



NOTICE FOR ALL MEMBERS

**KEY DECISIONS TAKEN BY THE BOARD OF DIRECTORS DURING THE YEAR 2011
IN THE INTEREST OF SECURITIES MARKET AND ITS PARTICIPANTS**

As the members of Karachi Stock Exchange (KSE) are aware, the market has depicted lackluster performance for some time in view of a number of unfavorable local conditions coupled with the recent global financial crisis and as a result, volumes have dwindled over the years and liquidity has remained at bay.

Because of this, a large segment of brokerage houses at KSE is facing severe financial difficulties.

The present Board of Directors of KSE realizes the grave situation confronting the market participants. During the current calendar year, the Board considered various proposals and accordingly, took some critical decisions with a view to alleviate problems of the members of the Exchange, allowing them relief in meeting their monetary obligations.

A brief summary of such decisions is provided below for the information of Members:

1. In order to ensure additional tier of security for Members' Trading Terminals, the RSA Token Project was implemented without any extra charges. The earlier decision of charging Rs. 8,000/- per annum per terminal was deferred.
[Board Meeting No. 02 of 2011 held on February 25, 2011]
2. Basic Deposit requirement in Cash-Settled Futures Market was reduced from Rs.250,000/- to Rs.100,000/-.
[Board Meeting No. 03 of 2011 held on April 06, 2011]
3. Payment of profit/mark-up return was allowed to members on their cash margins deposited against exposure, MtM losses and other margins in All Markets as allowed previously in Deliverable Futures Market only.
[Board Meeting No. 03 of 2011 held on April 06, 2011]
4. Annual recurring charges with respect to IT facilities and equipment were rationalized, whereby KATS charges collected on yearly basis in advance will be refunded up to 50%, if the member opts for deactivated of its terminal(s) during the year. Moreover, the members were allowed not to pay one-time charges for reactivation of KATS Terminal, where such reactivation is made within 2 years of deactivation.
[Board Meeting No. 03 of 2011 held on April 06, 2011]
5. Basic deposit of Rs.150,000/- to participate in BATS Market was waived.
[Board Meeting No. 03 of 2011 held on April 06, 2011]
6. Parking of one car to each member was allowed free of charges.
[Board Meeting No. 03 of 2011 held on April 06, 2011]