

Dawood Mohammed Securities (Pvt) Ltd.

(FORMERLY DAWOOD MOHAMMED SECURITIES (SMC-Pvt) Ltd)

Equity & Commodity Brokerage firm
TREC Holder Pakistan Stock Exchange
TREC Holder Pakistan Mercantile Exchange

CUSTOMER COMPLAINT HANDLING AND CONFLICT RESOLUTION POLICY

INTRODUCTION

The Board of Directors of **Dawood Mohammed Securities (Private) Limited** has approved the following policy to address issues related to client conflicts (grievances and complaints).

Policy regarding client grievances/complaints shall be made available on the Company's website where all contact details shall be furnished to enable clients to report their grievances/complaints:

1. Contact Person: Head of Compliance
2. Email Address:
3. Registered Address:

REASONS FOR CLIENT GRIEVANCE/COMPLAINT

Losing money through dealing in securities is not in itself a reason enough for a client to have a case against the broker. However, it is the responsibility of the broker to invest money according to client's instructions. There are certain malpractices against which a client may lodge/registered a complaint against the Broker, such as:

- Unauthorized trading (sale/purchase).
- Unauthorized transfer or movement of funds and shares.
- Non-supply of trade confirmations and statements of account.
- Overcharged commissions.
- Failure to execute client instructions/orders.
- Suspension of payment or non-delivery of securities.

GRIEVANCE HANDLING PROCESS

- Letters and emails sent by the clients on the above address shall be received directly by the Head of Compliance for immediate action.
- The above emails shall have an auto response function to intimate to the client that the request has been received for necessary action.
- Head of Compliance will maintain a register to log all clients' grievances/complaints and their resolutions.
- Head of Compliance will coordinate with the concerned departments to resolve the grievance / complaint within 15 working days and respond back to the client with an outcome to satisfy client query. CEO will be copied on all communications in this regard.



- In cases where Head of Compliance is unable to satisfy the client query within 15 working days, the CEO will review the matter and try to resolve the same.
- Should the matter remain unresolved even after the intervention of the CEO, client will have the option to refer the matter to the Exchange for Dispute and Arbitration under Chapter 18 of the PSX Rulebook.

DISPUTE AND ARBITRATION PROCESS

Whenever any dispute/conflict arises between the broker and its client in connection with any trade or transaction and is not otherwise settled amicably as per the above procedure, either broker or the client may refer dispute or conflict to the Exchange for arbitration in accordance with Chapter 18 of the PSX Rulebook and shall be dealt with in accordance to the procedure laid down in the relevant chapter to PSX Rulebook. Arbitration is an alternative dispute resolution mechanism provided by PSX for those persons who do not wish to go to Court. Through this method, disputes between the broker and their client may be addressed and resolved in respect of trades done at the Exchange. This process of resolving a dispute is comparatively faster than litigation. An application for arbitration has to be filed within 3 months from the date of the dispute.

FORUMS FOR ARBITRATION

There are 3 possible recourses for the Client to file a complaint but prior to this it is suggested that the complaint be taken up directly with the Broker. This will not only save time but may help to preserve the trust and confidence between the Broker and the Client.

1. Pakistan Stock Exchange (PSX) Arbitration Committee:

Client has an option of bringing their complaint to the management of the PSX. As a front line regulator, PSX is empowered to take cognizance of complaints against the Broker under its Regulations. After careful review of all documents provided by the parties, an Arbitration Award may be passed in accordance to the Regulations. Arbitrators are persons nominated by the PSX and may include industry experts. For further details please refer to Chapter 18 of the PSX Rulebook.

2. Securities and Exchange Commission of Pakistan (SECP):

The client can also lodge his/her complaint with the Vigilance Cell which has been set up at SECP to ensure that grievances/complaints of the general public are heard and redressed, in a quick and efficient manner. All the complaints received by the Vigilance Cell against Securities Brokers are forwarded to the Investor Complaint Wing (ICW) of the Securities Market Division (SMD) for further processing. However, SECP is not empowered to force the Brokers for compensation or damages.

3. Civil Court:

The Client can also file their complaint with the Civil Courts.

ARBITRATION PROCESS

Arbitration process followed at the PSX is summarized below:

- Copies of the following documents may be submitted along with the application to support the claim:
 - a) Copy of CNIC (in case of companies CNIC of the authorized representative)

- b) Account opening form of the complainant
 - c) CDC sub-account opening form/Individual investor account
 - d) Relevant Share Deposit receipts.
 - e) Relevant Trade confirmations slips/sale-purchase bills
 - f) Relevant cash receipts and payments made
 - g) Relevant CDC reports and statements
 - h) Any other documents signed by the complainant or Member during the course of business.
- An undertaking to abide by the rules and regulations of the Exchange.
 - PSX then appoints the Arbitrator(s). Claims up to Rs.0.5 million are referred for arbitration to the Sole Arbitrator of the Exchange who may hear and decide the matter. Claims/disputes above Rs.0.5 million are referred to the Sub Panel for its action.
 - An application received for arbitration shall be scrutinized as per procedures laid down in Chapter 18 of the PSX Rulebook.
 - Any party that is dissatisfied with any award of the Sole Arbitrator or the Sub Panel may file an appeal to the Arbitration Committee against such award 15 days of receipt of such award.

Note:

The Complaint can be dropped at the Complaint Box Fixed at Registered Office situated at Room # 532, 5TH Floor, PSX Building, New PSX Road, Karachi.