

Resham Textile Industries Ltd. Code of Conduct

Preface

Employees of Resham Textile Industries Ltd. should do the right thing – follow the law, act honorably, and treat each other with respect.

We expect all of our employees and Board members to know and follow this Code of Conduct. Failure to do so can result in disciplinary action, including termination of employment. Any waivers of this Code for directors or executive officers must be approved by our Board.

Never retaliate against anyone who reports or participates in an investigation of a possible violation of the Code.

I. Avoid Conflicts of Interest

A conflict of interest may arise at any time, competing loyalties could cause you to pursue a personal benefit for you, your friends, or your family at the expense of Resham Textile Industries Ltd. or our customers. Avoid conflicts of interest and circumstances that reasonably appear to be a conflict. Sometimes a situation that previously didn't present a conflict of interest may develop into one.

When faced with a potential conflict, ask yourself:

- Would this activity create an actual or apparent incentive for me to benefit myself, my friends, or my family?
- Would this activity harm my reputation or hurt my ability to do my job?
- Would this activity embarrass Resham Textile Industries Ltd. or me if it showed up in the press?

If the answer to any of these questions is “yes,” the relationship or situation is likely to constitute a conflict of interest, and you should avoid it.

II. Ensure Financial Integrity and Responsibility

Ensure that money is appropriately spent, our financial records are complete and accurate, and our internal controls are honored.

If your job involves the financial recording of our transactions, make sure that you're familiar with all relevant policies.

Never interfere with the auditing of financial records. Similarly, never falsify any company record or account.

If you suspect or observe any irregularities relating to financial integrity or fiscal responsibility, no matter how small, immediately report them.

III. Obey the Law

Comply with all applicable legal requirements and understand the major laws and regulations that apply to your work. A few specific laws are easy to violate unintentionally and so are worth pointing out here. If you have any questions about these laws or other laws governing our work, please consult our legal counsel.

1. Trade Controls

Various trade laws control where we can send or receive our products and services. These laws are complex and apply to:

- importing and exporting goods to or from the Islamic Republic of Pakistan and other countries
- exporting services or providing services to non-Pakistani persons

If you are involved in sending or making available products, to one country to another, work with your manager to ensure that the transaction stays within the bounds of applicable laws.

2. Competition Laws

Be sure you follow all laws designed to promote free and fair competition and protect consumers. These laws generally prohibit 1) arrangements with competitors that restrain trade, 2) abuse of market power to unfairly disadvantage competitors, and 3) misleading or harming consumers. Some of these laws carry civil and criminal penalties for individuals and companies.

3. Insider Trading Laws

Do not use non-public information to buy or sell stock, or to pass it along to others so that they may do so. That could constitute the crime of insider trading.

4. Anti-Bribery Laws

Various laws that prohibit bribery in different settings. Our rule is simple – don't bribe anybody, at any time, for any reason.

Non-government relationships. Be careful when you give gifts and pay for meals, entertainment or other business courtesies on behalf of Resham Textile Industries Ltd. Avoid the possibility that the gift, entertainment or other business courtesy could be

perceived as a bribe. Provide such business courtesies infrequently and, when you do, to keep their value moderate.

Dealings with government officials. Various laws prohibit seeking to influence official action by offering or giving anything of value to government officials, candidates for public office, employees of government-owned or -controlled companies, public international organizations, or political parties. Avoid not only traditional gifts, but also things like meals, entertainment, travel, political or charitable contributions, and job offers for government officials' relatives. With pre-approval, it may be permissible to make infrequent and moderate expenditures for gifts and business entertainment for government officials that are directly tied to promoting our products or services (e.g., a modest meal at a day-long demonstration of our products).

IV. Conclusion

We rely on one another's good judgment to uphold a high standard of integrity for ourselves and our company. We expect all Board members and employees to be guided by both the letter and the spirit of this Code.