

## **SPECIAL TERMS AND CONDITIONS**

The terms and conditions set herein below shall be equally binding on the Broker and the Account Holder(s):

- All trades, transactions and contracts between the parties shall be subject to the Securities & Exchange Ordinance, 1969 read with the Securities & Exchange Commission of Pakistan Act, 1997, Commodity Exchange and Future Contract Rules, 2005, General Regulations of the Exchange, Notices and Circulars. The Broker shall ensure provisions of copies of all the above Rules, Regulations, Notices and Circulars at his office for access to the Account Holder(s) during working hours.
- In the event of the death or insolvency of the Account Holder(s) or his otherwise becoming incapable of receiving and paying for or delivering or transferring commodities which the Account Holder(s) has ordered to be bought or sold, the Broker may with the approval of the Exchange, close out the transaction of the Account Holder(s) and the Account Holder(s) or his legal representative shall be liable for any losses, costs, damages including statutory / regulatory charges, if any and be entitled to any surplus / profits which may result there from.
- Payment of Margins: Variation Margin will be collected in cash only. The Account Holder(s)'s further order will add to the open positions only if the balance of the initial margin deposit is adequate to meet the initial margin required on such new positions. The Account Holder(s) shall not be permitted to create any new open positions, until receipt of such additional initial margin.
- All positions (brought forward, created during the day, closed out during the day) in Commodity Futures Contracts, at the close of trading hours on a day, shall be marked to market at the Daily Settlement Price (for Daily Mark to Market Settlement) and settled.
- Variation Margin calls resulting due to daily Mark to Market settlement in respect of admitted deals in Commodity Futures Contracts shall be cash settled, only.
- Mark to market settlement resulting in losses: Losses incurred at the end of the trading day will be first deducted from the respective funds available with the Exchange in the form of Margin deposits, after covering up the minimum margin required at the end of the trading day. If the balance available to the credit of the Account Holder(s) is not adequate to cover the loss incurred by the Broker or Account Holder(s) a variation margin call will be generated to cover the amount of loss. Variation Margin call amount will be collected from each Account Holder(s). The Account Holder(s) will be required to pay to the Exchange 100% of the amount of Variation Margin call in cash. Variation Margin Calls (Losses) at the end of each day will be paid to the Clearing House latest by the Exchange determined cutoff time on the same trading day.
- In case an Account Holder(s) fails to deposit the amount of Variation Margin call during the timings specified by the Exchange his trading account(s) and the rights arising in connection thereto will be suspended.
- In Case of Profits: Profit earned at the end of the trading day will be added / credited to the respective funds available with the Exchange in the form of Margin deposits. The amount will increase the balance available at the end of trading day, to take further positions.
- On Expiry date of a commodity futures contract, all Account Holder(s) s with open positions, will be matched for delivery in respect of all positions individually.
- A detailed report containing all matched and unmatched requests will be provided to Account Holder(s) before the end of the day on expiration of the commodity futures contract.

- The Account Holder(s) acknowledges that all contracts culminating in delivery, which are not squared off, would be transactions for purchase and sales between the Account Holder(s), and the Account Holder(s) would be personally liable to each other through the contract. The relationship between the Account Holder(s) inter se is and will be governed and regulated by the Regulations of the Exchange.
- Deliveries: The Account Holder(s) will be responsible for providing information for the purposes of giving / taking delivery against his Open Position along-with information necessary for giving / taking delivery
  - a. within stipulated period as determined by the Exchange. The Broker shall be responsible for the collection of such said information from the Account Holder(s) and to submit the same to the Exchange.
- The Exchange at the end of the stipulated period shall match the information provided by the Broker against Net Open Positions of the Account Holder(s) and shall confirm the Delivery / Receipt to be effected against Delivery information submitted by the Broker.
- The Account Holder(s) shall co-ordinate with the Broker to ensure that all requirements for giving / taking delivery are fulfilled. The Account Holder(s) shall also ensure that all statutory requirements laid down regarding Sale / Purchase of goods including payment of taxes, local levies and other statutory / regulatory charges as prescribed under applicable laws from time to time are complied with.
- The Account Holder(s) shall submit Invoices any and all such other documents as required under the prevalent laws and forward the same to the Clearing House within stipulated period as specified by the Exchange from time to time.
- Account Holder(s) shall authorize the Broker to buy, sell or close out any part or all of the contracts held in the Account Holder(s) account with the Broker. The Account Holder(s) will reimburse the Broker for any and all such incidental expense as may be incurred by the Broker for an on account of the Account Holder(s).
- The Broker shall be authorized to act on the verbal instructions of the Account Holder(s). The Broker shall provide a written confirmation of the executed transactions as required under the Regulations and all such transactions recorded by the Broker in his books shall be conclusive and binding upon the Account Holder(s).
- While the Broker shall make every effort to carry out the instructions of the Account Holder(s), within the limits of the prices instructed by the Account Holder(s), and to execute the instructions in full, the Broker does not in any manner, express or implied, guarantee, promise, warrant, represent or assure that the instructions of the Account Holder(s) will be implemented fully or even partially and/or within the limits notified by the Account Holder(s). The Account Holder(s) agree(s) that it/they shall not be entitled to make any claim against the Broker and the Broker shall not be responsible for any loss arising out of instructions not implemented fully or partially, due to oversight or reasons not attributable to the Broker or reasons beyond the Broker's control, unless the loss to the Account Holder(s) has arisen out of the gross negligence or oversight of the Broker.
- All purchases and sales of commodity shall be executed by the Broker during the trading hours of the Exchange. Unless the Account Holder(s) give(s) specific instructions to the Broker to the contrary, the Account Holder(s) acknowledge(s) that all orders shall be good for the pertinent day only and shall lapse at the end of the official trading day of the Exchange.
- The Broker may, from time to time at the request of the Account Holder(s) or of its own volition, provide to the Account Holder(s) information relating to investment opportunities in the market and/or of finances/ economic nature. The Broker however does not guarantee the accuracy/veracity/reliability of such information and the Account Holder(s) acknowledge(s) that any steps or instructions issued in reliance of such information shall be deemed to have been unilaterally taken/ issued by the Account Holders at his/her/their sole risk and responsibility in respect of the consequences emanating there from. It is agreed and understood that the decision to sell or purchase any commodities or to make any investments or disinvestments, shall be deemed to have been made only by the Account Holder(s) based on his/her/ their own acumen and judgment, without any representation or assurance from the Broker as to its profitability or viability.
- The Broker is entitled to assume the correctness and validity of any instructions given by or which appear to have been duly authorized by the Account Holder(s) and his Authorized Person and any action taken by the Broker shall be valid and binding upon the Account Holder.

- The Broker shall provide the trade confirmation of the executed transactions to the Account Holder at the above stated address by means of acceptable mode of communication or by hand subject to acknowledgment receipt as noted in Clause 17
- In case there are any error(s) in the trade confirmation statement, the Account Holder(s) shall report the same to the Broker within one business day of the receipt of confirmation. In case the Account Holder(s) do not respond within one business day of the receipt of the said daily confirmation statement, the confirmation statement shall be deemed conclusively accepted by the Account Holder(s). Provided however, the Broker's decision as to whether or not there has been any error in the daily confirmation statement, shall be conclusive and binding upon the Account Holder(s).
- Provisions in case of Default: In the event of a default of a Broker on his own account, the Account Holder(s) money shall not be utilized to meet the Broker's liabilities. In such cases, the Account Holder(s)'s positions shall be either transferred to another solvent Broker or closed-out as per the Regulations of the Exchange. The loss, if any, caused to the Account Holder(s) because of such action would be recoverable by the Account Holder(s) from the Broker. In the event of failure of the Account Holder(s) to fulfill his obligations to the Broker, the Exchange or the Clearing House, the Account Holder(s)'s position may be closed out and the money, if any, of the Account Holder(s) available with the Broker or with any other Broker or the Exchange, may be adjusted against the Account Holder(s)'s liabilities / obligations.
- In case of any amount due from the Account Holder(s) has not been paid within the period specified, the Broker shall have the right to settle the outstanding amounts by closing out the contract. The Account Holder(s) shall further be liable for all losses, damages, costs and expenses, which the Broker may suffer or sustain due to non-payment by the Account Holder(s).
- The Account Holder(s) shall have a right to obtain a copy of his/her/their ledger statement under official seal and signature of the Broker or his authorized representative on a monthly basis and otherwise as and when required by the Account Holder(s)' at a reasonable cost to the Account Holder(s). In case of any discrepancy in the ledger statement, the Account Holder(s) shall inform the Broker within 1 (one) day of receipt of the ledger statement to remove such discrepancy.
- The Account Holder (s) shall operate the account and execute transactions himself/herself/themselves unless the Account Holder(s) authorize Mr./Ms./ \_\_\_\_\_ I. D. No. \_\_\_\_\_ (Authorized Person) to transact in the account in which event the transactions shall be executed by the Authorized Person on behalf of the Account Holder(s). All transactions executed by the Authorized Person shall be binding upon the Account Holder(s). The Broker shall upon receipt of instructions from the Account Holder or the Authorized Person is entitled to purchase or sell, the commodities and deal in and engage in transactions in commodities upon the instructions of the Account Holder(s) and/or his/her/their Authorized Persons, as provided in Clause 17 hereinabove.
- The Broker shall be responsible to append a list of his authorized traders and designated employees, who can deal with the Account Holder(s), with this Account opening form and a copy of both the opening form and the list will be provided to the Account Holder(s). Any change therein shall be intimated in writing to the Account Holder(s) with immediate effect. The Account Holder(s) shall not deal with any person at the Broker's office, except with the Broker's key personnel. The Broker shall not be responsible for any dealings between the Account Holder(s) and any unauthorized person.
- The Account Holder(s) shall pay such commission at such rates and on such basis as the Broker may from time to time advise to the Account Holder(s), either verbally or in writing, in accordance with prescribed rates stipulated by the relevant Exchange or at such rates as the Broker may decide within the limits stipulated by the relevant Exchange. Besides, the Brokers may also authorized to collect any levies, charges, taxes, rates, duties, including central excise duties, sales tax, etc. on each transaction as may be levied by the Federal, Provincial or Local Government(s), the Commission and/or the Exchange. In case any withholding tax is applicable on payments to be made to the Account Holder(s), the same shall be withheld in accordance with the pertinent regulations.

- The Broker shall not disclose the information of the transactions of the Account Holder(s) to any third party and shall maintain the confidentiality of this information. However, in case any appropriate Court, Tribunal, Exchange, the Commission, the State Bank, the Investigating Agencies (such as NAB, FIA, ANF, etc.) or the Federal or Provincial or Local Government(s) as the case may be, in exercise of its/their powers under the law require(s) any such information, the Broker shall be obliged to disclose the same for which the Account Holder(s) shall not raise any objection whatsoever.
- Provided however that the Broker shall be allowed to share the details of the Account Holder(s) as mentioned in the Account Holder(s) registration form or any other information pertaining to the Account Holder(s) with parties / entities other than when required under law with the express permission of the Account Holder(s).
- In case a Broker converts his individual membership rights to corporate membership and vice versa, or in case of merger of the Broker's corporate membership with another entity, subject to the condition that the beneficial ownership remain the same, the agreement and conditions laid down herein above shall remain effective, unless otherwise mutually agreed by the parties.
- Acceptable mode of communication between the Account Holder(s) and the Broker shall be through letter (courier/registered post/fax/Email) or by hand subject to receipt/acknowledgment, as per the medium chosen by the Account Holder(s) in the title page of this Account Opening Form. The onus of proving that the e-mail has been received by the recipient shall be on the sender sending the mail. The Broker may, however, at its discretion, insist upon a particular mode of receiving instructions from the Account Holder(s) in one of the above mentioned modes of communication and shall be further at a liberty to record, tape or in any other manner store such instructions. Any voice recording made by the Broker shall constitute evidence of the communication so recorded for such instructions.
- In case of change of address or contact numbers of either party, the concerned party shall immediately notify the other party of the changes in writing. The Account Holder(s) further undertake(s) to promptly notify the Broker in writing of any change in the List of Authorized Person(s), as set out in this Account Opening Form. No change thereto shall be effective and the Broker shall be entitled to rely on the information pertaining to the Authorized Person(s) and the particulars, as recorded with the Broker without incurring any liability for doing so, until such time that the Broker is so notified in writing along with the credentials and specimen signature(s) of the replacement Authorized Person(s).
- In the event of failure or refusal to effect the delivery against purchase contract by any Broker of the pertinent Exchange through whom the Broker may have purchased the commodities or refusal to accept delivery against any sales contract by any Broker of the said Exchange through whom the Broker may have sold the commodities, the Broker shall not be liable for any damages, costs or legal expenses which the Account Holder(s) may suffer or sustain and, in any such event, Regulations of the Exchange shall at all times prevail and shall be binding upon the parties.
- The Broker shall not be liable for any fraud, forgery, mis-declaration or any other act or omission on the part of any Account Holder(s) and the contracts shall be purchased or sold at the sole risk of the Account Holder(s) with no obligation on part of the Broker.
- Trade Obligations: The Account Holder(s) shall accept all trades executed, irrespective of the fact that the order is executed partially or in full, on the Exchange.
- Account Holder(s) shall be liable to pay all taxes as may be applicable under the Federal and/or Provincial tax laws including sales tax, if applicable, in connection with deliveries and purchase of commodities against the open positions at the expiration of contracts.
- The Account Holder(s) acknowledge(s) that the Broker has a general right of set-off in respect of any and all monies or sums of the Account Holder(s) lying with the Broker or indicated in any account maintained by the Broker as being to the credit of the Account Holder(s) and that such right may be exercised at the discretion of the Broker upon non-payment or other default on part of the Account Holder(s) and in such manner as the Broker deems appropriate. The Account Holder(s) agrees and acknowledges that the Broker may dispose of any commodities or any other property of the Account Holder(s) lying with the Broker at such time and prices as deemed appropriate by the Broker in its sole and unfettered discretion in order to recover amounts due to the Broker. The Account Holder(s) hereby authorizes the Broker to make such dispositions on its behalf and from the proceeds thereof to deduct/settle/ adjust/realize all sums that are or may become due and/or payable to the Broker from time to time

- In case the Account Holder(s) is/are Foreigner Resident, Foreigner Non-Resident and Non-Resident Pakistani, permission from the government of Pakistan and/or the State Bank of Pakistan shall be obtained by the Account Holder(s), if required under any laws, Rules or Regulations.
- The Account can be closed by mutual consent, upon at least one month prior written notice to the by one party to the other. Upon service of such notice, no further transactions of commodities will be executed by the Broker on Account of the Account Holder(s), except that all pending orders shall be executed and all settlement shall be made. This is without prejudice to the right of the Broker to close the Account and to square off the Account Holder(s)' position and recover all out standings, dues, losses, etc. without any prior notice in event of non-payment or breach of any of the terms and conditions of this Agreement by the Account Holder(s). The Account Holder(s) shall continue to be liable for any shortfall.
- Whenever any difference arises between Broker and his Account Holder(s) on the other hand or between Brokers and their Authorized Representatives, or between any Broker's Authorized Representative and the Broker's Account Holder(s) in connection with the trade or transaction or contracts on the Exchange, or anything incidental hereto, it should be referred to Arbitration in accordance with the Regulation of the Exchange.
- I / We have read the Risk Disclosure Document appended hereto and understand the trading & risks involved in the trading of these instruments and am/are fully responsible for my/our dealings in these instruments.
- I / We shall not, either acting alone or in concert with others, directly or indirectly, hold and control excess number of permitted contracts as fixed from time to time by the Exchange.
- I / We shall not exercise a long or short position where, acting alone or in concert with others, directly or indirectly I / We will have exercised in excess of the commodity wise Position Limits of permitted commodity futures contracts as may be fixed from time to time by the Exchange with the approval of the Commission.
- I / We, the Account Holder(s) acknowledge receipt of this account opening form (signed here by me/us in duplicate) along with the copies of all the annexure 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.
- I / We, the Account Holder(s) further confirm that all information given in this application is true and complete and hereby authorize the Broker to verify any information mentioned above from any sources deemed appropriate by the Broker.

<b>Signature of Account holder</b>		
<b>Name:</b>	<b>Signature:</b>	<b>Dated:</b>
<b>Name:</b>	<b>Signature:</b>	<b>Dated:</b>

<b>For and on behalf of Broker</b>		
<b>Name:</b>	<b>Designation:</b>	<b>Dated:</b>
<b>Signature:</b>		

**Witness 1:**

**Witness 2:**

**Name:** \_\_\_\_\_ **Name:** \_\_\_\_\_

**NIC#:** \_\_\_\_\_ **NIC#:** \_\_\_\_\_

\_\_\_\_\_

## **GUIDELINES ON DISCRETIONARY TRADE FACILITY**

### **Objective for providing discretionary trade guidelines and risk disclosure:-**

The Exchange being front line regulator has anticipated that some market participants while dealing with discretionary trade option available under Standardized Account Opening are assuming certain risks without understanding its containments on investment/trade decision. In this respect, it is imperative that full comprehension should be developed in the market so that discretionary trade option may not jeopardize the interest of the parties (Brokers and clients) thus reasonable care is warranted while dealing with such matter.

In order to mitigate potential risks associated with discretionary trade option, following guidelines may help the parties to take informed decision. Reiterate, the parties should adopt cogitative approach while dealing with discretionary trade facility option.

### **Discretionary Trade Facility Option available under Standardized Account Opening Form:-**

Vide clause 27 of standardized account opening form which deals with authorization to trade on discretionary basis. The said clauses state as under:-

“The accountholder shall operate the account and execute transactions himself/herself/themselves unless the Account holder authorize Mr./M/s. \_\_\_\_\_ I.D.No. \_\_\_\_\_ (authorized person) to transact in the account in which event the transactions shall be executed by the Authorized Person on behalf of the Account Holder(s). All transactions executed by the Authorized person shall be binding upon the Account Holder(s) and shall not be questioned by the Account Holder (s) under any circumstances. The Broker shall upon receipt of instructions from the Account Holder(s) or Authorized person is entitled to purchase and sell, the commodities and deal in and engage in transactions in commodities at the risk and cost of the Account Holder(s) upon the instructions of the Account Holder(s) and/or his/her/their Authorized Persons, as provided in Clause 17 herein above”.

Vide draft standard power of attorney for discretionary trade account facility “**Annexure A**”.

### **Discretionary Trade Guidelines:-**

Any Trader/Client who is willing to authorize either broker or any other person as his/her authorized attorney to execute transactions on his/her behalf in Commodity Futures Contracts registered with PMEX is required to consider inter-alia the following risk factors while authorizing anyone. Similarly, brokers and other persons who are taking power of attorney from client for discretionary trade are also required to observe these guidelines so that potential dispute factors may be averted.

### **General Risk Factors related to Discretionary Trade Facility:-**

1. Please note that you are authorizing someone to take investment decision on your behalf. Your positions are subject to market and other risks as well as risk management regime of the Exchange under General Regulations 2007 and conditions imposed by the broker while entering into an agreement and other enactments, orders, direction passed from time to time by the Exchange and SECP.
2. Against the market risk the clients may lose all or part of their investment and in some cases, the trade losses may not only wipe out whole investment instead he/she may further liable to pay extra amount for clearance and settlement of contractual obligation towards the broker.
3. Once you have allowed anyone to trade on your behalf, all decisions to be taken by said person under the authority given shall be considered as your decisions.

4. Since, your investment decision is subject to market risk so no one can give you guarantee of fixed income return or reasonable return on your investment. If someone is alluring you in this respect, please immediately intimate the same to the Exchange. Presenting yearly progress/performance report (if any) on various commodities registered with the Exchange is not considered as alluring for investment however, there is no guarantee that the commodities may follow the same pattern in future.
5. Trading in Commodity Futures contracts carries high level of risk. Once you have signed the risk disclosure agreement and allowed someone to trade on your behalf, the presumption is that you are fully aware of all risks associated with such trades hence, you are not allowed to take subsequent plea that someone had misguided you by stating that they will enhance money or provide opportunity to earn reasonable capital gain benefits by relying on their investment decisions etc.
6. Your authorized person may prefer to watch/protect his personal interests instead of giving preference to protect your rights;
7. Your authorized person may trade on your behalf without understanding niche business knowledge, sentiments of the market and knowledge about how market should behave on data releases from time to time internationally.
8. Authorized person may not give you complete disclosure of interest.

**Being trader/client you are assuming following Risks by choosing option to authorize someone to act on your behalf:-**

Once you have authorized someone to trade on your behalf you are expressly and impliedly taking various risks which includes but not limited to following:-

1. Your claim that someone acted on your behalf recklessly and did not bother to consider your investment as his own while taking decision.
2. Your right to complain against your authorized person may be infringed.
3. That your authorized person did not take wise decision and made intentional or unintentional loss as better options were available.
4. In case you have given absolute authority and no conditions attached thereto, you may be wrong to claim that your authorized person had not taken your prior consent to execute trades on your behalf or that you were not aware of losses suffered by you on your trades as your authorized person had not disclosed the same to you;
5. Your legal right to claim or to recover the losses from your authorized person either on account of cheating, fraud or misrepresentation etc. may be limited once you have authorized him/her to execute transactions on your behalf unless otherwise cogent reasons are available with you to prove something in your support,
6. In case of taking an attempt to disrepute market by adopting unfair market practices by your authorized person, you may be accountable for the same.

**What to do?.**

In case traders/clients are interested to authorize someone to trade on his/her behalf, they must observe the following:-

- In case you are authorizing broker or their employee(s) to trade on your behalf, you must understand that they are interested parties. Once you have authorized them to trade, presumption is that you have allowed them to trade on your behalf absolutely and they are under legal cover however, in order to protect your rights, you may consider attaching certain conditions to avert possible risks such as:-

Whether or not you wish to give absolute authority or conditional one? In case, you are interested to make it conditional it should be clearly spelled out in discretionary trade authority/power of attorney. Following are the possible conditions which trader may impose:-

- You may place limit on trading on single day or scrip wise Commodity Futures Contracts, this would eliminate the risk factor that the authorized person had traded beyond his powers or such trades were executed recklessly and in order to generate commission by the broker or such authorized person;
- Your authorized person may seek your prior consent before placing orders however, you have to make such arrangement explicitly ;
- You must ensure that your authorized person should send you confirmation slips of all executed transactions on your behalf; it is advisable that you ask your broker to activate your automatic trade confirmation on each execution. This option is available under trading engine of the Exchange;
- In case, your consent is necessary before executing transactions, please make sure your consent should be recorded via dedicated telephone recording facility of the broker or you should produce evidence to substantiate the same. In this respect, we hereby request you to follow uniform pattern like in case you are placing order via dedicated telephone line of the broker, it should not happen that you start calling on personal mobile of authorized person for execution of such orders as inconsistency in this area may be harmful for parties.
- Whether or not receiving confirmation slips are sufficient or you need complete ledger statement to ascertain your profit and loss position, please inform your broker about the same.

**Add on:-**

- Please check your e-mails on daily basis in case, you have requested your broker to send daily confirmation slips in your e-mail address.
- Please visit on regular basis the web portal access given by the Exchange/broker to check how much your funds are lying with the Exchange.
- Please do not share your personal password given by the Exchange as sharing of the same would amount to implied authorization and you may suffer great losses.
- In case of any discrepancy in your account, please intimate the broker in writing and in case the broker is unable to resolve the same, you have the right to report the same to the Exchange for actions under General Regulations.
- Please note that you are the best person who can protect your wealth and your little ignorance may give chance to others to misuse your funds.
- Please assist your broker for identification of any shortcomings in their system in case you have noticed something wrong there, this would help the broker to serve you better.

**Interpretation of Clause 28 of Standardized Account Opening form:-**

“The broker shall be responsible to append a list of his authorized traders and designated employees, who can deal with the Account Holder(s), with this Account Opening form and copy of both the opening form and the list will be provided to the Account Holder(s). Any change therein shall be intimated in writing to the Account Holder(s) with immediate effect. The Account Holder(s) shall not deal with any person at the Broker’s office, except with the Broker’s key



personnel. The Broker shall not be responsible for any dealings between the Account Holder(s) and any un-authorized person”

Please note that clause 28 has no relationship with clause 27 mentioned above. Clause 28 is self-explanatory when it states that **”The Account Holder(s) shall not deal with any person at the Broker’s office, except with the Broker’s key personnel. The Broker shall not be responsible for any dealings between the Account Holder(s) and any un-authorized person”.**

Please also note that clause 28 is generally applicable on all traders whereas, clause 27 deals with specific clients. In case being trader you have authorized someone under clause 26, then you are restricted to deal with only your authorized person and not with any other authorized person(s) of the broker under clause 28 as the other persons will have no authority to deal with you and to execute trades on your behalf.

Please also note that the word used “Authorized traders” means “Authorized persons” of the brokers as per Exchange regulatory requirements.

**Regards,**

Pakistan Mercantile Exchange Limited

Annexure "A"

**Draft Discretionary Trading Authorization/Power of Attorney**

The undersigned hereby authorizes mentioned below ("Authorized Person") as the undersigned's agent and attorney-in-fact (the "Agent"), with full power and authority to enter into Commodity Futures contracts registered with Pakistan Mercantile Exchange ("PMEX") as per General Regulations 2007 read with Commodity Exchange and Futures Contract Rules 2005 in my Account ("Account") titled \_\_\_\_\_ Account No. \_\_\_\_\_ with \_\_\_\_\_ ("Name of Broker").

The authorized person has represented that he/she will undertake all trading executions in the interest of the undersigned, with complete professionalism and to the best of his/her ability. The undersigned has comprehended and read the risk associated with such authorization and acknowledges that Trading in Commodity Futures Contracts carry high degree of risk and situations may arise where the investment or trading decision of the agent may result losses in account and in all such situations I shall remain responsible for such losses and to provide ratification to all such decisions of my agent.

Moreover, the broker has clearly identified the area of risks especially risk of conflict of interest situation upon my authority to the agent for discretionary trades at my account and in such eventuality, the undersigned will not raise the Conflict of Interest issue and agrees to hold

\_\_\_\_\_ (name of broker) and Authorized Person harmless and to indemnify it as to any expense, damage or liability sustained by it with respect to any and all acts and practices of the Agent and attorney-in-fact regarding this account, including all losses arising there from and debit balance(s) due thereof however, such indemnification shall not cover the regulatory actions which the Exchange or the Commission may take against any violation of General Regulations or Rules etc.

The undersigned has authority to execute the subject power of attorney in favour of \_\_\_\_\_ (agent) and has financial resources to bear the financial risks associated with engaging in Commodity Futures Trading with PMEX, as well as the special risks attendant on conferring on another person (agent) full authority to engage in such transactions at his / her risk. The undersigned acknowledges having read carefully and understood fully the foregoing Limited Power-of-Attorney, Trading Authorization and Risk Disclosure in account opening form and guidelines issued by the Exchange.

This authorization is a continuing one and shall remain in full force and effect until revoked by the undersigned by written notice given to \_\_\_\_\_ Attention: \_\_\_\_\_ revocation shall become effective only upon the actual but shall not affect any liability in any way resulting from transactions initiated prior to its receipt.

Account Number \_\_\_\_\_ Account Holder \_\_\_\_\_

Authorized Person \_\_\_\_\_ CNIC no. \_\_\_\_\_

Account Holder Signature \_\_\_\_\_

Date. \_\_\_ / \_\_\_ / \_\_\_







