

**POLICIES & PROCEDURES.**

The company has adopted various policies & procedures for internal control measures & tools for compliance for various Acts, Rules & Regulation of the Exchanges and Securities Exchange Commission of Pakistan.

**1. Operational needs**

Policies and procedures ensure that fundamental organizational processes are performed in a consistent way that meets the organization's need.

**2. Risk Management**

Established policies and procedures creates environment that ensures control activity needed to manage risk.

**3. Continuous improvement**

Procedures can improve processes by implementing a Plan-Do-Check-Act approach by building important internal Communication practice

**4. Compliance**

We defined and documented processes (i.e. procedure training materials) along with records that demonstrate process capability can demonstrate an effective internal control system complain with regulations and standards. All employees of the Company are required to follow the policy and any directions given there under. This policy and Procedure is a standard document and subject to change or amends time to time as per change in rules & regulation of the SECP/Exchanges any other Government Authority. Securities Pvt. Limited has reserved rights to implement, amended policy and procedure without amending this documented policy.

**CLIENT REGISTRATION**

1. Open an account by filling in and signing the Standardized Account Opening Form (SAOF) and which will include KYC-CDD and any other Form deemed necessary from time to time by PSX AND SECP.
  - 1.1 The Compliance Officer (CO) checks the forms and rates the client according to the category of risk falls in (High, Medium, Low Risk or rejects the forms). In case the request is rejected, the CO records the reason(s) and returns the forms to the originator with a letter of rejection stating the reason(s) thereof.
  - 1.2 Compliance Office approved the verified SAOF along with documents.

**ORDER & TRADE MANAGEMENT**

2. KATS Operators have authority to feed orders in the trading terminals after receiving the orders for respective client either the client is physical present in the office or through Telephone. All orders received via telephone (landline) communication are routed through the recorded telephone lines. The confirmation of order executed transmitted through email or sent through courier (where applicable). Employees can trade after approval from the management.

**SETTLEMENT OF FUNDS AND SECURITIES**

3. All payment made by the cross cheques and in the name of client as mentioned in the SAOF (Title Account). All receives payment by cheques or pay order or any crossed bank instruments.

**SETTLEMENT OF SECURITY**

4. Back Office reflects share custody based on trade date. However, share will be available in CDC based system on its settlement cycle. The securities are transferred from the sub-account only as per specific instruction received from client & Collects securities from the respective clients before settlement of the respective exchange.

**SEGREGATION OF CLIENTS'S ASSETS**

5. Securities keeps assets belonging to the clients separated from the own assets the funds of clients are kept in a separate Bank account with word "Client" in the title. The shares deposited/ bought by clients are kept in their respective CDC Sub-Account.

**PERIODIC STATEMENTS**

6. Trade Confirmation, Notes, Daily Accounts Ledger Statement, Share Holding and Quarterly statement of accounts are ledger statement of account (with error reporting clause) to all the clients within 24 hours of a trading activity.

7. **CLOSURE OF CLIENT ACCOUNT**

Client Account are closed under following conditions;

On receipt of specific request from the client to close the account

On account of breach of terms and conditions of the Standardized Account Opening Form (SAOF) by the client. On account of any action taken by SECP / Stock Exchange and other authority against the clients or its partner / promoters / directors / authorized persons.

**RISK MANAGEMENT**

8. We have a prudent system of risk management to protect itself from clients default. The risk management policy is framed in view of marking requirement of the stock exchange.

**INVESTOR REDRESSAL SYSTEM /MECHANISM**

9. The Company creates an Email ID for registering a customer complains. The Complainer can send their complaint through email with the relevant / supporting documents if required and send it on the designated email address. The designated person will generate the complaint number on email and forward it to the relevant department head to resolve the Complaint as per PSX, SECP and the standard term & conditions of Standardized Account Opening Form signed by the Account Holder. After the Complaint is resolved, a confirmation will be send via email and the complaint number will be closed. The company will keep record of all the complaints registered, resolved for a period of five years.

**UNETHICAL CONDUCT AND MARKET ABUSE**

10. For the purpose of unethical conduct and market abuse the company took clear instruction through signed Standardized Account Opening Form from client for execution of trades whether verbal or written. Further the company records all phone calls by maintains a proper PABX system integrated with Software Application System Configured on stand-alone Server with a power back-up. All the Extensions and Nodes are integrated with Recording Software in the Server in order to record calls. For all written instruction account the company will kept record of instruction for a period of 5 years. Further-more the company trained / communicate its Sales staff all the relevant regulation of PSX and SECP of trading and market practices.

**BACKUP POLICY**

11. Backup is taken to prevent loss of the data in the event of equipment failure or destruction. we maintains backup of all important data on periodic basis or on daily basis keeping in view the importance.

**KYC / CDD**

12. As per KYC/ CDD policy and procedures

**MONEY LAUNDERING AND COMBAT TERROR FINANCING**

13. For the purpose of Money Laundering & Combat Terror Financing, the company follows guidelines issued by PSX through Notice # KSE/N-1388 dated March 16, 2012 regarding Know Your Customer & Customer Due Diligence which covers Customer Identification, Risk Assessment of Customer, Circumstance where Enhanced Due Diligence is required, On-going Due Diligence, Circumstances where simplified Due Diligence can be adopted, Compliance Function, Data Retention, Training Employee Screening.