

MUBASHER BROKERAGE SERVICES
EXECUTING BROKER AGREEMENT

This Mubasher Brokerage Services Executing Broker Agreement hereinafter referred to as the "Agreement" is executed and entered into by and between **Mubasher Financial Services (DIFC) Limited**, a Firm duly incorporated under the laws of the Dubai International Financial Centre ("DIFC") and having its office at Unit 303, Liberty House, Dubai International Financial Centre, Dubai, United Arab Emirates and whose Registration Number is 2461 ("**MFS**"), and **[Name of the Broker]** a broker-dealer / a Firm incorporated under the laws ofand having its office at and whose Registration Number is hereinafter referred to as the "Broker".

WHEREAS, the Broker is registered and authorized to execute securities trades on **[The Exchange]** and in good standing with the regulatory authority having jurisdiction over its activities and any obligations relating to the same, and desires to execute securities trades for MFS and its customers on **[the Exchange]**.

WHEREAS, MFS meets all requirements set forth by the Dubai Financial Services Authority DFSA to function as an intermediary execution services broker locally and internationally utilizing the services of duly authorized brokers in respective markets and desires to enter into an agreement with the Broker to execute securities trades on **[the exchange]** on behalf of MFS or its customers.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1) DEFINITIONS

- a. **Broker** – A broker appointed by MFS to execute trades on the local exchange of the country. Executing brokers are duly authorized by the local authorities and the stock exchange to act as a broker.
- b. **Custodian** – Independent entity that will perform custody of shares and settlement of trades on behalf of the Broker or MFS.
- c. **DFSA** – Dubai Financial Services Authority
- d. **DIFC** – Dubai International Financial Center
- e. **Fully Disclosed Accounts** – Account will be opened under the name of the end customer at MFS as well as the exchange.
- f. **Local Stock Exchange** – **[Name of the Exchange]**
- g. **MBS** – Mubasher Brokerage Services is a trade execution service, which is provided by MFS via a network of brokerage firms in various jurisdictions in order to facilitate its clients' trade execution, clearing and settlement on regional and global stock exchanges worldwide.

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- h. **Net Settle** – difference between total value of buy transactions and sell transactions during the day.
- i. **Omnibus Accounts** – Accounts maintained at MFS and exchanges under the name of the MFS. Sub accounts i.e. individual client accounts under the main account will be segregated using unique code numbers.
- j. **OMS** – means Order Management System which is a technical solution developed by MFS through which MFS shall execute client's orders in each market the client chooses to trade.
- k. **Settlement Date** – Date of settlement of an executed transaction as specified by individual markets or mutually agreed between the two parties of this Agreement.
- l. **Trading Limit** – Maximum negative net settle amount.

2) REPRESENTATIONS AND WARRANTIES

- A. The Broker represents and warrants to MFS that the:
 - 1. Broker is a corporation duly organized, validly existing and in good standing under the laws of [Exchange]
 - 2. Broker has all the requisite authority in conformity with all applicable laws and regulations to enter into this Agreement and to provide securities execution services to MFS in accordance with the terms hereof.
 - 3. Broker is and at all times during the term of this Agreement shall remain in compliance with the capital and financial reporting requirements of every securities exchange, securities clearing agency or regulatory authority to which it is subject.
 - 4. Broker is and at all times during the term of this Agreement shall remain in compliance with all applicable laws and regulations relating to the segregation of customer securities, cash and other property in its customer's accounts.
 - 5. Broker agrees to provide a power of attorney or any other legal documents to MFS to act on its behalf in front of MFS customers to facilitate smooth account opening and trading operations. Powers vested with MFS in this regard includes but not limited to;
 - a. Power to sign brokerage services contracts with the customers on behalf of the broker to execute trades in the local stock exchange;
 - b. Negotiate brokerage commission subject to pre agreed guidelines and discount structures; and
 - c. Provide any other information or services requested by customers that are normal in providing execution services
 - 6. Broker agrees to facilitate smooth coordination with local stock exchange to it is a member on behalf of MFS or its customers
 - 7. Broker expressly agrees that it will not deal with customers of MFS directly under any circumstances unless authorized by MFS in writing.

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B. MFS represents and warrants to the Broker that:

1. MFS is a limited liability company duly organized, validly existing and in good standing under the laws of the DFSA and the DIFC.
2. MFS is registered with the DIFC and is in compliance with the rules and regulations thereof.
3. MFS is licensed and regulated by the DFSA as a Category 3A Investment Firm.
4. MFS has entered in to number of Agreements with regional financial institutions and individual customers hereinafter referred to as customers to trade on the local stock exchange via an authorized executing broker appointed by MFS.
5. MFS has the authority to act on behalf of its customers including but not limited to performing such tasks as opening accounts, negotiating commissions, defining trading limits, etc.
6. MFS has all the requisite authority in conformity with all applicable laws and regulations to enter into this Agreement.

3) ACCOUNTS

- a) Under this Agreement, MFS requires execution services on the local stock exchange either on its own account or account opened under the name of its customers.
- b) At all times the shares purchased under this Agreement will be held in the name of MFS or its customers and the Broker will not trade in these securities without express instructions from MFS or its authorized customers.
- c) Under Omnibus or fully disclosed, MFS is investing on behalf of its customers, who are registered customers of MFS. The Broker will have no direct dealing with the customers in anyway and MFS will be fully responsible for all trades and settlement and any other obligations arising from securities trades routed via MBS.
- d) The Broker will be the executing partner of MFS and the Broker will only be required to account to MFS. When opening and operating of accounts under Omnibus or fully disclosed basis, it is the responsibility of the Broker to ensure compliance with the provisions of the local stock exchange and the local exchanges and market regulatory authority of the local stock exchange.
- e) In case additional information of a MFS customer is requested by the stock exchange or any other local authority, the Broker will request these information from MFS. MFS and its customers agree to provide any reasonable information required by local authorities as and when required

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4) MAINTENANCE OF BOOKS AND RECORDS

The Broker will maintain stock records and other records on a basis consistent with generally accepted practices in the securities industry. The Broker shall be responsible for preparing and filing the reports required by the governmental and regulatory agencies that have jurisdiction over its activities and MFS and the Broker will provide each other with such information, if any, which is in the control of one party but is required by the other to prepare any such report.

5) RECEIPT, DELIVERY AND SAFEGUARDING OF FUNDS AND SECURITIES

- a. The Broker will receive and deliver all funds and securities in connection with transactions for Accounts in accordance with the instructions of MFS. The Broker shall be responsible for its obligations to deliver funds or securities in connection with each such transaction. The Broker shall be responsible for any failure to fulfill such obligation.
- b. MFS shall be responsible for timely settlement of securities trades executed and accepted by it, subject to count and verification by MFS. However, MFS will not be responsible for any funds or securities delivered by the Broker, its agents or employees, until such funds or securities are physically delivered to MFS's premises and accepted by MFS or deposited in bank accounts maintained in MFS's name.
- c. MFS at its own discretion may accept custody services through the local central depository of the exchange or by appointing an independent custodian.
- d. Shares and securities may be held, at the sole discretion of MFS or MFS customers, at an independent custodian, in this case instructions will be jointly provided to the custodian by MFS or MFS customer and the Broker.
- e. Receipt and Delivery Pursuant to Special Instruction. Upon instruction from MFS, the Broker will make such transfers of securities or Accounts as may be requested. The Broker shall be responsible for determining if any securities held in the Broker's Accounts are "restricted securities" or "control stock" as defined by the rules of the regulatory agencies and that orders executed for such securities are in compliance with applicable laws, rules and regulations.

6) CONFIRMATIONS AND STATEMENTS

- a. Preparation and Transmission. The Broker will prepare and make available daily transaction details and holding positions for all active accounts of MFS through a mutually agreed mechanism. On special request of MFS, the Broker will provide any additional statements requested by the MFS or its customers.
- b. Examination and Notification of Errors. MFS shall examine promptly all information provided by the Broker via the system or otherwise. Information includes but not limited to daily transactions, holding positions, cash balances of accounts, commission calculations.

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- c. MSF may inform the Broker of any error in :
 - i. Any transaction, at any time prior to the settlement date of such transaction,
 - ii. Information appearing on daily reports within two days of such report.

7) EXECUTION OF TRANSACTIONS, OTHER SERVICES

- a. To ensure smooth electronic execution MFS at its own discretion may provide the Broker with the OMS and required training to operate the system. The Broker will be responsible for expenses relating to setting up the system at the Broker's premises and required communication expenses.
- b. MFS at its own discretion may route orders to the Broker for execution either via the OMS or any other electronic form pre agreed by the broker and MFS or on the phone with the dealer room of the Broker.
- c. It is the sole responsibility of the Broker to ensure that the OMS provided by MFS is fully tested and competently operated to ensure error free operations. MFS undertakes to take all reasonable precautions to ensure accurate and timely performance of its electronic execution system. Unless it is caused by gross negligence of MFS or its authorized employees, MFS makes no representation or warranty with respect to the performance or functionality of its electronic execution services platform and shall not be liable to the Broker with respect to any errors, down time or other problems relating to such system or service.
- d. The Broker agrees to put in place required contingency measures to accept and execute orders in case the OMS is unavailable for any reason
- e. The Broker agree to provide a sufficient trading limit to MFS and its customers to ensure smooth execution of securities trades, the trading limit will be mutually agreed between the Broker and MFS from time to time

8) FEES AND SETTLEMENTS FOR SECURITIES TRANSACTIONS

- a. Execution fees and brokerage discounts applicable together with the settlement terms shall be mutually agreed upon from time to time in writing, such arrangements shall form an integral part of this Agreement and the Broker and MFS shall be bound by such arrangement.
- b. Execution fees are subject to change at the discretion of market regulators in respective markets and such changes become applicable from the effective date of the change as specified by the regulators.
- c. Execution discount and custodian fees may be modified from time to time by MFS with prior written consent from the Broker without re-execution of this Agreement.
- d. MFS may object to new charges by giving notice canceling this Agreement as provided under the termination clause of this Agreement. During the pendency of such notice period, the previous charges shall continue to be effective until termination.
- e. The Broker and MFS agree to settle executions based on Net Settle for each day (meaning difference between total buy transactions and sell transactions) and agree to settle each other on or before the specified settlement date of the exchange. If the value of buy

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transactions exceed the sell transactions MFS is required to pay the Broker on the settlement date and if the value of the sell transactions exceed the value of the buy transactions the Broker is required to settle MFS on the settlement date.

- f. Settlements between MFS and the Broker will always be done via bank transfers in the transaction's currency of the exchange net of bank charges (Broker to pay any bank charges for transfers).

9) ORDER MANAGEMENT SYSTEM ('OMS')

- a. As a part of this Agreement MFS requires the brokers to either use the OMS or integrate with Mubasher trading network using a FIX API which will allow the Broker receive orders directly from MFS electronic execution system.
- b. In case MFS has provided the Broker with OMS, the Broker specifically agrees that all intellectual property rights of the OMS belong to MFS and its partners and the Broker has no rights on the system other than its intended usage under this Agreement.
- c. MFS agree to provide access to OMS at no cost to the Broker so long as this Agreement remains valid. Any hardware, 3rd party software and communication cost relating to the OMS will be borne by the Broker
- d. MFS reserves the right to charge a fee for the OMS with prior written consent of the Broker. If MFS and the Broker fail to agree on a fee, MFS has the right to remove the OMS with 30 days' prior notice to the Broker.
- e. At the request of the Broker MFS may from time to time do certain modification to the OMS to facilitate better integration with Broker's system. Any such changes done to the system will remain the property of MFS or its partners
- f. The Broker specifically acknowledges that all intellectual property rights of OMS or any software provided by MFS are the property of MFS and /or its partners and they are limited only to the Broker for the execution of MFS trade and the Broker has and acquires no rights thereof other than as outlined in this Agreement.

10) TRADING LIMIT

- a. Upon execution of this Agreement, the Broker will provide sufficient trading limit to MFS and its customers to ensure smooth execution of all trades by MFS or its customers. The Broker specifically undertakes not to reject any trade that is within the pre agreed trading limit.
- b. From time to time MFS may request increase of permanent trading limit agreed between the parties and the Broker undertakes to serve such requests on priority basis.

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11) INDEMNIFICATION

- a. The Broker agrees to indemnify and hold harmless MFS and its customers, each person who controls MFS and any directors, officers, employees, agents and attorneys of MFS ("MFS Indemnified Persons") from and against all claims, demands, proceedings, suits and actions and all liabilities, losses, expenses and costs (including any legal and accounting fees and expenses) relating to MFS's defense of any failure, for any reason, fraudulent or otherwise, by the Broker, the Broker's employees, independent agents or contractors to comply with any obligation under this Agreement or any other agreement executed and delivered to MFS in connection with MFS's performance of services hereunder and any act or failure to act by MFS Indemnified Persons, except any act or failure to act which is the result of gross negligence or willful misconduct on the part of any such MFS Indemnified Person.
- b. MFS shall indemnify and hold the Broker harmless against any, claims, demands, proceedings, suits and actions and all damages, liabilities, losses, expenses and costs (which shall include, but not be limited to, all costs of defense and investigation and all attorney's fees) to which Broker may become subject, insofar as such losses, claims, damages, liabilities or expenses arise out of, or are based upon the gross negligence or willful misconduct of MFS or its employees in providing the services contemplated hereunder.
- c. Upon receipt by any indemnified party under this Section of notice of the commencement of any action, and if a claim is to be made against the indemnifying party under this Section, the indemnified party will promptly notify the indemnifying party. The omission to notify the indemnifying party will not relieve it from any liability that it may have to any indemnified party.
- d. The Broker expressly agree to hold harmless and pay damages to MFS and its customers for any losses suffered due to inability of the Broker to execute a specific trade instruction including but not limited to the Broker being suspended or reprimanded by the local authorities for any reason.

12) TERMINATION OF AGREEMENT: TRANSFER OF ACCOUNTS

- a. Either party may terminate this Agreement by giving ninety (90) days prior written notice to the other party.
- b. Termination by MFS. Notwithstanding Section 12 (a), MFS may terminate this Agreement at any time on fifteen (15) days written notice to the Broker in the event that the Broker:
 - i. fails to comply with the terms of this Agreement and upon notification by MFS fails to begin compliance within 10 days from said notification; or
 - ii. is enjoined, prohibited or suspended, as a result of an administrative or judicial proceeding, from engaging in securities business activities constituting all or portions of the Broker's securities business, which injunction, prohibition or suspension in MFS's judgment makes impracticable the fully disclosed clearing relationship established in this Agreement.
 - iii. In addition to any other provisions for termination herein, this Agreement shall terminate immediately in the event that either the Broker or MFS ceases to conduct its business or the Broker:

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1. is no longer registered as a broker/dealer with regulatory authorities
 2. is no longer a member in good standing with the regulators; or
 3. is suspended by any national securities exchange of which the Broker is a member for failure to comply with the rules and regulations thereof.
- c. In the event that this Agreement is terminated for any reason, it shall be the Broker's responsibility to arrange for the conversion of the Broker Accounts to another clearing broker. The Broker will give MFS notice (the "Conversion Notice") of:
- i. the name of the broker that will assume responsibility for clearing services for the Broker;
 - ii. the date on which such broker will commence providing such services;
 - iii. the name of an individual within that organization who MFS can contact to coordinate the conversion.
- d. Termination of this Agreement shall not affect either party's rights or liabilities relating to business transacted prior to the effective date of such termination. From the date of termination until transfer or delivery of all Broker Accounts, rights and liabilities relating to business transacted after such termination shall be governed by the same terms as those set forth in this Agreement.

13) CONFIDENTIALITY AND NON-SOLICITATION

- a. All agreements, documents, papers, and data in any form, supplied by MFS concerning its clients shall be treated by the Broker as confidential. To the extent such documents or data are retained by the Broker, they shall be kept in a safe place and shall be made available to third parties only as authorized by MFS in writing or pursuant to any order or request of a court or regulatory body having appropriate jurisdiction. The Broker shall give MFS prompt notice of the receipt by the Broker of any such order or subpoena prior to disclosure of any confidential information, unless prohibited from doing so by the issuing authority. Such documents shall be made available by the Broker for inspection and examination by MFS auditors, by properly authorized agents or employees of any regulatory bodies or commissions or by such other persons as MFS may authorize in writing.
- b. The Broker shall use all reasonable efforts to protect MFS' and its affiliates' intellectual property including but not limited to Mubasher Brokerage Services framework, Mubasher OMS, Mubashertrade online trading system.
- c. MFS and the Broker agree not to solicit each other's customers without prior written approval from the other party.

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14) REMEDIES CUMULATIVE

The enumeration herein of specific remedies shall not be exclusive of any other remedies. Any delay or failure by any party to this Agreement to exercise any right, power, remedy or privilege herein contained, or now or hereafter existing under any applicable statute or law, shall not be construed to be a waiver of such right, power, remedy or privilege, nor to limit the exercise of such right, power, remedy or privilege, nor shall it preclude the further exercise thereof or the exercise of any other right, power, remedy or privilege.

15) RESPONSIBILITY FOR ERRORS; LIMIT ON LIABILITY; NO CONSEQUENTIAL DAMAGES

In the general course of business, MFS and the Broker shall each be responsible for correcting their own errors. In any action by the Broker against MFS for any claim arising out of the relationship created by this Agreement, MFS shall only be liable to the Broker in cases of gross negligence or willful misconduct, and in such cases MFS shall only be liable for the amount or actual monetary losses suffered by the Broker. The Broker shall not, in any such action or proceeding, or otherwise, assert any claim against MFS for consequential damages on account of any loss, cost, damage or expense which the Broker may suffer or incur related to transactions in connection with this Agreement or otherwise, including, but not limited to, any lost opportunity claims.

16) MISCELLANEOUS

- a. MFS shall limit its services to those services expressly set forth herein and related thereto.
- b. This Agreement may be modified only by a writing signed by both parties to this Agreement. Such modification shall not be deemed as a cancellation of this Agreement.
- c. This Agreement shall be binding upon all successors, assigns or transferees of both parties hereto, irrespective of any change with regard to the name of or the personnel of the Broker or MFS. Any assignment of this Agreement shall be subject to the requisite review and/or approval of any regulatory or self regulatory agency or body whose review and/or approval must be obtained prior to the effectiveness and validity of such assignment. No assignment of this Agreement shall be valid unless the non-assigning party, in its sole discretion consents to such an assignment in writing.
- d. Neither this Agreement nor any operation hereunder is intended to be, shall not be deemed to be, and shall not be treated as a general or limited partnership, association or joint venture or agency relationship between the Broker and MFS.
- e. This Agreement shall be construed in accordance with the laws of the DIFC.
- f. Any dispute arising in connection with this Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally settled by arbitration under the Arbitration Rules of the DIFC – LCIA Arbitration Centre, which Rules are deemed to be incorporated by reference into this clause.

The number of arbitrators shall be three (3).

The seat, or legal place, of arbitration shall be DIFC, U.A.E.

The language to be used in the arbitration shall be English.

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Both parties agree that the award passed by the Arbitral Tribunal shall be kept confidential from the public, competitors, customers and agents. The decision of the Arbitral Tribunal shall be final and binding upon the parties to this contract and both the parties agree to accept and abide by the award

- g. The headings preceding the text, articles and sections hereof have been inserted for convenience and reference only and shall not be construed to affect the meaning, construction or effect of this Agreement.
- h. This Agreement shall cover only the types of services set forth herein and is in no way intended nor shall it be construed to bestow upon MFS or the Broker any special treatment regarding any other arrangements, agreements or understandings that presently exist between the Broker and MFS or that may hereinafter exist. MFS will be under no obligation whatsoever to deal with the Broker or any of its subsidiaries or any companies controlled directly or indirectly by or affiliated with the Broker, in any capacity other than as set forth in this Agreement. Likewise, the Broker shall be under no obligation whatsoever to deal with MFS or any of its affiliates in any capacity other than as set forth in this Agreement
- i. If any provision or condition of this Agreement shall be held to be invalid or unenforceable by any court, or regulatory or self-regulatory agency or body, such invalidity or unenforceability shall attach only to such provision or condition. The validity of the remaining provisions and conditions shall not be affected thereby and this Agreement shall be carried out as if any such invalid or unenforceable provision or condition were not contained herein.
- j. In addition to any excuse provided by applicable law, all parties hereto shall be excused from liability for non-performance of this Agreement arising from force majeure defined as any event beyond any party's control, whether or not foreseeable by either party, including but not limited to, labor disturbance, war, fire, accident, communication failure, adverse weather, governmental act or regulation or other causes or events beyond either party's control, whether or not similar to those enumerated above.

17) NOTICES

For the purposes of any and all notices, consents, directions, approvals, restrictions, requests or other communications required or permitted to be delivered hereunder, MFS's address shall be:

Attention: Samer Abuzahra, Senior Executive Officer
Mubasher Financial (DIFC) Limited
Unit 303, Liberty House, Dubai International Financial Centre, Dubai
507133, United Arab Emirates
Telephone: +971 4 5246444

and the Broker's address shall be:

Attention:

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Either party may provide such notice or change its address for notice purposes by giving written notice pursuant to registered or certified mail, return receipt requested, of the new address to the other party

MADE AND EXECUTED AT _____ THIS _____ DAY OF _____ 2020

Signed for
Mubasher Financial Services (DIFC) Limited

Signed for
[Broker]

Signature

Signature

Name

Name

Title

Title

Initials (MFS)

Initials (Broker)

APPENDIX A

Executing Brokerage Services

Market Fees and Settlement Terms

Name of Exchange	
Instruments Covered	Equity
Trading Limit	unlimited
Settlement Terms	
Settlement currency	
Settlement Bank	
Brokerage Fees	

Signed for
**Mubasher Financial Services (DIFC)
Limited**

Signed for
[Broker]

Signature

Signature

Title

Title

Name

Name

Date

Date