

## **AGREEMENT WITH THE BROKER**

Please refer to our Terms and Conditions and Special Term and Conditions for Online Trading clients, in our AHL Trading Account. Below is the link through which you may access the referred T&C's;

<http://www.kasb.com/AccountOpeningForm/KASB-Securities-AOF-Individual.pdf>

### **TRADING LIMITS**

It is defined as the maximum gain or loss on a securities market that is allowed in any one **trading** session. The **limits** are imposed by the broker in order to protect against extreme volatility or manipulation within the markets.

Exposure Monitoring and trading limits are crucial to the operative management of Client credit risk.

Khadim Ali Shah Bukhari Securities (PVT) LTD. has in place a centralized mechanism, whereby each of the client will only be allowed to utilize its exposure margin, if allowed, by the Exposure Management System. Trading Limits to the respective client are assigned, after approval by the Risk Management Officer and the Chief Executive Officer.

We have devised two categories of clients, through which exposure of the respective client is being monitored;

- Online Clients without trader Facility
  - Margin Facility
    - These types of clients are only allowed to trade on cash basis. No margin is available to them.
- Online Clients with trader facility
  - Margin Facility
    - These types of clients are allowed to avail margin facility, based on their creditworthiness and relationship with Khadim Ali Shah Bukhari Securities (PVT) LTD. The maximum margin allowed to these clients, after meeting the assessment criteria of Khadim Ali Shah Bukhari Securities (PVT) LTD, will be 25% of their cash margins. The clients use only allowed to use their exposure margins in Margin Trading System and Margin Financing System of NCCPL.

### **PLACEMENT AND EXECUTION OF CLIENT ORDERS**

An **execution** is the completion of a buy or sells **order** for a security. The **execution** of an **order** occurs when it is completely filled.

Online without trader;

Placement of order is being carried out by such clients via their trade cast system, and execution of the placed order is completed, when the rate at which such order is placed is being filled.

Online with trader;

Placement of order is being carried out by such clients via their trader, or by the clients via their trade cast system and execution of the placed order is completed, when the rate at which such order is placed is being filled.



### **MODE AND TIMING OF REPORTING OF TRADE CONFIRMATION TO THE CLIENTS**

Two channels are available, through which the client will receive confirmation of their executed trades;

- *Via SMS*
  - Real time system generated SMS will be sent to clients, for the confirmation of their executed orders.
- *Via Memo of Confirmation*
  - Whenever an order of any client has been executed by a Broker, confirmation of such execution shall be transmitted to the said client by the Broker within 24 hours of the execution of such transaction through any previously agreed mode of communication as specified in the Account Opening Form.

### **MARGIN REQUIREMENT**

All cash based clients are required to submit 100% margin against the position taken by them.

All leverage clients are required to maintain the margin requirements, based on the applicable credit risk assessment methodology, and the assigned policy to the respective client.

- **INITIAL MARGINS**
  - Also called pre trade margins, represent the amount of money the client has to deposit in their account, before placing any order in their account.
- **MAINTENANCE MARGINS**
  - The amount of cash and collaterals margins that a client has to maintain before placement of any order in their account
- **OTHER APPLICABLE MARGINS**
  - The clients other than leveraged clients are required to maintain 100% cash margins in their account before placement of any order in their account.
- **MARGIN CALL**
  - Margin call is sent to clients when the clients breach the threshold margins percentage allocated to them. A margin call is also sent to clients, when Khadim Ali Shah Bukhari Securities (PVT) LTD has revised the margin requirement for that specific client, and they do not meet the allocated threshold margins allocated to them. Our Exposure Management System sends an auto generated email to the aforementioned clients.

**NOTE:** The above policy to allow clients margin facility is Khadim Ali Shah Bukhari Securities (PVT) LTD Management is sole discretion, and no client would be allowed to claim anything against Khadim Ali Shah Bukhari Securities (PVT) LTD and does not make Khadim Ali Shah Bukhari Securities (PVT) LTD Liable of complying with the stated description.