

تمت الموافقة في اجتماع مجلس الإدارة  
اليوم ١٠/١٢/٢٠١٩م بتاريخ ١٠/١٢/٢٠١٩م

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شركة الساحل للاستثمار والتنمية والاسثمارش.م.ك.ع  
COAST INVESTMENT & DEVELOPMENT CO. K.S.C.P

منذ 1975 Since

**COAST INVESTMENT & DEVELOPMENT COMPANY**

**E-Trade Department  
Policies and Procedures**

# E-Trade Department Policies and Procedures



## Contents

|         |  |    |
|---------|--|----|
| 1.0     | OVERVIEW   | 8  |
| 2.0     | POLICIES & PROCEDURES' MANUAL                                    | 8  |
| 3.0     | E-TRADE DEPARTMENT VISION  | 8  |
| 4.0     | E-TRADE DEPARTMENT SERVICES                                      | 8  |
| 4.1     | E-TRADE  | 8  |
| 4.2     | CLIENTS SERVICES   | 8  |
| 4.2.1   | ACTIVITIES   | 8  |
| 4.2.2   | OPENING NEW ONLINE TRADING ACCOUNT                               | 9  |
| 4.2.2.1 | PURPOSE  | 9  |
| 4.2.2.2 | RESPONSIBILITY   | 9  |
| 4.2.2.3 | GENERAL POLICY STATEMENT   | 9  |
| 4.2.2.4 | TYPES OF ONLINE TRADING ACCOUNT AND ELIGIBILITY REQUIREMENTS     | 9  |
| 4.2.2.4 | PROCEDURAL STEPS   | 12 |
| 4.2.3   | CLOSING / BLOCKING / Deactivating CLIENTS ONLINE TRADING ACCOUNT | 13 |
| 4.2.3.1 | PURPOSE  | 13 |
| 4.2.3.2 | RESPONSIBILITY   | 13 |
| 4.2.3.3 | GENERAL POLICY STATEMENTS  | 13 |
| 4.2.3.4 | PROCEDURAL STEPS   | 13 |
| 4.2.4   | ACCOUNT MODIFICATION   | 15 |
| 4.2.4.1 | PURPOSE  | 15 |
| 4.2.4.2 | RESPONSIBILITY   | 15 |
| 4.2.4.3 | GENERAL POLICY STATEMENTS  | 16 |
| 4.2.4.4 | PROCEDURAL STEPS   | 16 |
| 4.2.5   | HANDLING CLIENTS' ENQUIRIES                                      | 17 |
| 4.2.5.1 | PURPOSE  | 17 |
| 4.2.5.2 | RESPONSIBILITY   | 17 |
| 4.2.5.3 | GENERAL POLICY STATEMENTS  | 17 |
| 4.2.5.4 | PROCEDURAL STEPS   | 17 |
| 4.2.6   | SHARES TRANSFER  | 18 |
| 4.2.6.1 | PURPOSE  | 18 |
| 4.2.6.2 | RESPONSIBILITY   | 18 |
| 4.2.6.3 | GENERAL POLICY STATEMENT   | 18 |
| 4.2.6.4 | PROCEDURAL STEPS   | 18 |

## E-Trade Department Policies and Procedures



|      |  |    |
|------|--|----|
| 4.3  | SALES AND MARKETING .....  | 20 |
| 5.0  | E-TRADE CLIENTS .....  | 20 |
| 5.1  | RETAIL .....   | 20 |
| 5.2  | VIP/HNW .....  | 20 |
| 6.0  | ORDERS PLACEMENT - MODES.....  | 20 |
| 6.1  | E-TRADE DEALING ROOM ( GCC Markets ) .....                             | 20 |
| 6.2  | ELECTRONIC TRADING PLATFORMS (COAST eTrade & COAST BROKERAGE).....     | 21 |
| 6.3  | EMAIL .....  | 21 |
| 6.4  | DIRECT RECORDED PHONE LINES.....                                       | 21 |
| 7.0  | CALLS AND ORDERS AUTHENTICATION PROCEDURES .....                       | 21 |
| 7.1  | TYPES OF AUTHENTICATIONS .....   | 21 |
| 7.2  | IVR AUTHENTICATION – REGISTERED PHONE NUMBER.....                      | 23 |
| 7.3  | IVR AUTHENTICATION – NON-REGISTERED PHONE NUMBER .....                 | 25 |
| 8.0  | ORDERS PLACEMENT PROCEDURES .....                                      | 27 |
| 8.1  | CLIENT SIDE – E-TRADE PLATFORMS (COAST eTrade & COAST BROKERAGE) ..... | 27 |
| 8.2  | CLIENT SIDE – E-TRADE DEALING ROOM.....                                | 27 |
| 8.3  | CLIENT SIDE – DIRECT RECORDED PHONE LINES .....                        | 27 |
| 9.0  | SUSPENDED ACCOUNTS .....   | 28 |
| 9.1  | EMPLOYEE TRADING .....   | 29 |
| 9.2  | EMPLOYEE TRADING - AUTHENTICATION PROCEDURE .....                      | 30 |
| 10.0 | TRADE ERRORS .....   | 30 |
| 10.1 | TRADE ERROR CORRECTIONS.....   | 31 |
| 10.2 | REPORTING TRADE ERRORS.....  | 31 |
| 10.3 | EXAMINING TRADE ERRORS .....   | 32 |
| 10.4 | AVOIDING TRADE ERRORS .....  | 32 |
| 10.5 | COMPANY / STOCK INFORMATION.....                                       | 32 |
| 10.6 | TRADE ERROR COST COVERAGE AND BROKER DISCIPLINE .....                  | 33 |
| 11.0 | IT AND TECHNICAL ISSUES .....  | 33 |
| 11.1 | INTERACTIVE VOICE RESPONSE (IVR).....                                  | 33 |
| 11.2 | HOW TO DETECT IVR IS DOWN.....   | 33 |
| 11.3 | WHAT TO DO WHEN IVR IS DOWN .....                                      | 33 |
| 11.4 | DEALER TERMINAL (DT) .....   | 34 |
| 11.5 | HOW TO DEAL WITH DEALER TERMNAL TECHNICAL ISSUES .....                 | 34 |
| 11.8 | ORDERS .....   | 35 |
| 11.9 | TRADING PLATFORMS .....  | 36 |

# E-Trade Department Policies and Procedures



|        |  |           |
|--------|--|-----------|
| 11.10  | CURRENCY CONVERSION.....   | 37        |
| 12.0   | <b>E-TRADE DEPARTMENT - OPERATIONS &amp; SETTLEMENTS .....</b>                   | <b>38</b> |
| 12.1   | <b>HANDLING AND MONITORING (Non-Cash Operations) .....</b>                       | <b>38</b> |
| 12.2   | <b>PROCESS AND PROCEDURES .....</b>  | <b>38</b> |
| 12.3   | <b>SHARE TRANSFER .....</b>  | <b>39</b> |
| 12.3.1 | <b>PURPOSE .....</b>   | <b>39</b> |
| 12.3.2 | <b>RESPONSIBILITY .....</b>  | <b>39</b> |
| 12.3.3 | <b>GENERAL POLICY STATEMENTS.....</b>  | <b>39</b> |
| 12.3.4 | <b>PROCEDURAL STEPS .....</b>  | <b>39</b> |
| 12.3.5 | <b>SHARE TRANSFER FROM CLIENT ACCOUNT IN KCC TO CLIENT E-TRADE ACCOUNT .....</b> | <b>41</b> |
| 12.4   | <b>CORPORATE EVENTS – DIVIDENDS/BONUS SHARES.....</b>                            | <b>44</b> |
| 12.4.1 | <b>PURPOSE .....</b>   | <b>44</b> |
| 12.4.2 | <b>RESPONSIBILITY .....</b>  | <b>44</b> |
| 12.4.3 | <b>GENERAL POLICY STATEMENT.....</b>   | <b>44</b> |
| 12.4.4 | <b>PROCEDURAL STEPS .....</b>  | <b>44</b> |
| 12.5   | <b>CORPORATE EVENTS – SPLIT / REVERSE SPLIT .....</b>                            | <b>45</b> |
| 12.5.1 | <b>PURPOSE .....</b>   | <b>45</b> |
| 12.5.2 | <b>RESPONSIBILITY .....</b>  | <b>46</b> |
| 12.5.3 | <b>GENERAL POLICY STATEMENTS.....</b>  | <b>46</b> |
| 12.5.4 | <b>PROCEDURAL STEPS .....</b>  | <b>46</b> |
| 12.6   | <b>CORPORATE EVENTS – TICKER CHANGE .....</b>                                    | <b>47</b> |
| 12.6.1 | <b>PURPOSE .....</b>   | <b>47</b> |
| 12.6.2 | <b>RESPONSIBILITY .....</b>  | <b>47</b> |
| 12.6.3 | <b>GENERAL POLICY STATEMENTS.....</b>  | <b>47</b> |
| 12.6.4 | <b>PROCEDURAL STEPS .....</b>  | <b>47</b> |
| 12.7   | <b>CORPORATE EVENTS – RIGHT ISSUE.....</b>                                       | <b>48</b> |
| 12.7.2 | <b>RESPONSIBILITY .....</b>  | <b>48</b> |
| 12.7.3 | <b>GENERAL POLICY STATEMENTS.....</b>  | <b>48</b> |
| 12.7.4 | <b>PROCEDURAL STEPS .....</b>  | <b>48</b> |
| 12.8   | <b>FUNDING OF BROKER ACCOUNT / SETTLEMENT OF CUSTODIAN ACCOUNT..</b>             | <b>50</b> |
| 12.8.1 | <b>PURPOSE .....</b>   | <b>50</b> |
| 12.8.2 | <b>RESPONSIBILITY .....</b>  | <b>50</b> |
| 12.8.3 | <b>GENERAL POLICY STATEMENTS.....</b>  | <b>51</b> |
| 12.8.4 | <b>PROCEDURAL STEPS .....</b>  | <b>51</b> |

## E-Trade Department Policies and Procedures



|                    |   |           |
|--------------------|---|-----------|
| <b>12.9</b>        | <b>BANK RECONCILIATION .....</b>                        | <b>52</b> |
| <b>12.9.1</b>      | <b>PURPOSE .....</b>                                    | <b>52</b> |
| <b>12.9.2</b>      | <b>RESPONSIBILITY .....</b>                             | <b>52</b> |
| <b>12.9.3</b>      | <b>GENERAL POLICY STATEMENTS.....</b>                   | <b>52</b> |
| <b>12.9.4</b>      | <b>PROCEDURAL STEPS .....</b>                           | <b>52</b> |
| <b>12.10</b>       | <b>TRADE RECONCILIATION.....</b>                        | <b>53</b> |
| <b>12.10.1</b>     | <b>PURPOSE .....</b>                                    | <b>53</b> |
| <b>12.10.2</b>     | <b>RESPONSIBILITY .....</b>                             | <b>53</b> |
| <b>12.10.3</b>     | <b>GENERAL POLICY STATEMENTS.....</b>                   | <b>53</b> |
| <b>12.10.4</b>     | <b>PROCEDURAL STEPS .....</b>                           | <b>53</b> |
| <b>12.10.4.1.1</b> | <b>IF THE TRADE ERROR DUE TO BROKER'S FAULT.....</b>    | <b>54</b> |
| <b>12.10.4.1.2</b> | <b>IF THE TRADE ERROR IS DUE TO DEALER'S FAULT.....</b> | <b>54</b> |
| <b>12.11</b>       | <b>RECONCILIATION OF HOLDINGS .....</b>                 | <b>55</b> |
| <b>12.11.1</b>     | <b>PURPOSE .....</b>                                    | <b>55</b> |
| <b>12.11.2</b>     | <b>RESPONSIBILITY .....</b>                             | <b>55</b> |
| <b>12.11.3</b>     | <b>GENERAL POLICY STATEMENTS.....</b>                   | <b>55</b> |
| <b>12.11.4</b>     | <b>PROCEDURAL STEPS .....</b>                           | <b>55</b> |
| <b>12.12</b>       | <b>REPORTING .....</b>                                  | <b>56</b> |
| <b>12.12.1</b>     | <b>PURPOSE .....</b>                                    | <b>56</b> |
| <b>12.12.2</b>     | <b>RESPONSIBILITY .....</b>                             | <b>56</b> |
| <b>12.12.3</b>     | <b>GENERAL POLICY STATEMENTS.....</b>                   | <b>56</b> |
| <b>12.13</b>       | <b>OPERATIONS .....</b>                                 | <b>58</b> |
| <b>12.13.1</b>     | <b>CASH OPERATIONS .....</b>                            | <b>58</b> |
| <b>12.13.2</b>     | <b>DEPOSIT OF CASH BY CLIENT .....</b>                  | <b>58</b> |
| <b>12.13.2.1</b>   | <b>PURPOSE .....</b>                                    | <b>58</b> |
| <b>12.13.2.2</b>   | <b>RESPONSIBILITY .....</b>                             | <b>58</b> |
| <b>12.13.2.3</b>   | <b>GENERAL POLICY STATEMENTS.....</b>                   | <b>58</b> |
| <b>12.13.2.4</b>   | <b>PROCEDURAL STEPS .....</b>                           | <b>58</b> |
| <b>12.14</b>       | <b>WITHDRAWAL BY CLIENTS .....</b>                      | <b>60</b> |
| <b>12.14.1</b>     | <b>PURPOSE .....</b>                                    | <b>60</b> |
| <b>12.14.2</b>     | <b>RESPONSIBILITY .....</b>                             | <b>60</b> |
| <b>12.14.3</b>     | <b>GENERAL POLICY STATEMENTS.....</b>                   | <b>60</b> |
| <b>12.14.4</b>     | <b>PROCEDURAL STEPS .....</b>                           | <b>60</b> |
| <b>12.15</b>       | <b>PAYMENT TO THIRD PARTY – SERVICE PROVIDER .....</b>  | <b>62</b> |
| <b>12.15.1</b>     | <b>RESPONSIBILITY .....</b>                             | <b>62</b> |

# E-Trade Department Policies and Procedures



|                |  |           |
|----------------|--|-----------|
| <b>12.15.2</b> | <b>GENERAL POLICY STATEMENTS.....</b>                        | <b>62</b> |
| <b>12.15.3</b> | <b>PROCEDURAL STEPS .....</b>                                | <b>63</b> |
| 13.0           | E-TRADE DEPARTMENT – MONTHLY STAFF MEETINGS .....            | 63        |
| 14.0           | E-TRADE DEPARTMENT – ACCOUNT OPENING & FILES ARCHIVING ..... | 63        |
| 15.0           | E-TRADE ACCOUNT OPENING & ACTIVATION PROCEDURE .....         | 64        |
| 15.1           | COMPANY’S OFFICE .....                                       | 64        |
| 15.2           | PRE-ARRANGED LOCATION TO MEETING WITH THE CLIENT.....        | 65        |
| 15.3           | ACCOUNT OPENING & ACTIVATION PROCEDURES – FLOW CHART .....   | 66        |
| 16.0           | E-TRADE ACCOUNTS INFORMATION UPDATE.....                     | 68        |
| 16.1           | E-TRADE ACCOUNT SUSPENSION .....                             | 68        |
| 16.2           | CLIENT NOTIFICATION PROCEDURE .....                          | 68        |
| 16.3           | SUSPENSION NOTIFICATION PROCEDURE - FLOW CHART .....         | 69        |
| 16.4           | CLIENT ACCOUNT INFORMATION ENQUIRIES.....                    | 70        |
| 16.5           | CLIENT E-TRADE ENQUIRIES.....                                | 70        |
| 16.6           | CLIENT TRADING ORDERS ENQUIRIES .....                        | 70        |
| 17.0           | CLIENT SERVICES FEES AND EXPENSES.....                       | 71        |
| 18.0           | GCC FINANCIAL MARKETS FEES & COMMISSIONS .....               | 72        |
| 19.0           | US FINANCIAL MARKETS FEES & COMMISSIONS .....                | 73        |
| 20.0           | REAL TIME MARKET DATA LEVELS FEES .....                      | 74        |
| 21.0           | CONFIDENTIALITY .....  | 75        |
| 22.0           | ANTI-MONEY LAUNDERING .....                                  | 75        |
| 23.0           | CONFLICT OF INTERESTS .....                                  | 75        |
| 24.0           | REVIEW AND UPDATE .....                                      | 75        |
| 24.1           | PROCEDURES FOR AMENDMENTS.....                               | 76        |
| Appendix 1 –   | BLACK LIST FORM .....  | 77        |
| Appendix 2 -   | REQUEST FOR AMENDMENT FORM .....                             | 78        |
| Appendix 3 –   | MANUAL ORDERS PLACEMENT FORM.....                            | 79        |
| Appendix 4 -   | TRADE ERROR REPORT FORM .....                                | 80        |
| Appendix 5 -   | INCIDENT REPORT FORM .....                                   | 81        |
| Appendix 6 -   | COVERAGE OF POSITIONS ORDERS FORM .....                      | 82        |
| Appendix 7 -   | OVER TIME FORM .....   | 83        |
| Appendix 8 -   | SHARE OWNERSHIP TRANSFERING FORM.....                        | 84        |
| Appendix 9 -   | SHARE TRADING AUTHORIZATION FORMS.....                       | 86        |
| Appendix 10 -  | ACKNOWLEDGMENT OF RECEIPT .....                              | 92        |
| Appendix 11 -  | TRADE ERROR COST COVERAGE PROCEDURE .....                    | 93        |

## E-Trade Department Policies and Procedures



|               |   |     |
|---------------|---|-----|
| Appendix 12 - | FUND TRANSFER REQUEST FORM.....   | 94  |
| Appendix 13 - | CLOSE E-TRADE ACCOUNT REQUEST FORM .....  | 95  |
| Appendix 14 - | SHARES TRANSFER HANDOVER ENDORSEMENT FORM .....                                 | 96  |
| Appendix 15 - | SHARES TRANSFER FROM CLIENT'S KCC A/C – CLIENT-KCC REQUEST FORM<br>.....        | 97  |
| Appendix 16 - | SHARES TRANSFER FROM CLIENT'S KCC A/C – INTERNAL REFERENCE FORM<br>.....        | 98  |
| Appendix 17 - | SHARES TRANSFER TO CLIENT'S KCC A/C - INTERNAL REFERENCE FORM...<br>.....       | 99  |
| Appendix 18 - | SHARES TRANSFER TO CLIENT'S KCC A/C – CLIENT-KCC REQUEST FORM...<br>.....       | 100 |
| Appendix 19 - | SHARES TRANSFER FROM CLIENT'S KCC A/C – AUTHORIZED SIGNATORY-<br>KCC FORM ..... | 101 |
| Appendix 20 - | SHARES TRANSFER TO CLIENT'S KCC A/C – AUTHORIZED SIGNATORY-KCC<br>FORM .....    | 102 |
| Appendix 21 - | PERSONAL INFORMATION CHANGE REQUEST FORM.....                                   | 103 |
| Appendix 22 - | REVISION HISTORY FORM.....  | 104 |

# E-Trade Department Policies and Procedures



## 1.0 OVERVIEW

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E-Trade Department offers investors wide-ranging online and offline trading services in all GCC, Us and other major world markets. Well defined trading policies and procedures are required to deliver these services in a correct and secure manner. In addition, following the correct account opening process is also important to ensure and abide with all local and international industry regulators.

## 2.0 POLICIES & PROCEDURES' MANUAL

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The purpose of this P&P is to provide structure to E-Trade Department and its relative tasks to guide the Financial Broker in placing all offered types of online. It will also offer guidance on how to deal with certain trading circumstances and technical issues.

## 3.0 E-TRADE DEPARTMENT VISION

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E-Trade seeks to become the pioneer in online financial brokerage services in the region by offering state-of-the-art trading solutions (COAST eTrade & COAST BROKERAGE). The E-Trade Department aims to be the trusted broker of choice for all investors and to be a venerated business wing by the shareholders.

## 4.0 E-TRADE DEPARTMENT SERVICES

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### 4.1 E-TRADE

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E-Trade Department (E-Trade) performs trade execution for retail, VIP and High Net Worth clients for Kuwait, GCC, US and other world markets.

### 4.2 CLIENTS SERVICES

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Clients Services provide quality customer care to clients including accounts opening, maintaining and developing client – business relationships.

This task and all its related documentation and records keeping will be handled by Client's Services and Regulatory Reporting Department (CSRSD)

#### 4.2.1 ACTIVITIES

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The Clients Services and Regulatory Reports Department (CSRSD) is responsible for handling clients. The significant responsibilities of the CSRSD are summarized as below:

- Opening a new online trading account.
- Closing client account.
- Modifying client information.
- Receive and process client request for share transfer.

## E-Trade Department Policies and Procedures



- Handling client enquiries, problems and complaints.
- Follow up client with overdrawn account.
- Reporting

### **4.2.2 OPENING NEW ONLINE TRADING ACCOUNT**

#### **4.2.2.1 PURPOSE**

The policies and procedures enumerated hereunder have been established to provide guidelines for opening a new online trading account.

#### **4.2.2.2 RESPONSIBILITY**

CSRD Manager: He/ she is responsible to review all new applications on a weekly basis and for approving any exception.

CSRD Supervisor: He / she is responsible to review and approve new applications on the time of opening the account.

CSRD Officer: process the new application to create a new online trading account for the client

#### **4.2.2.3 GENERAL POLICY STATEMENT**

- a. Prior to opening the online trading account, it shall be ensured that all application for the new online trading account complies with the applicable requirements in respect of eligibility, documentation and other terms.
- b. Online trading account should not be open for personnel less than 21 years old. Personnel less than 21 years old can open a custodian account, where guardian is required.
- c. Client name shall be verified against Central Bank of Kuwait (CBK) blacklist for anti-money laundering as per Know Your Customer procedure.
- d. All applications for opening a new online trading account shall be processed on the same day or in the morning of the next working day.

#### **4.2.2.4 TYPES OF ONLINE TRADING ACCOUNT AND ELIGIBILITY REQUIREMENTS**

##### **Individual Account - Account owned and operated by a single individual**

- a. Any individual person above 21 years, who is not blacklisted by Central Bank of Kuwait is eligible for opening an online trading account.
- b. The minimum amount for opening an account shall be KD 300.
- c. The following documents are required for opening a new individual online trading account.

# E-Trade Department Policies and Procedures



## **Kuwaiti and GCC Citizens**

- Civil ID – Kuwaiti Citizens
- National Identity ID – GCC Citizens
- Completed Application Form (KYC)

## **Kuwait Residents and Non-Kuwaiti Residents**

- Civil ID
- Passport Copy
- Completed Application Form (KYC)
- For other types of applicants, please visit the FAQ section for the list of requirements

## **Important:**

To complete the registration process, the following forms must be filled and signed

- FATCA Form
- CRS Form
- AML Questionnaire (If applicable)
- Copy of ATM Card.

## **Custodian Account – Accounts held for the beneficial interest of Minors/Incapacitated individuals**

- a. Any Individual who is acting as a legal guardian who for the beneficiary who may be an individual below 21 years or an incapacitated Person.
- b. The minimum amount for opening an account shall be KD 300.
- c. The following documents are required for opening a new custodian online trading account:
  - Copy of Civil ID/ Passport of both the custodian and the owner of the account.
  - Copy of ATM card for the custodian.
  - Copy of power of attorney.

## **Corporate account – Accounts held by corporate entities, institutions and other legal entities**

- a. All companies, firms, institutions, etc. which are registered with the respected authorities in their countries are eligible to open an online trading account.
- b. The minimum amount for opening an account shall be KD 300.
- c. The following documents are required for opening a new custodian online trading account:

## E-Trade Department Policies and Procedures



### **Companies Based in/Established in Kuwait**

- Commercial License/Registration issued by the ministry
- Articles of Association and/or Memorandum of Association
- Amendments to Articles/Memorandum of Association
- Company Civil ID
- Board of Directors list presented in the form of Whom It May Concern letter
- Board of Directors decision letter addressed to Coast Investment and Development Company K.S.C.P letter authorizing the opening of a Coast eTrade or Coast Brokerage eTrade online trading account
- Authorized Signatories list presented in the form of Whom It May Concern letter
- Completed Corporate Application Form (KYC)

### **Important:**

- Board of Directors and Authorized Signatories letters must be attested by Kuwait's official authorities
- Copies of official personal documents for each member of Board of Directors
- Board of Directors – Kuwaiti Citizens and Non-Kuwaiti Residents
- Civil ID Copy
- Passport Copy
- Copies of official personal documents for each member of Board of Directors
- Signature verification for each Authorized Signatory attested by Kuwait's official authorities/bank

### **Non-Kuwaiti Companies**

- Company License/Registration
- Articles of Association and/or Memorandum of Association
- Amendments to Articles/Memorandum of Association
- Board of Directors list presented in the form of Whom It May Concern letter
- Board of Directors decision letter addressed to Coast Investment and Development Company K.S.C.P letter authorizing the opening of a Coast eTrade or Coast Brokerage online trading account
- Authorized Signatories list presented in the form of Whom It May Concern letter
- Completed Corporate Application Form (KYC)

### **Important:**

- Board of Directors and Authorized Signatories letters must be attested by official authorities in country of origin
- Passport Copy for each member of Board of Directors must be attested by official authorities in country of origin
- Signature verification for each Authorized Signatory must be attested by official authorities in country of origin
- All required documents must have a valid expiry date when applying

### **Important:**

To complete the registration process, the following forms must be filled and signed at our Head Office:

## E-Trade Department Policies and Procedures



- FATCA Form
- CRS Form
- AML Questionnaire (If applicable)

### 4.2.2.4 PROCEDURAL STEPS

- a. CSRD shall obtain the complete signed application form from the client.
- b. CSRD shall obtain all the required documents from the client.
- c. CSRD shall forward the application with are required documents to the Compliance Department.
- d. Compliance Department runs the necessary background checks (World Check)
- e. If client's name is not blacklist, Compliance Department returns the documents to CSRD and CSRD sends the documents to Authorized signatory CH/VCH/CEO for final approval account
- f. Once the Authorized signatory approves the account creation, the documents return to CSRD to create the account in the system
- g. CSRD shall note down the unique account number on the application form after generating the account in the system
- h. CSRD shall review and ensure the completeness of the application, and then he/ she shall initial the application and send the request for account activation to OSD.
- i. OSD checks if the account holder has deposit cash or shares equivalent of KD 300 to fully activate their account and able to trade in the stock markets. Where the client request for opening an account with less than KD 300 approval should be obtained from appropriate authority and manual activation process.
- j. If the account is activated, System will send an email to the client with client's account number and password. The email will request the client to login to E-TRADE trading portal with the given username and password and change the system generated password.
- k. In case the client wishes to open an account and trade in US Stock Markets (Coast Brokerage), a link will be sent to the client's email address to open an account with the International Broker (Coast Brokerage broker in US markets) and the client has to complete all necessary steps required by the International Broker to open an account there and link it to client's account with Coast.

### 4.2.3 CLOSING / BLOCKING / Deactivating CLIENTS ONLINE TRADING ACCOUNT

#### 4.2.3.1 PURPOSE

The policies and procedures enumerated hereunder have been established to provide guidelines for closing an active online trading account.

#### 4.2.3.2 RESPONSIBILITY

SVP Asset Management/Support Group: Is responsible for taking the decision to close clients' accounts based on the set criteria and forward the request to Authorized signatory for final approval.

CSR D: is responsible for reviewing the application and submitting the request to the other parties

CSR D agent: is responsible for receiving client requests and processing the application

#### 4.2.3.3 GENERAL POLICY STATEMENTS

Online trading accounts shall be closed under the following circumstances:

- Upon receiving a written request from client to close the account.
- Expired documents
- The account remained dormant for more than three years.
- The client is blacklisted
- Death of the client will typically freeze their accounts and await instructions from the deceased's executor or administrator. The executor or administrator will then need to obtain legal authority, such as a grant of probate, to manage and distribute the deceased's assets (PROCEDURAL STEPS are as per Kuwaiti Law & US Law)
- In case of not complying with regulatory rules and/or acting against the trading contract between Coast & the client, However, it's crucial to ensure the closure/blockage or deactivation is handled professionally and ethically, considering any legal or contractual obligations. (PROCEDURAL STEPS are as per Kuwaiti Law & Trading Contract)

#### 4.2.3.4 PROCEDURAL STEPS

##### Customer requesting to close his/ her account:

- a. CSR D will receive written requests from clients to close their accounts (Appendix 13)

## E-Trade Department Policies and Procedures



- b. CSRD shall verify and confirm the client's signature with the records available. Check whether cash, securities, or loan balance is outstanding in client account.
- c. If the client has cash or shares in his/ her account, CSRD agent shall contact the client and shall request for transferring the available cash/ share.
- d. Upon confirming that the client does not have cash, securities, or outstanding loan balance in his account, CSRD shall print and sign account statement of the client. CSRD shall also sign on the request submitted by the client.
- e. Where the client request for closing account does not indicate the reason for such action, CSRD shall obtain such reason by contacting the client. CSRD shall complete the special closing form and forward it to the Compliance Department.
- f. The Compliance Department shall verify the client request, reconfirms the information in the documents.
- g. Once the Compliance Department gives clearance to close the account, documents will be sent again to CSRD, CSRD sends it to SVP Asset Management & SVP Support Group
- h. Once signed by SVP Asset Management & SVP Support Group, documents will be sent to Authorized signatory for final approval
- i. Once all parties sign the document, CSRD requests from OSD to deactivate and close the account.

### **Expired documents**

- a. CSRD will receive a system notification 30 days prior to the expiration date of the client's document.
- b. CSRD shall send an email to the client requesting to update their documents 30 days prior to the expiration date.
- c. If the client doesn't send the updated documents, CSRD shall send a reminder 1 week from the documents' expiration date
- d. If the client doesn't send the updated documents, CSRD shall call the client to remind them of the expiration date 3 days before the documents' expiration date
- e. If the client doesn't provide the updated documents on the day of the expiration date for the documents, CSRD sends a request to OSD to deactivate the account by giving the justification "The account holder didn't update their documents"
- f. CSRD sends The Compliance Department the process taken to deactivate the account.

## E-Trade Department Policies and Procedures



### **The account remained dormant for more than Three years**

- a. CSRD obtain a report from the system listing the E-TRADE clients' accounts which were dormant for more than Three years.
- b. The report shall be reviewed and approved by CSRD and then shall forward closing/blocking/deactivating form to the Compliance Department
- c. Upon Compliance Department approval, document sent back to CSRD to forward it to SVP Asset Management & SVP Support Group for approval.
- d. Once signed by SVP Asset Management & SVP Support Group, documents will be sent to Authorized signatures for final approval.
- e. Once all parties sign the document, CSRD requests from OSD to close/deactivate the account.

### **The client is blacklisted**

- a. CSRD will receive a copy of the list of names blacklisted by Compliance Department
- b. CSRD shall check the list against Online trading client database and identify blacklisted clients.
- c. CSRD shall fill the form of blacklisted client and forward it Compliance Department
- d. The Compliance Department shall verify the correctness of information and send the document to CSRD which will send the request to OSD to block client's account.

## **4.2.4 ACCOUNT MODIFICATION**

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### **4.2.4.1 PURPOSE**

The policies and procedures enumerated hereunder have been established to provide guidelines for modifying clients' information.

### **4.2.4.2 RESPONSIBILITY**

CSRD Manager: Is responsible for approving changes to critical client information (bank details, address).

## E-Trade Department Policies and Procedures



CSR agent: Is responsible for receiving client requests and processing the changes in the system within their authorities.

### 4.2.4.3 GENERAL POLICY STATEMENTS

- a. Any changes to bank account, email, and address details should be made only upon receipt of a written request (Appendix 21)
- b. Beneficiary name of client bank account should not be changed.
- c. Changes to client's bank details or address shall be done only by CSR and shall be based on valid evidence of the new (changed) information.

### 4.2.4.4 PROCEDURAL STEPS

- a. The following information could be changed by the CSR agent by receiving a call from the client over recorded phone call
  - Enable or disable SMS alert service.
- b. The following procedure should be followed for receiving calls

All calls are coming through recorded phone call system.

- Once CSR agent receives a call from the client.
  - CSR agent shall greet the client, provides his/her name to the client
  - Upon confirming that the client's intention is to change his/ her preferences, the call agent shall obtain the information that client would like to change.
  - The CSR agent shall confirm the information by repeating it to the client.
  - The client must confirm to the CSR agent that the information is correct.
- c. In case the client requests a change of information that is required to be made with a written request, the CSR agent should request the client to send the document through the official channels or visit Coast.

### 4.2.5 HANDLING CLIENTS' ENQUIRIES

#### 4.2.5.1 PURPOSE

The policies and procedures enumerated hereunder have been established to provide guidelines for handling clients' enquiries, suggestions and complaints

#### 4.2.5.2 RESPONSIBILITY

CSR D: is responsible for handling clients and client enquiries/complaints

#### 4.2.5.3 GENERAL POLICY STATEMENTS

CSR D agents should be adequately trained on all products and services in respect of online trading to facilitate the appropriate handling of enquiries and complaints.

#### 4.2.5.4 PROCEDURAL STEPS

##### Telephonic enquiries received

- a. CSR D agent receive the call through the recorded phone call system
- b. CSR D agent obtains the enquiry from client.
- c. CSR D agent answers the client enquiry/ solve client problem if possible.
- d. If the CSR D agent is unable to answer the client, he/ she shall record the client's information and send the inquiry/problem to the appropriate department
- e. After obtaining the response from the respective department, CSR D shall call back the client with the answer received from the respective department.
- f. In case the client places a complaint, the same shall be recorded in the system by the CSR D agent and provide the reference number to the client.

##### Enquiries received at CSR D office

- g. CSR D agent shall welcome the client.
- h. CSR D agent obtains the enquiry from client
- i. CSR D agent answers the client enquiry/ solve client problem if possible
- j. If the CSR D agent is unable to answer the client, he/ she shall record the client's information and send the inquiry/problem to the appropriate department

- k. After obtaining the response from the respective department, CSRD shall call back the client with the answer received from the respective department
- l. In case the client places a complaint, the same shall be recorded in the system by the CSRD agent and provide the reference number to the client

### **4.2.6 SHARES TRANSFER**

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#### **4.2.6.1 PURPOSE**

The policies and procedures enumerated hereunder have been established to provide guidelines for handling clients' requests to transfer clients' securities to or from their online trading account.

#### **4.2.6.2 RESPONSIBILITY**

OSD Manager: is responsible for reviewing and approving the share transfer requests within the authority matrix and to ensure that all requests for securities transfer are processed appropriately.

CSRD agent: Is responsible for reviewing the form and ensuring the completeness of information and documents before forwarding it to the Manager - CSD.

CSRD agent: is responsible for receiving the request for share transfer from client and for providing necessary assistant in coordinating the process of share transfer

#### **4.2.6.3 GENERAL POLICY STATEMENT**

Third party requests should not be accepted to transfer shares

#### **4.2.6.4 PROCEDURAL STEPS**

##### **Transfer from Client's original share certificate to client's account in COAST**

**Important: the client must have an E-Trade trading account to proceed with the request**

- a. Once CSRD receives a request from client to transfer shares to the client's E-Trade account with COAST.
- b. CSRD shall obtain the following document/ information from the client:
  - Copy of client civil ID/ Passport.

## E-Trade Department Policies and Procedures



- The original share certificate.
  - Security name, code, and quantity to be transferred.
  - Client's E-TRADE account number.
  - Client's KCC/NIN number
  - Ownership transfer form (Internal Reference form & Client-KCC request form) (Appendix 15, 16 & 19)
- c. CSRD shall provide a copy of the original share certificate to the client.
- d. CSDR shall put together all the completed forms duly signed by client and signed by SVP – Asset Management Group / SVP – Support Group, the request shall be forwarded to the Compliance Department along with the related documents.
- e. Upon the Compliance approval, the documents are sent to Authorized signatory for final approvals.
- f. Upon Authorized signatory approval, the documents will be sent to KCC to process the request. Upon KCC confirmation for the action take and the shares have been transferred from client's KCC account to Coast KCC account, CSRD sends a request to OSD to deposit the amount into the clients E-TRADE trading account.

### **Transfer from Client's online trading account to client account in KCC:**

- c. Once CSRD receives a request from client to transfer shares to the client's E-Trade account with COAST.
- d. CSRD shall obtain the following document/ information from the client:
- Copy of client civil ID/ Passport.
  - The original share certificate.
  - Security name, code, and quantity to be transferred.
  - Client's E-TRADE account number.
  - Client's KCC/NIN number
  - Ownership transfer form (Internal Reference form & Company-KCC request form) Appendix 17, 18 & 20
- c. CSRD shall provide a copy of the original share certificate to the client.
- g. CSDR shall put together all the complete forms duly signed by client and signed by SVP – Asset Management Group / SVP – Support Group, the request shall be forwarded to the Compliance Department along with the related documents.
- h. Upon the Compliance approval, the documents are sent to Authorized signatory for final approvals.
- i. Upon Authorized signatory approval, CSRD shall send a request to OSD to freeze the stock from trading over the client's E-Trade account.
- j. The documents shall be sent to KCC to process the request. Upon KCC confirmation for the action take and the shares have been transferred from company's KCC account to client's

## **E-Trade Department Policies and Procedures**



KCC account, CSRD sends a request to OSD to deduct the amount from the clients E-TRADE trading account.

### **4.3 SALES AND MARKETING**

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Sales and Marketing will implement strategies to generate sales and increase trading PFs/ Accounts and to position Coast Asset Management Group in a prominent position locally and internationally.

This task and all its related operations & documentation will be handled by the Business Development Department.

### **5.0 E-TRADE CLIENTS**

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#### **5.1 RETAIL**

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Retail clients place orders through the E-Trade Dealing Room via the E-Trade Department IVR phone system, direct recorded phone lines given to clients OR E-Trade electronic platforms (COAST eTrade & COAST BROKERAGE) in the E-Trade Department offered financial markets. The financial broker authenticates clients through both human and automated processes that adhere to client verification requirements of the Capital Markets Authority rules and regulations. The Financial Brokers then accommodate clients' orders and place them in desired markets.

#### **5.2 VIP/HNW**

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VIP and High Net Worth clients are granted direct phone access to Financial Brokers to place orders. VIP and High Net Worth clients go through both human and automated authentication processes that adhere to client verification requirements of the Capital Markets Authority rules and regulations.

### **6.0 ORDERS PLACEMENT - MODES**

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#### **6.1 E-TRADE DEALING ROOM (GCC Markets)**

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E-Trade Department clients can place orders through the E-Trade Dealing Room via E-Trade Department's Interactive Voice Response (IVR) phone system or Direct phone lines.

### 6.2 ELECTRONIC TRADING PLATFORMS (COAST eTrade & COAST BROKERAGE)

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Clients can place orders through the various platforms that E-Trade Department offers.

Orders are placed after clients enter their login credentials through secure channels and commence orders placements.

Clients can utilize the following platforms offered to place trading orders:

- 1- Web Service
- 2- Mobile App – iOS App Store / Android Google Play Store

### 6.3 EMAIL

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Clients can place orders by sending an email to [cb@coast.com.kw](mailto:cb@coast.com.kw). Email must adhere to the following:

- 1- Sent from client's registered email address
- 2- Client account information (customer no.)
- 3- Contain full details of the order (Client name/ Position/symbol/market/price/quantity/TIF/type etc.)

### 6.4 DIRECT RECORDED PHONE LINES

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E-Trade Department clients can place orders through direct recorded phone lines

## 7.0 CALLS AND ORDERS AUTHENTICATION PROCEDURES

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### 7.1 TYPES OF AUTHENTICATIONS

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A client's account privacy and security are vital to E-Trade Department. The objective for authenticating calls and orders is to maintain an excellent level of security and confidentiality.

There are two types of authentications: a first contact authentication and a second contact authentication.

1. In a Financial Broker's first interaction with a client, three security questions need to be asked to establish and confirm the Client's identity and the level of authorization the client has for the account(s).

## E-Trade Department Policies and Procedures



2. When the same Financial Broker receives a call from the same Client for a second time during the same day and when the Financial Broker is sure of the Client's identity then from that point on the Financial Broker-Client relationship is established and the Financial Broker will only need to ask two security questions to confirm the Client's identity.

### **First Contact Authentication**

When a Financial Broker receives a call from a client for the first time, the following authentication procedure is followed by the Financial Broker:

1. Confirm Client's/Caller name
2. Confirm Client's E-Trade account number
3. Confirm Form of Identification
  - Civil ID
  - Date of Birth
  - Registered Email
  - Registered Contact Number
4. Receive, Review and Place Order
5. Advise the client of the status of the order (Filled/Part Filled/Active, Rejected etc.)

### **Second Contact Authentication**

When the Financial Broker receives a call from the same client for the second time, the following authentication procedure is followed by the Broker:

1. Confirm Client's/Caller name
2. Confirm Client's E-Trade account number
3. Receive, Review and Place Order
4. Advise the client of the status of the order (Filled/Part Filled/Active, Rejected etc.)

### **Insufficient/Doubtful Information**

When a Financial Broker is in doubt and/or is uncertain of a client's identity then it is imperative that one additional security question is asked to authenticate the identity of the Client.

### **Special Trading Instructions**

Should there be special instructions for a client, the following notification procedure is implemented to inform E-Trade staff:

1. An official memo is distributed to Financial Brokers handling the account
2. Memo should contain special instructions in sufficient detail

### **7.2 IVR AUTHENTICATION – REGISTERED PHONE NUMBER**

The Brokers' first level of authentication is to recognize if the Client's incoming phone number (mobile or landline) is the one registered under the Client's account information with the E-Trade Department.

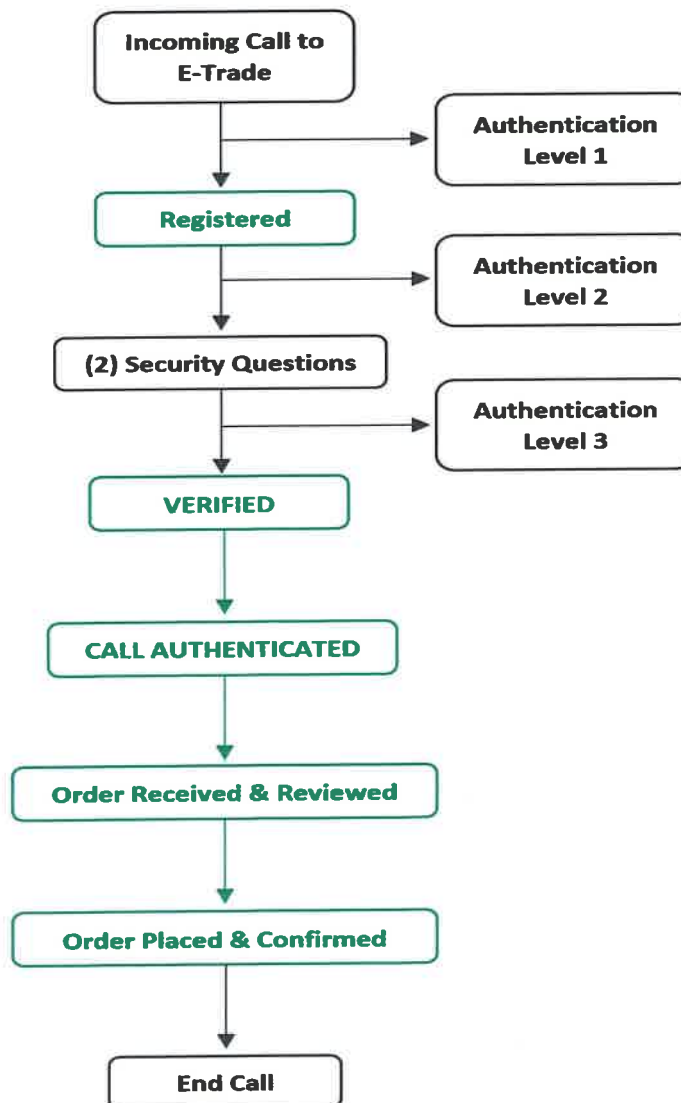
If the phone number matches, the Client is granted access to the E-Trade Room and a Financial Broker.

The Financial Broker is required to ask the Client only two security questions from the list below:

1. What is your Date of Birth?
2. What is your registered E-mail?
3. What is your Civil ID/Security Card number?
4. What is your Username?
5. What is your Account Number?

If the Client answers the questions correctly, the Financial Broker can proceed to place the client's order(s).

## Registered Phone Number - Authentication Flow Chart



### **7.3 IVR AUTHENTICATION – NON-REGISTERED PHONE NUMBER**

If the broker does not recognize the incoming phone number, i.e. a call from a non-registered phone number, the broker will request the Client to provide his/her E-Trade account number.

If the E-Trade account number is recognized, the Client is granted direct access to the Dealing Room.

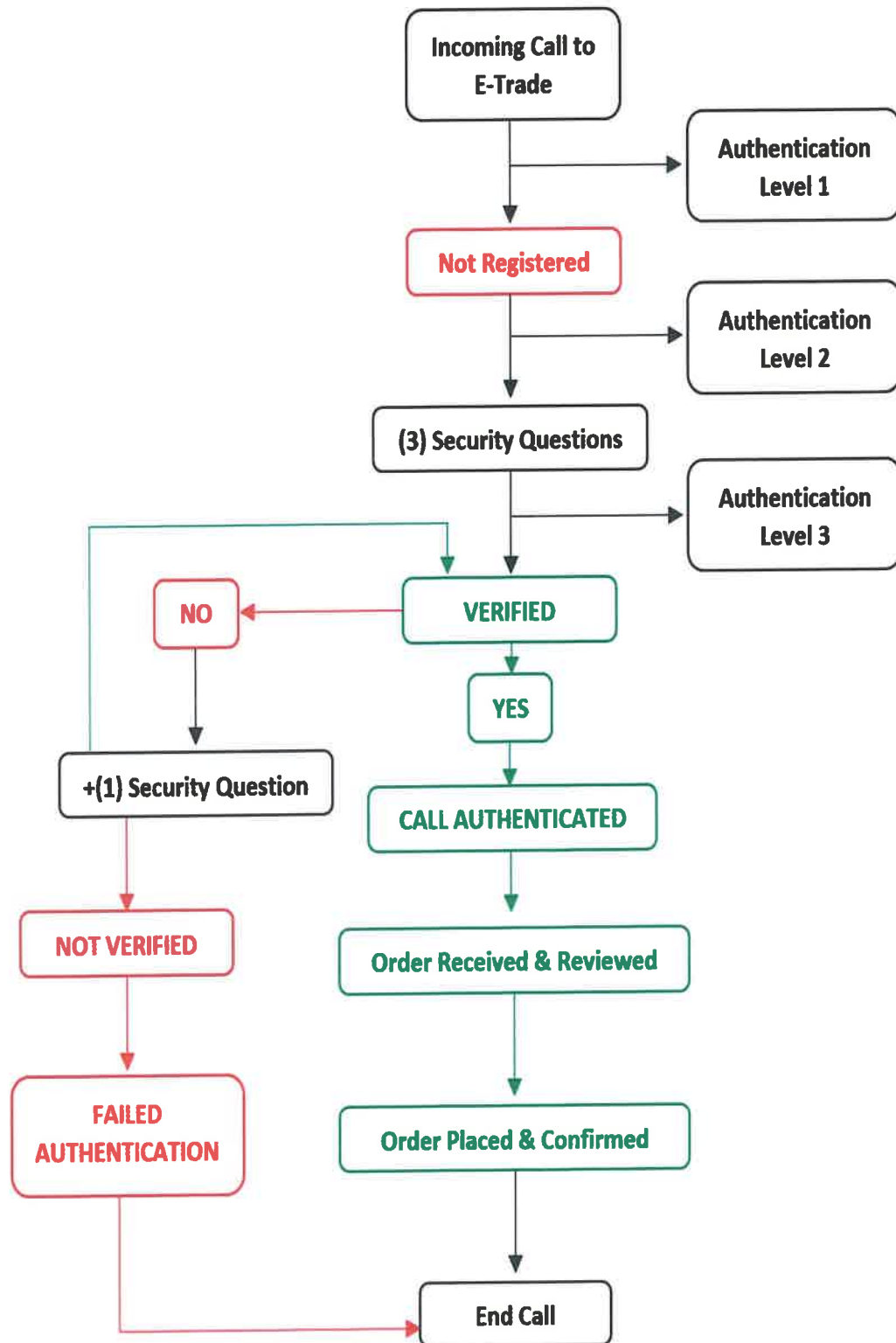
In this case, the Dealer is required to ask the Client at least three security questions from the list below:

1. What is your Date of Birth?
2. What is your registered E-mail?
3. What is your Civil ID/Security Card number?
4. What is your Username?
5. What is your Account Number?

If the Client answers the questions correctly, the Financial Broker can proceed to place the client's order(s).

If the Financial Broker does not recognize the incoming phone number and the Client fails to provide the correct trading account number, the Client will be re-directed to Client's Services.

## Non-Registered Phone Number - Authentication Flow Chart



### 8.0 ORDERS PLACEMENT PROCEDURES

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#### 8.1 CLIENT SIDE – E-TRADE PLATFORMS (COAST eTrade & COAST BROKERAGE)

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##### Web Service / Mobile App

- 1- Enters login credentials - Username and Password
- 2- Search for desired stock using data provided on the platforms
- 3- Select desired stock
- 4- Enters quantity
- 5- Enters price
- 6- Enters order Time in Force (Limit, GTD etc.)
- 7- BUY/SELL
- 8- Place order

Orders status is available on the system for the client to monitor comprehensively all orders placed during day session and historically.

#### 8.2 CLIENT SIDE – E-TRADE DEALING ROOM

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##### Dealer Terminal

When the Financial Broker receives an order from a client, the following procedure for the markets of interest should be followed:

- 1- The Financial Broker receives the order from the client via a recorded call
- 2- The Financial Broker authenticates the client through via CMA approved authentication procedure
- 3- The Financial Broker places the client's order(s) through the E-Trade system (Dealer Terminal)
- 4- The Financial Broker monitors order(s) status
- 5- The Financial Broker updates the client of order(s) status before ending the call

#### 8.3 CLIENT SIDE – DIRECT RECORDED PHONE LINES

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When the Financial Broker receives an order from a client, the following procedure for the markets of interest should be followed:

- 1- The Financial Broker receives the order from the client via a recorded call
- 2- The Financial Broker authenticates the client through via CMA approved authentication procedure

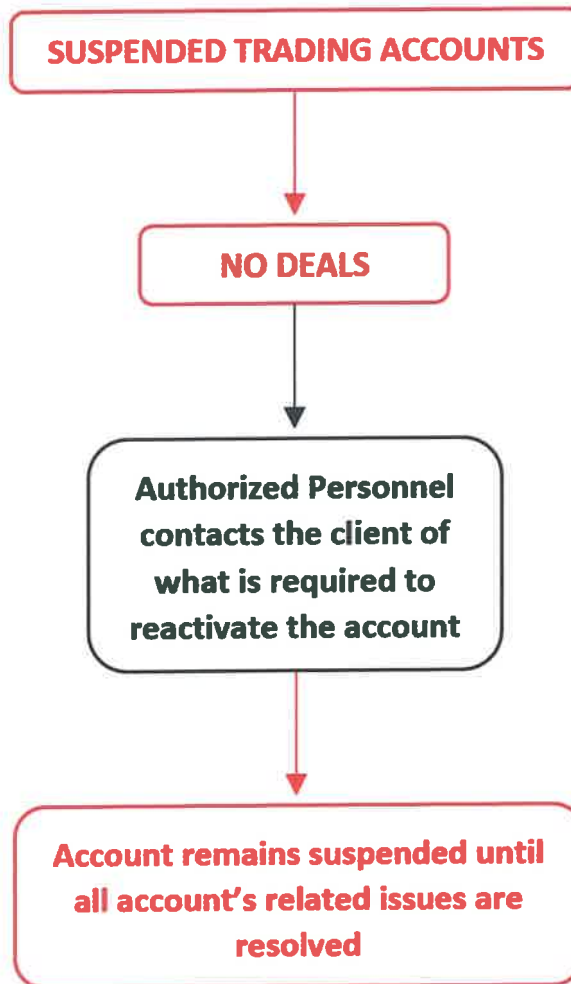
- 3- The Financial Broker places the client's order(s) through the E-Trade system (Dealer Terminal)
- 4- The Financial Broker monitors order(s) status
- 5- The Financial Broker updates the client of order(s) status

### 9.0 SUSPENDED ACCOUNTS

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Placing orders (BUY/SELL) is prohibited (If not instructed otherwise by CMA or COAST's Compliance & Legal Affairs Group). The client who wishes to place orders must complete the account information updating process or for other reasons under the advice of authorized personnel from CSRD.

#### Suspended Accounts – Flow Chart



# E-Trade Department Policies and Procedures



## 9.1 EMPLOYEE TRADING

Coast Investment and Development employees who hold E-Trade accounts can place orders via E-Trade Dealing Room or Direct recorded phone lines. Trade instructions and necessary approvals are received from Compliance & Legal Affairs Group. It is important that the Financial Broker ensures that all the correct approvals and information are obtained before officially receiving/signing receipt of the Employee Trading Policy (ETP).

An ETP contains:

- E-Trade account holder's name
- E-Trade account number
- Approvals from Compliance, CEO/SVP Asset Management, E-Trade AVP/VP and co-signed by the employee
- Transaction validity time (start and end date) Example: valid for one month following approval date
- Selected market
- Order type: Buy or Sell
- Desired security to be bought or sold
- Quantity of the desired security to be bought or sold

Note: There are no restrictions or required approvals for Price and Time in Force: DAY - GTD - FOK - IOC can be received from employee during the transaction period.

Note: One ETP per trade order

Example: Three ETPs for three securities to be traded. Each ETP must contain all required approvals.

### **Important:**

- **Financial Broker will never receive an ETP with missing required approvals and/or with incomplete employee/trade/account information.**
- **Financial Broker only places orders as per approved trade instructions on the ETP(s).**
- **Financial Broker will not allow the employee to change and/ or amend original, approved ETP(s).**
- **Only prices can be changed and/or amended**
- **Should the employee wish to change/amend original, approved trades, a new ETP is required.**
- **ETP is STRICTLY CONFIDENTIAL - It is not to be shared with any unauthorized internal/external person(s)/organization(s).**

### 9.2 EMPLOYEE TRADING - AUTHENTICATION PROCEDURE

The following procedure will be followed by the Financial Broker when placing employee trades:

1. Employee calls E-Trade Dealing Room/ Direct Recorded Phone Lines
2. Financial Broker conducts Employee authentication (Name, account #/Employee #)
3. Financial Broker receives order as per approved ETP(s)
4. Financial Broker reviews the order(s) to the employee clearly and appropriately
5. Financial Broker places the order(s) as per ETP
6. Informs the employee of the status of the order(s) as the day progresses if requested by the employee
7. Placed order(s) for ETP is filed appropriately for future reference

### 10.0 TRADE ERRORS

A Trade Error occurs when a Financial Broker incorrectly executes various transactions.

1. Incorrect order placement (online and offline):
  - Order type (Ex. BUY instead of SELL)
  - Price (Ex. 0.850 instead of 0.860)
  - Price type: (Ex. Market instead of Limit)
  - Quantity (Ex. 30,000 instead of 3,000)
  - Time in Force (Ex. FOK instead of IOC)
2. Incorrect currency conversion
  - Currency (Ex. From QAR to KWD instead of SAR to KWD)
  - Amount (Ex. KWD 1,959 instead of KWD 19,959)
3. Incorrect company/security information (news etc.)
  - Dividend/Bonus Shares (Ex. Wrong information on dates which leads to DVD/BS exclusions)
  - General Assembly (Ex. Wrong GA date which leads to Dvd/BS exclusions)
  - Rumors/Unofficial (Ex. Spread of unsubstantiated/unofficial news of companies/securities)

### **10.1 TRADE ERROR CORRECTIONS**

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To try and minimize a loss that could incur for E-Trade Department or the Client as a result of a Trade Error, the E-Trade VP, E-Trade AVP or an authorized employee swiftly makes a Trade Correction.

### **10.2 REPORTING TRADE ERRORS**

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After a Trade Error occurs, the Financial Broker is required to fill in a Trade Error Report within the same working day. Information in the report includes:

- Date (in which Trade Error occurred)
- E-TRADE account/PF number (in which Trade Error occurred)
- Market (in which Trade Error occurred)
- Side responsible for error (E-Trade Department Broker and/or Client)
- Error Description (full and detailed account of events)
- Action(s) taken (what action was taken on/after error)
- Signatures (E-Trade AVP/VP and Financial Broker related to Trade Error)

### **10.3 EXAMINING TRADE ERRORS**

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Once a Trade Error Report is prepared and handed in, an internal inquiry ensues. The aim of the inquiry is to determine the following using system logs, an interview with Broker/Dealer and recorded evidence:

1. Who was responsible for the Trade Error?
2. What was the total loss/gain after Trade Correction?
3. What disciplinary measures to be taken (severity of measures is based on the gravity, type, and nature of the Trade Error).
4. What steps need to be taken to avoid the same from happening again?

### **10.4 AVOIDING TRADE ERRORS**

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Trade Errors occur either from the Financial Broker side or from the Client side. In some rare cases, both sides are at fault.

However, a Financial Broker can avoid Trade Errors by adhering to the following guidelines:

1. Carefully and completely receive order/transaction
2. Clearly and completely review order/transaction
3. Confirm the status of order/transaction

### **10.5 COMPANY / STOCK INFORMATION**

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Providing wrong and/or inaccurate company/stock information is a high risk. A client depends and builds investment decisions based on the information provided. It is imperative that all information requested about a company/stock is derived from official sources such as main websites of exchanges. A Financial Broker may give out information from other reputable sources however it must be made clear to the client that the information is non-official, unaccredited and the Company will not be held accountable for any decision made the sourced information.

### **10.6 TRADE ERROR COST COVERAGE AND BROKER DISCIPLINE**

Trade errors are a risk to the company both financially and in its reputation. To discourage, limit and/or avoid such errors, Brokers will be liable to handle parts of costs incurred should a Trade Error occur where the Broker is found to be at fault.

### **11.0 IT AND TECHNICAL ISSUES**

#### **11.1 INTERACTIVE VOICE RESPONSE (IVR)**

The IVR very rarely fails and/or malfunctions. If it does, it should not take more than 10 – 15 mins to have the IVR functioning normally.

#### **11.2 HOW TO DETECT IVR IS DOWN**

The moment the Financial Broker realizes that an unusually long time has passed without receiving calls, the Financial Broker calls the IVR and tests its functionality.

#### **11.3 WHAT TO DO WHEN IVR IS DOWN**

##### **During working hours**

1. Call and inform Company IT to contact IVR vendor support
2. Call and inform E-Trade Department Supervisor/Manager/AVP/VP
3. Send Email to Company IT, copying E-Trade Department Supervisor/Manager/AVP/VP

##### **US Market hours**

1. Call and inform Company IT to contact IVR vendor support
2. Call and inform E-Trade Department Supervisor/Manager/AVP/VP
3. Send Email to Company IT, copying E-Trade Department Supervisor/Manager/AVP/VP

##### **When IVR is back to normal functionality**

1. Call and inform E-Trade Department Manager/AVP/VP
2. Send Email to Company IT, copying E-Trade Department Supervisor/Manager/AVP/VP
3. Fill IT Issues Report

### **11.4 DEALER TERMINAL (DT)**

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Technical issues that could affect the DT system:

- Server settings reset – Rare
- Data feeds down/wrong data/freeze/etc. – Rare
- Full system malfunction – Extremely Rare

### **11.5 HOW TO DEAL WITH DEALER TERMINAL TECHNICAL ISSUES**

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#### **During working hours**

1. Call system vendor Support team
2. Email system vendor Support, copying E-Trade Department Supervisor/Manager/AVP/VP
3. Call and inform E-Trade Department Supervisor/Manager/AVP/VP

#### **US Market hours**

1. Call system vendor Support team
2. Email system vendor Support, copying E-Trade Department Supervisor/Manager/AVP/VP
3. Call and inform E-Trade Department Supervisor/Manager/AVP/VP

#### **When system is back to normal**

1. Call and inform E-Trade Department Supervisor/Manager/AVP/VP
2. Send Email to Company IT, copying E-Trade Department Supervisor/Manager/AVP/VP
3. Fill IT Issues Report

### **11.8 ORDERS**

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The main issues that are related to orders are when they appear on the Order Status table as “Queued.”

#### **Queued Orders**

A Queued order means the order has not entered the intended market. In almost all cases, the price of the order is out of range for that day, shown on the system as “Out of Daily Limits”. Other reasons may need further investigation.

#### **What to do with a Queued order**

##### **During working hours**

1. Inform E-Trade Department Supervisor/Manager/AVP/VP
2. Send Email to system vendor Support, copying E-Trade Department Supervisor/Manager/AVP/VP
3. If no quick response is received, call system vendor Support

##### **US Market hours**

1. Inform E-Trade Department Supervisor/Manager/AVP/VP
2. Send Email to system vendor Support, copying E-Trade Department Supervisor/Manager/AVP/VP
3. If no quick response is received, call system vendor Support

##### **When system is back to normal**

1. Call and inform E-Trade Department Supervisor/Manager/AVP/VP
2. Send Email to Company IT, copying E-Trade Department Supervisor/Manager/AVP/VP
3. Fill IT Issues Report

### 11.9 TRADING PLATFORMS

E-Trade Department offers (COAST eTrade & COAST BROKERAGE) to its investors in two E-Trade platforms:

1. Web Service – Delayed Data (free market subscriptions) or Live Data Quotations– Paid markets subscriptions
2. Mobile – Mobile Trading App available in App Store (iOS) and Google Play Store (Android)

Technical issues that could affect E-Trade platforms:

- Server settings reset – Rare
- Data feeds down/wrong data/freeze etc. – Rare
- Full system malfunction – Extremely Rare

#### **How to deal with E-Trade system(s) technical issues**

##### **During working hours**

1. Call system vendor Support team
2. Email system vendor Support, copying E-Trade Department Supervisor/Manager/AVP/VP
3. Call and inform E-Trade Department Supervisor/Manager/AVP/VP

##### **US Market hours**

1. Call system vendor Support team
2. Email system vendor Support, copying E-Trade Department Supervisor/Manager/AVP/VP
3. Call and inform E-Trade Department Supervisor/Manager/AVP/VP

##### **When system is back to normal**

1. Call and inform E-Trade Department Supervisor/Manager/AVP/VP
2. Send Email to Company IT, copying E-Trade Department Supervisor/Manager/AVP/VP
3. Fill IT Issues Report

### **11.10 CURRENCY CONVERSION**

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The currency conversion is a heavily used financial tool requested by the clients. On some occasions, although not commonly, technical issues do occur. Some types of technical issues that face currency conversion are:

- Bid/Ask wrong values/old data/freeze – Rare
- Missing currency code – Rare
- Client details not appearing – Rare
- Full tool malfunction – Extremely Rare

#### **How to deal with Currency Conversion technical issues**

##### **During working hours**

1. Call OSD and/or system vendor Support team
2. Email OSD and /or system vendor, copying E-Trade Department Supervisor/Manager/AVP/VP
3. Call and inform E-Trade Department Supervisor/Manager/AVP/VP

##### **US Market hours**

1. Call OSD and/or system vendor Support team
2. Email OSD and /or system vendor, copying E-Trade Department Supervisor/Manager/AVP/VP
3. Call and inform E-Trade Department Supervisor/Manager/AVP/VP

##### **When system is back to normal**

1. Call and inform E-Trade Department Supervisor/Manager/AVP/VP
2. Send Email to OSD and/or system vendor Support copying E-Trade Department Supervisor/Manager/AVP/VP
3. Fill IT Issues Report

## **E-Trade Department Policies and Procedures**



### **12.0 E-TRADE DEPARTMENT - OPERATIONS & SETTLEMENTS**

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All Trades and E-Trade Department transactions are monitored and handled by authorized personnel from Operations & Settlements Department (OSD). The authorized personnel will handle the operational tasks in back office (Admin Terminal - AT) & (Burgan System) under Manager/AVP/VP & SVP – Support Group supervisions. These transactions are, but are not limited to, the following

#### **12.1 HANDLING AND MONITORING (Non-Cash Operations)**

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- 1- Processing of client requests for share transfers from/to their E-Trade account
- 2- Processing of corporate events
- 3- Bank reconciliations
- 4- Reconciliation of trades executed and reconciliation of stock/cash positions
- 5- Reporting

#### **12.2 PROCESS AND PROCEDURES**

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- 1- Client BUY/SELL reconciliations/settlements
  - OSD follows Start of Day (SOD) and End of Day (EOD) procedure
    - Orders Matching
    - Cash/Shares Positions Matching
    - Cash/Shares Deposits/Withdrawals
- 2- Cash Dividends/Bonus Shares distributions from Stocks
  - Distributed via pro-rata to clients via system back office
- 3- Monitor and complete cash deposits/withdrawals with relative banks via official letters of actions
- 4- Deposit/withdraw clients shares with relative entities via official letters of actions
- 5- Trade Error Corrections
  - E-Trade Department Supervisor/Manager/AVP/VP informs OSD about the Trade Error by submitting Trade Error Form and follows approved procedure. Please refer to (10.2)

### **12.3 SHARE TRANSFER**

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#### **12.3.1 PURPOSE**

The policies and procedures enumerated hereunder have been established to provide guidelines for handling requests for transferring shares from/ to clients E-Trade account

#### **12.3.2 RESPONSIBILITY**

VP/AVP/Manager – Operations: Is responsible to review and sign the requests send to KCC and for ensuring that all requests for share transfer are handled appropriately.

Staff – Operations: Is responsible to coordinate with KCC for the share transfer and for updating the client account in respect of share transfer.

#### **12.3.3 GENERAL POLICY STATEMENTS**

All requests for share transfer shall be processed at the earliest possible day

#### **12.3.4 PROCEDURAL STEPS**

a. The following are the types of share transfers:

- Transfer from Client account in COAST to client account in KCC.
- Transfer shares from Client account in KCC to Client account in COAST.
- Transfer shares from original share certificate to client account in COAST.
- Issue original share certificate to client.

Client's Services & Regulatory Reports Dept. (CSRSD) will prepare all the required forms that have to be sent to KCC and get these forms signed by the client and Manager – OSD will receive the completed share transfer request forms from CSRSD.

b. Senior Officer – OSD will receive the completed request form with all required documents (per CSRSD – Share transfer procedure) from Account Officer – CSRSD.

c. Senior Officer – OSD shall acknowledge the receipt of forms from Clients Services & Regulatory Reports Dept. (CSRSD) by signing on the application.

d. Senior Officer – OSD shall verify and ensure the completeness on information, documents and signatures by authorized signatory.

## E-Trade Department Policies and Procedures



e. The following procedure should be followed for each type of share transfer:

Share transfer from Client E-Trade account to Client account in KCC

a. Senior Officer shall ensure that the following documents are available and are signed by client and Manager – E-TRADE, Client's Services & Regulatory Reports Dept. (CSRSD) as applicable:

- Copy of client civil ID/ Passport.
- Request from client to Manager – Client's Services & Regulatory Reports Dept. (CSRSD) to transfer securities from his/ her E-Trade account to his/ her account in KCC.
- Request from the client to KCC requesting to transfer securities from client's E-Trade account to client account in KCC.
- Request from the client to KSE requesting to transfer securities from client's E Trade account to client account in KCC.
- Request from Manager – CSRSD will be send to KCC to transfer the securities.
- Request from Manager/Supervisor/Sr. Officer to KCC to transfer the securities

b. Senior Officer shall give a reference number and update the register maintained for share transfer request.

c. Senior Officer shall obtain the printout of the clients' account statements, verify whether the shares are available in the client account and ensure that the shares to be transferred are blocked in client E-Trade account.

d. Senior Officer shall send the letters from Supervisor/Manager/AVP/VP-E-trade Dept. with a copy of client COAST account statement to KCC.

e. Senior Officer shall obtain acknowledgment receipt from KCC through the messenger.

f. Senior Officer shall monitor the "share transfer request" register and send the acknowledgment receipt with messenger to KSE to obtain the bond from KCC for all the requests send in the previous week the transfer of shares from COAST account to client account with KCC.

g. Upon receipt of the bond Senior Officer shall update the share transfer request register and shall update the client account on the particular of shares transferred to client.

h. The system input is reviewed and approved by the Supervisor/Manager – OSD after reviewing the correctness and appropriateness of the entries and completeness of documentation. The client account is updated accordingly in respect of the shares transferred.

## E-Trade Department Policies and Procedures



### 12.3.5 SHARE TRANSFER FROM CLIENT ACCOUNT IN KCC TO CLIENT E-TRADE ACCOUNT

- a. Senior Officer shall ensure that the following documents are available and are signed by the Client and Manager –CSR D as applicable:
- Copy of client civil ID/ Passport.
  - Client’s KCC account statement
  - Request from Client to Manager – CSR D to transfer the original share certificate to client account in COAST
  - Request from client to KSE requesting to transfer the shares to COAST account.
  - Request from client to KCC requesting to transfer the shares to COAST account.
  - Request from Manager/Supervisor/Sr. Officer to requesting KSE to transfer the share.
  - Request from SVP-AMG to requesting KCC to transfer the share
- b. Senior Officer shall send the letters from with a copy of client KCC account statement to KCC and KSE on or before Monday of the week.
- c. Senior Officer shall give a reference number to the request and update the register maintained for share transfer request.
- d. Senior Officer shall obtain acknowledgment receipt from KSE and KCC through the messenger.
- e. Senior Officer shall monitor the “share transfer request” register and send the acknowledgment receipt with messenger to KSE to obtain the bond from KCC for all the requests send in the previous week, confirming the transfer of shares from to client account with KCC. to COAST account for OLT.
- f. Upon the receipt of bond from KCC, Senior Officer shall update the share transfer request register and shall update the client account on the particulars of shares transferred to client and input the data in the E-Trade system.
- g. The system input is reviewed and approved by the Supervisor/Manger-OSD after reviewing the correctness and appropriateness of the entries and completeness of documentation. The client account is updated accordingly in respect of the shares transferred.

#### Share transfer from Original Share Certificate to Client E-Trade account

- a. Senior Officer shall ensure that the following documents are available and are signed by the client and Manager – CSR D as applicable:
- Copy of client civil ID/ Passport.

## E-Trade Department Policies and Procedures



- Copy of client civil ID/ Passport
  - Client original share certificate
  - Request from client to Manager - CSRD to transfer the original share certificate to client account in COAST.
  - Request from client to KSE requesting to transfer the shares to COAST account.
  - Request from Manager – CSRD to transfer the share.
- b. Senior Officer shall send the letters from Manager – CSRD with a copy of client COAST account statement to KCC on or before Monday of the week.
- c. Senior Officer shall give a reference number to the request and shall update the register maintained for share transfer request
- d. Senior Officer shall obtain acknowledgment receipt from KSE and KCC through the messenger and update the register.
- e. Senior Officer shall monitor the “share transfer request” register and shall send the acknowledgment receipt with messenger to KSE to obtain the bond subsequently for all the requests send in the previous week confirming the transfer of shares.
- f. Upon the receipt of bond, the Senior Officer shall update the share transfer request register and shall update the client account on the particulars of shares transferred to client.
- g. The system input is reviewed and approved by the Supervisor/Manager – OSD after reviewing the correctness and appropriateness of the entries and completeness of documentation. The client account is updated accordingly in respect of the shares transferred.

### Request for Issuing original share certificate to the client:

- a. Senior Officer shall ensure that the following documents are available and are signed by the concerned personnel:
- Copy of client civil ID/ Passport
  - Request from client to Manager – CSRD requesting to issue original share certificate in his/ her name for the securities in E-Trade account
  - Request from client to KSE requesting to transfer shares from COAST name to client name
  - Request from Manager – CSRD to KCC to transfer the shares from COAST account to client name
  - Request from Manager – CSRD to KCC to transfer the shares from COAST account to client name

## E-Trade Department Policies and Procedures



- b. Senior Officer shall obtain the client's account statement from the system and confirm the availability of shares and whether the requester shares for transfer are blocked in the system.
- c. Senior Officer shall give a reference number and update the register maintained for share transfer request.
- d. Senior Officer shall send the letters from SVP-AMG with a copy of client COAST account statement to KCC.
- e. Senior Officer shall obtain acknowledgment receipt from KSE and KCC through the messenger and update the share transfer request register
- f. Senior Officer shall monitor the "share transfer request" register and send the acknowledgment receipt with messenger to KSE to obtain the bond confirming the transfer of shares for all the requests send in the previous week.
- g. Upon the receipt of the letter, Senior Officer shall update the share transfer request register and the client account on the particulars of shares transferred to client.
- h. The system input is reviewed and approved by the Supervisor/Manager-OSD after reviewing the correctness and appropriateness of the entries and completeness of documentation. The client account is updated accordingly in respect of the shares transferred.
- i. Senior Officer shall send the original share certificate with the request signed by Manager – CSRD to respective companies to issue new original share certificate to the client.
- j. Senior Officer – OSD shall monitor the status of the request and shall follow up for obtaining the original share certificate. Upon the receipt of the original share certificate from the Company the Senior Officer shall the same to CSRD.
- k. Senior Officer – CSRD shall contact Client if the application is not complete or there is missing documents.

### 12.4 CORPORATE EVENTS – DIVIDENDS/BONUS SHARES

#### 12.4.1 PURPOSE

The policies and procedures enumerated hereunder have been established to provide guidelines for handling dividends and bonus shares used in respect of securities held by E-TRADE client

#### 12.4.2 RESPONSIBILITY

Manager/Asst. Manger/Supervisor-OSD: Is responsible for ensuring that all corporate events of dividends and bonus share are processed in a timely manner and to review and approve transactions as and when required

Supervisor / Senior Officer – OSD: Is responsible to monitor announcement of dividends/ bonus shares and for taking necessary action.

#### 12.4.3 GENERAL POLICY STATEMENT

Dividends/ bonus shares shall be credited to clients' accounts only upon the receipt of such dividends/ bonus shares from company/ broker.

#### 12.4.4 PROCEDURAL STEPS

Listed companies usually grant investors dividends and/ or bonus shares after the annual general assembly meeting. COAST will receive dividends on behalf of E-TRADE clients either directly from the concerned company by way of cheque/ warrant or through the broker/ custodian. Operation department will update client accounts to credit the account with the eligible amount of dividends/ bonus shares based on their holding .

a. Dividends/ Bonus shares declared in respect of securities held by E-TRADE clients are identified by Senior Officer based on any of the following

- By monitoring financial websites, websites of the concerned companies/ brokers/ stock exchanges or announcement in other media such as newspapers etc.
- Upon receipt of information from the concerned companies or COAST brokers intimating the declaration of dividends
- As a result of periodic reconciliation of account with broker/ custodians (In case of dividends directly received by broker/ custodian)

b. Upon obtaining the information on declaration of dividends, Senior Officer shall verify whether the same has been received. In case the dividends are not received Senior Officer shall follow up with KCC for the receipt of eligible dividends/ bonus shares.

c. Upon confirming the receipt of dividends/ bonus shares, Senior Officer shall process the dividends/ bonus shares issue in the system by inputting the necessary details

## E-Trade Department Policies and Procedures



- d. The Supervisor/Manager - OSD shall review the information input and shall approve the same after confirming its correctness and appropriateness .
- e. The Senior Officer shall, based on the advice from Supervisor - OSD process the “delivery” of dividends/ bonus share to E-TRADE client account .
- f. The “delivery” processed shall be reviewed and approved by Supervisor/Manager - OSD after confirming their correctness and appropriateness .
- g. Upon approval, system credits the client account with the eligible amount of dividends/ bonus shares.

### **Processing of dividends/bonus shares received in respect of closed client accounts**

- a. Where the client eligible for dividend /bonus shares has closed his E-TRADE account, the Senior Officer shall try to contact the client and request him to advice on the mode of transferring the dividend/bonus shares.
- b. In case of dividends, where the client requests to settle the amount due by cheque of by transferring to his bank account, the Senior Officer shall prepare a memo for issuing the cheque/processing the bank transfer. The memo shall be reviewed and signed by Manager/Asst. Manger/Supervisor- Operations/Senior Manager OSD and shall initiate the transfer.
- c. In case of bonus shares, the shares for which the client is eligible may be transferred to client’s COAST account or original share certificate may be obtained and issued to the client based on his request as per the procedures specified for share transfer.
- d. Where the client cannot be contacted for settling the dividend/bonus shares due to the client, the same shall be transferred to a suspense account in the E-TRADE system.

## **12.5 CORPORATE EVENTS – SPLIT / REVERSE SPLIT**

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### **12.5.1 PURPOSE**

The policies and procedures enumerated hereunder have been established to provide guidelines for the process of split/ reverse split of securities held by E-TRADE clients.

## E-Trade Department Policies and Procedures



### 12.5.2 RESPONSIBILITY

Manager/Asst. Manger/Supervisor- OSD: Is responsible for ensuring that all corporate events of share splits/reverse splits are processed in a timely manner and to review and approve transactions as and when required

Senior Officer – Operations: Is responsible to monitor announcement of share split/reverse split and for taking necessary action.

Senior Officer – Operations: Is responsible for updating the system for splits/reverse splits.

### 12.5.3 GENERAL POLICY STATEMENTS

Every effort should be made to monitor, identify, and process corporate events of shares split/reverse splits in a timely manner.

### 12.5.4 PROCEDURAL STEPS

Share split is a process wherein the existing unit of a share is split into two or more units. Conversely under reverse split two or more units of shares are merged to form a single unit of share. Value of shares could change due to split or reverse split. Usually change in ticker normally comes along with split and reverse split action. However, split and reverse split action could also happen without a ticker change. In order to identify possible split/reverse split events the system will block the share if there is any fluctuation in price  $\pm 20\%$  of the closing price for the previous working day and would send alert to Supervisor/ Manager/Asst. Manger/Supervisor/ Senior Manager – Operation.

- a. Split/ reverse split in respect of securities held by E-TRADE clients are identified by Senior Officer based on any of the following:
  - By monitoring financial websites, websites of the concerned companies/ brokers/ stock exchanges or announcement in other media such as newspapers.
  - Upon receipt of information from the concerned companies or COAST brokers intimating the split/reverse split event.
  - As a result of periodic reconciliation of account with broker/ custodians
  - By reviewing system alerts received on substantial changes on prices ( $\pm 20\%$ ) of securities.
- b. In case of receipt of system alerts Senior Officer – OSD shall check whether the reason of changes in the price of the share is due to split reverse split.
- c. Upon identifying the shares split/ reverse split Supervisor – OSD/ Senior Officer shall obtain the details from financial websites or the website of broker/ stock exchange and shall instruct the Senior Officer for passing the necessary entries.
- d. Senior Officer shall process the corporate event split/ reverse split by inputting he necessary details in the system

## E-Trade Department Policies and Procedures



- e. Supervisor/Manager – OSD shall review the information input and approve the entries after confirming their appropriateness.
- f. Senior Officer shall verify whether there is a change in the ticker of the share in which case he/ she shall update the system as per the procedures for ticker change.

### 12.6 CORPORATE EVENTS – TICKER CHANGE

#### 12.6.1 PURPOSE

The policies and procedures enumerated hereunder have been established to provide guidelines for processing ticker change in respect of securities held by E-TRADE clients

#### 12.6.2 RESPONSIBILITY

Manager/Asst. Manger/Supervisor- OSD: Is responsible for ensuring that all corporate events of ticker change are processed in a timely manner.

Supervisor – OSD: Is responsible for review and approval of transactions in the system as and when required .

Senior Officer – OSD: Is responsible to monitor announcement of ticker change and for taking necessary action.

#### 12.6.3 GENERAL POLICY STATEMENTS

Every effort should be made to monitor, identify, and process corporate events of ticker change in a timely manner.

#### 12.6.4 PROCEDURAL STEPS

The ticker (stock symbol) of the securities in the stock exchanges could be changed due to various reasons. These changes should be updated in E-Trade system to enable clients to trade in these shares. If change in ticker is not reflected on time, users' transactions on stock with ticker change will be rejected.

- a. Change in ticker are identified by Senior Officer – OSD based on any of the following
  - By monitoring financial websites, websites of the concerned companies/ brokers/ stock exchanges or announcement in other media such as newspapers.
  - As a result of reconciliation of securities position.
  - As a result of share split/ reverse split.
  - Upon receiving intimation from the concerned company/ broker or ticker change.
  - Upon receipt of complain from E-TRADE clients on rejection of orders (due to change in ticker)

## E-Trade Department Policies and Procedures



- b. Upon identifying the change in ticker symbol, Senior Officer – OSD shall obtain all the necessary details of such change and shall instruct the Senior Officer for passing the necessary entries.
- c. Senior Officer shall input the particular of ticker change in the system.
- d. Supervisor / Manager– OSD review and approve the changes in the system after confirming the correctness and appropriateness of the input.

### **12.7 CORPORATE EVENTS – RIGHT ISSUE**

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#### **12.7.1 PURPOSE**

The policies and procedures enumerated hereunder have been established to provide guidelines for processing right issues transactions

#### **12.7.2 RESPONSIBILITY**

Manager/Asst. Manger/Supervisor- OSD: Is responsible for ensuring that all corporate events of rights issues are processed in a timely manner and to review and approve transactions as and when required.

Senior Officer – operations: Is responsible to monitor announcement of rights issues and for taking necessary action.

#### **12.7.3 GENERAL POLICY STATEMENTS**

- a. Subscribing to right shares for E-TRADE client shall be done only upon obtaining a written confirmation from the client.
- b. Subscription to rights issue for E-TRADE clients without sufficient funds in their account shall be processed only upon obtaining approval from appropriate authority and upon transfer of funds from COAST bank account to the bank account held for E-TRADE clients.

#### **12.7.4 PROCEDURAL STEPS**

- a. Senior Officer - OSD will receive intimation letter from brokers, concerned company, custodians for detailing the information on right issue.
- b. Where right issue identified from other sources (financial website, websites of brokers/ stock exchanges, newspapers, etc.) if not intimation is received, Senior Officer- OSD shall follow up with the concerned company/ brokers/ custodian for the receipt of formal intimation of right issues.
- c. Senior Officer - OSD shall obtain a report from the system listing the clients holding the concerned securities who are eligible for the right issues.

## E-Trade Department Policies and Procedures



- d. Senior Officer - OSD shall send an email (through E-TRADE system) to all the eligible clients intimating on the details of rights issue and requesting the client to confirm in writing for the subscription to right issues.
- e. Senior Officer - OSD will receive written confirmations from client for subscribing in right shares in response to the email request. Co-ordination with CSRD is made to obtain the Clients consent/Dissent for subscription.
- f. Supervisor - OSD shall enter the information in the system. Funds equivalent to the subscription amount will be blocked, if available in the client account or as and when funds are made available in the account.
- g. Manager/Asst. Manger/Supervisor- OSD shall review the system input and the written request and approve the update to the system after confirming its appropriateness.
- h. At least 10 days prior to the due date for subscription to the right share, the Senior Officer – OSD shall obtain a report from the system, listing accounts of E-TRADE clients who confirmed to the subscription of rights, with details of client accounts with insufficient funds for subscription to the shares.
- i. Senior Officer – OSD shall follow up with the clients for funding their account in connection with subscription to right shares along with CSRD personnel.
- j. At least 3 days prior to due date for subscribing to the right share, Senior Officer – OSD shall obtain a report showing the list of clients confirmed to subscription but where there is no sufficient fund.
- k. The report shall be reviewed by Manager/Asst. Manger/Supervisor- OSD and initials the report.
- l. Approval shall be obtained from appropriate authority for subscribing to right shares for clients who do not have sufficient funds in coordination with the CSRD
- m. Based on the approval obtained as above, and after confirming the transfer of funds from COAST bank account to cover the shortfall in respect of clients with insufficient balance, the Supervisor – OSD shall prepare a final list of clients for whom subscription to right issue has to be processed.
- n. Senior Officer – OSD shall complete the subscription form provided by the company.
- o. Manager/Asst. Manger/Supervisor- OSD should review the subscription form and ensure the correctness and appropriateness of information.
- p. Supervisor/ Manager - OSD shall review and initial the form.
- q. Senior Officer shall forward a copy of the form to prepare a cheque/ other method of payment with necessary approvals and shall obtain the form duly signed by the

## E-Trade Department Policies and Procedures



appropriate authority along with cheques/payment instructions /cheque from the finance department.

- r. Senior Officer shall send the completed and signed form along with the payment instruction to the investee company/KCC/Collection Bank.
- s. Senior Officer will receive intimation / original share certificate from company on allotment of subscribed right shares.
- t. Senior Officer shall confirm the correctness of number of shares received as per the original request sent to the company.
- u. Senior Officer shall update the client accounts by making the entries in the system.
- v. Manager/Asst. Manger/Supervisor- OSD shall review and approve the entries.

### **If COAST receive the original share certificate**

- a. Senior Officer shall prepare a letter to KCC requesting to transfer the shares to COAST account with KCC for E-Trade.
- b. Supervisor/Manager – OSD shall review and signs the letter to KCC by authorized signatory.
- c. Senior Officer shall send the request letter to KCC and shall follow up and obtain the bond from KCC confirming the transfer of shares

## **12.8 FUNDING OF BROKER ACCOUNT / SETTLEMENT OF CUSTODIAN ACCOUNT**

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### **12.8.1 PURPOSE**

The policies and procedures enumerated hereunder have been established to provide guidelines for funding of account with broker/ custodians to ensure the availability of funds for settlement of client deals executed

### **12.8.2 RESPONSIBILITY**

Supervisor/Manager – OSD: Is responsible to decide on the need for funding the account with broker/ custodian and to assess the amount of funding required.

Manager/Asst. Manger/Supervisor- OSD: Is responsible to maintain the broker/ custodian account and to initiate the process of funding, as and when necessary.

### 12.8.3 GENERAL POLICY STATEMENTS

- a. It shall be ensured that adequate balance are maintained with the brokers/ custodian in various market in order to facilitate settlement of client deals' by the concerned broker/ custodian.
- b. The amount of float to be maintained with each broker/ custodian should be determined and approved by appropriate authority. The amount of float approved shall be subject to semi annual review to ensure that the float amount is sufficient in line with the volume of business (client deals).

### 12.8.4 PROCEDURAL STEPS

- a. Manager/AVP/VP-Operations- OSD shall monitor the status of account balance with broker/ custodian on a daily basis.
- b. Manager/AVP/VP-Operations- OSD shall identify the need for funding COAST account with broker / custodian based on the float of amount approved for each of the broker/ custodian.
- c. Manager/AVP/VP-Operations- OSD shall identify the need for funding and prepare a Transfer to fund COAST account with broker / custodian with relevant details.
- d. Manager – OSD shall review and approve the request to fund COAST account with broker / custodian after confirming the correctness and appropriateness of the need and the amount of funding.
- e. After obtaining the approval of Manager – Operations, Assistant Manager/AVP/VP- OSD shall follow up with the authorized signatory to ensure the timely settlement of the requirement and obtain confirmation.

#### **Daily Settlement to Custodians (KCC)**

*Settlement of deals executed in KSE should be made to the custodian (KCC) on the next working day*

- a. Upon completion of daily trade reconciliation of trade, the Senior Officer – OSD shall calculate the amount to be paid to custodian for settlement of various trades executed by E-TRADE clients.
- b. A Transfer shall be prepared by Senior Officer based on the instructions of Manager OSD to requesting for processing the payment to be made to the custodian.
- c. The Transfer shall be reviewed and initialed by Manager/Asst. Manger/Supervisor/ Senior Manager OSD and shall be sent to the authorized signatory along with all the necessary supporting documents for further processing.

## E-Trade Department Policies and Procedures



### 12.9 BANK RECONCILIATION

#### 12.9.1 PURPOSE

The policies and procedures enumerated hereunder have been established to provide guidelines for processing of bank reconciliation.

#### 12.9.2 RESPONSIBILITY

Manager / Manager/Asst. Manger/Supervisor- OSD: Is responsible to ensure timely reconciliation of bank accounts.

Supervisor – Operations: Is responsible to review and approve the bank reconciliation statements and the corrective entries passed in the system.

Senior Officer/Officer-Operations: Is responsible for preparation of bank reconciliation statement.

#### 12.9.3 GENERAL POLICY STATEMENTS

The E-TRADE bank accounts shall be reconciled with the bank statements on a daily basis to confirm the correctness and completeness of the transactions recorded. Appropriate corrective action shall be taken in respect of discrepancies, if any identified as a result of bank reconciliation.

#### 12.9.4 PROCEDURAL STEPS

- a. Senior Officer/Staff-OSD shall download bank statement from online banking or he/ she will get the hard copy bank statement where online banking is not available.
- b. Senior Officer shall reconcile the bank statement with the GL account and identifies the differences and their reasons.
- c. Senior Officer shall pass the necessary rectification entries in the E-TRADE system in consultation with Manager/Asst. Manger/Supervisor– Operations, wherever necessary.
- d. Supervisor - OSD or higher grade shall review and approve the entries in the system after confirming the correctness and appropriateness of information.
- e. Senior Officer shall prepare bank reconciliation statement and forward it to Supervisor – Operations/ Manager/Asst. Manger/Supervisor- Operations
- f. Supervisor – OSD / Manager/Asst. Manger/Supervisor- OSD shall review the reconciliation statement; if no correction is required Supervisor – OSD / Manager/Asst. Manger/Supervisor- OSD shall initial the statement. Otherwise reconciliation statement shall be returned to Senior Officer with instruction to pass the rectification entries and to prepare the revised BRS

## E-Trade Department Policies and Procedures



- g. If correction is required Senior Officer shall make the correction and forward the revised bank reconciliation statement to Supervisor – OSD / Manager/Asst. Manger/Supervisor- Operations– Operation
- h. Supervisor – OSD / Manager/Asst. Manger/Supervisor- OSD shall review and approve the bank reconciliation statement after confirming the correctness and appropriateness of information
- i. A Copy of the bank reconciliation statement shall be send to Internal Audit department monthly for their audit not later than 5 days from end of every month

### 12.10 TRADE RECONCILIATION

#### 12.10.1 PURPOSE

The policies and procedures enumerated hereunder have been established to provide guidelines for processing of trade reconciliation.

#### 12.10.2 RESPONSIBILITY

Manager / Manager/Asst. Manger/Supervisor- Operations: Is responsible to ensure timely reconciliation of bank accounts.

Supervisor – Operations or higher grades are responsible to review and approve the trade reconciliation statements and to approve the necessary corrective entries.

Senior Officer/Officer-Operations: Is responsible for preparation of bank reconciliation statement.

#### 12.10.3 GENERAL POLICY STATEMENTS

- a. The trades recorded in the E-TRADE system shall be reconciled with the broker's/custodian's account statement on a daily basis to confirm the correctness and completeness of the trades recorded. Appropriate corrective action shall be taken in respect of discrepancies, if any identified as a result of trade reconciliation.
- b. Trade errors noted shall be rectified in the next working day.

#### 12.10.4 PROCEDURAL STEPS

- a. Senior Officer shall download the statement from broker/ clearing agent website or he/ she will receive the hard copy statement where the statement is not available online.
- b. Senior Officer shall extract daily trade summary report from the system

## E-Trade Department Policies and Procedures



- c. Senior Officer shall reconcile the system transaction report with the statement of account of broker/custodian. (This is currently done through excel macros)
- d. Senior Officer shall identify differences based on the reconciliation and analyze the reasons for such reasons differences, if any, in coordination with dealers/IT wherever required.
- e. Where rectification entries are to be passed in the E-TRADE system, the Senior Officer shall contact the dealers and intimate the details of corrections that need to be made to the deal entry.
- f. Upon rectification of errors by the dealer, the Supervisor – OSD / Manager/Asst. Manger/Supervisor- OSD shall review and approve the rectification entries in the system after confirm its correctness and appropriateness.
- g. Senior Officer shall prepare the final trade reconciliation statement and forward it to Supervisor – OSD / Manager/Asst. Manger/Supervisor- Operations.
- h. Supervisor – OSD / Manager/Asst. Manger/Supervisor- OSD shall review and approve the trade reconciliation statement after confirming the correctness and appropriateness of information.
- i. A copy of the reconciliation statement shall be sent to Internal Audit department monthly for their audit not later than 5 days from end of every month

### **12.10.4.1 Trade errors**

- a. Differences due to trade errors, if any, shall be retained in the reconciliation statement and shall be adjusted against the deal executed to rectify the position.

#### **12.10.4.1.1 IF THE TRADE ERROR DUE TO BROKER'S FAULT**

- b. Where trade error identified is due to broker's fault, the concerned broker shall be advised to rectify the position. In such case, the Supervisor – OSD / Senior Officer shall coordinate with the dealers to ensure that the broker's are communicated to rectify the error.

#### **12.10.4.1.2 IF THE TRADE ERROR IS DUE TO DEALER'S FAULT**

- c. Senior Officer shall prepare a memo detailing the trade error and the corrective deal to be made in consultation with Manager/Asst. Manger/Supervisor and Manager – OSD. Appropriate audit trials shall be verified to confirm the nature of, and the responsibility for the error.
- d. The memo shall be reviewed and initialed by Manager – OSD after the review of Manager/Asst. Manger/Supervisor- OSD and shall be forwarded to the Manager – E-trade for executing the corrective deal next day. Manager E-trade shall ensure for taking necessary action for executing the corrective deal.

## E-Trade Department Policies and Procedures



- e. Senior Officer will receive the deal ticket for the corrective deal from the dealer and shall update the memo with the particulars of the corrective deal and the profit/loss on account of the corrective deal.
- f. The memo along with deal ticket (for corrective deal) shall be reviewed and initialed by Senior Manager – OSD and shall be forwarded to SVP-AMG.
- g. SVP-AMG shall review and approve the deal ticket after confirming the correctness and appropriateness of information and forward it to CEO.
- h. Chief Executive Officer shall review and approve the deal ticket after confirming the correctness and appropriateness of information.
- i. After receiving the approval from the CEO, Manager/Asst. Manger/Supervisor- OSD shall review and approve the transaction (input by the dealer) in the system.

### **12.11 RECONCILIATION OF HOLDINGS**

#### **12.11.1 PURPOSE**

The policies and procedures enumerated hereunder have been established to provide guidelines for processing of holding reconciliation.

#### **12.11.2 RESPONSIBILITY**

Manager / Manager/Asst. Manger/Supervisor- Operation: Is responsible to ensure timely reconciliation of stock positions.

Supervisor – Operations: Is responsible to review and approve the reconciliation statements and for approving the corrective entries in the system.

Senior Officer/Officer-Operations: Is responsible for preparation of holding reconciliation statement.

#### **12.11.3 GENERAL POLICY STATEMENTS**

E-TRADE clients' stock and cash positions as per the E-TRADE system shall be reconciled with the broker's/custodian's account statement on a weekly basis to confirm the correctness and completeness of the stock and cash position. Appropriate corrective action shall be taken in respect of discrepancies, if any identified as a result of bank reconciliation.

#### **12.11.4 PROCEDURAL STEPS**

- a. Senior Officer shall download the statement from broker/ clearing agent website.
- b. Senior Officer shall extract security holding position report from the system and reconcile with the broker's/custodian's statement.

## E-Trade Department Policies and Procedures



- c. Senior Officer identifies the differences and analyze the reason.
- d. If there is no difference, Senior Officer shall prepare the holding reconciliation statement and forward it to Supervisor – Operations/ Manager/Asst. Manger/Supervisor-Operations.
- e. Supervisor – OSD / Manager/Asst. Manger/Supervisor- OSD review and approve holding reconciliation statement after confirming the correctness and appropriateness of information.
- f. If there is difference in reconciliation, Senior Officer shall update the system to rectify the differences.
- g. Supervisor – OSD or higher grade shall review and approve entries in the system after confirming the correctness and appropriateness.
- h. If differences are due to corporate events, Senior Officer shall process the corporate events as per the applicable procedures.
- i. A Copy of the reconciliation statement shall be send to Internal Audit department monthly for their audit not later than 5 days from end of every month

## 12.12 REPORTING

### 12.12.1 PURPOSE

This policy and procedure is established to document guidelines for MIS Reporting on the activities carried out by operational unit.

### 12.12.2 RESPONSIBILITY

Manager/ Manager/Asst. Manger/Supervisor–operations: Is responsible to review the reports and forward it to the concerned personnel in other departments.

Supervisor - Operations: Is responsible for generating the reports from the system.

### 12.12.3 GENERAL POLICY STATEMENTS

- a. **The Periodic management reports shall comply with the following standards:**
  - **Timely:** Reports shall be prepared at pre-determined times, as required by users.
  - **Sufficient:** Reports shall provide adequate information to allow for analysis and decision-making.
  - **Competent:** Reports shall provide accurate information.

## E-Trade Department Policies and Procedures



- Relevant: Reports shall provide information that is pertinent to the needs of users and shall not include information unrelated to the functions of the user.

### b. The following reports shall be prepared on a daily basis:

- FX positions. .
  - i. Purpose: To highlight the position of the FX currency available with E-Trade accounts with brokers/ custodian and identify the need to buy or sell foreign currency.
  - ii. Contents: Net foreign currencies position at the end of the day and the balances in foreign currency in account with banks, brokers and custodians.
  - iii. Report issued to: Manager – Operations, SVP/VP/AVP - Finance.

### c. The following reports shall be prepared on a weekly basis:

- Status of corporate events.
  - i. Purpose: To monitor the activities of corporate events such as split/ reverse split, dividends, bonus shares, ticker change, etc.
  - ii. Content: List of security, type of corporate event, rates where applicable, symbol, new symbol if there is change in ticker
  - iii. Report issued to: Manager – Operations.
- Number of shares transfer requests processed during and status on pending share transfer requests.
  - i. Purpose: To track the status of share transfer requests and to initiate necessary action to expedite the process.
  - ii. Content: List of new share transfer request, reference number, date of request, current status, security name, number of shares, reason for transferring the shares.
  - iii. Report issued to: Manager – CSRD, Manager – Operations.

## E-Trade Department Policies and Procedures



### 12.13 OPERATIONS

#### 12.13.1 CASH OPERATIONS

The OSD department is responsible to handle financial accounting and reporting. The activities of the OSD in respect of E-Trade include the following :

- Deposit of cash by client
- Payment to Client
- Payment to third party – Reuters and other service provider

#### 12.13.2 DEPOSIT OF CASH BY CLIENT

##### 12.13.2.1 PURPOSE

The policies and procedures enumerated hereunder have been established to provide guidelines for processing of cash received from client to fund his/ her E-TRADE account.

##### 12.13.2.2 RESPONSIBILITY

Senior Officer/Officer-OSD: Is responsible for handling the process of accounting of client deposits .

Manager/AVP/VP-OSD: Is responsible to ensure that all client deposits are accounted in a timely manner, and to review and approve the entries in respect of such deposits .

##### 12.13.2.3 GENERAL POLICY STATEMENTS

It shall be ensured that client deposits are processed on a timely basis in order that the amount deposited by the client is credited to the client account on the same day of deposit.

##### 12.13.2.4 PROCEDURAL STEPS

###### Direct deposit by client into E-TRADE Bank accounts

When client deposits money to his account, he/she is required to send the copy of bank deposit receipt to CSRD with relevant details of his account for accounting of such deposits. In any case, bank statement for E-TRADE will be monitored by Senior Officer to identify and account for new deposits by clients. Reference number (client's account number) is provided by the bank for credits for deposits by clients.

- a. Officer-OSD shall identify new deposits made by client either based on the monitoring of COAST E-TRADE bank account or on the basis of the receipt of the copy of bank deposit receipt from the client.
- b. Officer-OSD identify the client from the reference number provided by the client to the bank. If reference is not available, Senior Officer should wait till he/ she receives a call from client .
- c. Officer-OSD shall process the transaction to credit client E-Trade account in the system.

## E-Trade Department Policies and Procedures



- d. Officer-OSD shall print bank account statement from online banking and forward it to Senior Officer, along with bank deposit slip copy, if available.
- e. Senior Officer – Operations shall review and approve the entries made in the system after confirming the correctness and appropriateness of information.

### Receive instruction from reconciliation unit

- a. Senior Officer will receive a list from reconciliation unit all new deposits made by clients during the day which are yet to be accounted.
- b. Senior Officer shall confirm the correctness of information by logging in to online banking wherever is available .
- c. Senior Officer shall identify the client based on the reference number and shall pass the entry in the system to credit client account after confirming the correctness of information from the bank statement. No credits will be given to clients based on fax/photocopies, instead only after the credit reflected in the bank statement, credit will be given to clients.
- d. Senior Officer shall forward copy of the list received from reconciliation unit to Manager/AVP/VP-Operations .
- e. Senior Officer-OSD shall review and approve the entries made in the system after confirming the correctness and appropriateness of information.

### Receive a call from client

- a. Where client deposits money to E-Trade and is not credited to his/her account, he/she may call the trading desk or may come in person to clarify the reason .
- b. In such case the call agent / accounts officer shall refer the case to Senior Officer – OSD, who shall investigate the details of the deposits.
- c. Upon identifying the deposit details and confirming the receipt, Senior Officer shall verify the bank account statement online.
- d. Senior Officer shall enter the deposit transaction in the system and shall forward copy of the print out of bank statement (obtained online) to Manager/AVP/VP-Operations .
- e. Senior Officer-OSD shall review and approve the entries made in the system after confirming the correctness and appropriateness of information.

### Online payment by client through K-Net (POS - Integrated K-Net in the system)

Where the client transfers money to his account online through E-Trade system, the client account is automatically credited by the system subject to, and after, approval by Manager/SVP/SVP-Operations

## E-Trade Department Policies and Procedures



Senior Officer shall monitor and identify client deposits by online payment through E-Trade system and shall approve the same after confirming its appropriateness.

### 12.14 WITHDRAWAL BY CLIENTS

#### 12.14.1 PURPOSE

The policies and procedures enumerated hereunder have been established to provide guidelines for processing of cash withdrawal requests made by the client .

#### 12.14.2 RESPONSIBILITY

Senior Officer/Officer-Operations: Is responsible to prepare bank transfer letter/ cheque to pay the client and to coordinate the process of payment to clients.

Manager/AVP/VP-Operations: Is responsible to review and approve the entries for payment to clients .

Authorized signatory: Is responsible to review and sign bank transfer letter/ cheque to pay the client .

#### 12.14.3 GENERAL POLICY STATEMENTS

- a. It shall be ensured that payment to clients is done on a timely basis.
- b. Payments from/to E-Trade client accounts to third parties shall not be permitted

#### 12.14.4 PROCEDURAL STEPS

Withdrawal of money by clients without credit facility

E-Trade Clients who does not have credit facility can make withdrawal requests through the E-TRADE system

- a. Senior Officer will receive withdrawal requests from clients through the system.
- b. Senior Officer shall approve the request in the system.
- c. The system will print withdrawal order form for the Senior Officer/Officer-Operations.
- d. Senior Officer shall prepare bank transfer letter/ cheque based on the information in the withdrawal order form and forward the bank transfer letter/ cheque to Manager/AVP/VP-Operations.

## E-Trade Department Policies and Procedures



- e. Senior Officer shall forward the bank transfer letter / cheque along with the withdraw order form to authorized signatory.
- f. Authorized signatory shall review and sign the bank transfer letter/ cheque after confirming the correctness and appropriateness of information.
- g. In case of bank transfer, Senior Officer shall send the payment instruction to the bank. If payment is to be made by cheque the CSRD is contacted and requested to come in person to collect the cheque. When the client collects the cheque Senior Officer shall obtain acknowledgement from the client
- h. If the bank transfer request returned by the bank due to incorrect information, Senior Officer shall contact the client to obtain the correct information, make new request and attach it with the old request and forward it to the authorized signatory.
- i. Authorized signatory shall review and sign the new bank request letter after confirming the correctness and appropriateness of information.
- j. Senior Officer shall send the new bank transfer letter to the bank .
- k. If correct information could not be obtained from the client, Senior Officer shall reverse the entries in the system.
- l. Senior Officer-OSD shall review and approve the reversal entries in the system after confirming the correctness and appropriateness of information .
- m. No Cash deposits/Withdrawals are allowed from any client accounts without the pre-approval of compliance Dept .

### **Withdrawal of Money for client with credit facility**

Client who has been granted credit facilities by COAST/BANKS (mortgaged accounts) cannot withdraw cash from his/ her E-Trade account by submitting online request. Client has to visit the client's services department, fill and sign the appropriate form to withdraw cash from his/ her E-Trade account. Application should be forwarded by Account officer to Credit department for their approval .

- a. Senior Officer will receive a request from client approved by the Finance department/Banks.
- b. Senior Officer shall confirm the client signature and verify availability of fund in client E-Trade account.
- c. Senior Officer shall pass the entries in the system .
- d. Manager/Asst. Manger/ Supervisors shall approve the request in the system after confirming the availability of cash in client E-Trade account.
- e. The system will print withdraw order form for the Senior Officer/Officer-Operations.

## E-Trade Department Policies and Procedures



- f. Senior Officer shall prepare bank transfer letter/ cheque based on the information in the withdraw order form and forward the bank transfer letter/ cheque to Assistant Manager/AVP/VP-Operations.
- g. Senior Officer shall forward the bank transfer letter / cheque along with the withdraw order form to authorized signatory.
- h. Authorized signatory shall review and sign the bank request letter/ cheque after confirming the correctness and appropriateness of information.
- i. In case of bank transfer request, Senior Officer shall send the payment instruction to the bank. If payment is to be made by cheque the client is contacted and requested to come in person to collect the cheque. Senior Officer shall obtain client acknowledgement from the client on issuing the cheque .
- j. If the bank transfer request returned by the bank due to incorrect information, Senior Officer shall contact the CSRD to obtain the correct information, make new request and attach it with the old request and forward it to the authorized signatory.
- k. Authorized signatory shall review and sign the new bank request letter after confirming the correctness and appropriateness of information.
- l. Senior Officer shall send the revised bank transfer letter to the bank .
- m. If correct information could not be obtained from the client, Senior Officer shall reverse the entries in the system.

### **12.15 PAYMENT TO THIRD PARTY – SERVICE PROVIDER**

The policies and procedures enumerated hereunder have been established to provide guidelines for payment of service provider.

#### **12.15.1 RESPONSIBILITY**

Senior Officer/ Officer-Operations: Is responsible to prepare telegraph transfer form and make the entries in the system based on the invoice received from the service provider.

Manager/AVP/VP-Operations: Is responsible to review and approve the entries in the system and telegraph transfer form.

#### **12.15.2 GENERAL POLICY STATEMENTS**

Payment to the service provider should be made on a timely basis .

## E-Trade Department Policies and Procedures



### 12.15.3 PROCEDURAL STEPS

- a. Senior Officer will receive an invoice from the service provider .
- b. Senior Officer shall verify the invoice, prepare telegraph transfer form based on the invoice and make the entries in the system.
- c. Senior Officer-OSD shall review and approve the telegraph transfer form, and approve the entries in the system after confirming the correctness and appropriateness of information.
- d. Manager/AVP/VP-Operations: Is responsible to review and approve the entries in the system and telegraph transfer form.

### 13.0 E-TRADE DEPARTMENT – MONTHLY STAFF MEETINGS

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E-Trade Department head will hold monthly scheduled staff meetings with employees in the department to discuss matters related to the department's overall operations. The objective of the monthly meetings is to enhance the employees' performance levels and better meeting the department's and the organization's objectives.

Meetings will be held on Thursdays of every month to deliberate on the following subjects:

- 1- Overall markets/stocks performances
- 2- Clients' satisfaction level and how to improve
- 3- Mistakes committed and how to correct and avoid future instances
- 4- Individual employee/client cases and issues
- 5- Provide case studies

Each meeting will have the minutes recorded and filed for future reference.

### 14.0 E-TRADE DEPARTMENT – ACCOUNT OPENING & FILES ARCHIVING

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All files related to E-Trade Department which are, but are not limited to the following:

- 1- Client account opening – KYC – Contract – FATCA – Blacklist checks – CRS
- 2- Internal/External Official Memos
- 3- All forms related to the functionality and/or departmental operations of the Group
  - a. Coverage of Positions
  - b. Incident Reports
  - c. Manual Order Placement Forms
  - d. Employee Permissions/Overtime Forms
  - e. Shares Transfer Forms
  - f. Client Power of Attorney Forms

## E-Trade Department Policies and Procedures



- g. Trade Error Forms
- h. Client account applications and personal information stored for the period stated in CMA laws and regulations.

All Clients' files will be physically stored in a separate and secure room with adequate security measures with Client's Services and Regulator Department (CSR D):

- a. Locked storages and filing cabinets
- b. Viewed and accessed only to authorized personnel

All files will also be copied and stored electronically utilizing very secure software and are only viewed and accessed by authorized personnel.

### **15.0 E-TRADE ACCOUNT OPENING & ACTIVATION PROCEDURE**

Clients can open E-Trade Department E-Trade accounts through the following means:

1. Visit the company's Office
2. Pre-arranged location to meeting with the client

#### **15.1 COMPANY'S OFFICE**

The client will be welcomed at the Office to open an E-Trade account by CSR D.

The following procedure is followed by CSR D to open an E-Trade account:

1. Send a black-list inquiry form to the Compliance Officer by the name of the Client.
2. If the Client is not listed in the blacklist, the said form will be approved by the Compliance Officer and send it back to CSR D.
3. Client fills in Know Your Client form (KYC)
4. Client completely fills an E-Trade Account Contract
5. The Contract & KYC will be sent to authorized signatory (CH/VCH/CEO) for approval
6. If the Contract & KYC were approved & signed by the authorized signatory, the said documents will be sent back to CSR D.
7. CSR D creates an E-Trade account using Admin Terminal AT
8. All forms and applications will need to be approved by Compliance
9. The client deposits the minimum amount to activate the E-Trade account
10. The client will have his account activated by OSD after all the above

## **E-Trade Department Policies and Procedures**

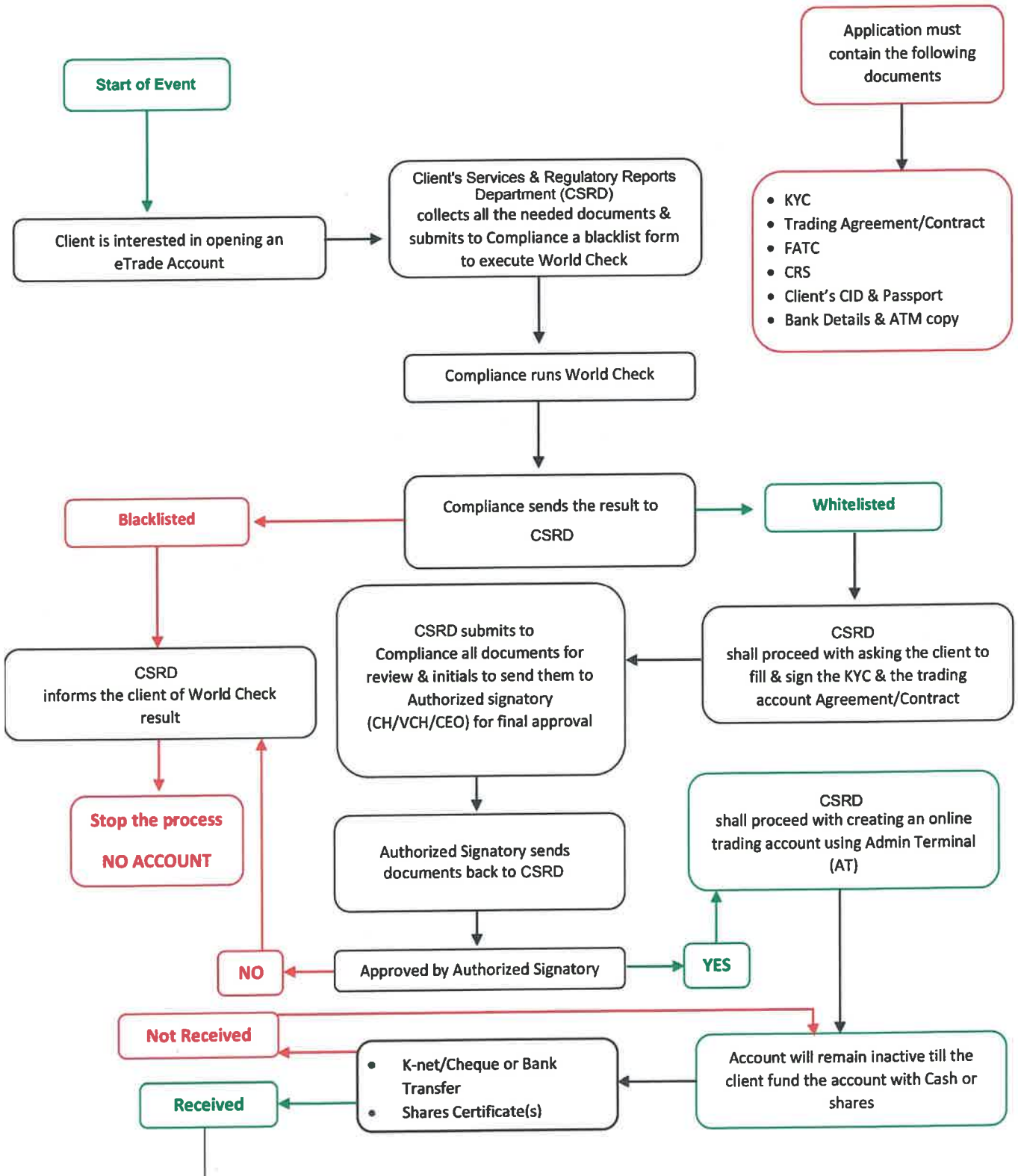


### **15.2 PRE-ARRANGED LOCATION TO MEETING WITH THE CLIENT**

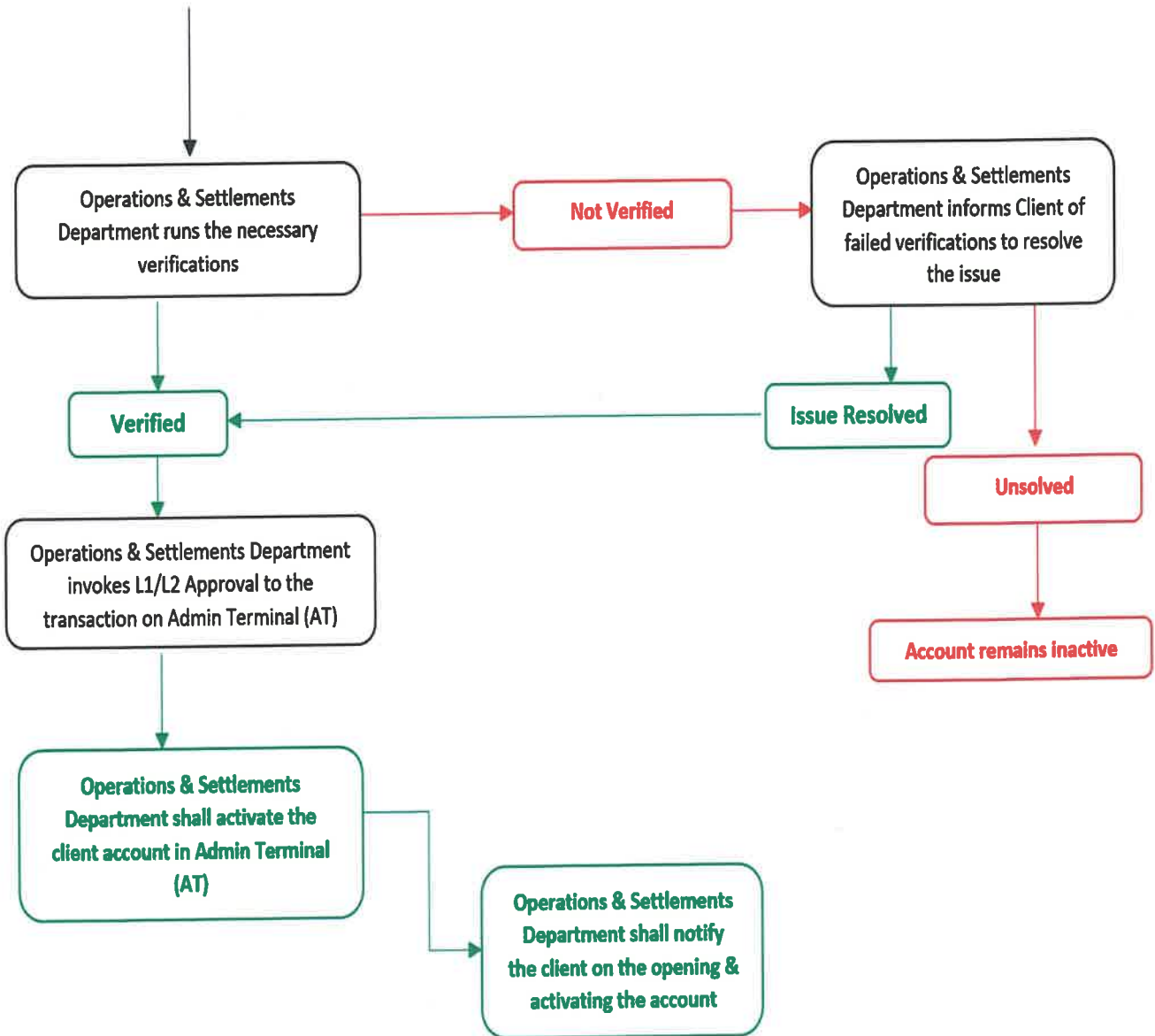
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If the client cannot visit the company's office for compelling reason, Coast can arrange a visit to meeting with the client in an agreed location, date & time.

## 15.3 ACCOUNT OPENING & ACTIVATION PROCEDURES – FLOW CHART



# E-Trade Department Policies and Procedures



### 16.0 E-TRADE ACCOUNTS INFORMATION UPDATE

As per the Capital Markets Authority's (CMA) rules and guidelines, a client's E-Trade account information and documents must be legally sound and up to date. Official time-sensitive documents including all, but not limited to, the civil identification card, passport, and power of attorney must be legal and valid. Updated contact information and home address is also necessary.

#### 16.1 E-TRADE ACCOUNT SUSPENSION

If all or any of the following documents have expired and/or no longer valid:

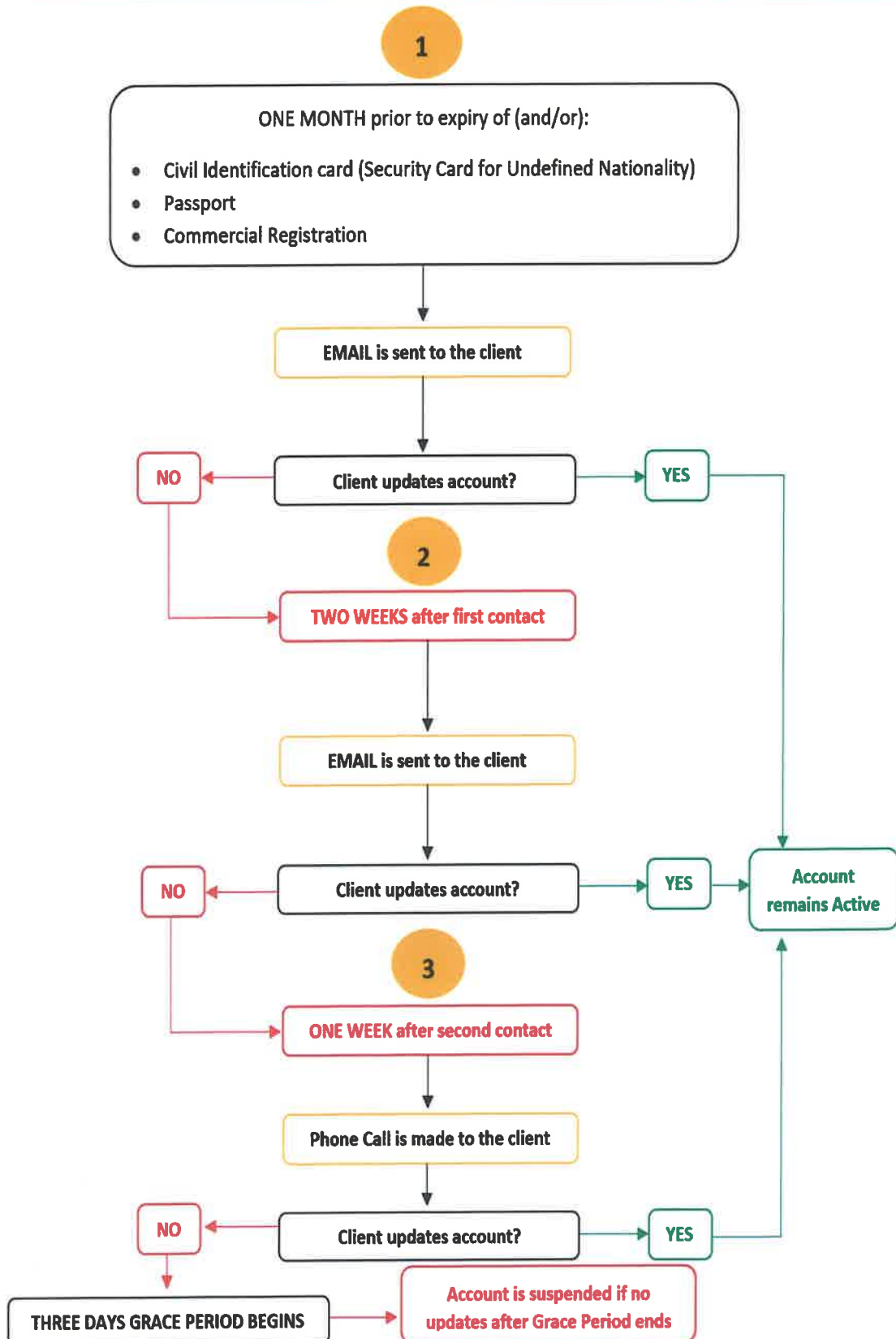
1. Civil Identification (Security Card for Undefined Nationality) and/or Passport
2. Commercial Registration (corporate accounts)

#### 16.2 CLIENT NOTIFICATION PROCEDURE

CSRSD will follow the below process to suitably notify E-Trade Department clients to update their E-Trade account information before any administrative action is taken against the account:

- |    |  |
|----|--|
| 1. | An Email is sent ONE month prior to expiration of Civil Identification card (Security Card for Undefined Nationality) and/or Passport and/or Commercial Registration.  |
| 2. | An Email is sent to the client TWO weeks after the initial form of contact (Email).  |
| 3. | A phone call is made to the client ONE week before expiration of Civil Identification card (Security Card for Undefined Nationality) and/or Passport and/or Commercial Registration.   |
| 4. | A Grace Period of THREE days is implemented after the client receives a phone call from the authorized personnel   |
| 5. | If the client does not respond with the needed documents after the Grace Period ends, the account is suspended. The client will not be able to trade and/or withdraw cash. Required documents will be listed in the "Remarks" section in the client account details. |

## 16.3 SUSPENSION NOTIFICATION PROCEDURE - FLOW CHART



### **16.4 CLIENT ACCOUNT INFORMATION ENQUIRIES**

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Authorized personnel from OSD Department will provide and assist clients with general enquiries which include, but are not limited to, the following:

1. Account opening information
2. Account closing information
3. Transfer of shares to/from markets/exchanges
5. Current/historical position
6. Current/historical cash
7. Dividends received
8. Account status (active, suspended, cash withdrawal suspended etc.)
9. Markets subscriptions
10. Cash deposits/withdrawals history
11. Power of Authority - Authorized person(s) on account
12. Personal account information update

### **16.5 CLIENT E-TRADE ENQUIRIES**

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CSRD & Business Development Department will also provide and assist clients with enquiries about E-Trade which include, but are not limited to, the following:

1. Products and Services information
2. Markets/exchanges offered
3. Commissions applied in markets/exchanges

### **16.6 CLIENT TRADING ORDERS ENQUIRIES**

---

E-Trade Department will also provide and assist clients with enquiries about orders information which include, but are not limited to, the following:

1. Order status (active, rejected, queued etc.)
2. Order placement, cancelation, amendments etc.
3. Technical assistance

## E-Trade Department Policies and Procedures



### 17.0 CLIENT SERVICES FEES AND EXPENSES

| Service Type  | Fees in KWD   |
|---|---|
| <b>Cash Withdrawal</b><br>E-Trade Account to Local Bank                             |   |
| <hr/> Amount equal to or above 100 KWD<br>(or equivalent in other currencies)       | 2.500   |
| Amount equal to or less than 99 KWD<br>(or equivalent in other currencies)          | 4.000   |
| International Bank Withdrawals Applicable working days)                             | 5.000 + applied official bank rates                             |
| <b>Cheque Withdrawal/Cancelation</b><br>Cheque request or cancellation              | 5.000 / Cheque  |
| <b>SMS Service</b><br>Trade Confirmations   | 0.750 / monthly<br>9.000 / annual                               |
| <b>Shares Transfer</b><br>Shares transfer charges between different stock exchanges | 5.000 / shares certificate<br>+ applicable market fees (if any) |
| <b>Positions Statement</b><br>Audited confirmation of position                      | 5.000 / Position Statement                                      |
| <b>To Whom It May Concern Letter</b>  | 5.000 / letter  |

## E-Trade Department Policies and Procedures



### 18.0 GCC FINANCIAL MARKETS FEES & COMMISSIONS

| Financial Market   | Trading Fees/Commission (Respective Market Currency)  |
|--|---|
| <b><u>Kuwait</u></b><br>Boursa Kuwait (BK)   | Premier<br>-Up to KWD 250 = 0.250 fils per order<br>-Above KWD 250 = TV x 0.10%<br><br>Main<br>-Up to KWD 165 = 0.250 fils per order<br>-Above KWD 165 = TV x 0.15%<br><br>Auction<br>-Up to KWD 85 = 0.250 fils per order<br>Above KWD 85 = TV x 0.30% |
| <b><u>Saudi Arabia</u></b><br>Tadawul (TDWL)   | - Minimum Charge = SAR 25<br>- Percentage commission = TV x 0.155%  |
| <b><u>Saudi Arabia</u></b><br>(SWAP)   | - Minimum Charge = SAR 25<br>- Percentage commission = TV x 0.175%  |
| <b><u>United Arab Emirates</u></b><br><br>Dubai Financial Market (DFM)<br>Abu Dhabi Stock Exchange (ADX)<br>NASDAQ Dubai (NSDQD) | - Minimum Charge = AED 75.5 + AED 10 (Per Trade)<br>- Percentage commission = TV x 0.265%   |
| <b><u>Qatar</u></b><br>Qatar Exchange (QE)   | - Minimum Charge = QAR 35<br>- Percentage commission = TV x 0.265%  |
| <b><u>Sultanate of Oman</u></b><br>Muscat Securities Market (MSM)  | - Minimum Charge = OMR 7<br>- Percentage commission = TV x 0.475%   |
| <b><u>Kingdom of Bahrain</u></b><br>Bahrain Stock Exchange (BSE)   | - Minimum Charge = BHD 9<br>- Percentage commission = TV x 0.250%   |

## E-Trade Department Policies and Procedures



### 19.0 US FINANCIAL MARKETS FEES & COMMISSIONS

| Financial Market   | Trading Fees/Commission<br>(Respective Market Currency)   |
|--|---|
| <p style="text-align: center;"><b><u>United States</u></b></p> <p>New York Stock Exchange<br/>(NYSE)</p> <p>American Stock Exchange<br/>(AMEX)</p> <p style="text-align: center;">NASDAQ</p> | <p><b>Coast Investment &amp; Development Co. has 2 different brokers in US market (each has its own commission and account opening process)</b></p> <p><b>1- COAST eTrade US MARKET COMMISSION</b></p> <ul style="list-style-type: none"> <li>- Minimum Charge (or TV below USD 30,000) = USD 17</li> <li>- Above USD 30,000 = TV x 0.068%</li> </ul> <p><b>2- COAST BROKERAGE US MARKET COMMISSION</b></p> <ul style="list-style-type: none"> <li>- Minimum Charge (orders' shares less than or equal to 1,000) = USD 8 per trade</li> <li>- Each additional share x USD 0.008, with a maximum of 1.5% of Trade Value.</li> </ul> <p><u>Other fees:</u><br/>Regulatory and Pass-through fees will apply for the US Markets in addition to the above commission</p> |

## E-Trade Department Policies and Procedures



### 20.0 REAL TIME MARKET DATA LEVELS FEES

| Financial Market   | Trading Fees/Commission (Respective Market Currency)    |
|--|---|
| <b><u>Kuwait</u></b><br>Boursa Kuwait (BK)   | Stocks + Indices<br>Level 2 = KWD 7.5                   |
| <b><u>Saudi Arabia</u></b><br>Tadawul (TDWL)   | Stocks + Indices<br>Level 2 = KWD 15                    |
| <b><u>United Arab Emirates</u></b><br><br>Dubai Financial Market (DFM)<br>Abu Dhabi Stock Exchange (ADX)<br>NASDAQ Dubai (NSDQD) | Stocks + Indices<br>Level 2 = KWD 7.500                 |
| <b><u>Qatar</u></b><br>Qatar Exchange (QE)   | Stocks + Indices<br>Level 2 = KWD 5.000                 |
| <b><u>Sultanate of Oman</u></b><br>Muscat Securities Market (MSM)  | Stocks + Indices<br>Level 2 = KWD 5.000                 |
| <b><u>Kingdom of Bahrain</u></b><br>Bahrain Stock Exchange (BSE)   | Stocks + Indices<br>Level 2 = KWD 5.000                 |
| <b><u>US Markets</u></b><br>NYSE   AMEX   NASDAQ   OPRA  <br>CBOE<br>OTC Pink Sheets   | Stock<br>Level 1 = KWD 6.000<br><br>Level 2 = KWD 3.000 |
| <b><u>US Markets</u></b><br>Dow Jones Index   S&P<br>OTC Pink Sheets   | Level 1 = KWD 3.000<br><br>Level 2 = KWD 7.500          |
| <b><u>European Markets</u></b><br>15 markets   | Stocks + Indices<br>Level 1 = KWD 5.000 per market      |

## **E-Trade Department Policies and Procedures**



\*\* ART 17.0 – 18.0 - 19.0 & 20.0 are subject to change based on market conditions and/or at Coast Investment's discretion

### **21.0 CONFIDENTIALITY**

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All E-Trade departments' employees routinely have access to insider and confidential information in the normal course of the work day. They are, according to the company Code of Ethics Policy, responsible to protect the confidentiality of information related to the company's clients. This responsibility is imposed by law, and may also arise out of agreements with the clients, or be based on internal rules adopted by the company.

### **22.0 ANTI-MONEY LAUNDERING**

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All E-Trade departments' employees are expected to fully comply with AML Laws and regulation. Any suspicious behavior from client's and/or other department and/or company employees should be reported immediately to the Compliance Officer.

### **23.0 CONFLICT OF INTERESTS**

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All E-Trade departments' employees must never allow themselves to be placed in a position where their personal or client's interests are in conflict (or could be in conflict) with the interests or business of the company. They must avoid any situation or activity that compromises, or may compromise, their judgment or ability to act in the best interest of the company. They are subject to the Conflict Of Interests Policy and Procedures of the company.

### **24.0 REVIEW AND UPDATE**

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The enclosed Policy should be reviewed on a yearly basis by the E-Trade AVP/VP under the supervision of Asset Management Group SVP. The Policy must be revised appropriately by SVP - Compliance & Legal Affairs Group taking into consideration the changes in internal and external environment Any changes to the same however shall be recommended by the CEO and approved by the Board of Directors.

A record of history of amendments made to the Policy shall be maintained in the 'Revision History Form' provided in the appendix to this Policy.

When amendments and revisions are made, they will specify the policies and procedures which supersede it.

### 24.1 PROCEDURES FOR AMENDMENTS

Any changes to Policy may be initiated by the E-Trade Department Supervisor/Manager/AVP/VP and forwarded to the SVP – Asset Management Group under the following circumstances:

- 1- Change in applicable statutes.
- 2- Any operational requirement as approved by management.

The proposed amendment will be prepared in DRAFT form and will be forwarded to the SVP – Asset Management with justification for the amendment

To amend the contents of this Policy, the concern department should complete a Request for Amendment Form attached to the Policy.

The request must be processed according to the following steps:

1. The concerned department has to fill out the Request for Amendment Form and addresses it to the SVP – Asset Management Group & SVP – Support Group
2. SVP – Asset Management Group & SVP – Support Group discusses the changes with SVP - Compliance & Legal Affairs Group, once agreed on the needed amendments, the needed amendments are being forwarded to the CEO.
3. The CEO discusses the need for amendments and agrees with the concerned department on a course of action.
4. Once agreed on needed amendments, the proposed changes shall be addressed to the Board of Directors for post-facto approval.
5. Upon approval of the Board of Directors, the amendments are addressed to the requesting concerned department who will be responsible for including the amendments in the Policy.

**Appendix 1 - BLACK LIST FORM**

طلب إستمعالم عن القائمة السوداء

التاريخ :

إلى :

الإدارة :

من :

إسم المستعلم عنه :

- عربي :

- إنجليزي :

- الرقم المدني :

- الجنسية : كويتي

- العلاقة بالشركة : موظف / عميل

- الصفة القانونية : أفراد / مؤسسات وشركات

الختم والموافقة

توقيع الجهة المستعلمة

## E-Trade Department Policies and Procedures



### Appendix 2 - REQUEST FOR AMENDMENT FORM

Name of entity requesting amendments: \_\_\_\_\_

Manual for: \_\_\_\_\_

Section/s Reference: \_\_\_\_\_

Policy/s Code: \_\_\_\_\_

Policy/s Name: \_\_\_\_\_

Description of needed amendments (problem):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Proposed amendments (solution):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Proposed by: \_\_\_\_\_

(requesting entity)

Reviewed by: \_\_\_\_\_

(SVP Asset Management Group review)

Reviewed by: \_\_\_\_\_

(SVP Compliance & Legal Affairs Group review)

Reviewed by: \_\_\_\_\_

(CEO review)

Approved by: \_\_\_\_\_

(Board of Directors' approval)

Implementation Date: \_\_\_\_\_

(as set by the Board of Directors)

Resource Person's Signature: \_\_\_\_\_

(upon receipt of approval)





# E-Trade Department Policies and Procedures



## Appendix 5 - INCIDENT REPORT FORM

|                              |  |
|------------------------------|--|
| Date of Incident:            |  |
| Client Account #             |  |
| Related Department/Division: |  |

Incident Initiated on side of:     COAST INVESTMENT     Client [ ] First Time [ ] Recurring     Other: \_\_\_\_\_

Type of Incident:     General Complaint     Altercation     Dispute/Specify Type: \_\_\_\_\_     Other: \_\_\_\_\_

Incident Circumstances/Description:

AVP eTrade Remarks/ Recommended Action(s):

VP eTrade Remarks & Action(s):

Legal/Compliance/Risk Remarks:

\_\_\_\_\_  
Acting CEO

\_\_\_\_\_  
VP eTrade





## E-Trade Department Policies and Procedures

### Appendix 8 - SHARE OWNERSHIP TRANSFERING FORM



بورصة الكويت  
BOURSA KUWAIT

نموذج طلب  
الموافقة على نقل ملكية أوراق مالية

التاريخ: / /

| مقدم الطلب   |                         |
|--|-------------------------|
| اسم الممثل القانوني لمقدم الطلب (في حالة الشخص الاعتباري)                          |                         |
| نوع الأوراق المالية المطلوب تحويل ملكيتها  |                         |
| عدد الأوراق المالية المحوثة  | اسم مصدر الورقة المالية |
|  | -                       |
|  | 1                       |
|  | 2                       |
|  | 3                       |
|  | 4                       |
|  | 5                       |
|  | 6                       |
|  | 7                       |
|  | 8                       |
|  | 9                       |
|  | 10                      |
| اسم المحول منه   |                         |
| اسم المحول إليه  |                         |
| استيفاء المستندات المرفقة بالطلب والدالة على السبب واللازمة لتحويل الأوراق المالية |                         |

- 1- يقر المحوّل منه بملكية الأوراق المالية المطلوب تحويل ملكيتها و دون أدنى مسؤولية على شركة بورصة الكويت.
- 2- يلتزم المحوّل منه والمحوّل إليه بتنفيذ الالتزامات المترتبة على هذا العقد في نفس يوم انعقاد الصفقة.

- لا مانع من التحويل ما لم يتعارض مع قانون هيئة أسواق المال (رقم 7 لسنة 2010) و لائحته التنفيذية.  
- على أن يتم إخطار الجهة المودع لديها سجل مساهمين الشركة المصدرة للأسهم للتأشير بسجلاتها بانتقال / تحويل الأسهم.

الأصل: الشركة الكويتية للمقاصة  
نسخة لكل من: شركة بورصة الكويت / مقدم الطلب.

## E-Trade Department Policies and Procedures



بورصة الكويت  
BOURSA KUWAIT

نموذج طلب  
الموافقة على نقل ملكية أوراق مالية

| المحول إليه | المحول منه |
|-------------|------------|
| الاسم:      | الاسم:     |
| التوقيع:    | التوقيع:   |

| لاستعمال شركة بورصة الكويت |                     |
|----------------------------|---------------------|
|                            | التوصية والاعتماد   |
| تختم شركة بورصة الكويت     | توقيع الموظف المختص |
|                            |                     |

- لا مانع من التحويل ما لم يتعارض مع قانون هيئة أسواق المال (رقم 7 لسنة 2010) و لائحته التنفيذية .  
- على أن يتم اخطار الجهة المودع لديها سجل مساهمين الشركة المصدرة للأسهم للتأشير بسجلاتها بانتقال / تحويل الأسهم .

الأصل: الشركة الكويتية للمقاصة  
نسخة لكل من: شركة بورصة الكويت / مقدم الطلب.

# E-Trade Department Policies and Procedures

## Appendix 9 - SHARE TRADING AUTHORIZATION FORMS



الشركة الكويتية للمقاصة  
التفويض في تداول الأوراق المالية



نموذج رقم 1/ الشخص الطبيعي

طلب إصدار تفويض  
للتداول في الأوراق المالية

التاريخ/

اسم مقدم الطلب وصفته/ توقيع مقدم الطلب/

| بيانات المفوض   |              |
|---|--------------|
| اسم المفوض  | الرقم المدني |
| اسم وكيل المفوض                                       | الرقم المدني |
| تملا في حال حضور وكيل عن المفوض                       |              |
| رقم التوكيل:  |              |
| يقر الوكيل بسريان التوكيل ويأذن الموكل على قيد الحياة |              |

| بيانات المفوض إليه      |                          |
|-------------------------|--------------------------|
| اسم المفوض إليه وتوقيعه | الإسم/<br>الرقم المدني / |
|                         | التوقيع/                 |

| بيانات التفويض         |  |
|------------------------|--|
| السند في التفويض       | <input type="checkbox"/> حضور المفوض والمفوض إليه          |
| عدد                    | سنة/سنوات  |
| نوع الحساب المفوض عليه | <input type="checkbox"/> حساب التداول                      |
|                        | <input type="checkbox"/> محفظة استثمارية بإدارة العميل     |
|                        | <input type="checkbox"/> قرابة من الدرجة الأولى أو الثانية |
|                        | <input type="checkbox"/> شامل                              |

| الشخص المرخص له  |  |
|--|--|
| اسم الشخص المرخص له:   |  |
| يقر الممثل القانوني للشخص المرخص له بحضور المفوض أو وكيله وحضور المفوض إليه، كل منهما شخصياً وقياسهما بالتوقيع على هذا التفويض، ويقر بصحة جميع البيانات الواردة بهذا التفويض وصور المستندات المرفقة به ومطابقتها للأصل، ويقر الممثل القانوني للشخص المرخص له بالتباعد عنه كافة الإجراءات والتأكد من كل الشروط الواردة بقرار هيئة أسواق المال رقم 24 لسنة 2019 بما في ذلك التحقق من صلاحية التفويض قبل إتمام أي عملية بيع أو شراء بموجبها وتحمله كامل المسؤوليات المترتبة على ذلك دون ادنى مسؤولية على الشركة الكويتية للمقاصة. |  |
| توقيع الممثل القانوني للشخص المرخص له  |  |
| ختم الشخص المرخص له  |  |

| لاستخدام المقاصة  |                                    |
|-------------------|------------------------------------|
| خدمة العملاء      | استيفاء المستندات: إسم الموظف:     |
|                   | إدخال البيانات: إسم الموظف:        |
|                   | <input type="checkbox"/> مقبول     |
|                   | <input type="checkbox"/> غير مكتمل |
| الإدارة القانونية | الإسم:                             |
| التفعيل           | الإسم:                             |

المرفقات

- صورة البطاقة المدنية للمفوض والمفوض إليه.
- صورة البطاقة المدنية للوكيل وصورة الوكالة الرسمية (في حالة وجود وكيل).
- نموذج اعرف عميلك.
- صورة من المستندات التي تغيد درجة القرابة من الدرجة الأولى أو الثانية بين المفوض والمفوض إليه.
- اعتماد توقيع الممثل القانوني للشخص المرخص له.
- أي مستندات أخرى تطلبها المقاصة.



الشركة الكويتية للمقاصة  
التفويض في تداول الأوراق المالية

## شروط التفويض

- 1 يجوز التفويض للتداول في الأوراق المالية المدرجة وغير المدرجة.
- 2 يجب حضور المفوض أو ممثله القانوني (بموجب توكيل رسمي) والتوقيع على نموذج التفويض أمام إحدى الجهات المرخص لها بإستلام نموذج التفويض وتقديمه للمقاصة طبقاً للحالات السابقة.
- 3 يجب حضور المفوض إليه شخصياً والتوقيع على نموذج التفويض أمام إحدى الجهات المرخص لها بإستلام نموذج التفويض وتقديمه للمقاصة طبقاً للحالات السابقة.
- 4 يجب أن يكون المفوض إليه شخصاً طبيعياً.
- 5 لا تقل مدة التفويض عن سنة ولا تزيد عن عشر سنوات، وفي حال عدم تحديد مدة التفويض يعتبر ساري لمدة سنة واحدة.
- 6 لا يجوز إصدار أكثر من تفويض لنفس المفوض إليه (ولا يدخل ضمن حساب عدد التفويضات التفويض الصادر إلى الأقارب حتى الدرجة الثانية).
- 7 لا يجوز التفويض للتداول على حسابات الشركات المساهمة والأشخاص المرخص لهم.
- 8 لا يجوز للمفوض إصدار أكثر من تفويض على نفس الحساب طوال فترة سريان التفويض.
- 9 يحق للمفوض أو المفوض إليه إلغاء التفويض في أي وقت قبل إنتهاء مدته.

## الإلتزامات

### إلتزامات المفوض والمفوض إليه

- 1 يلتزم المفوض والمفوض إليه إتباع الإجراءات الواردة بقرار هيئة أسواق المال رقم (24) لسنة 2019 بشأن التفويض في تداول الأوراق المالية سواء بشأن إصدار أو إلغاء التفويض.
  - 2 يلتزم المفوض والمفوض إليه بإخطار وكالة المقاصة فوراً عند تحديث أي من البيانات الواردة في النموذج.
- ### إلتزامات الأشخاص المرخص لهم بمزاولة نشاط وسيط أوراق مالية أو مدير محفظة إستثمار
- 1 يلزم الأشخاص المرخص لهم بمزاولة نشاط وسيط أوراق مالية أو مدير محفظة إستثمار بإتباع كافة الإجراءات والتأكد من مطابقتها كافة الشروط المطلوبة طبقاً لأحكام القرار رقم (24) لسنة 2019 بشأن التفويض في تداول الأوراق المالية قبل تقديم نموذج التفويض لاعتماده من المقاصة.
  - 2 يجب على الأشخاص المرخص لهم بمزاولة نشاط وسيط أوراق مالية أو مدير محفظة إستثمار التحقق من استيفاء كامل البيانات الواردة في نموذج إلغاء التفويض، ومن ثم تقديمه إلى وكالة المقاصة، ويحمل الأشخاص المرخص لهم مسؤولية صحة البيانات الواردة في نموذج التفويض أو التمديد أو الإلغاء عند تقديمها.
  - 3 التحقق من صلاحية التفويض قبل إتمام أي عمليات بيع أو شراء من قبل المفوض إليه.
  - 4 اتخاذ كافة الإجراءات اللازمة والكافية للتأكد من شخصية العميل، فلا يتم استقبال أي أمر إلا بعد التأكد من أن هذه الأوامر صادرة عن صاحب الحساب أو الشخص المفوض إليه.

# E-Trade Department Policies and Procedures



الشركة الكويتية للمقاصة  
للتفويض في تداول الأوراق المالية



نموذج رقم 2 / الشخص الاعتباري

التاريخ/.....

إسم مقدم الطلب وصفته/..... توقيع مقدم الطلب/.....

| بيانات المفوض   |   |                         |  |
|---|---|-------------------------|--|
| رقم السجل التجاري   | اسم الشخص الاعتباري وشكله القانوني                                      |                         |  |
| الرقم المدني  | اسم الممثل القانوني للشخص الاعتباري وصفته                               |                         |  |
| تملا في حال حضور وكيل عن الممثل القانوني للمفوض<br>رقم التوكيل: | توقيع الممثل القانوني للشخص الاعتباري<br>أو وكيله + ختم الشخص الاعتباري |                         |  |
| يقر الوكيل بمريان التوكيل ويان الموكل على قيد الحياة            |   |                         |  |
| بيانات المفوض إليه  |   |                         |  |
| الرقم المدني  | الإسم/  | إسم المفوض إليه وتوقيعه |  |
| علاقة المفوض إليه<br>بالشخص الاعتباري:                          | التوقيع/  |                         |  |

| بيانات التفويض         |   |  |                               |
|------------------------|---|--|-------------------------------|
| السند في التفويض       | <input type="checkbox"/> حضور المفوض والمفوض إليه | <input type="checkbox"/> وكالة رسمية                   |                               |
| مدة التفويض            | عدد سنة/سنوات.                                    |  |                               |
| نوع الحساب المفوض عليه | <input type="checkbox"/> حساب التداول             | <input type="checkbox"/> محفظة إستثمارية بإدارة العميل | <input type="checkbox"/> شامل |

| الشخص المرخص له   |  |
|---|--|
| إسم الشخص المرخص له:  |  |
| يقر الممثل القانوني للشخص المرخص له بحضور الممثل القانوني للمفوض أو وكيله وحضور المفوض إليه، كل منهما شخصياً و قيامهما بالتوقيع على هذا التفويض، ويقر بصحة جميع البيانات الواردة بهذا التفويض وصور المستندات المرفقة به ومطابقتها للأصل، ويقر الممثل القانوني للشخص المرخص له باتباعه كافة الإجراءات والتأكد من كل الشروط الواردة بقرار هيئة أسواق المال رقم 24 لسنة 2019 بما في ذلك التحقق من صلاحية التفويض قبل اتمام أي عملية بيع أو شراء بموجبه وتحمله كامل المسئوليات المترتبة على ذلك دون أدنى مسئولية على الشركة الكويتية للمقاصة. |  |
| توقيع الممثل القانوني للشخص المرخص له   |  |
| ختم الشخص الرخص له  |  |

| لاستخدام المقاصة  |                                |                                    |                                |
|-------------------|--------------------------------|------------------------------------|--------------------------------|
| خدمة العملاء      | إستيفاء المستندات: إسم الموظف: | التوقيع/                           |                                |
|                   | إدخال البيانات: إسم الموظف:    | التوقيع/                           |                                |
| الإدارة القانونية | <input type="checkbox"/> مقبول | <input type="checkbox"/> غير مكتمل | <input type="checkbox"/> مرفوض |
| التفصيل           | الإسم:                         | التوقيع                            |                                |
|                   | الإسم:                         | التوقيع                            |                                |

- المرفقات
- عقد التأسيس والنظام الأساسي للشخص الاعتباري وشهادة تحدد إسم الممثل القانوني له.
  - مستند يحدد علاقة المفوض إليه بالشخص الاعتباري مصدر التفويض.
  - صورة البطاقة المدنية لكل من: الممثل القانوني للمفوض واعتماد توقيعه. والمفوض إليه.
  - صورة البطاقة المدنية للوكيل وصورة الوكالة الرسمية (في حالة وجود وكيل) عن الممثل القانوني للمفوض.
  - نموذج اعرف عميلك.
  - اعتماد توقيع الممثل القانوني للشخص المرخص له.
  - أي مستندات اخرى تطلبها المقاصة.



الشركة للتويضة للمقاصة  
للتفويض في تداول الأوراق المالية

## شروط التفويض

- 1 يجوز التفويض للتداول في الأوراق المالية المدرجة وغير المدرجة.
- 2 يجب حضور المفوض أو ممثله القانوني (بموجب توكيل رسمي) والتوقيع على نموذج التفويض أمام إحدى الجهات المرخص لها باستلام نموذج التفويض وتقديمه للمقاصة طبقاً للحالات السابقة.
- 3 يجب حضور المفوض إليه شخصياً والتوقيع على نموذج التفويض أمام إحدى الجهات المرخص لها باستلام نموذج التفويض وتقديمه للمقاصة طبقاً للحالات السابقة.
- 4 يجب أن يكون المفوض إليه شخصاً طبيعياً.
- 5 لا تقل مدة التفويض عن سنة ولا تزيد عن عشر سنوات، وفي حال عدم تحديد مدة التفويض يعتبر ساري لمدة سنة واحدة.
- 6 يحق للمفوض أو المفوض إليه إلغاء التفويض في أي وقت قبل إنتهاء مدته.
- 7 لا يجوز التفويض للتداول على حسابات الشركات المساهمة والأشخاص المرخص لهم.
- 8 يجب أن تتضمن أغراض الشركة التعامل في الأوراق المالية.
- 9 يجوز للممثل القانوني للشخص الاعتباري إصدار تفويضين كحد أقصى.
- 10 يجب أن يكون المفوض إليه شخصاً طبيعياً (وفي حالة الشركات يجب أن يكون أحد الشركاء في الشركة، أو من ضمن الجهاز الإداري العامل لدى الشخص الاعتباري).
- 11 لا يجوز أن يصدر للمفوض إليه أكثر من تفويض في نفس الوقت، (ويستثنى من ذلك التفويضات الصادرة من أشخاص اعتباريين ينتمون لمجموعة واحدة وذلك فيما يتعلق باحتساب عدد التفويضات).

## الإلتزامات

### إلتزامات المفوض والمفوض إليه

- 1 يلتزم المفوض والمفوض إليه إتباع الإجراءات الواردة بقرار هيئة أسواق المال رقم (24) لسنة 2019 بشأن التفويض في تداول الأوراق المالية سواء بشأن إصدار أو إلغاء التفويض.
- 2 يلتزم المفوض والمفوض إليه بإخطار وكالة المقاصة فوراً عند تحديث أي من البيانات الواردة في النموذج.

### إلتزامات الأشخاص المرخص لهم بمزاولة نشاط وسيط أوراق مالية أو مدير محفظة استثمار

- 1 يلزم الأشخاص المرخص لهم بمزاولة نشاط وسيط أوراق مالية أو مدير محفظة استثمار بإتباع كافة الإجراءات والتأكد من مطابقة كافة الشروط المطلوبة طبقاً لأحكام القرار رقم (24) لسنة 2019 بشأن التفويض في تداول الأوراق المالية قبل تقديم نموذج التفويض لاعتماده من المقاصة.
- 2 يجب على الأشخاص المرخص لهم بمزاولة نشاط وسيط أوراق مالية أو مدير محفظة استثمار التحقق من استيفاء كامل البيانات الواردة في نموذج إلغاء التفويض، ومن ثم تقديمه إلى وكالة المقاصة، وتحمل الأشخاص المرخص لهم مسؤولية صحة البيانات الواردة في نموذج التفويض أو التمديد أو الإلغاء عند تقديمها.
- 3 التحقق من صلاحية التفويض قبل إتمام أي عمليات بيع أو شراء من قبل المفوض إليه.
- 4 اتخاذ كافة الإجراءات اللازمة والكافية للتأكد من شخصية العميل، فلا يتم استقبال أي أمر إلا بعد التأكد من أن هذه الأوامر صادرة عن صاحب الحساب أو الشخص المفوض إليه.

# E-Trade Department Policies and Procedures



الشركة الكويتية للمقاصة  
التفويض في تداول الأوراق المالية



نموذج رقم 4

طلب إلغاء تفويض

التاريخ/

إسم مقدم الطلب وصفته/ توقيع مقدم الطلب/

| بيانات طالب الإلغاء         |  |  |
|-----------------------------|--|--|
| إسم وصفة طالب الإلغاء       | الرقم المدني/ السجل التجاري                            |  |
| توقيع طالب الإلغاء أو وكيله | تملاً في حال حضور وكيل عن طالب الإلغاء<br>رقم التوكيل: |  |
|                             | يقر الوكيل بسريان التوكيل وبأن الموكل على قيد الحياة   |  |

| بيانات أطراف التفويض المطلوب إلغاءه         |  |
|---|--|
| بيانات المفوض<br>(إسمه وشكله القانوني)      |  |
| بيانات المفوض إليه<br>(إسمه وشكله القانوني) |  |

| بيانات التفويض المطلوب إلغاءه |  |
|-------------------------------|--|
| تاريخ إصدار التفويض           |  |
| تاريخ إنتهاءه                 |  |
| نوع الحساب المفوض عليه        | <input type="checkbox"/> حساب التداول <input type="checkbox"/> محفظة إستثمارية بإدارة العميل <input type="checkbox"/> شامل |

| الشخص المرخص له   |  |
|---|--|
| إسم الشخص المرخص له:  |  |
| يقر الممثل القانوني للشخص المرخص له بحضور ..... وقيامه بالتوقيع على هذا الطلب، ويقر بصحة جميع البيانات الواردة بهذا التفويض وصور المستندات المرفقة به ومطابقتها للأصل، ويقر الممثل القانوني للشخص المرخص له باتباعه كافة الإجراءات والتأكد من كل الشروط الواردة بقرار هيئة أسواق المال رقم 24 لسنة 2019 وتحمله كامل المسؤوليات المترتبة على ذلك دون أدنى مسئولية على الشركة الكويتية للمقاصة. |  |
| توقيع الممثل القانوني للشخص المرخص له   |  |
| ختم الشخص المرخص له   |  |

| لاستخدام المقاصة  |  |          |
|-------------------|--|----------|
| خدمة العملاء      | إستيفاء المستندات: إسم الموظف:   | التوقيع/ |
|                   | إدخال البيانات: إسم الموظف:  | التوقيع/ |
| الإدارة القانونية | <input type="checkbox"/> مقبول <input type="checkbox"/> غير مكتمل <input type="checkbox"/> مرفوض | التوقيع  |
| تفعيل الإلغاء     | الإسم:   | التوقيع  |

المرفات

- صورة البطاقة المدنية لطالب الإلغاء وتحديد صفته، واعتماد توقيعه مع بيان صفته بالانتميه للشخص الاعتباري.
- صورة البطاقة المدنية للوكيل وصورة الوكالة الرسمية (في حالة وجود وكيل).
- اعتماد توقيع الممثل القانوني للشخص المرخص له.
- أي مستندات أخرى تطلبها المقاصة.



الشركة القومية للمقاصة  
التفويض في تداول الأوراق المالية

## شروط التفويض

- 1 يجوز التفويض للتداول في الأوراق المالية المدرجة وغير المدرجة.
- 2 يجب حضور المفوض أو ممثله القانوني (بموجب توكيل رسمي) والتوقيع على نموذج التفويض أمام إحدى الجهات المرخص لها بإستلام نموذج التفويض وتقديمه للمقاصة طبقاً للحالات السابقة.
- 3 يجب حضور المفوض إليه شخصياً والتوقيع على نموذج التفويض أمام إحدى الجهات المرخص لها بإستلام نموذج التفويض وتقديمه للمقاصة طبقاً للحالات السابقة.
- 4 يجب أن يكون المفوض إليه شخصاً طبيعياً.
- 5 لا تقل مدة التفويض عن سنة ولا تزيد عن عشر سنوات، وفي حال عدم تحديد مدة التفويض يعتبر ساري لمدة سنة واحدة.
- 6 لا يجوز إصدار أكثر من تفويض لنفس المفوض إليه (ولا يدخل ضمن حساب عدد التفويضات الصادر إلى الأقارب حتى الدرجة الثانية).
- 7 لا يجوز التفويض للتداول على حسابات الشركات المساهمة والأشخاص المرخص لهم.
- 8 لا يجوز للمفوض إصدار أكثر من تفويض على نفس الحساب طوال فترة سريان التفويض.
- 9 يحق للمفوض أو المفوض إليه إلغاء التفويض في أي وقت قبل إنتهاء منته.

## الإلتزامات

### الإلتزامات المفوض والمفوض إليه

- 1 يلتزم المفوض والمفوض إليه بإتباع الإجراءات الواردة بقرار هيئة أسواق المال رقم (24) لسنة 2019 بشأن التفويض في تداول الأوراق المالية سواء بشأن إصدار أو إلغاء التفويض.
- 2 يلتزم المفوض والمفوض إليه بإخطار وكالة المقاصة فوراً عند تحديث أي من البيانات الواردة في النموذج.

### الإلتزامات الأشخاص المرخص لهم بمزاولة نشاط وسيط أوراق مالية أو مدير محفظة إستثمار

- 1 يلزم الأشخاص المرخص لهم بمزاولة نشاط وسيط أوراق مالية أو مدير محفظة إستثمار بإتباع كافة الإجراءات والتأكد من مطابقة كافة الشروط المطلوبة طبقاً لأحكام القرار رقم (24) لسنة 2019 بشأن التفويض في تداول الأوراق المالية قبل تقديم نموذج التفويض لاعتماده من المقاصة.
- 2 يجب على الأشخاص المرخص لهم بمزاولة نشاط وسيط أوراق مالية أو مدير محفظة استثمار التحقق من استيفاء كامل البيانات الواردة في نموذج إلغاء التفويض، ومن ثم تقديمه إلى وكالة المقاصة، ويتحمل الأشخاص المرخص لهم مسؤولية صحة البيانات الواردة في نموذج التفويض أو التمديد أو الإلغاء عند تقديمها.
- 3 التحقق من صلاحية التفويض قبل اتمام أي عمليات بيع أو شراء من قبل المفوض إليه.
- 4 اتخاذ كافة الإجراءات اللازمة والكافية للتأكد من شخصية العميل، فلا يتم استقبال أي أمر إلا بعد التأكد من أن هذه الأوامر صادرة عن صاحب الحساب أو الشخص المفوض إليه.

## E-Trade Department Policies and Procedures



### Appendix 10 - ACKNOWLEDGMENT OF RECEIPT

#### **Acknowledgment of Receipt Trade Error Cost Coverage and Broker Discipline Policy and Procedure**

The **Trade Error Cost Coverage and Broker Discipline Policy and Procedure** contains important information pertaining to my employment at Coast Investment and Development Company. I understand that I should consult my direct manager if I have any questions about the information contained in the document.

Since the information described in the Policy and Procedure are necessarily subject to change, I acknowledge that revisions to the document may occur.

All such changes will be communicated through official notices. I understand that revised information may supersede, modify, or eliminate existing policies.

A copy of the Policy and Procedure has been given to me to retain for future reference where I agree to familiarize myself with its contents and comply with the information provided.

I have received the Policy and Procedure and I understand that it is my responsibility to read and comply with the policies contained in it and any revisions made to it.

Employee's Name (printed): \_\_\_\_\_

Employee's Signature: \_\_\_\_\_

Date:     /     /

**Appendix 11 - TRADE ERROR COST COVERAGE PROCEDURE**

| Error Occurrence | Error Cost Coverage |         | Disciplinary Action                          |
|------------------|---------------------|---------|--|
|                  | Broker              | Company |  |
| First Error      | 100%                |         | First Notice                                 |
| Second Error     | 25%                 | 75%     | First Warning Letter                         |
| Third Error      | 50%                 | 50%     | Second Warning Letter                        |
| Fourth Error     | 75%                 | 25%     | 1-day Wage Deduction<br>Final Warning Letter |
| Fifth Error      | 100%                |         | Possible Employee Dismissal                  |

**Procedure Conditions:**

1. Trade Errors are calculated during one calendar year from Broker's employment date and/or assumption of duties as a Broker
2. Trade Error matrix is applied to a maximum overall cost of 500 KD per Trade Error
3. Trade Error percentage covered by the Broker is to be deducted from his monthly salary via monthly installments according to the company by-laws and labor law.
4. An Acknowledgment Form must be signed by the Broker before commencing Brokerage duties for the first time and signed perpetually after that.

## E-Trade Department Policies and Procedures



### Appendix 12 - FUND TRANSFER REQUEST FORM

|   |              |   |               |
|---|--------------|---|---------------|
|   |              | تحويل مبلغ نقدي من حساب التداول الالكتروني<br>Fund Transfer Request                           |               |
| Date:   | تاريخ:       |   |               |
| Family Name:  | إسم العائلة: | Second Name:  | الإسم الثاني: |
|   |              |   |               |
| Online Trading A/C No.  |              | رقم حساب التداول الالكتروني:  |               |
|   |              |   |               |
| Kindly, Transfer the mentioned cash value below to my following bank account: |              | يرجى التكرم بتحويل المبلغ المذكور أدناه من حسابي للتداول الإلكتروني إلى حسابي المصرفي التالي: |               |
| Bank Name   |              | اسم البنك   |               |
|   |              |   |               |
| IBAN No.  | رقم الأيبان  | Account No.   | رقم الحساب    |
|   |              |   |               |
| Currency  | العملة       | Cash Amount   | المبلغ        |
|   |              |   |               |
| Signature:  | التوقيع:     | Telephone:  | الهاتف:       |
|   |              |   |               |
| Company Use   |              | للاستخدام الشركة  |               |
| التصديق على التوقيع<br>Signature Verification                                 |              |   |               |
|   |              |   |               |
| توقيع المدير المسؤول<br>Manager Signature                                     |              | اسم الموظف المختص<br>Officer Name   |               |

## E-Trade Department Policies and Procedures



### Appendix 13 - CLOSE E-TRADE ACCOUNT REQUEST FORM

شركة الساحل للاستثمار والتنمية  
COAST INVESTMENT & DEVELOPMENT CO. K.S.C.P.  
Since 1975

طلب اغلاق حساب تداول الالكتروني  
Request To Close Online Trading Account

|              |  |               |  |
|--------------|--|---------------|--|
| Date:        |  | تاريخ:        |  |
| Family Name: |  | إسم العائلة:  |  |
| Second Name: |  | الإسم الثاني: |  |
| First Name:  |  | الإسم الأول:  |  |

Online Trading A/C No. رقم حساب التداول الالكتروني:

Please close my online trading account and transfer all available cash amounts to my following bank account: يرجى التكرم بإغلاق حسابي للتداول الإلكتروني لديكم وتحويل المبالغ النقدية الى حسابي المصرفي التالي:

|             |             |
|-------------|-------------|
| Bank Name   | اسم البنك   |
| IBAN No.    | رقم الحساب  |
| Account No. | رقم الأبيان |
| Currency    | المبلغ      |
| Cash Amount | العملة      |

|            |            |
|------------|------------|
| Signature: | الهاتف:    |
| التوقيع:   | Telephone: |

---

Company Use لاستخدام الشركة


التصديق على التوقيع  
Signature Verification

|  |   |                                   |
|--|---|-----------------------------------|
| مسؤول المطابقة والالتزام<br>Compliance Officer | توقيع المدير المسؤول<br>Manager Signature | اسم الموظف المختص<br>Officer Name |
|--|---|-----------------------------------|

## E-Trade Department Policies and Procedures



### Appendix 14 - SHARES TRANSFER HANDOVER ENDORSEMENT FORM



شركة الساحل للاستثمار والتنمية والاسماء التجارية  
COAST INVESTMENT & DEVELOPMENT CO. K.S.C.P. منذ 1976

**اقرار بتحويل ملكية أسهم واستلام شهادة اسهم**  
**Transfer Ownership of Shares & Shares Certificate Handover Endorsement**

**الموضوع: استلام شهادة اسهم**

بالإشارة إلى الموضوع أعلاه ، اقر باستلامي لشهادات الاسهم كما هو موضح بالجدول ادناه الخاصة بي بعد تحويلها من حساب شركة الساحل للتنمية والإستثمار – الكتروني رقم 9840829 لدى الشركة الكويتية للمقاصة الى حسابي لدى الشركة الكويتية للمقاصة.

Referring to the above subject, I acknowledge receipt of share certificates as shown in the table below after transferring them from COAST Investment Development Company - Electronic account in Kuwait Clearing Company No. 9840829 to my account with Kuwait Clearing Company account

| الرقم<br>No. | رقم الشركة<br>Stock No. | اسم السهم<br>Stock Symbol | إسم الشركة<br>Company Name | الكمية<br>Quantity |
|--------------|-------------------------|---------------------------|----------------------------|--------------------|
| 1            |                         |                           |                            |                    |
|              |                         |                           |                            |                    |
|              |                         |                           |                            |                    |
|              |                         |                           |                            |                    |
|              |                         |                           |                            |                    |
|              |                         |                           |                            |                    |

رقم التداول: Trading A/C

الرقم المدني Civil ID

توقيع العميل Signature

التاريخ: Date:

الإسم العميل Investor Name

الهاتف Telephone



## E-Trade Department Policies and Procedures



### Appendix 16 - SHARES TRANSFER FROM CLIENT'S KCC A/C - INTERNAL REFERENCE FORM

**المرجع الداخلي - Internal Reference**

طلب ايداع أسهم الى حساب الشركة للتداول الالكتروني لدى الشركة الكويتية للمقاصة  
Request To Deposit Shares to Company's Online Trading KCC A/C

Date: تاريخ:

Family Name: إسم العائلة:  Second Name: الإسم الثاني:  First Name: الإسم الأول:

Investor Civil ID No. رقم المدني للمستثمر:

Online Trading A/C No. رقم حساب التداول الالكتروني:

Please deposit the shares certificate(s) for the following securities in my Coast Brokerage online trading account: يرجى العمل على ايداع شهادات الأسهم التالية في حساب الساحل للتداول الالكتروني الخاص بي:

| الكمية<br>Quantity | إسم الشركة<br>Company Name | رمز الشركة<br>Stock Symbol | رقم الشركة<br>Co. Number | الرقم<br>No. |
|--------------------|----------------------------|----------------------------|--------------------------|--------------|
|                    |                            |                            |                          | 1            |
|                    |                            |                            |                          |              |
|                    |                            |                            |                          |              |
|                    |                            |                            |                          |              |
|                    |                            |                            |                          |              |
|                    |                            |                            |                          |              |
|                    |                            |                            |                          |              |
|                    |                            |                            |                          |              |
|                    |                            |                            |                          |              |
|                    |                            |                            |                          |              |

Signature: التوقيع:  Telephone: الهاتف:

Company Use لإستخدام الشركة

التصديق على التوقيع  
Signature Verification

توقيع المدير المسؤول  
Manager Signature

اسم الموظف المختص  
Officer Name

## E-Trade Department Policies and Procedures



### Appendix 17 - SHARES TRANSFER TO CLIENT'S KCC A/C - INTERNAL REFERENCE FORM

**المرجع الداخلي - Internal Reference**

**طلب تحويل ملكية أسهم الى حساب العميل لدى الشركة الكويتية**  
**Request To Transfer Ownership of Shares to Investor's KCC Trading A/C**

Date: تاريخ:

Family Name: إسم العائلة:  Second Name: الإسم الثاني:  First Name: الإسم الأول:

Investor Civil ID No. رقم المدني للمستثمر:

Online Trading A/C No. رقم حساب التداول الالكتروني:

Please issue shares certificate(s) for the following securities from my above mentioned Coast Brokerage investor account: يرجى العمل على إصدار شهادات بالأسهم التالية الموجودة في حساب الساحل للتداول الالكتروني المنشار إليه اعلاه:

| الكمية<br>Quantity | إسم الشركة<br>Company Name | اسم السهم<br>Stock Symbol | رقم الشركة<br>Stock No. | الرقم<br>No. |
|--------------------|----------------------------|---------------------------|-------------------------|--------------|
|                    |                            |                           |                         | 1            |
|                    |                            |                           |                         |              |
|                    |                            |                           |                         |              |
|                    |                            |                           |                         |              |
|                    |                            |                           |                         |              |
|                    |                            |                           |                         |              |
|                    |                            |                           |                         |              |
|                    |                            |                           |                         |              |
|                    |                            |                           |                         |              |
|                    |                            |                           |                         |              |

Signature: التوقيع:  Telephone: الهاتف:

Company Use الاستخدام الشركة

التصديق على التوقيع  
Signature Verification

توقيع المدير المسؤول  
Manager Signature

اسم الموظف المختص  
Officer Name








## E-Trade Department Policies and Procedures



### Appendix 21 - PERSONAL INFORMATION CHANGE REQUEST FORM



شركة الساحل للاستثمار والتطوير  
COAST INVESTMENT & DEVELOPMENT CO. K.S.C.P.  
منذ 1975

طلب تعديل بيانات شخصية  
Personal Information Change Request Form

Date: تاريخ:

Family Name: إسم العائلة:  Second Name: الإسم الثاني:  First Name: الإسم الأول:

Online Trading A/C No. رقم حساب التداول الالكتروني:

**Kindly change the following: يرجى التكرم بتعديل البيانات المشار اليها:**

Email  البريد الالكتروني

Telephone No. رقم الهاتف

Fax: فاكس:  Mobile: نقال:  Work: العمل:  Home: المنزل:

Bank Account Details بيانات الحساب المصرفي

IBAN: رقم الحساب المصرفي الدولي:  Branch: الفرع:  Bank: البنك:

Address العنوان

Work  العمل

Home  المنزل

Other Information بيانات أخرى

Signature: التوقيع:  Telephone: هاتف:

Company Use لإستخدام الشركة

التصديق على التوقيع  
Signature Verification

توقيع المدير المسؤول  
Manager Signature

اسم الموظف المختص  
Officer Name

## E-Trade Department Policies and Procedures



### Appendix 22 – REVISION HISTORY FORM

| Policy Ref. No. | Issue No. | Revision No. | Date of Revision | Approved By | Approver's Signature |
|-----------------|-----------|--------------|------------------|-------------|----------------------|
|                 |           | 1            | 10/2/2022        | BOD         |                      |
|                 |           | 2            | 4/3/2023         | No changes  |                      |
|                 |           | 3            | 4/3/2024         | " "         |                      |
|                 |           | 4            | 29/5/2025        | BOD         |                      |
|                 |           |              |                  |             |                      |
|                 |           |              |                  |             |                      |
|                 |           |              |                  |             |                      |
|                 |           |              |                  |             |                      |
|                 |           |              |                  |             |                      |