



NOTICE FOR ALL MEMBERS

This is with reference to the decisions taken by the Governing Board of Directors of the Exchange in its meeting with SECP held on April 01, 2005 and notified to all members vide Notice No. KSE/N-2057 dated April 1, 2005.

Moreover, a meeting of Board of Directors Committee with the Commissioner (SM) was held today, whereby it was decided that from May 2005 Futures Contract, no scrip shall qualify for Futures Market unless its Free-Float is 50 million or more. Moreover, member's exposure in Futures Contract in a scrip shall not exceed 1% of the Free-Float, as determined by the Exchange, under its Free-Float methodology. The above decisions have subsequently been approved by the Commission vide its letter No. SMD/MSW/1(7)2004 dated April 21, 2005.

In view of the foregoing, members are requested to note the following:

1. Position Limits for Futures Market:

Member's exposure in Futures Contract in a scrip shall not exceed 1% of the Free-Float of such scrip, as determined by the Exchange under its Free-Float methodology (notified vide Notice No. KSE/N-1790 dated March 17, 2005). This measure will be implemented from May 2005 Futures Contract (**April 25, 2005**). The Brokers, in the similar manner, shall also impose exposure limits on each of their client.

2. Collection of Loss Margin in Futures Market.

It is decided that mark-to-market losses, of the members having exposures of more than 200 million, in the Futures Market, shall be collected twice in a day. This measure will be implemented from May 2005 Futures Contract (**May 5, 2005**).

3. Collection of Margins 100% in cash Beyond Rs. 200 million.

From May 2005 Futures Contract (**May 9, 2005**), deposits against exposures exceeding Rs. 200 million shall be collected in cash. Moreover, the existing slab in Futures Market, for margin collection, are revised as under: