

- iii. Margin requirement (initial, maintenance and other applicable margins) and margin calls.

6. The TREC Holder / Broker has made available following information on its website and/or provide a copy of the same to its client in easily accessible form:

- i. A basic explanation of securities trading; including definitions of common terms used on the trading screen;
- ii. A general statement and information regarding the manner, in which orders are accepted, processed, settled and cleared via the internet;
- iii. Disclosure of various risks of securities trading, including the risk of systems outages and failures and any alternative means of placing orders;
- iv. Procedures to cancel pending orders during a system failure;
- v. Rules and regulations affecting inter-alia client broker relationship, arbitration procedures and any other useful information from the perspective of Investor protection;
- vi. Provision of the user manual of KITS containing complete system and interfaces documentation;
- vii. The procedures for allowing clients illustrated in the clause 5 of the subjected agreement shall also be required to make available on the website of the Broker.

The Exchange at the request of the TREC Holder / Broker has agreed to allow TREC Holder/Broker the facility of execution of securities transactions by the clients of TREC Holder/Broker by using KITS subject to the terms and conditions as appearing hereunder.

NOW, THEREFORE THIS AGREEMENT WITNESSETH AS UNDER:

1. That the TREC Holder / Broker has submitted an application to the Exchange in the prescribed format for allowing it to install and maintain KITS facility.

2. That the TREC Holder / Broker has applied to the Exchange for the grant of KITS facility on payment of the prescribed fee and charges and the Exchange has agreed to create an exclusive arrangement for the TREC Holder / Broker to be accessed by its clients through Internet for trading in securities. The Exchange may in its discretion prescribe the maximum number of clients of the TREC Holder / Broker that may be allowed access to the Internet, keeping in view the operational capacity of the TREC Holder / Broker.

3. The permission for availing KITS facility will be valid for one year and shall be renewable on payment of fees and charges as may be prescribed by the Exchange from time to time.

4. That the TREC Holder / Broker, through KITS, will have the functionality available to restrict the securities transactions of the clients to the extent fixed by the TREC Holder / Broker. That the TREC Holder / Broker shall be responsible to monitor and review all trades of its clients. The TREC Holder / Broker shall however be solely responsible for trades executed by its client.

5. That it is expressly understood by the TREC Holder / Broker that all trades executed by its clients on the Trading system of the Exchange through KITS, the TREC-holder shall be liable for honoring all such trades which shall be deemed to have been executed by the TREC Holder / Broker. The Exchange shall have no legal relationship whatsoever with the clients of the TREC Holder / Broker. All such trades shall be subject to the applicable laws, rules and directives of the SECP, the Rules & Regulations of the Exchange presently in force and as may be framed or modified hereafter, which shall continue to remain binding on the TREC Holder / Broker.

6. The TREC Holder / Broker shall enter into Agreement with its clients containing appropriate disclosures highlighting the risks associated with the internet trading and such terms and conditions as per rules and regulations of the Exchange which may safeguard its interest and that of the Exchange.

7. The TREC Holder / Broker shall make necessary arrangements with its clients for assessing their suitability to undertake trading through KITS and obtain sufficient and verifiable information of clients for risk evaluation purpose as part of its Know Your Customer (KYC) and Customer Due Diligence (CDD) policy and procedures and for fulfillment of account opening requirements and obtaining margin in advance and post-trade functions, such as trade confirmations, clearing, settlement and delivery/crediting of securities, payments and all such related matters.

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8. It is hereby agreed by the TREC Holder / Broker that it shall employ well qualified personnel fully acquainted with the operation of the Internet Trading System and shall also have stand-by arrangement thereof to resolve any operational problems that may be encountered. Further the TREC Holder / Broker undertakes to procure and install a reliable and updated computer hardware and latest version of computer software for operation of the internet service successfully at its end. The Exchange may give necessary directions to the TREC Holder / Broker in this regard from time to time, which shall be followed by the TREC Holder / Broker diligently.

9. The TREC Holder / Broker shall be solely responsible to provide maintenance and support services to its clients and will respond to all of their queries in relation to the Internet Trading, Internet connection or any other matter connected therewith, directly or indirectly. The Exchange will not be obliged to assist the TREC Holder's / Broker's clients in any respect. However, the Exchange may provide the required assistance to the TREC Holder / Broker directly, who will nominate its employee designated to make such a request to the Exchange and shall intimate in writing in advance to the Exchange the name(s) of its employee(s).

10. It is expressly understood between the parties hereto that data pertaining to the clients of TREC Holders / Brokers will reside in the KITS at Exchange's IT Division and it is expressly understood by the TREC Holder / Broker that it shall be solely responsible for all trades executed through KITS by itself or its clients and the Exchange shall not in any case be responsible for any error, line disconnection, speed issues, hardware compatibility issue, omission, damages or losses as may be suffered by the TREC Holder / Broker or its client arising from the use of the KITS.


11. It is further agreed and clearly understood that the Exchange will not be liable or have any responsibility whatsoever for (a) any losses arising out of or relating to a cause over which the Exchange do not have any direct control, including the failure of the computers, electronic or mechanical equipment or communication lines, telephone or other interconnected problems, unauthorized access, theft, operator errors, government restrictions, force majeure (i.e. earthquake, flood, severe or extraordinary weather conditions, natural disasters or other acts of God, fire, acts of war, terrorist attack, insurrection, riot, strikes, labour disputes or similar problem, accident, action of government, communications system or power failures and equipment or software malfunction, suspension of trading or (b) any accidental, indirect, incidental, consequential, punitive or exemplary damages (including lost profits, trading losses and damages) that may incur in connection with the use of Internet Trading under this Agreement.

12. The TREC Holder / Broker shall keep record for a period of at-least five years all KITS information relating to all orders and communications with the clients along with the proper security measures to prevent such record from any potential misuse.

13. The TREC Holder / Broker shall ensure that its operational capacity (i.e. number of clients supported by the solution and infrastructure) is evaluated regularly and the same is updated and enhanced in line with the increasing quantum of trades being generated through KITS.

14. That the TREC Holder / Broker hereby further agrees and undertakes to indemnify and keep indemnified the Exchange against all losses, claims, demands, dues, expenses, costs, legal proceeding that may be made or initiated by its clients or anyone else for (1) any inaccuracy, error, delay in or commission of (a) any information or (b) the transmission or delivery of information (2) any loss or damage arising from or occasioned by (a) any such inaccuracy, error, delay, or omission (b) non-performance (c) interruption of information due either to any negligent act or omission by the Exchange or to any force majeure (i.e. flood, extraordinary weather conditions, earthquake or other acts of God, fire, war, insurrection, riot, labour dispute, accident, action of government, communications, power failure, or equipment or software malfunction) or any other cause beyond the reasonable control of the Exchange.

15. That the TREC Holder / Broker hereby agrees to appoint and keep qualified and competent staff to manage and control the system and shall take all necessary measures, for the


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robust security of the related systems including the following, and shall also ensure its compliance of all security related procedures and protocols by his/its clients:-

- i. Use anti-virus software.
- ii. Use a personal firewall package.
- iii. Use current versions of software and operating systems (and keep them patched/updated).
- iv. Secure wireless network.
- v. Use own computer.
- vi. Choose strong passwords and change them regularly.
- vii. Use a unique ID and password and maintain the confidentiality thereof.
- viii. Protect against identity theft.
- x. Empty temporary Internet files or cache folder when finished.
- xi. Test system for vulnerabilities.
- xii. Be prepared for problems and outages.

16. In case of breach of any of the terms and conditions of this Agreement or violation of relevant Rules & Regulations by the TREC Holder / Broker, the Exchange shall have a right to suspend the Internet Trading facility and terminate this Agreement. Upon termination, the facility of Internet Trading shall cease to function. However, the TREC Holder / Broker shall continue to remain liable for the trades already executed on the Internet and shall be fully responsible for their settlement.

17. The TREC Holder/ Broker shall be entitled to terminate this agreement after giving notice in writing to the Exchange.

18. That the TREC Holder / Broker shall always remain in compliance with the instructions of Exchange and requirements of Exchange regulations presently in force and as may be made, modified or amended from time to time relating to KITS facility.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement on the date, month and the year first herein above mentioned.

WITNESSES

1. Riaz Ahmed Khan
Riaz Ahmed Khan
Assistant General Manager – I.T. Division
Pakistan Stock Exchange Ltd.

1. Haroon Askari
Haroon Askari
Managing Director
Pakistan Stock Exchange Ltd.

Stamp: _____

2. TARIQ WAHEED BHATTI
35202-3011566-3

2. Muhammad Imran Butt
Muhammad Imran Butt
Chief Executive Officer

Stamp: _____



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16/8/17