

**STATEMENT OF COMPLIANCE WITH THE PUBLIC SECTOR COMPANIES
(CORPORATE GOVERNANCE) RULES, 2013**

Name of Company: Taurus Securities Limited
Name of Line Ministry: Not Applicable
For the year ended: December 31, 2018

I. This statement is being presented to comply with the Public Sector Companies (Corporate Governance) Rules, 2013 (hereinafter called "The Rules") issued for the purpose of establishing a framework of good governance, whereby a public sector company is managed in compliance with the best practices of public sector governance.

II. The Company has complied with the provisions of the Rules in the following manner:

S. No.	Provision of the Rules	Rule No.	Y	N																				
1.	The independent directors meet the criteria of independence, as defined under the Rules.	2(d)	✓																					
2.	The Board has at least one-third of its total members as independent directors. At present the Board includes:	3(2)	✓																					
	<table border="1"> <thead> <tr> <th>Category</th> <th>Names</th> <th>Date of appointment</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Independent Directors</td> <td>Muhammed Farhan Malik</td> <td>23-12-2018</td> </tr> <tr> <td>Ali Abbas Sikander</td> <td>23-12-2018</td> </tr> <tr> <td>Executive Director</td> <td>Syed Zain Hussain</td> <td>23-12-2018</td> </tr> <tr> <td rowspan="4">Non-Executive Directors</td> <td>Muhammad Ismail Usuf</td> <td>23-12-2018</td> </tr> <tr> <td>Abdul Rahim</td> <td>23-12-2018</td> </tr> <tr> <td>Muhammad Atif Hanif</td> <td>23-12-2018</td> </tr> <tr> <td>Muhammad Faisal Israr</td> <td>23-12-2018</td> </tr> </tbody> </table>	Category	Names	Date of appointment	Independent Directors	Muhammed Farhan Malik	23-12-2018	Ali Abbas Sikander	23-12-2018	Executive Director	Syed Zain Hussain	23-12-2018	Non-Executive Directors	Muhammad Ismail Usuf	23-12-2018	Abdul Rahim	23-12-2018	Muhammad Atif Hanif	23-12-2018	Muhammad Faisal Israr	23-12-2018			
Category	Names	Date of appointment																						
Independent Directors	Muhammed Farhan Malik	23-12-2018																						
	Ali Abbas Sikander	23-12-2018																						
Executive Director	Syed Zain Hussain	23-12-2018																						
Non-Executive Directors	Muhammad Ismail Usuf	23-12-2018																						
	Abdul Rahim	23-12-2018																						
	Muhammad Atif Hanif	23-12-2018																						
	Muhammad Faisal Israr	23-12-2018																						
3.	The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.	3(5)	✓																					
4.	The appointing authorities have applied the fit and proper criteria given in the Annexure to the rules in making nominations of the persons for election as Board members under the provisions of the Act.	3(7)	✓																					
5.	The Chairman of the Board is working separately from the Chief Executive of the Company.	4(1)	✓																					

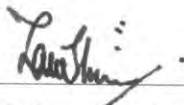
S. No.	Provision of the Rules	Rule No.	Y	N
6.	The Chairman has been elected by the Board of Directors except where Chairman of the Board has been appointed by the Government.	4(4)	✓	
7.	The Board has appointed the CEO on the basis of fit & proper criteria as well as guidelines specified by the Commission as per letter CLD/CCD/CG/Exemptions/2014 dated December 16, 2014.	5(2)	✓	
8.	(a) The Company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place. (b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures, including posting the same on the company's website www.taurus.com.pk (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	✓ ✓ ✓	
9.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	✓	
10.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5)(b) (ii)	✓	
11.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the Company.	5(5)(b) (vi)	✓	
12.	(a) The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5)(c) (ii)	✓	

S. No.	Provision of the Rules	Rule No.	Y	N
13.	The Board has ensured compliance with the law as well as the Company's internal rules and procedures relating to public procurement, tendering, and purchasing and technical standards, when dealing with suppliers of goods and services.	5(5)(c) (iii)	✓	
14.	The Board has developed a vision or mission statement, corporate strategy of the Company.	5(6)	✓	
15.	The Board has developed significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.	5(7)	✓	
16.	No goods sold by the Company as a public service obligation.	5(8)	✓	
17.	The Board has ensured compliance with policy directions requirements received from the respected authorities.	5(11)		
18.	(a) The Board has met at least four times during the year.	6(1)	✓	
	(b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings.	6(2)	✓	
	(c) The minutes of the meetings were appropriately recorded and circulated.	6(3)	✓	
19.	The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8(2)	✓	
20.	The Board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	✓	
21.	The Board has approved the profit and loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as the financial year end, and has placed the annual financial statements on the company's website. Monthly accounts were also prepared and circulated amongst the Board members.	10	✓	

S. No.	Provision of the Rules	Rule No.	Y	N												
22.	All the Board members underwent an orientation course arranged by the Company to apprise them of the material developments and information as specified in the Rules.	11	✓													
23.	<p>(a) The Board has formed the requisite committees, as specified in the Rules.</p> <p>(b) The committees were provided with written terms of reference defining their duties, authority and composition.</p> <p>(c) The minutes of the meetings of the committees were circulated to all the Board members.</p> <p>(d) The committees were chaired by the following non – executive directors:</p> <table border="1"> <thead> <tr> <th>Committee</th> <th>Number of members</th> <th>Name of chair</th> </tr> </thead> <tbody> <tr> <td>Audit Committee</td> <td>Two</td> <td>Muhammed Farhan Malik</td> </tr> <tr> <td>Risk Management Committee</td> <td>Two</td> <td>Muhammed Farhan Malik</td> </tr> <tr> <td>Human Resources Committee</td> <td>Two</td> <td>Ali Abbas Sikander</td> </tr> </tbody> </table> <p>The Company has been granted exemption from formation of Procurement Committee and Nomination Committee by Securities and Exchange Commission of Pakistan vide their letter CLD/CCD/CG/Exemptions/2014 dated December 16, 2014.</p>	Committee	Number of members	Name of chair	Audit Committee	Two	Muhammed Farhan Malik	Risk Management Committee	Two	Muhammed Farhan Malik	Human Resources Committee	Two	Ali Abbas Sikander	12	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	
Committee	Number of members	Name of chair														
Audit Committee	Two	Muhammed Farhan Malik														
Risk Management Committee	Two	Muhammed Farhan Malik														
Human Resources Committee	Two	Ali Abbas Sikander														
24.	The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, by whatever name called with their remuneration and terms and conditions of employment.	13	✓													
25.	The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.	14	✓													
26.	The Company has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of section 225 of the Act.	16	✓													

S. No.	Provision of the Rules	Rule No.	Y	N									
27.	The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.	17	✓										
28.	The directors, CEO and executives or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the Company except those disclosed to the Company.	18	✓										
29.	(a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no director is involved in deciding his own remuneration. (b) The annual report of the Company contains criteria and details of remuneration of each director.	19	✓ ✓										
30.	The financial statements of the Company were duly endorsed by the Chief Executive and Chief Financial Officer, before consideration and approval of the Audit Committee and the Board.	20	✓										
31.	The Board has formed an Audit Committee, with defined and written terms of reference, and having the following members: <table border="1" data-bbox="321 1153 906 1563"> <thead> <tr> <th>Name of Member</th> <th>Category</th> <th>Professional Background</th> </tr> </thead> <tbody> <tr> <td>Muhammed Farhan Malik</td> <td>Non-Executive / Independent</td> <td>BSC (Business Administration & Finance) and experience in the field of Financial Market.</td> </tr> <tr> <td>Sheikh Aftab Ahmad</td> <td>Non-Executive</td> <td>MBA and experience in the field of Credit & Investments.</td> </tr> </tbody> </table> <p>The Chief Executive and Chairman of the Board are not members of the Audit Committee.</p>	Name of Member	Category	Professional Background	Muhammed Farhan Malik	Non-Executive / Independent	BSC (Business Administration & Finance) and experience in the field of Financial Market.	Sheikh Aftab Ahmad	Non-Executive	MBA and experience in the field of Credit & Investments.	21(1) and 21(2)	✓ ✓	
Name of Member	Category	Professional Background											
Muhammed Farhan Malik	Non-Executive / Independent	BSC (Business Administration & Finance) and experience in the field of Financial Market.											
Sheikh Aftab Ahmad	Non-Executive	MBA and experience in the field of Credit & Investments.											
32.	(a) The chief financial officer, the chief internal auditor, and a representative of the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed.	21(3)	✓										

S. No.	Provision of the Rules	Rule No.	Y	N
	(b) The audit committee met the external auditors, at least once a year, without the presence of the chief financial officer, the chief internal auditor and other executives.	21(3)	✓	
	(c) The audit committee met the chief internal auditor and other members of the internal audit function, at least once a year, without the presence of the chief financial officer and the external auditors.		✓	
33.	(a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee.	22	✓	
	(b) The chief internal auditor has requisite qualification and experience prescribed in the Rules.		✓	
	(c) The internal audit reports have been provided to the external auditors for their review.		✓	
34.	The external auditors of the Company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	23(4)	✓	
35.	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.	23(5)	✓	



Chief Executive Officer



Chairman of the Board