POLICY ON GRANTING OF EXPOSURES TO CLIENTS

Setting up Client's Exposure Limits

NEBPL may have its own policy to allow differential purchase limits and sell limits varying from client to client, depending upon credit worthiness, integrity and past trading record of each client and volatility in the market, which may vary from time to time.

No fresh exposures will be allowed to client, in case there is Ledger Debit balance for more than Five Trading Days.

NEBPL may provide an exposure limit for intraday and delivery to a client which would be a multiple of the clear ledger balance in the account of the client along with collateral values after appropriate haircut. The value of multiple and haircut shall be decided as per Market volatility, quality of collaterals, credit worthiness, integrity and past trading record of each client based on the risk categorization which may vary from client to client and from time to time.

NEBPL may provide a sell limit to the client equivalent to the value of securities held by the client in his POA enabled Demat account with our CDSL DP and the collaterals held with us in our Beneficiary/ Margin account on behalf of clients after making appropriate adjustments for the unsettled delivery positions of the client.

NEBPL may provide Exposure for Futures and Options based on availability of Initial Margin (Span + MTM) in the form of clear ledger balance. Considering collaterals after appropriate haircut is the sole discretion of NEBPL. However the buying of Options in Derivatives segment may be allowed on the premium value against the clear ledger balance available in Client's account.

Conditions under which a client may not be allowed to take further position or the broker may close the existing position of a client:

• No fresh exposures will be allowed to client, in case there is Ledger Debit balance for more than Five Trading Days.

• Where the client is not having adequate margins as per conditions defined in Risk Management Policy.

• Where the client is not able to meet his pay in obligation in cash by the schedule time of pay in, irrespective of the value of collaterals available with NEBPL. Clear proceeds of the cheque deposited by the client to meet the pay in obligations has not yet been realized by NEBPL in its Banks.

• Client is trading in "illiquid" securities, ASM, GSM, Concentrated trades, and any other trading pattern by the client which does not appear normal in nature. The volumes in the client account exceed internal cut off limit fixed.

• Any regulatory Order in case of Derivative trades, where the client has not met the margin and has not met Market to Market loss in cash. Where the open positions in a contract exceeded or are close to market wide cut off limits.

• Where the client's position is close to client wise permissible "open" positions. Far off illiquid Contracts, All Futures and Option contracts, which are illiquid. No fresh positions will be allowed for shares which have reached market wide limit or under Ban Period.

• All Futures And Options Positions nearing to expiry, ending up with physical delivery, where the client had not deposited the shares in case of short position or full amount of the delivery obligations two days before the expiry, the client has to be close such positions 2 days before the expiry, failing which NEBPL reserves the right to square off the positions at its discretion but not under obligation. No fresh positions may be allowed 2 days before expiry, in such cases.

• When the Client is not able to fulfill the Margin obligation including the MTM at a given point of time.

• In case of intraday trades, the Clients may not be able to place intraday orders after a cut off time fixed by us.

• As it is the obligation of the client to monitor the positions, the positions may be closed as and when the client breaches the MTM or the Market turns highly volatile or when the client is not responding to Margin Calls.

The above are only illustrative. It may change as per the market condition, client Risk Apatite which may differ from client to client.

Review Policy

This policy may be reviewed as and when there are any changes introduced by any statutory authority or as and when it is found necessary to change the policy due to business needs. The policy may be reviewed by the Director/Compliance Officer and place the changes in policy before the Board at the meeting.