

FAIR EDGE SECURITIES (PVT.) LIMITED
TRADING RIGHT ENTITLEMENT
Pakistan Stock Exchange Ltd.

ADDITION TERM AND CONDITION FOR ONLINE TRADING

- I. Online trading will be permitted through Fair Edge Securities (Pvt.) Limited (Broker) which will act as the Broker for the purpose of buying and selling Securities, including trading through Continuous Financing System (CFS) and/or other forms of leveraging/margin financing at the Karachi Stock Exchange (Online Exchange) and wherever the term FESL is used in these Special Terms and Conditions for Online Trading, it shall deem to mean the Broker and Vice Versa.
- II. A Password or (Personal Identification Number) PIN will be issued to the Account Holder(s) by the Broker as the Account Holder(s) Personal Identification Number or Code to enable the Account Holder(s) to have access to and use the Account for Online Trading. The Password/PIN may be communicated through E-mail or through courier to the Account Holder(s) at his/her/their own risk. The Account Holder(s) shall not disclose the Password/PIN to any person and shall take every reasonable precaution to prevent discovery of the Password/PIN by any other person(s).
- III. If the Password/PIN is disclosed to any third party the Account Holder(s) should immediately notify the same to the Broker. The Account Holder(s) will immediately notify the Broker of any loss, theft or unauthorized use of his/her/their Account number and/or Password/PIN. The Account Holder(s) shall immediately notify the Broker in writing of any change in his/her/their e-mail or other address as mentioned in the Account Opening Form.
- IV. The Account Holder shall ensure that all information needed by the Broker in verifying the Account Holder(s) identity is accurately disclosed to the Broker over the telephone. It is further clarified that any/all instructions by the Account Holder(s) to the Broker via telephone shall be imparted only through the Broker's designated telephone number(s) which shall be intimated to the Account Holder(s). Any change in such telephone numbers shall be promptly notified to the Account Holder(s). Any instruction/ communication exchange through telephone numbers other than those which have been notified by the Broker shall not be entertained.
- V. The Account Holder(s) agree(s) and understands that any/all instructions/communications carried out in respect of an Account where by the verification procedures adopted as part of the Online Trading facilities are satisfied, shall be deemed to be carried out directly by the Account Holder(s).
- VI. The Broker may electronically transfer delivery of confirmation, statements and other notices in connection with Electronic/Online Trading. It shall be the responsibility of the Account Holder(s) to review all communications sent by the Broker including e-mails, confirmation statements, notices, margin and maintenance calls whether delivered by mail, e-mail or electronic terminals.
- VII. All risks connected and involved with Electronic/Online Trading will be assumed fully by the Account Holder(s). The Account Holder(s) acknowledges that Electronic/Online Trading may from time to time be adversely affected (inter alia) by network congestion, equipment failure,

software failure, system breakdown, loss of connectivity, power failure, adverse market conditions, partial execution of order and/or technical glitches failures (including but not limited to connectivity failures). Neither the Broker nor any of its Directors or officers, its management, its branch offices, offices of supervisory jurisdiction and their respective registered representatives and employees, would be responsible or liable in any manner for any losses or damages that may be suffered by the Account Holder(s) including those due to the misuse of the Account Holder(s) information and affairs by unscrupulous person(s).

- VIII.** The Broker may at any time and from time to time require additional margin in the Account (in cash or Securities) before executing any orders or undertaking any transactions through Online Trading facility on account of the Account Holder(s). The amount and timing may vary depending on factors solely at the Broker's discretion. The Broker shall have the right to liquidate the Account Holder(s) trading position(s) if the Account margin is insufficient at any time.
- IX.** The Broker may at its discretion elect with or without notice to square off the Account Holder(s) Account and make all obligations in the Account immediately due and payable by the Account Holder(s) without assigning any reason. (See Margin Disclosure Statement annexed hereto).
- X.** I/We, the Account Holder(s) understand(s) that the shares trading business carries risk and subject to the due diligence on part of the Broker, I/We may incur losses for which I/We, the Account Holder(s) shall not hold the Broker responsible. The Account Holder(s) further acknowledge(s) that the prices of the Securities do fluctuate abruptly and instantly and investments in Securities may experience abrupt upward and downward movements and may even become valueless. The Broker shall not be liable for any fluctuations in the prices of Securities due to purchase and sale on the day of the transaction and the net price mentioned in the confirmation shall be accepted as concluded final price and shall be binding upon the Account Holder(s) and the Broker.
- XI.** In the event of any disputes, differences or controversies arising between the Broker and the Account Holder(s) out of any transactions(s) and other matters related thereto, including as to the rights and obligations of the Account Holder(s) and the Broker and the interpretation of the provisions of this Contract and the Terms and Conditions or any other matter related thereto, the same shall be referred to the pertinent Stock Exchange where the transaction has taken place. In case for any reason(s) the Stock Exchange and/or the Arbitration Committee thereof is/are unable to arbitrate upon the matter due to any legal infirmity or otherwise, the matter shall then be referred to arbitration by two Arbitrators, one to be appointed by each party, and on the lack of consensus between the two Arbitrators, the matter shall be referred to an Umpire, to be selected by the two Arbitrators before the commencement of the reference in accordance with the Arbitration Act, 1940 or any amendments thereof. The decision of the Arbitration Committee of such Exchange or the Arbitrators or the Umpire, as the case may be, shall be final and binding upon both the Parties.
- XII.** I/We, the Account Holder(s) acknowledge receipt of this Account Opening Form (signed here by me/us) along with the copies of all the annexures and I/We, the Account Holder(s), also undertake that I/We have understood all the above Terms and Conditions of this Agreement which are acceptable to me/us.

- XIII.** I/We, the Account Holder(s) represent that I/We are knowledgeable investor(s) and that I/We have conducted such analysis and consulted with such professionals as I/We deemed necessary in order to fully understand the risk(s) involved in trading and that I/We are financially suitable for engaging in such trading activity.
- XIV.** I/We, the Account Holder(s) further confirm that all information given in this Account Opening Form is true and complete and hereby authorize the Broker to verify any information mentioned above from any sources deemed appropriate by the Broker.
- XV.** Margin Financing/Margin Trading and Disclosure following Additional Terms and Conditions shall apply:
- I.** Fair Edge Securities (Pvt.) Limited (FESL), also referred to herein as the Broker is furnishing this document to the Account Holder(s) to provide some facts about purchasing Securities on margin, and to alert the Account Holder(s) as to the risks involved with trading Securities in a margin account. Before trading Securities in a margin account, the Account Holder(s) should carefully review the margin clause in the Special Terms and Conditions for Online Trading enunciated in the Account Opening Form. The Account Holder(s) should obtain clarification(s) from FESL regarding any questions or concerns he/she/they may have regarding the margin account. It is important that the Account Holder(s) understand(s) fully the risks involved in trading Securities on margin. These risks include the following:
 - II. The Account Holder(s) can lose funds more than invested in his/her Account.**

A decline in the value of Securities that are purchased on margin may require the Account Holder(s) to provide additional funds to the Broker to avoid forced sale of those Securities or other Securities or asset(s) in the Account Holder(s) account.
 - III. The Broker can force the sale of Securities or other asset(s) in the Account Holder(s) account**

If the equity in the Account Holder(s) account falls below the maintenance margin requirements, the Broker, after the margin call notice period, can sell the Securities or other assets in the account to cover the margin deficiency. The Account Holder(s) also will be responsible for any shortfall in the account after such sale.
 - IV. Account Holder(s) are not entitled to choose which Securities or other assets in the account are liquidated or sold first to meet margin requirements**

Because the Securities are collateral for margin trading, the Broker has the right to decide which Security to sell in order to protect its interests and/or meet margin requirements.
 - V. The Broker can amend its “in-house” maintenance margin requirements at any time and is required to provide the Account Holder(s) 3 (three) days advance written notice**

These changes in Broker’s policy often take place immediately and may result in the issuance of a maintenance margin call. The Account holder(s) failure to satisfy the call may cause the Broker to liquidate or sell Securities in his/her/their account.
 - VI.** The Account Holder(s) are not entitled to an extension of time on a margin call while an extension of time to meet margin requirements may be available to Account Holders under certain conditions; the Account Holder(s) does not/do not has a right to the extension.