“Risk Management Policy”

Version 1.0

Definition: To manage the risk of the company and client from the volatility of the market.

RMS (Risk Management System) works on the following concepts:

Cash: The clear balance available in the customer's ledger account in our books.

Margin: The underlying stake provided by the customer in the form of fund available in the trading account. Margin should not be collected in cash.

Types of trading transactions:

a. Intraday Trade: Intraday trades: Intraday transactions are, sale & purchase in any Commodity which are reversed by contra transaction of Purchase- Sale in the same scrip and in the same quantity, so that net quantity carried is NIL on a trading day.

b. **Carry forward Trade:** This is net Purchase or Sale of Commodity in clients account which is settled, on next day or on any day before the contract expires.

Setting up client's exposure limit: In Futures segment, exposure limit of each client is set, based on Margin money given by the client. Upfront margin is collected from client, that is initial margin should be receive to Client Bank account of Bullionfox Commodity Pvt. Ltd., only after the clearance of the fund, the client will be allowed to trade in the system.

Refusal of orders for illiquid Commodity:

The Commodity broker may from time to time limit (quantity/value) / refuse orders in one or more commodities due to several reasons including market liquidity, the order being for commodities which are not in the permitted list of the Commodity broker / exchanges(s) /SEBI. Provided further that Commodity broker may require compulsory settlement / advance payment of expected settlement value for settlement prior to acceptance / placement of order(s) as well. The client agrees that the losses, if any because of such refusal or due to delay caused by such limits, shall be borne exclusively by the client alone. The Commodity broker may require reconfirmation of orders, which are larger than that specified by the Commodity broker's risk management, and is also aware that the Commodity broker has the discretion to reject the execution of such orders based on its risk perception.

Setting up Client's exposure limits and conditions under which a client may not be allowed to take further position or the broker may close the existing position of a client:

The Commodity broker may from time to time impose and vary limits on the orders that the client can place through the Commodity brokers trading system (including exposure limits, turnover limits, limits as to the number, value in respect of which orders can be placed etc.). The client is aware and agrees that the Commodity broker may need to vary or reduce the limits or impose new limits urgently on the basis of the Commodity broker risk perception and other factors considered relevant by the Commodity broker including but not limited to limits on account of exchange / SEBI directions / limits (such as broker level/market level limits in Commodity specific/volume specific exposures etc.) and the Commodity broker may be unable to inform the client of such variation, reduction or imposition in advance sometimes. The client agrees that the Commodity broker shall not be responsible for such variation, reduction or imposition or the client's inability to route any order through the Commodity broker's trading system because any such variation, reduction or imposition of limits.

The client further agrees that the Commodity broker may at orders or trade in Commodities through the Commodity broker, or it may subject any order placed by the client to a review before its entry into the trading systems and may refuse to execute / allow execution of limits set by Commodity broker/ exchange / SEBI and any other reasons which the Commodity broker may deem appropriate in the circumstances. The client agrees that the losses, if any, because of such refusal or delay caused by such review, shall be borne exclusively by the client alone. The Commodity broker is required only to communicate / advise the parameters for the calculation of the margin / security requirements as rate (s) / percentage (s) of the dealings, through any one or more means or methods such as post / speed post/ courier/ registered post/ registered A.D / facsimile/telegram/cable/e-mail/voice mails/telephone(telephone includes such devices as mobile phones etc.) including SMS on the mobile phone or any other similar device, by messaging on the computer screen of the client's computer; by informing the client through employees /agents of the Commodity broker, by publishing/displaying it on the website of the Commodity broker / making it available as a download from the website of the Commodity broker, by displaying it on the notice board of the branch / office through which the client trades or if the circumstances, so require, by radio broadcast / television broadcast /newspapers advertisements etc; or any other suitable or applicable mode or manner.

The client is not entitled to trade without adequate margin / security and that it shall be his/her/its responsibility to ascertain beforehand the margin / security requirements for his/her/its orders/trades/deals and to ensure that the required margin/ security is made available to the Commodity broker in such form and manner as may be required by the Commodity broker. If the client's order is executed despite a shortfall in the available margin, the client shall, whether or not the Commodity broker intimates such shortfall in the margin to the client, make up the shortfall suo moto immediately. The client further agrees that he/ she/it shall be responsible for all orders (including any orders that may be executed without the required margin in the client's account) & / or any claim / loss / damage arising out of the non-availability / shortage of margin / security required by the Commodity broker & / or exchange & /or quantum & or percentage of the margin & / or security required to be deposited / made available from time to time. The margin/security deposited by the client with the Commodity broker is not eligible for any interest.

Bullionfox Commodity Pvt. Ltd., has the right to close client's position,

Conditions under which a client may not be allowed to take further position.

Under the following conditions a client may not be allowed to take further position,

1. The client has a due / debit balance – Such clients can close out his open position but is not allowed to take any new position.
2. The client has not able to meet his pay-in obligation in cash by the schedule date of pay-in.
3. The client has not met Market to Market loss.
4. The “open” positions in a contract exceed or are close to market wide cut-off limits.
5. The client’s position is close to client-wise permissible “open” positions
6. The client had defaulted in meeting cash obligation leading to compulsory close out of the position.
7. Open position may be squared off by RMS for any client with MTM loss of over 70%.