

## 11. CODE OF CONDUCT

LDCMMC maintains certain policies to guide its employees with respect to standards of conduct expected in areas where improper activities could damage LDCMMC reputation and otherwise result in serious adverse consequences. The purpose of this policy is to affirm required standards of conduct and practices in a comprehensive statement.

LDCMMC has developed a Code of Conduct (the "Code") to provide guidance to employees in identifying situations that create or have the potential to create legal and ethical problems, or the appearances of such, and to provide direction in handling actual and potential conflicts of interest between personal and professional relationships.

LDCMMC shall operate in full compliance with all applicable laws. The conduct of employees shall conform to the requirements of all applicable laws and policies, rules and regulations.

The Code requires faithful compliance with all applicable laws, rules and regulations by employees, even if an employee believes non-compliance does not present ethical implications.

Compliance with all applicable local and federal laws, rules and regulations shall not eliminate the need for employees to consider the business conduct and ethics element in their activities. It is important to avoid even the appearance of any illegal or unethical behavior.

Employees shall behave in a manner that promotes the trust of other employees, and public.

### 11.1. Responsibility

- A. The HR department shall be responsible to obtain at the time of hire, and subsequently in each calendar year, a code of conduct and ethics statement signed by all the employees indicating their understanding of an agreement with this code.
- B. The Head of HR shall have overall responsibility for implementation and updating of the code. He/she shall also be responsible for responding to the queries, providing clarifications and take appropriate action in case of non-compliance with the code.
- C. All heads of departments shall be responsible to ensure that employees under their control operate within the specific terms and conditions of the Code as well as its intent.
- D. Every employee shall be accountable to LDCMMC for performance that fulfils the specific terms and conditions of the Code as well as its intent.

### 11.2. Procedure

Any question regarding whether a specific behavior is covered by the Code shall be addressed to the Head of HR, who shall review the question and clarify the position to the employee.

However the Code provides guidance regarding the following areas:

- a. Conflict of interest;
- b. Improper personal benefits;
- c. Financial interests in other businesses;
- d. Outside employment or activities;
- e. Protection and proper use of LDCMMC Assets;
- f. Full, fair and accurate disclosure of facts;
- g. Workplace harassment;
- h. Weapons and Ammunitions;
- i. Workplace violence, drugs, alcohol and gambling;
- j. Responding to inquiries from the press and others;
- k. Confidentiality;
- l. Compliance with laws and the Code;
- m. Rights created;
- n. Disclosures of interest, affiliation or activity;
- o. Whistle-blower protection
- p. Integrity.
- q. Exclusive service
- r. Child Labor Prohibition
- s. Discrimination
- t. Fraud, Corruption and Anti-Bribery

The above mentioned areas are briefly defined below.

#### **11.2.1. Conflicts of Interest**

A conflict of interest shall occur when personal interests of an employee interferes, or appear to interfere, in any way, with the interests of LDCMMC. Conflicts of interest may also arise when an employee takes action or have interest, or a member of the employee's family have interest, that may make it difficult for the employee to perform his/her duties objectively and effectively.

When a potential conflict of interest arises, it is important that the employee should declare his/her interest, act with great care to avoid such conflict. If the employee becomes aware of an actual, potential or apparent conflict of interest, he/she shall bring it to the attention of the Head of Department.

#### **11.2.2. Financial interests in other businesses**

An employee shall not have an interest in any other business if that interest compromises or appears to compromise an employee's loyalty to LDCMMC.

#### **11.2.3. Outside employment**

- Simultaneous employment with or serving as a consultant to or employee (with or without consideration) of any other entity is strictly prohibited during their tenure at LDCMMC.
- No Employee can be a member of a political party.
- No Employee could contest in national, provincial, or local government elections.

#### **11.2.4. Protection and Proper use of LDCMMC Assets**

An employee shall be expected to protect LDCMMC assets and ensure their efficient use, and is prohibited from engaging in theft, carelessness, or waste. All LDCMMC assets should be used for

legitimate purposes, but incidental personal use may be permitted if ancillary to a LDCMMC purpose. An employee shall also be prohibited from making any improper use of property such as funds, software, e-mail systems, voice mail systems, computer networks, vehicles and facilities for personal benefit or profit.

#### 11.2.5. Full, Fair and Accurate Disclosure of facts

- LDCMMC commitment shall be to provide full, fair, accurate and timely disclosure in the reports, documents and communications filed with the regulatory authorities. Although certain personnel are more directly involved in the preparation of such reports, documents and communications than others; nevertheless, LDCMMC expects all of its employees to accept this responsibility.
- Accordingly, all employees shall have an ethical responsibility to provide prompt, complete and accurate information in response to any inquiry related to preparation of LDCMMC public disclosure documents and public communications. In addition and in order to ensure accurate financial reporting, the personnel who participate in the maintenance and preparation of LDCMMC books, records and accounts must ensure that the transactions and events recorded therein are done so in an accurate and complete manner in compliance with required accounting principles and LDCMMC policies.

#### 11.2.6. Workplace Harassment

- LDCMMC is an equal opportunity employer and is committed to cultivating a diverse work environment where individual differences are appreciated and respected. It is LDCMMC's policy, through responsible management, to recruit, hire, train, and promote persons regardless of their cast, religion, color, sex and creed.
- An employee shall maintain an environment that is free from harassment and in which all employees are equally respected. Workplace harassment shall include, but not be limited to sexual harassment, disparaging comments and insinuations based on gender, religion, race and ethnicity.
- As quoted in the Punjab Protection against Harassment of Women at the Workplace Act (The Act) 2010 and amendment 2012, the following may be considered acts of Harassment which may lead to termination or even, legal recourse:
  - any unwelcome sexual advance,
  - request for sexual favors or other verbal or written communication or physical conduct of a sexual nature,
  - sexually demeaning attitudes that create an intimidating, hostile or offensive environment.

#### 11.2.7. Weapons and Ammunitions

- LDCMMC staff on duty may not possess or use weapons of any kind, ammunition, gunpowder, fireworks, explosives, and other dangerous articles and substances in LDCMMC

premises. Individuals employed as contract security guards may be given authorization to carry, keep and handle pistols, firearms and ammunition.

- Specific classification of employees may be required to utilize dangerous articles or hazardous material to carry out their job requirements. Each department is responsible for monitoring the use of dangerous articles or hazardous materials in its areas.

#### **11.2.8. Workplace Violence, Drugs, Alcohol and Gambling**

LDCMMC staff on duty may not initiate any kind of violence, getting involved in the use of prohibited / illegal drugs, consumption of alcohol and gambling on LDCMMC's premises.

#### **11.2.9. Responding to Inquiries from the Press and Others**

- Only authorized spokespersons shall speak with the press as LDCMMC's representatives.
- Requests for information about LDCMMC from the electronic media, the print press, the financial community, or the public shall be referred to the Head of HR, who will consult the relevant department before replying to the query/request.
- Requests for information from regulators or the government shall be referred to the Company Secretary.

#### **11.2.10. Confidentiality**

- Confidential information shall include all non-public information, correspondence, documents, papers, records, drawings and data.
- The employees shall maintain the confidentiality of information entrusted to them or which comes to an employee's knowledge because of the position that the employee holds. An employee shall disclose confidential information if the employee is duly authorized by LDCMMC or is legally mandated to do so. Prior to making a disclosure of any confidential information which is legally mandated, an employee shall be required to consult with the Head of HR.
- An employee shall not make or keep for personal use, copies of any confidential information. All confidential information shall be surrendered to LDCMMC when a person ceases to be an employee.
- This responsibility continues in the case of ex-employees and LDCMMC shall pursue all available legal remedies to prevent current and former employees from benefiting or misusing such confidential information.

#### **11.2.11. Compliance with laws and the Code**

- An employee shall be expected to comply with, both in letter and spirit, all applicable governmental laws, rules and regulations and the Code, and to promptly report any actual or suspected violations to the HR Department. No one shall be subjected to retaliation because of a good faith report of a suspected violation. If an employee fails to comply with the Code

or any applicable laws, rules or regulations, the employee shall be subject to disciplinary actions under the rules of LDCMMC, including termination of employment.

- To avoid inadvertent violations, an employee shall be encouraged to ask questions to resolve any uncertainty as to whether or not some act or conduct complies with the Code. To encourage open communication, employees are advised to discuss the related matters with the Head of HR.

#### **11.2.12. Disclosures of interest, affiliation or activity**

The following procedures shall be established to allow disclosure of any material interest, affiliation, or activity on the part of any employee that conflicts with, is likely to conflict with, or may appear to conflict with the duties of any employee, LDCMMC, or the Code.

On an annual basis, HR department shall distribute to all staff members, a questionnaire to elicit disclosures of conflict or possible conflicts. Human Resources department shall distribute to each newly hired employee, at the time of employment, a questionnaire to elicit disclosure of conflicts or possible conflicts. Any employee who, in the course of year, becomes aware of a potential conflict shall immediately contact the Head of HR to obtain and complete a questionnaire. All completed questionnaires shall be returned to the Head of HR, who shall prepare a report for determination of any act that indicates a possible conflict. All information reported by questionnaire shall be treated as confidential, except to the extent necessary for the protection of LDCMMC interest or as required by any applicable law. Employees not subject to the disclosure procedures, as represented by completion of questionnaire, shall not be excluded from the Code. HR department shall obtain a signed code from each new hired employee at the time of employment.

#### **11.2.13. Integrity**

Integrity on the job means;

- Treating staff fairly.
- Comply with all laws, regulations, rules, and policies that govern the conduct of LDCMMC business, wherever that business is transacted.
- Ensure that all transactions are handled honestly and recorded accurately.
- Avoid conflicts of interest, both real and perceived.
- Not to use LDCMMC assets, information, or relationships for personal gain.
- Refrain from any acts of retribution or retaliation against an employee who has properly reported a business conduct issue or question.
- Respect the rights of all employees to fair treatment and equal opportunity, free from harassment.
- Conduct all business dealings with honesty and fairness.

#### **11.2.14. Obligation after Employment**

Upon cessation of employment, employees will have a moral obligation to be bound by the following restrictions:

- Upon separation from service, employees should not use or disclose any confidential information concerning LDCMMC's business, which may have been acquired by them during the course of their service.

- Upon separation from service, employees should not solicit employment interest or poach any of the LDCMMC's permanent or contractual employees for a period of twelve months after they have left LDCMMC's payroll.
- Employees may not at any time after separation from service use any of LDCMMC's corporate or other names of the LDCMMC to suggest that they are then connected with the LDCMMC and they must not behave in any way that may suggest they have such a connection.

#### 11.2.15. Child Labor Prohibition

At LDCMMC, compliance of national and international laws for elimination of child labor are met with. No one under the age of eighteen (18) years shall be considered for employment.

#### 11.2.16. Discrimination

LDCMMC strongly believes that all employees should be treated equally without any discrimination on the basis of;

- Religion
- Sex
- Race (including nationality, color)
- Marital status
- Disability

In case any employee is aggrieved of any discrimination, he / she will have the right to make a complaint to the competent authority through his Department Head who upon its receipt shall investigate the same and in the event of any veracity further action including disciplinary measure as the case may be initiated or taken in the circumstances of the case.

### 11.3. Breach of code of conduct

Any breach of the LDCMMC code of conduct, lack of performance which may lead to disciplinary action, will fall into five major categories:

1. Inadequate Performance
2. Misconduct
3. Gross Misconduct
4. Absenteeism and Tardiness
5. Other Policies

#### 11.3.1. Inadequate Performance

Employees are expected to achieve and maintain performance standards that are satisfactory for the job concerned as per their job descriptions and key performance indicators (KPIs). Consistent failure to achieve stated job objectives could lead to disciplinary action.

This procedure applies to all employees, other than probationary employees, who are alleged not to be performing to standard. It distinguishes between employees who can reasonably be

expected to bring their performance up to standard (cases of poor performance) and employees who are not able to do so, due to ill health or injury.

### 11.3.2. Misconduct

Any deliberate or reckless breach or non-observance of LDCMMC's rules and policies may constitute misconduct. Alternatively, lapses in the expected standards of reasonable behavior and conduct may also be considered misconduct. Examples include, but are not limited to:

- a. Failure to carry out management instructions, written or oral.
- b. Deliberate or careless breach of the LDCMMC's policies.
- c. Any act or threat of physical violence or abusive behavior towards either people or property.
- d. Bullying or harassment.
- e. Intimidation or incitement of others to disorder or disobedience.
- f. Engaging in immoral behavior and / or sexual harassment.

This list is not exhaustive and other instances of behavior may also constitute misconduct as determined by management.

Misconduct outside LDCMMC (e.g. conflict of interest, immoral/unlawful activities) may also render the employee liable to disciplinary action and would certainly do so if it constituted a criminal offence involving dishonesty.

### 11.3.3. Gross Misconduct

Acts that constitute gross misconduct are those that result in a serious breach of the LDCMMC's rules, policies and standards of behavior or the law of the land. In addition, persistently failing standards of a less serious nature, for which formal warnings have already been given, may also constitute gross misconduct.

The following examples of gross misconduct are not ranked in order of importance and the list is not exhaustive:

- a. Theft, fraud and deliberate falsification of records.
- b. Deliberate damage to, or misuse of, LDCMMC's equipment and resources, including abuse of the e-mail or telephone systems or access to internet sites.
- c. Serious and willful insubordination.
- d. Taking or giving bribes or any illegal gratification.
- e. Bringing the LDCMMC's name into disrepute or acting in a manner harmful to the LDCMMC's interests.
- f. Serious incapability whilst on duty brought on by alcohol, illegal drugs or other substances.
- g. Serious negligence which causes or might cause unacceptable loss, damage to property or injury to others.

- h. A deliberate and serious breach of employment policy, policies and procedures.
- i. Absence without approved leave for more than ten (10) working days.
- j. Conviction for an offence, which the LDCMMC considers is detrimental to its reputation, or which it considers may adversely affect relationships of the LDCMMC with employees and /or clients.

**11.3.4. Absenteeism and Tardiness**

In the event that an employee has an unacceptably high rate of absence, has regular patterns of absence or is consistently late in their assigned work schedule, action may need to be taken.

Unauthorized absences should be investigated immediately by the HOD, jointly with the HR department, and the employee should be asked to provide an explanation. If the evidence or explanation provided is unsatisfactory, it should be dealt with as a misconduct issue under the disciplinary procedure of the LDCMMC.