

POLICIES AND PROCEDURES

1. Refusal of orders for Commodity Derivatives

The client is aware and agrees that Systematix Commodities Services Private Limited (hereinafter referred to as "SCSPL") may refuse or restrict a client in placing the order in certain commodities depending on various conditions like volume / value / part of illiquid commodities although a client may have credit balance or sufficient margin in the trading account. However, Commodity broker under exceptional circumstances may execute cliental order. SCSPL has the discretion to reject execution of such orders based on its risk perception.

The decision for identifying such commodity contracts shall be made by the management of SCSPL. The decision of SCSPL shall be final in this regard. Due to the refusal of trades, losses if any incurred, the same shall be borne by the Client. Further, in case of Internet Trading clients, SCSPL may at any time at its sole discretion block / restrict the client's online trading terminal to prevent the client from placing orders in such contracts through the Online Trading Platform of SCSPL. SCSPL shall not be held liable for restricting / prohibiting such trades. Further SCSPL shall not be held liable or responsible in any manner whatsoever for any refusal/cancellation of orders for trading in such commodity contracts and the Client shall indemnify SCSPL in respect of any loss, whether direct or indirect, caused to SCSPL by virtue of the Client trading in such commodity contracts.

2. Setting up client's exposure limits:

As part of Risk Management Policy of SCSPL, without prior notice to the clients, SCSPL may from time to time impose and vary limits on the orders that the client can place through SCSPL's trading system (including exposure limits, turnover limits, limits as to the number, value and kind of securities in respect of which orders can be placed etc.). SCSPL would have the sole discretion on setting these limits based on its risk perception of the client, margin received from the client, market conditions and other factors but not limited to limits on account of exchange/SEBI directions/limits (such as broker level/market level limits in security specific/volume specific exposures etc.). SCSPL shall not be responsible for such variation, reduction or imposition or the client's inability to route any order through SCSPL's trading system on account of any such variation, reduction or imposition of limits. SCSPL may at any time, at its sole discretion and without prior notice, prohibit or restrict the client's ability to place orders or trade in securities, or it may subject any order placed by the client to a review before its entry into the trading systems any may refuse to execute/allow execution of orders due to but not limited to the reason of lack of margin / securities or the order being out side the limits set by SCSPL /exchange/SEBI and any other reasons which the SCSPL may deem appropriate in the circumstances. Losses, if any, on account of such refusal or due to delay caused by such review, shall be borne exclusively by the client only. We have margin based RMS system. Total deposits of the clients are uploaded in the system and client may take exposure on the basis of margin applicable for respective security as per VAR based margining system of SCSPL and/or margin defined by RMS based on their risk perception. Client may take benefit of "credit for sale" i.e. benefit of share held as margin by selling the same by selecting Delivery option through order entry window on the trading platform, the value of share sold will be added with the value of deposit and on the basis of that client may take fresh exposure. In case of exposure taken on the basis of shares margin the payment is required to be made before the exchange pay in date otherwise it will be liable to square off after the pay in time or any time due to shortage of margin. The commodity broker shall have the prerogative to allow differential buy and sell limits for its clients depending upon credit worthiness, integrity pass conduct of each client and as per the risk management policy of the commodity broker.

3. Applicable Brokerage Rates:

The Brokerage and other charges livable by SCSPL on the clients are provided in the Form annexed and the same shall be made applicable as per the Tariff Sheet. With the mutual consent between SCSPL and the client, the rate of brokerage may be changed. However, the brokerage and other charges are subject to the maximum limits as prescribed by SEBI / Exchanges/ Government and other Regulatory authorities from time to time.

4. Imposition of Penalty/ Delayed Payment Charges:

The clients are required to settle the pay-in / provide margin within the time limits provided by Exchanges / SEBI/SCSPL risk management system. In case the client fails to provide the same, clients will be liable to pay late pay in/delayed payment charges for non making payment of their pay-in / margin obligation at the rate upto 2% per month. This is only a penal measure and brings in discipline in the clients to clear the dues in time as SCSPL had to clear its obligations to the Exchange as per the time limits set by the Exchanges. The client shall be liable to pay to SCSPL brokerage, all taxes, duties, levies to the stock exchanges, transaction expenses, F&O charges, delayed payment charges, short delivery charges, auction charges, cheque stop payment charges, cheque bounce charges, incidental expenses such as postage, courier etc. as they apply from time to time to the client's account/transaction/services that the client avails from SCSPL. SCSPL may also impose fines/ penalties for any orders / trades/ deals/ actions of the client which are contrary to this document / rules/ regulations/ byelaws of the exchange or any other law for the time being in force, at such rates and in such form as it may deem fit. Further, where SCSPL 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.

5. The right to sell client's securities or close clients' positions, without giving notice to the client, on account of non-payment of client's dues:

As a part of Risk Management System of SCSPL, without prejudice to SCSPL's other right (including the right to refer the matter to arbitration), SCSPL shall have the sole discretion to liquidate/close out all or any of the clients position (including securities maintained as margin with SCSPL and securities lying in client's beneficiary / demat account) without giving notice to the client for non payment of margins or other amounts including the pay in obligation, outstanding debts etc. and adjust the proceeds of such liquidation/close out, if any, against the clients liabilities/obligations. Further, the square off of client's open position or the selling of securities may be executed on such Exchanges and at such price as may be decided by SCSPL. SCSPL shall have no obligation of communicating the same to the Client. SCSPL shall not be responsible for any losses incurred by the client due to such squaring off of the open position of the client. The client shall ensure timely availability of funds/securities in form and manner at designated time and in designated bank and depository account(s), for meeting his/her/its pay in obligation of Funds and securities. SCSPL reserves the right to square off the open position of client and / or sell client's securities under the prescribed circumstances, however SCSPL is not obligated and does not guarantee to square off the open positions and / or sell client's securities

In cases of securities lying in margin account /client beneficiary account and having corporate actions like Bonus, Stock split, Right issue etc, for margin or other purpose the benefit of shares due to receive under Bonus, Stock split, Right issue etc will be given when the shares are actually received in the Commodity broker designated demat account. In case the payment of the margin/ security is made by the client through a bank instrument, SCSPL shall be at liberty to give the benefit/ credit for the same only on the realization of the funds from the said bank instrument etc. at the absolute discretion of SCSPL. Where the margin / security is made available by way of securities or any other property, the commodity broker is empowered to decline its acceptance as margin / security & or / to accept it at such reduced value as SCSPL may deem fit by applying hair cuts or by valuing it by marking it to market or by any other method as SCSPL may deem fit in its absolute discretion. SCSPL has the right but not the obligation, to cancel all pending orders and to sell/close/liquidate all open positions/securities/shares square off time when Mark to Market (M-T-M) Percentage reaches or crosses stipulated margin percentage, whichever is earlier. SCSPL will have sole discretion to decide referred stipulated margin percentage depending upon the market condition. In the event of such square off, the client shall bear all the losses based on actual executed prices, the client shall also be solely liable for all and any penalties and charges levied by the exchange(s).

6. Conditions under which a client may not be allowed to take further position or the broker may close the existing position of a client:

In addition to the conditions as provided under the policy of right to sell securities and close out client's open position as detailed in point 5 above, SCSPL shall have the right but not the obligation to refuse to

execute trades/allow the client to take further positions and / or close out the existing positions of client under following circumstances:

- 6.1.** As a result of any Regulatory directive / restriction;
- 6.2.** Non-receipt of funds / securities and / or bouncing of cheque received from the client towards the obligations/ margin/ ledger balances;
- 6.3.** Due to technical reasons;
- 6.4.** securities breaching the limits specified by the Exchanges/regulators from time to time
- 6.5.** in case of failure to meet margin including mark to market margins by the client;
- 6.6.** In case securities to be transacted by client are not in dematerialized form
- 6.7.** Any other conditions as may be specified by SCSPL from time to time in view of market conditions, regulatory requirements, internal policies etc and risk management system;
- 6.8.** Due to any force majeure event beyond the control of SCSPL.
- 6.9.** If in the opinion of SCSPL, the client has committed a fraud, crime or acted in contravention to this document.
- 6.10** Clients' position is close to client wise permissible open positions
- 6.11.** Intraday orders after the cut off time would not be allowed.

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

SCSPL can suspend/close the client account and also withhold the pay-outs of the client if there is any judicial or/and regulatory order/action requiring suspension/closure of client's account. SCSPL can also suspend/close the client account if it observes any abnormal or suspicious activity in the client account through its monitoring and surveillance of the client account.

SCSPL may also temporarily suspend/close the client account if there is no activity in the client account for a period of one year i.e. as Inactive Account, as deemed fit by the Commodity broker from time to time. For activation of the account, the client has to give a written request to his/her/their respective branch along with proof of income and address and other details, if any, changed.

The client's account can also be put under temporary suspension/closure if the client has not cleared the uncovered debit in its account or if the client has not submitted Know Your Client (KYC) details sought by the Commodity broker to fulfil its own surveillance or exchange related requirements.

In the event of information/reports reaching the Commodity broker of the client's death, the account can also be put under temporary suspension/closure. SCSPL can also put the client's account under temporary suspension/closure if the client has failed to provide or update its communication details like correspondence address, Mobile Number, landline numbers or Email Id.

SCSPL, on the request of the client in writing, the client account can be suspended temporarily and same can be activated on the written request of the client only. During the period client account is suspended, the market transaction in the client account will be prohibited. However, client shares/ledger balance settlement can take place. On the request of the client in writing, the client account can be closed provided the client account is settled. If the client wants to reopen the account in that case client has to again complete the KYC requirement.

8. Deregistering a client:

The client has the option to de-register his account after settling his account with SCSPL. The client would be liable to pay all dues in his account before de-registration. Notwithstanding anything to the contrary stated in this document, SCSPL shall be entitled to terminate the relationship with the client with immediate effect in any of the following circumstances:

- 8.1.** If the action 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 securities or disturb the normal/proper functioning of the market, either alone or in conjunction with others.
- 8.2.** If there is any commencement of a legal process against the client under any law in force.
- 8.3.** On the death/lunacy or other disability of the client.
- 8.4.** If the client being a partnership firm, has any steps taken by the Client and/or its partners for dissolution of the partnership.
- 8.5.** If the Client suffers any adverse material change in his/her/its financial position or defaults in any other policies & procedures of the Commodity broker
- 8.6.** If there is unreasonable 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.
- 8.7.** If the Client is in breach of any term, condition or covenant of this document;
- 8.8.** If the Client has made any material misrepresentation of facts, including (without limitation) in relation to the security;
- 8.9.** 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;
- 8.10.** If the Client have taken or suffered to be taken any action for its reorganization, liquidation or dissolution;
- 8.11.** 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;
- 8.12.** If any covenant or warranty of the Client is incorrect or untrue in any material respect;

In addition to what the client has agreed in the agreement, SCSP may terminate a client with immediate effect, but not limited to the following reasons - If the client is debarred by SEBI or any other regulatory authority As a part of surveillance measure, if a client appears to be indulging in manipulative practices. Under the circumstances when there is a reasonable ground to believe that the client is unable to clear its dues or has admitted its inability to pay its debt. If client violates any of the terms of the agreement.

9. Treatment of Inactive (Dormant) Accounts

The treatment of Inactive (Dormant) accounts is as per SEBI guidelines issued vide circular No. MIRSD/SE/Cir-19/2009 dated December 3, 2009 and exchange directives issued from time to time
In case trading account, wherein no trades have been carried out since last 12 (Twelve) months across all exchanges shall be flagged as 'Inactive' in exchange portals of respective Exchanges

We would before marking an account as inactive (dormant) send an update to clients 1) Vide an email and/or sms intimation to client 2) Vide an email to respective branches, with a follow-on reminder. In case no response is received we shall be suspending codes from further trading and thereafter we shall, refrain from trading until the account is reactivation request is received with confirmation from KYC. The client shall be allowed to trade only after account is re-activated. Client can re-activate their account by giving a request in the prescribed form (enclosed) and or vide electronic communication from registered email id, at respective branch / Head Office along with updated details, if any, has been changed. It would be suggestive that income details are also provided by the client. Client has settle on monthly or quarterly basis (as per client preferences) in the manner prescribed from time to time.