

Letterhead Audit Firm

Date

[Broker's Address]

Dear [Broker/CEO Name],

Subject: Engagement Letter

We are pleased to confirm our understanding on terms of reference, objective of engagement, nature and limitations of our professional services which we shall provide under Regulations Governing System Audit (Regulatory Compliance) of the Brokers of Pakistan Mercantile Exchange Limited, 2012.

In this respect, we are also agreed to perform the procedures specified in aforesaid Regulations and to submit our report on findings resulting from our work directly to Pakistan Mercantile Exchange Ltd.

The procedures we shall adopt are solely to assist you to ensure compliance with the requirements of the Securities and Exchange Ordinance, 1969, (XVII OF 1969), General Regulations 2007 of PMEX, Commodity Exchange and Futures Contracts Rules, 2005 as well as decisions, directives and/or circulars issued by the Exchange and Commission from time to time.

This engagement is intended to cater the needs of all those who are interested in the affairs of [Broker]. We have no responsibility through this engagement to fulfill needs of any party or any person or any other authority those who have no interest in the affairs of [Broker].

The procedures that we will perform will not constitute an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements and, consequently, no assurance will be expressed.

We look forward to full cooperation with your staff and we trust that they will make available to us whatever records, documentation and other information requested in connection with our engagement.

If, for any reason, we are unable to complete the procedures, we will describe any restrictions on the performance of the procedures in our report, or will not issue a report as a result of this engagement.

We plan to begin our procedures on approximately and, unless unforeseeable problems are encountered, the engagement should be completed by [date by which audit will be completed].

We estimate that our fees for these services will be Rs. [...], the fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Please sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of the terms of the engagement including the procedures which we have agreed will be performed.

Sincerely,

[Signature of Engagement Partner]

[Engagement Partner's name]