employment details such as joining date, division, Grade, function, etc. are also maintained.

The contents of the Personnel file are confidential and are used for organization purposes only. These files will not be removed from the Mahmood Group of Companies. HR Department, except to provide supporting evidence and /or assist the Immediate Supervisor for processing Appraisals, Transfers, confirmation of probation or disciplinary actions etc.

Employee may access his/her personal file in the presence of HR / IR Representative. Employees can request to place documents in /her file through HR/IR the Representative. All files will be maintained in Mahmood Group of Companies for 3 years after employee termination.

The personnel files would normally include:

- Employment Application
- CV
- Two Recent Photographs
- Office Copy of Appointment Letter
- Statement of Ethics (signed by the employee)
- Confirmation Letter
- Confidentiality Agreement (signed by employee)
- Performance Review Form(s)
- Career Development – Training and Promotions.
- Disciplinary Action/Termination.
- Past Experience Letter(s).
- Copies of the Academic Certificates.
- Employee Personal Documents/Data; and
- Employee Bio Data form
- Police verification form
- Health questioner form
- NDA
- Joining letter
- Personal reference form
- Driving License
- Warning Notices
- Miscellaneous.

Procedure

- 9.1.1.1 Personnel information has to be maintained in hardcopy in the Employee Personal file.
- 9.1.1.2 Employees inform HR/IR through email, or hardcopy, regarding any changes in their personal information, for example, change in permanent address, change in marital status or additional educational qualifications.
- 9.1.1.3 Employees can request to get access to their personal files through their Immediate Supervisor.
- 9.1.1.4 After approval from Immediate Supervisor employees can access his/her file in the presence of HR/IR.
- 9.1.1.5 All Employee Personal files for Mahmood Group of Companies will be maintained with the organization for 3 years after employee termination.

10 Diversity, Equity, and Inclusion (DEI) Policy at MG Apparel

1. Introduction

MG Apparel is committed to cultivating a workplace environment that values diversity, promotes equity, and fosters inclusion. Our DEI policy reflects our dedication to creating a culture where every individual feels respected, empowered, and valued for their unique contributions. This policy serves as a comprehensive framework to guide our actions and initiatives toward achieving our DEI goals.

2. Glossary of Terms:

- **Code of Conduct:** A set of principles and standards that outline expected behaviour within the organization.
- **Discrimination:** Prejudicial treatment of an individual based on various factors such as race, ethnicity, gender, age, sexual orientation, religion, disability, etc.
- **Direct Discrimination:** Denying a person an opportunity or treating them less favourably due to their belonging to a particular group.
- **Diversity:** The representation of individuals from different backgrounds, experiences, and perspectives within the organization.
- **Equity:** Fair treatment and equal access to opportunities for all individuals, regardless of their background or characteristics.
- **Harassment:** actions that appear to be distressing, upsetting, or threatening. Harassment is unwelcome conduct that is based on race, colour, religion, sex (including sexual orientation, gender identity, or pregnancy), national origin, older age (beginning at age 40), disability, or genetic information (including family medical history).
- **Indirect Discrimination:** When an action or policy, appearing neutral, has a discriminatory effect on individuals or groups.
- **Inclusion:** The practice of creating a welcoming and supportive environment where all individuals feel valued, respected, and included.
- **Intersectionality:** The interconnected nature of social categorizations such as race, gender, class, etc., and their overlapping effects on discrimination and privilege.

- **Microaggressions:** Subtle, often unintentional behaviours or comments that communicate derogatory or negative messages to individuals based on their identity.
- **Sexual Harassment:** Sexual harassment is a type of harassment involving the use of explicit or implicit sexual overtones, including the unwelcome and inappropriate promises of rewards in exchange for sexual favours.
- **Violence at Workplace:** Workplace violence is any act or threat of physical violence, harassment, intimidation, or other threatening disruptive behaviour that occurs at the work site.
- **Unconscious Bias:** Implicit attitudes or stereotypes that influence our understanding, actions, and decisions in an unconscious manner.

Our DEI policy applies to all aspects of MG Apparel's operations, including recruitment, hiring, promotion, training, compensation, benefits, and organizational culture. It extends to interactions with customers, vendors, partners, and stakeholders, both within and outside the workplace.

3. Purpose:

The purpose of the DEI policy at MG Apparel is to create a workplace culture that values diversity, promotes equity, and prioritizes inclusion. It aims to ensure that every individual within our organization feels respected, valued, and empowered to contribute to our shared success.

Additionally, the policy serves to eliminate barriers to success, drive innovation, attract and retain talent, meet legal and regulatory requirements, and demonstrate our commitment to stakeholders.

Ultimately, the DEI policy establishes a framework for fostering an equitable, inclusive, and supportive workplace environment, contributing to our collective success and advancing a more just and prosperous society.

4. Policy Statement:

MG Apparel is committed to promoting diversity, equity, and inclusion in all aspects of our organization. We recognize that embracing diversity and fostering an inclusive environment are not only ethical imperatives but also essential for driving innovation, creativity, and sustainable growth.

5. Scope:

This policy applies to all employees, contractors, vendors, and stakeholders associated with MG Apparel. It encompasses behaviours and actions both within and outside the workplace that may impact the work environment.

6. Core Principles:

- Embracing Diversity:** We recognize and celebrate the diverse backgrounds, experiences, perspectives, and identities of our employees and stakeholders as valuable assets to our organization.
- Promoting Equity:** We are committed to identifying and addressing systemic inequities and barriers that hinder the advancement and success of underrepresented groups within our workforce.

- c) **Fostering Inclusion:** We strive to create an inclusive culture where every individual feels empowered to contribute, collaborate, and thrive, regardless of differences.

7. Policy Directives

- MG Apparel is dedicated to cultivating a workplace culture that respects and values the diverse backgrounds, experiences, and identities of all individuals. We are committed to fostering an environment that promotes dignity, equality, and inclusion, empowering every employee to realize their full potential.
- It is the policy of MG Apparel to treat all employees, candidates, customers, and stakeholders fairly and equitably, without discrimination based on factors such as background, ethnicity, religion, race, age, gender, sexual orientation, disability, or any other characteristic. The company will not impose requirements or conditions that disadvantage individuals based on these factors without justified cause.
- MG Apparel has a zero-tolerance policy towards intimidation, bullying, harassment, and discrimination of any kind. Any instances of such behavior will be promptly investigated and appropriate disciplinary action will be taken. We encourage individuals who experience discrimination or harassment to come forward and report their concerns, ensuring that corrective measures are applied.
- All employment-related policies, practices, and procedures, including hiring, compensation and benefits, training and development, performance appraisal, promotion, and recognition, will be administered on a basis that is equal, fair, transparent, and just, irrespective of an individual's background, ethnicity, religion, race, gender, or any other characteristic.
- The DEI policy of MG Apparel will be integrated into all operational, financial, procurement, supply chain, IT, and Human Resources systems. Adherence to this policy will be an integral component of our performance management system, ensuring consistency and accountability across the organization.

7.1 Sections on Specific Diversity Initiatives:

- a) **Diversity:** MG Apparel recognizes the importance of reflecting the diversity of everyday life in our workforce and operations. We are committed to fostering an environment where individuals from all backgrounds feel valued and included.
- b) **Gender Equality:** We are dedicated to achieving gender balance across all levels of our organization, from entry-level positions to executive leadership. We strive to create opportunities for women to thrive and advance within our company.
- c) **People with Disabilities:** MG Apparel is committed to providing equal opportunities and accommodations for individuals with disabilities. We are dedicated to creating a workplace that is accessible and inclusive for all employees, regardless of their physical or cognitive abilities.
- d) **Race and Ethnicity:** We recognize the importance of promoting racial and ethnic diversity within our organization. MG Apparel is committed to combating racism and discrimination and creating opportunities for individuals from diverse racial and ethnic backgrounds to thrive and succeed.

7.2. Implementation Strategies:

- a) **Recruitment and Hiring:** Implementing inclusive recruitment practices to attract diverse talent, including targeted outreach, reducing bias in job descriptions and selection processes, and ensuring diverse representation on hiring panels.
- b) **Training and Development:** Providing ongoing training and professional development opportunities to enhance awareness, knowledge, and skills related to diversity, equity, and inclusion for all employees at every level of the organization.
- c) **Employee Resource Groups (ERGs):** Establishing ERGs to provide forums for employees to connect, share experiences, and advocate for inclusion and representation of diverse voices within the organization.
- d) **Performance Evaluation:** Incorporating DEI goals and metrics into performance evaluations and recognizing and rewarding behaviors that promote diversity, equity, and inclusion.
- e) **Community Engagement:** Engaging with local communities and partnering with organizations that promote diversity and inclusion initiatives to support social responsibility and advocacy efforts.

8. Procedural Guidelines

8.1 Individual Responsibility: Every employee, regardless of their position within MG Apparel, bears individual responsibility for adhering to the principles outlined in this policy.

8.2 Reporting Discrimination: Employees who believe they have experienced unfair treatment, discrimination, or harassment are responsible for reporting such incidents as per the procedures detailed in this policy or through the Open Door Policy, ensuring confidentiality when discussing concerns with their department heads or the People & Learning (HR) department.

8.3 Reporting Violations: Employees who witness or become aware of any incidents against this policy or potential violations of legal regulations are obligated to report promptly to the relevant authority without delay.

8.4 Seeking Guidance: As this policy may not cover every situation, employees are encouraged to seek guidance or raise questions when unsure of the appropriate course of action.

8.5 Impartiality and Objectivity: MG Apparel is committed to providing an impartial and congenial work environment for all employees, regardless of characteristics such as race, gender, religion, belief, physical ability, age, or family responsibility. Employment-related policies, practices, and procedures will be applied impartially and objectively.

8.6 Framework for Action: The Diversity, Equity & Inclusion Management Policy provides a framework for translating the organization's commitment to equality and diversity into action, outlining the responsibilities of key stakeholders to comply with ethical and moral standards.

8.7 Addressing Unique Circumstances: While this policy aims to cover a range of scenarios, employees encountering situations not addressed or experiencing doubts should seek guidance

from their Reporting Manager, Reviewing Manager, or the People & Learning Department and act accordingly.

8.8 Zero Tolerance for Discrimination: The organization prohibits all forms of discrimination, harassment, victimization, or bullying, whether direct, associative, or indirect, and is committed to addressing such behavior promptly and effectively.

8.9 General Behavior

- a) **Conduct Standards:** Employees are expected to demonstrate maturity, responsibility, and ethical behavior, showing respect and concern for their colleagues, supervisors, and the company's interests both within and outside the workplace.
- b) **Integrity and Professionalism:** Employees are expected to act with integrity and professionalism, using company resources and authorities in a fair and equitable manner.
- c) **Respect for Diversity:** MG Apparel respects diversity and believes in equality in the workplace, prohibiting discussions or actions that may cause harm or discomfort to others based on political, ethical, or religious beliefs.

8.10 Workplace Violence:

- a) **Prevention of Violence:** MG Apparel strictly prohibits violence in the workplace, including threats or acts of physical harm, harassment, or intimidation.
- b) **Weapons Policy:** The company prohibits the carrying of prohibited weapons on its premises, with exceptions made only for authorized personnel such as Armed Forces and Police Personnel, security guards, and others specifically authorized by MG Apparel.

8.11 Harassment, Victimization, Abuse & Discrimination

MG Apparel is committed to providing a professional work environment free from intimidation, hostility, harassment, abuse, or behavior that may interfere with work performance.

9. Roles and Responsibilities:

The CEO and Executive leadership are responsible for review and compliance with the policy, ensuring awareness and supervision of the Diversity Equity & Inclusion Council (DEIC).

9.1 Executive Leadership:

Leadership commitment and accountability for DEI initiatives, setting strategic direction, allocating resources, and promoting a culture of inclusion from the top down.

9.2 Managers and Supervisors:

Leading by example, fostering an inclusive team culture, addressing instances of bias or discrimination, and supporting the professional growth and development of all team members.

9.3 Employees:

All staff members have a responsibility to prevent and report any form of discrimination, avoiding actions or behaviours contrary to the spirit of this policy.

9.4 Diversity, Equity & Inclusion Council (DEIC)

The DEI Council's strategic and programming initiatives focus on four key areas: corporate policies, talent and recruitment efforts, training and education, and partnership and community involvement.

Diversity, Equity & Inclusion Council help craft DEI strategies and spearhead initiatives and programming aimed at honoring DEI commitments to our stakeholders in new and bold ways. The DEI Council is comprised of diverse team members who are committed to thinking creatively, speaking openly, and doing the tough work to make our culture one where all employees feel welcome and appreciated.

9.5 People & Culture – Human Resource

9.5.1 Support and Guidance:

The HR department plays a crucial role in developing employment-related policies, providing guidance to managers and staff, supporting investigations into discrimination issues, monitoring employment practices, and facilitating training initiatives on equality and diversity.

9.5.2 Learning & Development:

At MG Apparel, we believe in making smart investments, and one of the smartest investments we can make is in our people. Therefore, we place a heavy emphasis on employee development and training.

9.5.2.1 Leadership Training:

Employees across various departments at MG Apparel actively engage in individual leadership coaching programs. These programs are meticulously designed to refine each individual's ability to comprehend their unique skills and challenges. By honing these skills, employees can effectively confront challenges within a diverse work environment.

MG Apparel is particularly dedicated to providing leadership coaching opportunities for women and minorities who have historically been underrepresented in the garment manufacturing industry. This emphasis provides a clear pathway for growth and development for these individuals, fostering a more diverse and inclusive leadership landscape within our organization.

9.5.2.2 Diversity and Inclusion Training:

- a) At MG Apparel, we recognize that we all have blind spots that can perpetuate unconscious bias if left unaddressed. Therefore, we are committed to exposing and challenging these blind spots through a series of mandatory diversity, equity, and inclusion trainings, as well as speaker series and workshops. These initiatives aim to shed light on often overlooked issues and broaden perspectives.
- b) Additionally, we understand the power of knowledge and provide our employees with relevant information, facts, figures, and resources to deepen their understanding of the diverse world we live in. Through these efforts, we actively address topics such as systemic discrimination, implicit bias, gender disparity, generational differences, LGBTQ+ issues, and more.

- c) Our DEI initiatives at MG Apparel go beyond mere compliance requirements; they are fundamental to fostering a culture of inclusivity, understanding, and empathy within our organization. By investing in the development and education of our employees, we are not only creating a stronger and more resilient workforce but also affirming our commitment to valuing the contributions of every individual, regardless of background or identity.

10. Breach of DEI Policy & Reporting Procedure

10.1 Reporting Breach:

Employees are required to uphold the principles of diversity, equity, and inclusion (DEI) in their conduct and behaviour. Any breaches of the DEI policy require immediate attention, and all employees have a duty to report known or suspected violations of this policy.

10.2 Protection for Whistleblowers:

Employees who, in good faith, report complaints or disclosures about alleged breaches of the DEI policy will not face any form of retaliation or discrimination. All reports will be handled with confidentiality and sensitivity.

10.3 Procedure:

- a) Complaints or disclosures regarding alleged breaches of the DEI policy should be documented in writing and include specifics such as the date, time, and nature of the incident, along with any available supporting evidence.
- b) Allegations should be reported to the employee's immediate supervisor, head of department, function head, or President. If there are concerns about implicating these individuals, the complaint should be escalated to the Chief Executive Officer (CEO).
- c) The individual receiving the allegation should conduct a prompt and thorough investigation to determine if any corrective action is necessary. They may seek guidance from the Function Head, Department Head, or Head of Support Services as needed.
- d) The employee who filed the complaint will be kept informed of the investigation's progress and outcome.
- e) If the employee is dissatisfied with the investigation's outcome, they may escalate the matter to a senior official or the Chief Executive Officer.
- f) Employees are encouraged to seek advice or discuss concerns related to DEI matters with the Head of Support Services, functional head, or any other senior official at any time.

11. Continuous Improvement:

MG Apparel is committed to ongoing assessment, evaluation, and adaptation of our DEI initiatives to ensure effectiveness and relevance. We will regularly collect and analyse data related to diversity metrics, employee engagement surveys, and feedback mechanisms to inform decision-making and drive continuous improvement efforts.

12. Review and Audit:

The policy will be reviewed every two years or earlier, if necessary, with a mechanism in place for internal and external audits of related documents and procedures.

At MG Apparel, we believe that fostering diversity, equity, and inclusion is not only a moral imperative but also a strategic business imperative. By embracing these principles and integrating them into every aspect of our organization, we strengthen our ability to innovate, collaborate, and succeed in an increasingly diverse and interconnected world. Together, we will continue to build a workplace where all individuals can thrive and contribute to our shared success.

11 Employee Well Being Policy:

Our comprehensive employee well-being policy addresses physical, psychological, and financial well-being:

Physical Well-being:

1. Encourage regular health check-ups.
2. Provide ergonomic workstations and equipment.
3. Promote physical activity through sports programs and gym at site
4. Offer subsidized lunch in office
5. Offer healthy snacks in the workplace to female who are expecting.
6. Implement safety protocols and training to prevent workplace accidents.
7. Promote usage of stairs instead of lift in order to burn calories in collaboration with WWF smart office initiatives
8. Health care sessions in collaboration with different hospitals.
9. Health insurance of employees with immediate dependents
10. Mandatory BMI & BP monitoring in annual PMS.

Psychological Well-being:

1. Offer confidential counseling services for employees.
2. Provide Physiological wellbeing/stress management workshops / sessions.
3. Encourage work-life balance through flexible scheduling or remote work options.
4. 12 Annual Work from Home to all management female.
5. Common room and Masjid for their rest, break time activities and for religious obligations.
6. Promote a culture of open communication and support.

7. Offer mindfulness or meditation sessions i.e. yoga sessions.

Financial Well-being:

1. Provide financial literacy awareness workshops or resources.
2. Offer competitive compensation and benefits packages.
3. Provide opportunities for career development and advancement.
4. Offer assistance programs for financial emergencies.
5. Provide discounts for different restaurants & shopping brands.
6. Discounted rates for BUCH hospital checkups.
7. Discounted rates from different pathology labs through jubilee life insurance.
8. 20% Tax credit from annual income
9. Voluntary pension scheme (VPS)
10. Buy now pay later with installments plan facility from PAYFOR.
11. Salaries credited on 1st of everyone.
12. Company sponsored Training from different institutions
13. Company sponsored awareness & support for Micro Nursery & Kitchen Gardening.
14. Worker welfare policy which covers Education Grant/ Health Grant/ Wedding Grant/ Funeral Grant/ Pay Continuation

These measures aim to create a supportive environment where employees can thrive physically, psychologically, and financially.

12 Variable Pay Plan (Proposal)

By implementing this variable pay plan, we can effectively reward our team based on their performance, encouraging higher sales and ensuring that top performers receive appropriate recognition and compensation.

1. Variable Pay Plan (Sales & PPC are included, based on Sales)

Employee will get pay out if and only if sales achieved exceed the monthly/quarterly targets, some percentage of exceeding sales will be used to pay out all employees of sales department based on their performance.

Sales Target and Performance Bands

1. Sales Performance Bands:

- **0% to 50% above target:** 0.50% of above-target sales
- **50% to 75% above target:** 0.75% of above-target sales
- **100% above target:** 2% of above-target sales

Example Scenario

- **Monthly Sales Target:** PKR200,000,000
- **Total Sales Achieved:** PKR400,000,000
- **Above Target Sales:** PKR200,000,000 (100% more than monthly sales target)

Payout Calculation

1. For 0% to 50% above target:

- Above Target Sales: PKR200,000,000
- Percentage: 0.50%
- Lump Sum Amount to be Distributed: 0.50% of PKR200,000,000 = PKR1,000,000

2. For 50% to 75% above target:

- Above Target Sales: PKR200,000,000
- Percentage: 0.75%
- Lump Sum Amount to be Distributed: 0.75% of PKR200,000,000 = PKR1,500,000

3. For 100% above target:

- Above Target Sales: PKR200,000,000
- Percentage: 2%
- Lump Sum Amount to be Distributed: 2% of PKR200,000,000 = PKR4,000,000
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Performance-Based Distribution

Let's consider a scenario where the Lump Sum Amount to be Distributed (I) is PKR4,000,000:

Performance Categories and Payouts

1. Outstanding Employee:

- Payout: 0.50% of I
- Calculation: 0.50% of PKR4,000,000 = PKR20,000

2. Above Average Employee:

- Payout: I - 50% of I
 - Calculation: $\text{PKR}20,000 - \text{PKR}10,000 = \text{PKR}10,000$
3. **Average Employee:**
- Payout: I - 75% of I
 - Calculation: $\text{PKR}20,000 - \text{PKR}15,000 = \text{PKR}5,000$

Plan Implementation

1. Setting clear monthly/quarterly targets for the team.
2. Regularly monitoring actual performance against targets.
3. Determining the targets achieved above the proposed target.
4. Categorizing employees as Outstanding, Above Average, or Average.
5. Distributing the lump sum amount according to the defined payout formula.

2. In case of Bonus (All Departments)

1. All management employees will be eligible for bonus as per their Performance rating (Annually)
2. For non-management, according to section 10-c of the Standing Orders Ordinance 1968, workers who have been in employment of the employer in that year for a continuous period of at least 90 days are eligible for payment of bonus.