

a) Refusal of Orders for Penny Stocks

A stock that trades at a relatively low price and market capitalization. These types of stocks are generally considered to be highly speculative and high risk because of their lack of liquidity, large bid-ask spreads, small capitalization and limited following and disclosure. Depend on the market condition and RMS policy of the company RMS reserve the right to refuse to provide the limit in Penny stocks and losses if any on account of such refusal shall be borne by client only.

b) Setting up client's exposure limits

The stock broker may from time to time impose and vary limits on the orders that the client can place through the stock 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 stock broker may need to vary or reduce the limits or impose new limits urgently on the basis of the stock broker's risk perception and other factors considered relevant by the stock broker including 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.), and the stock broker may be unable to inform the client of such variation, reduction or imposition in advance. The client agrees that the stock broker shall not be responsible for such variation, reduction or imposition or the client's inability to route any order through the stock broker's trading system on account of any such variation, reduction or imposition of limits. The client further agrees that the stock broker 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 through the stock broker, 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 outside the limits set by stock broker/exchange/SEBI and any other reasons which the stock broker may deem appropriate in the circumstances. The client agrees that the losses, if any on account of such refusal or due to delay caused by such review, shall be borne exclusively by the client alone.

Ordinarily, 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 stock broker in such form and manner as may be required by the stock broker. If the client's order is executed despite a shortfall in the available margin, the client, shall, whether or not the stock broker intimates such shortfall 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 stock broker & / or exchange & / or SEBI.

The stock 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 stock broker are not eligible for any interest. The stock broker is entitled to include / appropriate any / all payout of funds & / or securities towards margin / security without requiring specific authorizations for each payout. The stock broker is entitled to transfer funds &/ or securities from client's 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 by the stock broker. The client also agrees and authorises the stock broker to 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.

The stock broker is entitled to disable / freeze the account &/or trading facility / any other service facility, if, in the opinion of the stock broker, 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 stock broker so apprehends.

Trading in Exchange is in Electronic Mode, based on VSAT, leased line, ISDN, Modem, VPN, MPLS & IP based connectivity, combination of technologies and computer systems to place and route orders. I/we understand that there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt or any break down in our back office/ front end system, or any such other problems/glitch whereby not being able to establish access to the trading system/network, which may be beyond trading member control and may result in delay in processing or not processing buy or sell Orders either in part or in full. Client shall be fully liable and responsible for any such problem/fault.

- c) Applicable brokerage rate :-** The stock broker is entitled to charge brokerage within the limits prescribed by the Regulators which at present is as under :

For Cash Market Segment: The maximum brokerage chargeable in relation to trades effected in the securities admitted to dealings on the Capital Market segment of the Exchange shall be 2.5 % of the contract price exclusive of statutory levies. Where the sale / purchase value of a share is Rs.10/- or less, a maximum brokerage of 25 paise per share may be collected.

The stock broker shall be entitled to increase the brokerage applicable to the client within the overall limit stipulated by the Regulator after giving the client fifteen days notice.

- d) Imposition of penalty / delayed payment charges**

Clients will be liable to pay late pay in/delayed payment charges for not making payment of their payin/margin obligation on time as per the exchange requirement/schedule at the rate of 2% per month, amount of interest shall be debited to the account of the client on fortnightly basis.

The client agrees that the stock 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, at such rates and in such form as it may deem fit. Further where the stock 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.

It is expressly stated that the stock broker shall not pay any interest whatsoever on the credit balances and/ or funds of the client available with the stock broker unless otherwise explicitly and specifically agreed to.

- e) The right to sell client's securities or close clients' positions, with giving notice to the client, on account of non-payment of client's dues**

Without prejudice to the stock brokers other right (Including the right to refer the matter to arbitration), the stock broker shall be entitled to liquidate/close out all or any of the client's position / securities / stock / collaterals etc. *with* 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.

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. Any and all losses and financial charges on account of such liquidations/ closing out shall be charged to & born by the client. 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 received under Bonus, Stock split, Right issue etc will be given when the shares is actually received in the stock broker designated demat account.

In case the payment of the margin / security is made by the client through a bank instrument, the stock broker 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 the stock broker. Where the margin / security is made available by way of securities or any other property, the stock broker is empowered to decline its acceptance as margin / security &/or to accept it at such reduced value as the stock broker may deem fit by applying haircuts or by valuing it by marking it to market or by any other method as the stock broker may deem fit in its absolute discretion.

The stock broker has the right but not the obligation, to cancel all pending orders and to sell/close/liquidate all open positions/securities/shares at the pre-defined square off time or when Mark to Market (M-T-M) percentage reaches or crosses stipulated margin percentage, whichever is earlier. The stock broker will

have sole discretion to decide referred stipulated margin percentage depending upon the market condition. In the event of such square off, the client agrees to 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).

f) Shortages in obligations arising out of internal netting of trades

Stock 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 stock 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:

- a) The internal shortage delivery purchase in Internal Shortage Covering A/c. within T+2 Day (Subject to availability of quantity short delivered) or in certain unavoidable circumstances on the T+3 day. The purchase consideration (inclusive of all statutory taxes & levies) + auction charges is debited to short delivering client a/c.
 - b) If the security cannot be purchased from market due to any force majeure condition within T+4 days then short delivery seller is debited at T+4 day's closing rate + 10%(of closing rate) and purchaser is credited by the same amount.
 - c) In case corporate action like split, bonus, right etc. exists in the particular scrip then original short quantity is purchased in Internal Shortage Covering A/c as procedure followed in short delivery case as mentioned above in point "a" and corporate action quantity is purchased in sellers account, however in case of non-availability of the security in the market, the procedure as laid down in point "b" above is followed.
- g) Conditions under which a client may not be allowed to take further position or the broker may close the existing position of a client :**

We have margin based RMS system. Client may take exposure upto the amount of margin available with us. Client may not be allowed to take position in case of non-availability/shortage of margin as per our RMS policy of the company. The existing position of the client is also liable to square off/close out without giving notice due to shortage of margin/ non making of payment for their payin obligation/outstanding debts.

h) Temporarily suspending or closing a client's account at the client's request :

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.

i) Deregistering a client :- Notwithstanding anything to the contrary stated in the agreement, the stock broker shall be entitled to terminate the agreement with immediate effect in any of the following circumstances:

- (i) 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.
- (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 the client being a partnership firm, has any steps taken by the Client and/or its partners for dissolution of the partnership;
- (v) If the Client suffers any adverse material change in his/her/its financial position or defaults in any other agreement with the Stock broker;
- (vi) 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;
- (vii) If the Client is in breach of any term, condition or covenant of this Agreement;
- (viii) If the Client has made any material misrepresentation of facts, including (without limitation) in relation to the Security;

- (ix) 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;
- (x) If the Client have taken or suffered to be taken any action for its reorganization, liquidation or dissolution;
- (xi) 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;
- (xii) If any covenant or warranty of the Client is incorrect or untrue in any material respect;

j) Treatment of Inactive account : - Client account will be considered as inactive if the client does not trade for period of two years (excludes system generated transactions like credit, debit of interest & charges). Calculation will be done at the beginning of every month and those clients who have not traded even a single time will be considered as inactive.

The client has to make written request for reactivation of their account, alongwith fresh KYC Information may convert the "Inactive Account" into an operative account.

k) Proprietary Trading : "The Stock Broker (Matalia Stock Broking Pvt. Ltd.) hereby intorms and decalres to the client that, in addition to the client level trading. The Stock Broker undertakes Proprietary Trading.

l) Investor Grievances : "Investor can send in their grievances to investorgrievances@matalia.co.in".

m) Mode of Payment - to and from the clients

- a) Stock Broker doesn't deal with its Client vis-a-vis their trading by way of cash, accordingly all payments are made or received by them only through banking channels. Further the Client must make payment to the Stock Broker from his designated (as mentioned in the KYC) bank account only.
- b) Stock Broker does not deal with its client vis-a-vis their trading by way of third party cheques. Accordingly, if any payment is made otherwise ,then it is not credited to the client account and is held in suspense account.

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 any one or more means or methods. 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.

(7) 

(Signature of Client)

(If partner, Corporate, or other Signatory, then attest with Company seal).

Date

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