

## POLICIES AND PROCEDURES

Please refer to our website <https://business.bofa.com/bofas-india>

Sr. No	Particulars	Comments
a)	Refusal of orders for penny stocks	<p>BofA Securities India Limited (BofASI) shall have the absolute discretion to accept, refuse or partially accept any buy or sell order for execution from a client in respect of penny stocks, illiquid securities which as per the perception of BofASI are extremely volatile or subject to Market manipulation.</p> <p>BofASI shall not be responsible for delay in execution of such orders and consequential opportunity loss or financial loss to the client.</p> <p>For the purposes of identification of Penny stocks / Illiquid securities, BofASI would consider the list of illiquid securities drawn up by Stock Exchanges on a monthly basis. This list is available on the Stock Exchange website.</p>
b)	Setting up client's exposure limits	BofASI may from time to time impose and vary limits on the orders that the client can place through the 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.) based on its internal risk management framework.
c)	Applicable brokerage rate	Brokerage will be charged within the limits prescribed by SEBI / Stock Exchanges.
d)	Imposition of penalty/ delayed payment charges by either party, specifying the rate and the period	<p>Pursuant to SEBI regulations and Exchange Bye-laws, the stock broker is currently required to make pay-in of funds and arrange delivery of securities to the Exchange as per the settlement schedules. Further the stock broker is also required to maintain adequate exposure margins prior to placing trades with the Exchange. In addition the Exchanges also prescribed stock brokers to have in place a prudent risk management policy in place to facilitate smooth settlement of client's trade obligations.</p> <p>Clients will be liable to pay late pay in/delayed payment charges for not making payment of their pay in/margin obligation on time as per the exchange settlement schedule at the rate of 18% per annum. The levy of late pay-in/delayed payment charges will be as per the sole discretion of BofASI and shall be communicated to the client as appropriate.</p> <p>Similarly, BofASI will also be liable to pay delayed payment charges to the client for not making payment of their obligation on time, as per the exchange settlement schedule at the rate of 18% per annum except in the cases covered by the "Running Account Authorisation" given by the client to BofASI. Please note that BofASI shall not be liable for delays caused in making payment to the client under instruction from the client and/or its authorized representatives.</p> <p>The above requirements do not apply to trades executed for Institutional clients which are settled through custodians and/or clearing members except for trades which get converted and are settled on a Delivery versus Payment basis.</p>
e)	The right to sell clients' securities or close clients' positions, without giving notice to the client, on account of non-payment of client's dues	<p>BofASI shall be entitled to liquidate /close out all or any of the Client's positions for non-payment of Margin or other amounts, outstanding debts etc. and adjust the proceeds of such liquidation/close out, if any against Client's liabilities/obligations. Any and all losses and financial charges on account of such liquidation/closing out shall be charged to and borne by the Client.</p> <p>Whenever and so often as the Client is obliged to make payments and/or deliver securities to BofASI towards settlement / margin obligations, all securities and other assets from time to time lodged with BofASI by the Client including the securities lying in the Client's Depository Participant account or held by BofASI for and on behalf of the Client and monies lying to the credit of the Client's bank account with BofASI for the purpose of making the aforesaid payments and/or delivering securities shall be subject to the lien of BofASI that may be due at any time by the Client to BofASI in respect of broking services subject to the Bye-laws, Rules and Regulations of the Exchange and shall be deemed a general security for payment to BofASI of all such monies (including interest, commission, brokerage, DP charges and other expenses) as may be due by the Client in such manner, to be exercised by BofASI after giving the Client [30] days written notice.</p>

		<p>BofASI shall be entitled to set off against any amount payable by it, any amounts owing and/or any liability present or future, actual or contingent, several or joint, primary or collateral, or of whatever nature by the Client to BofASI on any other account whatsoever (whether or not such amounts are due and payable).</p> <p>The regulations and exchange bye-laws recognize the right of the stock broker to close-out the clients' securities and close clients positions on the fifth trading day (T+5) without giving notice to the client, in case of shortfall in settlement obligations in the clients' account.</p>
f)	Shortages in obligations arising out of internal netting of trades	<p>Pursuant to the Exchange practice of netting of brokers' stock obligations, on certain occasions, where the seller is unable to deliver stocks resulting in an internal shortage whereby shares cannot be delivered by the broker to the buying client on settlement date, the current policy adopted by BofASI for shortages arising on Exchanges is as follows—</p> <p>If a Client fails to deliver any one or more securities to the pool account of the trading member in respect of the securities sold by him before the pay-in date notified by the Exchange from time to time, such undischarged obligation in relation to delivering any one or more securities shall be deemed to have been closed out at the auction price or close-out price, as may be debited to the Trading Member in respect of the security for the respective settlement, to the extent traceable to the Client who has failed to deliver; otherwise the close out price on the date of pay-out in respect of the relevant securities, declared by the Exchange. The loss, if any, on account of the close out shall be to the account of the Client.</p> <p>Subject to what is stated above, no further claims shall lie between the Client and Trading Member.</p>
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	<p>BofASI reserves the right not to permit the client from taking further positions or may close the existing position in certain conditions which inter-alia includes:</p> <ol style="list-style-type: none"> <li>1. Shortfall in the client account to make good the settlement / margin obligations.</li> <li>2. Any legal / disciplinary action initiated by the Government, Government agencies or such other regulators like SEBI, Exchanges, RBI, Income Tax Dept., etc</li> <li>3. Based on the internal Risk management framework.</li> <li>4. Violation of any terms of the Rights &amp; Obligations or any other SEBI / Stock Exchanges Rules and Regulations.</li> <li>5. Based on happening of an event where BofASI has the risk perception that further trading in the securities (incl. penny/illiquid stocks) may not be in the interest of its clients and/or the market.</li> </ol>
h)	Temporarily suspending or closing a client's account at the client's request	<p>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, no transactions will be permitted to be carried out. Subsequent re-activation of the client account shall be subject to updation of such details/ documents as may be required under the SEBI/Exchange regulations in force.</p> <p>On the request of the client in writing, the client account can be closed provided the client account is settled and there is no dues receivable from the client. If the client wants to reopen the account in that case client will have to again complete the Account opening / KYC requirements.</p>

i)	Deregistering a client	<p>Notwithstanding anything to the contrary stated in the Rights and Obligations of Stock Brokers and Clients prescribed by SEBI and Stock Exchanges, BofASI reserves the right to de-register the client with immediate effect in any of the following circumstances:</p> <ol style="list-style-type: none"> <li>1. Initiation of winding up of Companies / dissolution of Firms</li> <li>2. If the client has expired (in case of Individual clients &amp; Karta)</li> <li>3. Amalgamations &amp; Mergers of Corporates</li> <li>4. Any legal / disciplinary action initiated by the Government, Government agencies or such other Regulators. For e.g.; SEBI, Exchanges, RBI, Income Tax Dept., etc.</li> <li>5. Furnishing of false / incorrect / misleading information(s) or detail(s) by the client.</li> <li>6. Failure of client to furnish updated details / information to us subsequent to the opening of the account.</li> <li>7. 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.</li> <li>8. If the Client suffers any adverse material change in his/her/its financial position or defaults in any other agreement with the Stock broker.</li> <li>9. 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.</li> <li>10. 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;</li> <li>11. Violation of any terms of the Rights &amp; Obligations of Stock Brokers and Clients prescribed by SEBI and Stock Exchanges or any other SEBI / Stock Exchanges Rules and Regulations</li> </ol>
j)	Dormant account policy	<p>Dormant Account Policy - A Dormant Account is defined as client account with no transaction for more than 12 months. A client is classified as Dormant may be reactivated on specific client request. The client assets will be returned as per the policy available on our website <a href="https://business.bofa.com/bofas-india">https://business.bofa.com/bofas-india</a></p>