TAURUS SECURITIES LIMITED

POLICY ON

CONFLICT OF INTEREST

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OBJECTIVE

The objective of this Policy is to ensure that any actual, potential, or perceived conflict of interest arising from the research activities of Taurus Securities Limited ("TSL") or from the personal interests of persons associated with research does not compromise the independence, objectivity, and integrity of research services, nor undermine the fiduciary responsibility owed to clients. This Policy is framed in accordance with the Research Analyst Regulations, 2015, as amended vide S.R.O. 7(I)/2026.

SCOPE

This Policy applies to:

- Taurus Securities Limited, a brokerage house licensed by the SECP, in respect of research activities conducted by its internal Research Department, in compliance with the Research Analyst Regulations, 2015, as amended;
- All persons associated with the Research Department, including Research Analysts and the Head of Research;
- Senior Management, to the extent of oversight and supervision of research activities;
- Financially dependent close relatives of persons associated with the Research Department; and
- Research reports, public appearances, third-party research, and white-label research arrangements issued or disseminated by TSL.

PURPOSE

The purpose of this Policy is to establish TSL's framework for the identification, prevention, management, and disclosure of conflicts of interest arising in connection with research services, including research reports and public appearances.

This Policy aims to:

(a) identify circumstances that may give rise to conflicts of interest in research activities;
(b) establish appropriate controls, restrictions, approval mechanisms, and disclosures to manage such conflicts; and
(c) ensure continuous implementation of procedures that protect investors and prevent research from being influenced by commercial, personal, proprietary, or other non-research considerations.

POLICY ON RESEARCH CONFLICTS OF INTEREST

A Research Conflict of Interest refers to any situation in which the professional judgment of TSL, a Research Analyst, or any person associated with the Research Department, in providing research services, is influenced or appears to be influenced by personal interests, financial interests, compensation arrangements, business relationships, or proprietary trading activities.

A conflict of interest exists where such interests interfere, or may reasonably be perceived to interfere, with the duty to provide fair, unbiased, objective, and independent research.

IDENTIFICATION OF POTENTIAL CONFLICTS OF INTEREST

In assessing whether a conflict of interest exists or may arise in relation to research services, TSL shall consider, including but not limited to, the following circumstances:

- Where TSL, a Research Analyst, or a financially dependent close relative holds a financial or beneficial interest in the securities of a subject company.
- Where TSL, its Research Department, or any associated person might be expected to receive compensation, fee, benefit, or consideration from a subject company, provided that TSL does not provide such services and does not deal in such activities.
- Where TSL has provided, is providing, or expects to provide corporate advisory, underwriting, brokerage, lead management, or similar services to the subject company.
- Where research is issued on associated or group companies of TSL.
- Where proprietary trading activities of TSL could conflict with issued research opinions or recommendations, noting that TSL is not allowed to engage in such trading.
- Where personal, professional, or business relationships, including directorships or officerships, exist with a subject company.
- Where the use of artificial intelligence, automated systems, or data-driven tools materially influences research analysis, assumptions, or recommendations.

DISCLOSURE OF CONFLICTS OF INTEREST

TSL ensures that any actual, potential, or perceived conflict of interest that may influence the objectivity or independence of research is fully disclosed. This includes material interests, relationships, or circumstances that could affect research services, with disclosure provided in a clear, prominent, and timely manner before or at the time of dissemination of research reports or public appearances. The disclosure is made in line with Research Analyst Regulations, 2015 – specifically sections 8(1) and 8(2), which require that conflicts that could compromise research independence, objectivity, or integrity must be properly communicated to clients.

Internal controls shall prevent a reasonable risk of damage to clients' interests; such conflict shall be disclosed to clients through appropriate and verifiable means prior to, or at the time of, dissemination of the research service.

Disclosures shall not be misleading, incomplete, or obscured, and shall not be omitted unless disclosure would result in the release of material non-public information.

DISCLOSURE BY RESEARCH DEPARTMENT EMPLOYEES

All persons associated with the Research Department are required to promptly disclose any actual or potential conflict of interest involving themselves or their financially dependent close relatives to the Compliance Officer and Head of Research, as applicable.

Failure to disclose a conflict of interest shall constitute a breach of this Policy and the Research Analyst Regulations and may result in disciplinary action.

TRADING BY RESEARCH DEPARTMENT EMPLOYEES

TSL shall ensure strict compliance with trading restrictions applicable to research activities, including:

- All trading by persons associated with the Research Department shall be subject to a formal pre-approval process.
- Research analysts, persons associated with the Research Department, and their financially dependent close relatives shall not deal or trade, directly or indirectly, in the securities of a subject company within seven (7) days prior to publication of a research report or making a public appearance.
- Such persons shall not deal or trade contrary to a given recommendation before achievement of the target price, unless a revised research report or public appearance is disseminated through the same medium.
- In the case of TSL as a brokerage house, proprietary trading or taking any position contrary to research recommendations is strictly not allowed..
- Research Department employees are strictly prohibited from trading on behalf of clients.

REMUNERATION

TSL shall ensure that the remuneration and compensation of Research Analysts and persons associated with the Research Department:

- is independent of brokerage, corporate advisory, underwriting, or other non-research business activities;
- is not linked to the outcome of research recommendations or the market performance of covered securities; and
- does not include any incentive structure that encourages favorable research, biased opinions, or assurance of returns.

No employee shall provide any assurance of favorable research coverage, recommendations, or investment returns as consideration for compensation or business relationships.

INFORMATION BARRIERS

TSL shall maintain effective information barriers (Chinese Walls) to ensure the independence of research services from other business and commercial activities.

Such measures shall include:

- functional and reporting segregation between research and non-research departments;
- restricted access to confidential, non-public, and price-sensitive information;
- controls to prevent the misuse of research reports or public appearances for market manipulation or unfair trading; and
- monitoring and supervision of information flows to prevent unauthorized communication.

MATERIAL INTEREST IN A TRANSACTION

Where TSL has a material interest in a transaction involving a subject company that gives rise to a conflict of interest, TSL shall not issue research or make a public appearance unless:
(a) such material interest is fully and prominently disclosed in the research report or public appearance; or
(b) reasonable and effective measures are implemented to ensure that such material interest does not adversely affect the objectivity of the research or the interests of clients.

MECHANISM FOR INVESTIGATION AND ENFORCEMENT

Where the Compliance Officer, Head of Research, or Senior Management has reason to believe that a person associated with the Research Department has violated this Policy or the Research Analyst Regulations, an investigation shall be initiated in accordance with internal disciplinary procedures.

- Upon confirmation of a violation, appropriate disciplinary action may be taken as per TSL HR Manual, including warning, suspension, or termination of employment, without prejudice to any regulatory or enforcement action by the Securities and Exchange Commission of Pakistan (SECP).