

## **NON-MANDATORY POLICIES AND PROCEDURES**

These “**Non-Mandatory Policies & Procedures**” of Stewart & Mackertich Wealth Management Limited (hereinafter referred to as Stewart & Mackertich) outlines various Policies and Procedures framed and followed by Stewart & Mackertich with respect to its dealings with its Clients as a Stock Broker on National Stock Exchange of India Limited (NSE), Bombay Stock Exchange Limited (BSE) and The Calcutta Stock Exchange Limited (CSE) (collectively hereinafter referred as “the Exchanges”).

Stewart & Mackertich shall have right at its sole and absolute discretion to amend / change / revise any of the above said “**Non-Mandatory Policies and Procedures**” at any time in future depending upon Regulatory changes, its risk management framework, other market conditions etc. and the same shall be binding on the Client forthwith. The said Policies and Procedures and any revision/update in the same from time to time is / will be available in the official web site of Stewart & Mackertich.

Any action taken by Stewart & Mackertich in accordance with the “**Non-Mandatory Policies and Procedures**” mentioned herein above can not be challenged by the Client and Stewart & Mackertich shall not be liable to the Client for any loss or damage (actual/notional), which may be caused to the Client as a result.

### **(I) POWER OF ATTORNEY POLICY**

Stewart & Mackertich has framed its Power of Attorney (POA) Policy based upon the guidelines laid by Securities & Exchange Board of India or the benefits of the investors. The Power entrusted by the clients would be broadly based on the following:

- (i) The POA would be **VOLUNTARY** and **NOT MANDATORY** on the Client.
- (ii) The POA will **NOT** be used for operating **BANK ACCOUNTS** of the Client.
- (iii) The POA will not be used for opening a broking / trading / securities account for facilitating trading with any stock broker and / or opening of a Beneficial Owner Account with any Depository Participant.
- (iv) The POA will not be used to execute trades in name of the client with and/or without their consent.
- (v) The POA will not prohibit, in any way and manner from issuing of Delivery Instructions to the Client.
- (vi) The POA will not prohibit, in any way and manner from operating the said Account by the Client directly.
- (vii) The POA will not be used for merging of balances (dues) under various accounts to nullify debit in any other account.
- (viii) The POA will not be used for opening an email ID / email account on behalf of the client for receiving statement of transactions, bills, contract notes etc.
- (ix) The POA will not be used to renounce liability for any loss or claim that may arise due to any blocking of funds that may be erroneously instructed to the designated bank.
- (x) The POA executed by the client would be **REVOCABLE** and can be withdrawn by the client at any time without notice.
- (xi) The POA will be used for facilitating debit instructions for transfer of securities in respect of the beneficiary account of the client and would be limited to the following accounts, held in the pre-notified accounts held in the name of Stewart & Mackertich only.
- (xii) As mandated by SEBI, the latest updated Demat Account Details as well as Bank Account Details of Stewart & Mackertich for the purpose of dealing with its Client's would be made available on the official website of the Company.

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### **(II) TRADING RELATED POLICY:**

- (i) The relationship being established between the client and Stewart & Mackertich shall be that of principal and agent and Stewart & Mackertich shall be the agent of the client. The client is required to make independent enquiries and satisfy itself that the client is entitled to enter into the broker client relationship with Stewart & Mackertich in the jurisdiction in which the client resides.
- (ii) Stewart & Mackertich recommends that the client places orders in writing and takes acknowledgement as per the format available from Stewart & Mackertich, so as to avoid any future disputes. The client may also choose to place orders verbally, by visiting the branch or through telephone. The client may authorize its authorized representative to carry out the above, whose orders shall be binding on the client.
- (iii) Stewart & Mackertich recommends that the client modifies / cancels part and/or whole of the orders placed by the client, in writing and takes acknowledgement as per the format available from Stewart & Mackertich, so as to avoid any future disputes. The client may also choose to modify / cancel part and/or whole of the orders placed by the client verbally, by visiting the branch or through telephone. The client may authorize its authorized representative to carry out the above, whose orders shall be binding on the client.
- (iv) Stewart & Mackertich advises that it is preferable that client gives orders on the day the client desires trades, including orders for modification / cancellation, which Stewart & Mackertich will punch in the trading system on a best efforts basis. However if the client chooses to give orders aftermarket hours then upon specific instruction of the client, Stewart & Mackertich may attempt to enter them in the trading system on the next trading day however it may not be possible in all instances to do so.
- (v) Orders given by the client may or may not result in trades and the client is requested continuously monitor the final outcome of the order. It is however made clear that the dealer of Stewart & Mackertich would concurrently update the status of the orders/trades of the client. Where orders have resulted in trades the same may or may not result delivery and the client should continuously monitor its pay-in / payout obligations.
- (vi) No employee, sub broker, director or any other agent of Stewart & Mackertich is authorized to give any assurances of profits, or to manage the account of the client in any discretionary manner. The client must make its own decisions regarding suitability of orders / investments and if need be rely upon its own independent advisers whether in matters of orders / trades or in the matters relating to taxation etc. Accordingly the client should not enter into any personal / private mutual understanding with any Employee, Sub-Broker, Authorized Person, Director or any other agent of Stewart & Mackertich.
- (vii) Stewart & Mackertich uses trading platform such as ODIN/NEST Trader etc., which are exchange approved. However there is no guarantee / warranty that these are bug / glitch free and the client may in rare occasions suffer losses which it should keep in mind while dealing through Stewart & Mackertich.
- (viii) Where prima – facie it appears that trading system is suffering from some problems such as incorrect positions being shown etc., the client should refrain from trading and immediately bring the problem to the notice of Stewart & Mackertich and act only after the problem has been resolved. If Stewart & Mackertich or any other clients suffer on account of actions of the client in such situations the client will be liable to make good the losses suffered by Stewart & Mackertich or other clients.
- (ix) Stewart & Mackertich may tape record conversations of the client over telephone / in person however Stewart & Mackertich shall not be obliged to do so and absence of availability of recordings shall not render any order / transaction unenforceable against the client, in as much as the orders can be placed over mobile phones, through visiting the branch and the recorded orders are also liable to damage / erasure on account of virus / capacity overrun of the machine.
- (x) As a measure of risk containment, Stewart & Mackertich may subject orders of the client to prior risk control assessment (such as checking availability of margin) before allowing the same to go into the trading system.

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- (xi) Stewart & Mackertich may provide market research through e-mail, web-site, printed material or through discussions however the same is provided without any warranty or guarantee or suitability for the client and Stewart & Mackertich recommends that client may get the same examined through the personal financial / legal advisers as deemed fit. The facilities / data / research shall be provided to client on as is where is basis only for personal use and all rights in the same shall exclusively rest with Stewart & Mackertich and the client is not entitled to share it whether for consideration or otherwise with any third party without a formal written authorization by Stewart & Mackertich. In the event of a breach Stewart & Mackertich shall be entitled to bring legal action against the client.
- (xii) Stewart & Mackertich issues contract notes, to its clients on the day of the trade, with the order number(s) and trade number(s). Therefore Stewart & Mackertich shall not be providing order confirmation and trade confirmation slips, generated through NEAT/BOLT terminals to the client. However in case the client makes a specific prior request, Stewart & Mackertich would arrange the same.
- (xiii) Stewart & Mackertich issues contract notes, to its clients of the day of the trade, with details of the gross Security Transaction Tax (STT) applicable per contract. Stewart & Mackertich would provide STT Statement, free of cost, to all its clients at the end of each financial year. However Stewart & Mackertich would be bound to provide/issue to its clients STT Statements, free of cost, at such intervals as requested by the Client.
- (xiv) The client should review all information sent to the client immediately upon receipt and revert the discrepancy, if any (including if any trades in the account are not as per directions / orders of the client), to allow Stewart & Mackertich to take remedial steps, if any, are possible.
- (xv) Stewart & Mackertich may pledge the securities of the client lying with it as margin / collateral / with Professional Clearing Member to meet margin obligation of the said client.
- (xvi) The client shall forthwith cease trading and inform Stewart & Mackertich in the event the client becomes ineligible to deal with Stewart & Mackertich on account of any court, exchange or regulatory action.
- (xvii) The client shall not work as a sub broker / authorized person without prior written permission of Stewart & Mackertich and only after seeking appropriate registration with respective registering authorities.
- (xviii) The client shall also not deal through Stewart & Mackertich on an exchange of which the client itself is a Member / Sub Broker / Authorized person.
- (xix) Stewart & Mackertich may at its discretion maintain combined / collective books of accounts of the client across exchanges and / or other services such as depositories etc.
- (xx) The client shall maintain a regular watch on its account including on its margin / collateral and ensure payment well before the due dates so that Stewart & Mackertich may not required to liquidate / close out any margin / open positions.
- (xxi) The records as provided by Stewart & Mackertich through contract notes, bills, statement of accounts, statement of margin etc. shall be the official record to determine the obligations of Stewart & Mackertich and the client.
- (xxii) Those clients who wishes to avail Internet Trading facility (in case provided by Stewart & Mackertich at a later date), shall upgrade the newer versions of trading software / back-office software etc. on account of changes made by Stewart & Mackertich and / or any other service provider like Depositories / Banks.
- (xxiii) Where the client chooses to clear its trades through Professional Clearing Member (PCM), then Stewart & Mackertich shall revert such trades as are not confirmed by the PCM to the client who shall be then liable to not only pay all the margins on the same but to also settle the same.

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### **(III) PAYMENT RELATED POLICY:**

- (i) Stewart & Mackertich may debit charges for other services such as depository, charges on account of dishonour of cheques, charges for issuance of demand drafts, NEFT / RTGS, minimum processing fee charges etc. to the account of the client.
- (ii) Stewart & Mackertich does not accept cash and in no event should the client make any payments to Stewart & Mackertich, Employees / Sub broker / Authorized person of Stewart & Mackertich and / or any agent of Stewart & Mackertich by cash.
- (iii) The client must make payments from its own bank account through a bank instrument. Stewart & Mackertich may demand a proof that the payments are being made by the client from its own account without which Stewart & Mackertich may not give credit to the client. In case Demand Drafts, following may be required:
  - ❖ Certificate from the issuing bank on its letterhead or on a plain paper with the seal of the issuing bank.
  - ❖ Copy of the passbook / bank statement for the account debited to issue the instrument duly certified by the Bank. Please ensure that copy of passbook / bank statement clearly reflects that amount has been debited for the purpose of issuing of prefunded instruments in favour of Stewart & Mackertich.
- (iv) The client should never leave any blank instruments such as cheques / depository instruction slips (DIS) etc. with Stewart & Mackertich or Employees / Sub-Broker / authorized person and / or any agent of Stewart & Mackertich. Stewart & Mackertich shall not be responsible for their misuse.
- (v) Stewart & Mackertich shall make delivery of funds / securities to the client only after the same has been received from the exchange / clearing corporation / clearing house / the delivering client.

### **(IV) CORPORATE ACTION POLICY:**

- (i) Where any corporate benefits come into the account of Stewart & Mackertich, in respect of the securities deposited by the client with Stewart & Mackertich for ease of payments / margin and/or securities held back by Stewart & Mackertich in its hold back account for the unpaid securities purchased by the client, the same shall be released/credited to the client.
- (ii) The client may keep securities with Stewart & Mackertich for ease of payments / margin and/or securities can be held back by Stewart & Mackertich in its hold back account for the unpaid securities purchased by the client. Stewart & Mackertich shall not be liable to apply for rights issue or any other Corporate Benefits where there is involvement of funds on the part of Stewart & Mackertich to receive the corporate benefits for and on behalf of the client, on any securities deposited by the client and/ or held back by Stewart & Mackertich in its hold back account for the unpaid securities purchased by the client. The client shall be solely responsible to get these transferred to its personal demat account to receive such corporate benefits. Stewart & Mackertich, in exceptional circumstances, upon specific written request, may attempt to seek such corporate benefits for and on behalf of the client while keeping custody of securities with its own self, however the same shall be without any warranty / guarantee that the corporate benefits shall be received. The client shall also provide funds well in time to allow Stewart & Mackertich to take necessary action.
- (iii) In the Derivative Market Segment, the contract specifications may undergo changes because of corporate actions (such as bonus, share split etc.) / directions by exchanges, and the client should actively monitor its open positions and take necessary actions to avoid any losses on account of any such changes.

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### **(V) OTHERS**

Stewart & Mackertich has taken utmost care in framing the Non-Mandatory Policies as detailed above, ensuring that the same neither dilute the responsibility of Stewart & Mackertich nor it shall be in conflict with any of the clauses laid in the Mandatory Policies, Rules, Bye Laws, Regulations, Notices, Guidelines and Circulars issued by SEBI and the Stock Exchanges from time to time. However without prejudice, if at a later date, if any of the clauses framed and detailed above by Stewart & Mackertich, in the opinion of the SEBI and/or Stock Exchange, reveal that it is in conflict of the Mandatory Policies, Rules, Bye Laws, Regulations, Notices, Guidelines and Circulars issued by SEBI and the Stock Exchanges from time to time, then such clause(s) shall be treated as “NULL & VOID” and would stand withdrawn, forthwith. No term of this “**Non-Mandatory Policies and Procedures**” other than those prescribed by SEBI, shall be changed without the consent of the Client. Such change needs to be preceded by a notice of 15 days by Stewart & Mackertich. A copy of all the documents executed by Client shall be given to the Client, free of charge within seven days from the date of execution of documents by the Client. Stewart & Mackertich is entitled and shall take acknowledgement of the Client for the receipt of the same.

### **Acceptance of Policies and Procedures by the Client stated and detailed above:**

I/We have read and fully understood all the “**Non-Mandatory Policies and Procedures**” detailed above, mentioned against points numbered “**I**” to “**V**”, enumerated in page numbers “**41 to 45**” and undertake to extend all co-operation for any other compliance requirements for the Trading Account maintained with Stewart & Mackertich Wealth Management Limited. Further, I/We have taken note of the fact that these “**Non-Mandatory Policies and Procedures**” may be amended/changed/revised by Stewart & Mackertich at any time in future and such amended/changed/revised “**Non-Mandatory Policies and Procedures**” will be made available on the official web-site of Stewart & Mackertich.