

POLICY AND PROCEDURE FOR CLIENT DEALING ON ALL EXCHANGES :-

1. Refusal of orders for penny stocks,

a. The broker may from time to time limit (quantity/ value) / refuse orders in one or more securities due to various reasons including market liquidity, value of security (ies), the order being for securities which are not in the permitted list of the broker / exchange(s) / regulator. Provided further that broker may require compulsory settlement / advance payment of expected settlement value/delivery of securities for settlement prior to acceptance / placement of order(s) as well. The client is aware that such refusal or delay caused by limit imposed may result into losses.

b. The broker may require reconfirmation of orders, which are larger than that specified by the broker's risk management, and broker would have full discretion to reject the execution of such orders based on its risk perception.

2. Setting up client's exposure limits and conditions under which a client may not be allowed to take further position or the broker may close the existing position of a client.

a. The broker may from time to time impose and vary limits on the orders that the client can place through the broker's trading system (including exposure limits, turnover limits, limits as to the number, value and/or kind of securities in respect of which orders can be placed etc.). The client is aware and agrees that the broker may need to vary or reduce the limits or impose new limits urgently on the basis of the broker's risk perception and other factors considered relevant by the broker including but not limited to limits on account of exchange/ regulatory directions/ limits (such as broker level/market level limits in security specific / volume specific exposures etc.), and the broker may be unable to inform the client of such variation, reduction or imposition in advance. The client understands that under those circumstances the orders of the client have to be in accordance with revised parameters, which may even result into loss to the client.

b. The client is not entitled to trade without adequate margin / security and that it shall be his / her / its responsibility to ascertain beforehand the margin / security requirements for his / her /its orders / trades /deals and to ensure that the required margin / security is made available to the broker in such form and manner as may be required by the broker. If the client's order is executed despite a shortfall in the available margin, the client, shall, whether or not the broker intimates such short fall in the margin to the client, make up the shortfall suo moto immediately.

The client further agrees that he /she /it shall be responsible for all orders (including any orders that may be executed without the required margin in the client's account) &/ or any claim / loss/ damage arising out of the non-availability /shortage of margin /security required by the broker & / or exchange &/or regulator.

c. The broker is entitled to vary the form (i.e., the replacement of the margin / security in one form with the margin / security in any other form, say, in the form of money instead of shares) &/or quantum &/or percentage of the margin & / or security required to be deposited / made available, from time to time. The margin /security deposited by the client with the broker are not eligible for any interest unless specifically agreed to.

d. The client is aware that in the event of client dealing on multiple exchanges / multiple segments of the exchange, the broker may in order to meet client's margin / pay out obligation arising across segments / exchanges include /appropriate any /all pay out of funds & / or securities towards margin /security. The broker may transfer funds &/ or securities from his account for one exchange & / or one segment of the exchange to his / her / its account for another exchange & / or another segment of the same exchange whenever applicable and found necessary. The broker may treat / adjust his / her/its margin / security lying in one exchange & / or one segment of the exchange / towards the margin / security / pay in requirements of another exchange & / or another segment of the exchange.

e. The broker is entitled to disable / freeze the account & / or trading facility / any other service facility, if, the broker has reasons to

believe that the client has committed a crime/ fraud or has acted in contradiction of this agreement or / is likely to evade / violate any laws, rules, regulations, directions of a lawful authority whether Indian or foreign or if the broker so apprehends.

3. Applicable brokerage rate

a. The broker is entitled to charge brokerage within the limits imposed by exchange which at present is as under:

i. The maximum brokerage chargeable in relation to trades effected in the securities admitted to dealings on the Capital Market/ Futures/Currency and Interest rate futures segment of the Exchange shall be 2.5 % of the contract price exclusive of statutory levies. It is hereby further clarified that where the sale / purchase value of a share is Rs.10/- or less in capital market segment, a maximum brokerage of 25 paise per share may be collected.

ii. Brokerage for option contracts shall be charged on the premium amount at which the option contract was bought or sold and not on the strike price of the option contract. It is hereby further clarified that brokerage on options contracts shall not exceed 2.5% of the premium amount or Rs.100/- (per lot) whichever is higher.

4. Imposition of penalty/delayed payment charges by either party, specifying the rate and the period.

a. Client should ensure full payment of all margins including those on derivatives transactions and should also not keep account in debit, in the event any amounts are overdue from the client towards trading or margin or on account of any other reason the broker will charge 21% per annum to client **MANDATORY** -14- as delayed payment charges. As the cost of funds to the broker varies depending on economic conditions the rates shall be determined from time to time and will be communicated through email, SMS, web-site (CRN facility), periodic a/c and other statements etc.

b. The client should not indulge in trading activity which is against law, rules and regulations. Clients trading activity should not be aimed at disturbing market equilibrium or manipulating market

prices etc. If the client does so, the broker may keep in abeyance the payout funds or securities till such time that the client has been able to clearly demonstrate that his actions were not mollified in any manner.

c. The broker may impose fines / penalties for any orders / trades / deals / actions of the client which are contrary to this agreement / rules / regulations / bye laws of the exchange or any other law for the time being in force. Further where the broker has to pay any fine or bear any punishment from any authority in connection with / as a consequence of / in relation to any of the orders / trades / deals / actions of the client, the same shall be borne by the client. The client agrees to pay to the broker brokerage, commission, fees, all taxes, duties, levies imposed by any authority including but not limited to the exchanges (including any amount due on account of reassessment / backlogs etc.), transaction expenses, stamp duty, STT and service tax, incidental expenses such as postage, courier etc. as they apply from time to time to the client's account / transactions / services that the client avails from the broker.

5. The right to sell client's securities or close client's positions, without giving notice to the client, on account of non-payment of client's dues (This shall be limited to the extent of settlement/margin obligation).

a. The broker maintains centralized banking and securities handling processes and related banking and depository accounts at designated place. The client shall ensure timely availability of funds/securities in designated form and manner at designated time and in designated bank and depository account(s) at designated place, for meeting his/her/its pay in obligation of funds and securities. The Client is aware that non-availability / short availability of funds / securities by the client in the designated account(s) of the broker for meeting payin obligation of either funds or securities may result into loss to the client. Further if the client gives orders / trades in the anticipation of the required securities being available subsequently for pay in through anticipated pay out from the exchange or through borrowings or any off market delivery(s) or market delivery(s) and if such anticipated availability does not materialize in actual availability of securities / funds for pay in for any

reason whatsoever including but not limited to any delays / shortages at the exchange or broker level etc the same may also result into losses.

b. The client understands that the benefit of any bank instrument deposited by the client towards his margin /security / payin obligation may be given on realization of the same. The broker will try to deposit the instrument for clearing in its bank account on best effort basis.

c. Where the margin /security is made available by way of securities or any other permissible property, the broker may decline its acceptance as margin / security & / or to accept it at such reduced value as the broker may deem fit by applying haircuts or by valuing it by marking it to market or by any other suitable method . The broker may cancel pending orders and sell/close/liquidate all open positions/ securities/ shares at the pre-defined square off time or when Mark to Market (M-TM) percentage reaches or crosses stipulated margin percentage mentioned on the website, whichever is earlier.

The broker may prescribes stipulated margin percentage depending upon the market condition. The client is aware that such sale/ close out / square off may result into losses.

d. In case open position (i.e. short/long) gets converted into delivery due to non-square off because of any reason whatsoever, the client will provide securities/funds to fulfill the pay-in obligation failing which the client will have to face auctions or internal close outs; in addition to this the client will have to pay penalties and charges levied by exchange in actual and losses, if any.

e. The broker is entitled to prescribe the date and time by which the margin / security is to be made available and the broker may not be able to give benefit of the same towards margin / security after such deadline for margin/security expires.

Notwithstanding anything to the contrary in the agreement or elsewhere, if the client fails to maintain or provide the required margin/fund/ security or to meet the funds/margins/ securities pay in

obligations for the orders / trades / deals of the client within the prescribed time and form, the broker shall have the right without any further notice or communication to the client to take any one or more of the following steps:

i. To with hold any payout of funds/ securities.

ii. To with hold /disable the trading / dealing facility to the client.

iii. To liquidate one or more security(s) of the client by selling the same at market rates. It is agreed and understood by the client that securities here includes securities which are pending delivery/receipt.

iv. To liquidate / square off partially or fully the position of sale & / or purchase in any one or more securities / contracts in such manner and at market rate.

v. To take any other steps which in the given circumstances, the broker may deem fit. The client agrees that the loss(es) if any, on account of any one or more steps as enumerated herein above being taken by the broker, shall be borne exclusively by the client alone and agrees not to question the reasonableness, requirements, timing, manner, form, pricing etc., which are chosen by the broker.

6. Shortages in obligations arising out of internal netting of trades:

a. The broker shall not be obliged to deliver any securities or pay any money to the client unless and until the same has been received by the broker from the exchange, the clearing corporation/ clearing house or other company or entity liable to make the payment and the client has fulfilled his / her/ its obligations first. The policy and procedure for settlement of shortages in obligations arising out of internal netting of trades is as under:

b. The short delivering client is debited by an amount equivalent to 20% above of closing rate of day prior to Pay-in/Payout Day. The securities delivered short are purchased from market on T+ 2 day which is the Auction Day on Exchange, and the purchase consideration (inclusive of all statutory taxes & levies) is debited to

the short delivering seller client along with reversal entry of provisionally amount debited earlier.

c. If securities cannot be purchased from market due to any force majeure condition, the short delivering seller is debited at the closing rate on T+ 2 day or Auction day on Exchange + 10%. Where the delivery is matched partially or fully at the Exchange Clearing, the delivery and debits/credits shall be as per Exchange Debits and Credits.

d. In cases of securities having corporate actions all cases of short delivery of cum transactions which cannot be auctioned on cum basis or where the cum basis auction payout is after the book closure /record date, would be compulsorily closed out at higher of 10% above the official closing price on the auction day or the highest traded price from first trading day of the settlement till the auction day.

7. Temporarily suspending or closing a client's account at the client's request.

The client may request the broker to temporarily suspend his account, broker may do so subject to client accepting / adhering to conditions imposed by broker including but not limited to settlement of account and/ or other obligation. The broker can withhold the payouts of client and suspend his trading account due to his surveillance action or judicial or / and regulatory order/action requiring client suspension.

8. Deregistering a client.

a. The broker shall be entitled to suspend the account of client with immediate effect & if need be deregister the client in any of the following circumstances:

i. If the actions of the client are prima facie illegal / improper or such as to manipulate the price of any securities or disturb the normal /proper functioning of the market, either alone or in conjunction with others.

- ii. If there is any commencement of a legal process against the client under any law in force;
- iii. On the death/lunacy or other disability of the client; iv. If a receiver, administrator or liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the client;
- v. If the client has voluntarily or compulsorily become the subject of proceedings under any bankruptcy or insolvency law or being a company, goes into liquidation or has a receiver appointed in respect of its assets or refers itself to the Board for Industrial and Financial Reconstruction or under any other law providing protection as a relief undertaking;
- vi. If the client being a partnership firm, has any steps taken by the client and/ or its partners for dissolution of the partnership;
- vii. If the client have taken or suffered to be taken any action for its reorganization, liquidation or dissolution;
- viii. If the client has made any material misrepresentation of facts, Including (without limitation) in relation to the Security;
- ix. If there is reasonable apprehension that the client is unable to pay its debts or the client has admitted its inability to pay its debts, as they become payable;
- x. If the client suffers any adverse material change in his / her / its financial position or defaults in any other agreement with the broker;
- xi. If the client is in breach of any term, condition or covenant with the broker.
- xii. If any covenant or warranty of the client is incorrect or untrue in any material respect;

Client Acceptance of Policies and Procedures stated hereinabove:

I/We have fully understood the same and do hereby sign the same and agree not to call into question the validity, enforceability and applicability of any provision/clauses this document any circumstances what so ever. These Policies and Procedures may be amended/changed unilaterally by the broker, provided the change is informed to me/us with through anyone or more means or methods such as post/speed post/courier/registered post/registered AD/facsimile/telegram/cable/e-mail/voice mails/telephone (telephone includes such devices as mobile phones etc.) including SMS on the mobile phone or any other similar device; by messaging on the computer screen of the client's computer; by informing the client through employees/agents of the stock broker; by publishing/displaying it on the website of the stock broker/making it available as a download from the website of the stock broker; by displaying it on the notice board of the branch/office through which the client trades or if the circumstances, so require, by radio broadcast/ television broadcast/newspapers advertisements etc; or any other suitable or applicable mode or manner. I/we agree that the postal department/the courier company /newspaper company and the e-mail/ voice mail service provider and such other service providers shall be my/our agent and the delivery shall be complete when communication is given to the postal department/the courier company/the e-mail/voice mail service provider, etc. by the stock broker and I/we agree never to challenge the same on any grounds including delayed receipt/non receipt or any other reasons whatsoever. These Policies and Procedures shall always be read along with the agreement and shall be compulsorily referred to while deciding any dispute/ difference or claim between me/ us and stock broker before any court of law/judicial/adjudicating authority including arbitrator/ mediator etc.

DP ID- 12078800

Bezel Stock Brokers Pvt Ltd

Angad Singh Bhatia

Authorized Signatory