

METHODOLOGY FOR SELECTING ELIGIBLE SECURITIES FOR STOCK BORROWING AND LENDING ON THE CSE CLEAR (PVT) LTD.

Stock Borrowing and Lending (SBL) will only be allowed for Ordinary Voting shares. The eligible securities for SBL transactions will be determined based on the following methodology:

1. Only the securities which are in the highest liquidity category, based on the bid-ask spread and the float adjusted traded volume decided by the CSE time to time.
2. Securities which are in the low volatility category, based on the actual VaR value decided by the CSE time to time.
3. Public Holding percentage of the eligible security as per latest available financial statements should exceed 15%.
4. The following securities will not be considered when selecting the eligible securities:
 - Securities on the Watch List. (as at the end of the quarter immediately preceding the date of revision of the eligible securities list)
 - Securities listed on the CSE during a period of 6 months immediately preceding the date of revision of the eligible securities list.
 - Securities which are in the process of being suspended from trading.

The list of eligible securities will be revised on a quarterly basis and the revised list of eligible securities will be effective from the first (1st) Market Day of the following quarter. The list of eligible securities for SBL applicable for a particular quarter will be published on the website of the CSE and will be disseminated to the Clearing Members.