

PART-2

AGREEMENT FOR ONLINE AND OR INTERNET BASED TRADING OF LISTED SECURITIES (STOCKS AND OTHER INSTRUMENTS Lanka Securities (Private)

This Agreement is made and entered into AT THE REQUEST AND APPLICATION OF THE CLIENT (defined later) on this day of(month) Two Thousand and Twenty(202..) at Colombo in the Democratic Socialist Republic of Sri Lanka (hereinafter "Sri Lanka")

(1) Parties

- 1.1 **Lanka Securities (Private) Limited, (hereinafter referred to as "the Stockbroker")**, (PV No4862), being Party of One Part and the Address of Notices being 3rd Floor, M@M Veranda Offices, No 34, W A D Ramanayake Mawatha, Colombo 2- Sri Lanka
- 1.2**(name of the Client) Account No** (hereinafter sometimes referred to as "the Client" which mean **its** successors and permitted assigns) and or Executors, heirs and Administrators. **of the Other Part**

Witnesseth

- (2) **Definitions:** (a) "Internet Trading Facility" shall mean the extension of the Order Management System (OMS) and the third-party application platform, which provides the Clients the ability to transact via the internet. (b) "Internet Trading Infrastructure" (ITI) shall mean the computer hardware, computer communication network and security protocols used to support and ensure reliability of the Application Systems.

(3) The presentations, The Terms and Conditions, Undertakings, Obligations and Declarations of the Parties

3.1 Client Obligations and Declarations

3.1.1 Client Obligations

- a. The Client/s affirm to Stockbroker of his/their/its overall capacity and competence in terms of knowledge, awareness, conversance, experience, versatility, and technical dexterity to comprehend and execute all processes of operations involved and accordingly carry out, without error, transactions of securities via the Internet Trading Facility and also have the minimum system specifications required for the purpose. The client affirms that Stockbroker has satisfied itself of clients' capacity on the information furnished by him/them/it
- b. The Client/s acknowledge of the responsibility of ensuring the safety, security, and confidentiality of Usernames and Passwords and the need to refrain from sharing and or disclosing them to with any other.
- c. The Client shall comply with the Password Policy of the Trading Participant, including the usage of strong passwords, ensuring frequent password changes, and ensuring non-disclosure of the password to any other party except as permitted under the Trading Participant Rules of the CSE.
- d. Where and when a common user ID has been allocated by the Stockbroker with due approvals, subject to a Declaration by the Client, onus will be on the Client/s to maintain proper records to ascertain as to who accessed, at what times, and during what periods, and the specific transactions performed each, and everyone so accessed.
- e. The client/s shall be solely responsible for all orders entered and transactions done by any person whosoever using

Lanka Securities (Pvt) Limited
3rd Floor, "M2M Veranda Offices", #34, W.A.D. Ramanayake Mawatha Colombo 02.
(A Licensed Trading Member of Colombo Stock Exchange)
(Company Registration Number – PV4862)

client/s' Username and/or Password, whether or not such person was authorized to do so or not by the Client/s. The Broker shall not, in such an event, be liable for any loss, financial or otherwise, accruing to the Client/s due to unauthorized usage of the facility. In the event the Client has failed to comply with the Password Policy of the Trading Participant, such Client shall be responsible for breach of contract and the consequences arising thereof.

- f. The Client shall immediately notify the Stockbroker in writing if he forgets his password, discovers any security flaws in Internet Based Trading System (IBTS), discovers/suspects discrepancies/ unauthorized access through its username/password/account together with full details thereof such as unauthorized use, the date, the manner, and the transactions effected pursuant to such unauthorized use etc.
- g. The Client/s agree that internet trading involves many uncertain factors and complex hardware, software, systems, communication lines, peripherals, etc. are susceptible to interruptions and dislocations. This agreement therefore does not amount to the Stockbroker/Colombo Stock Exchange (Exchange) representing or warranting an interrupted provision of the service.
- h. The Client/s shall not have any claim against the Exchange, CDS, or the Stockbroker on account of any suspension, interruption, non-availability or malfunctioning of the Stockbroker's IBTS or Service or the Exchange's service or systems or non-execution of his orders due to any link/system failure at the Client/Stockbroker's/Exchange end for any reason beyond the control of the stockbroker/Exchanges. The Broker shall not be liable for any direct, indirect, special, or consequential damages arising out of the use of the web site. The Client/s indemnify, defend, and hold harmless Stockbroker, its officers, Directors, and employees from and against all losses, expenses, damages, and costs from any violation of these Terms and Conditions or any activity related to Client/s' business transactions.
- i. The Client/s agree that the use of any information from websites on investment analyses of any securities shall be at the Client's' own risk financial or otherwise.
- j. The Laws of Sri Lanka shall govern the use of the web site and IBT System (hereinafter "IBTS").
- k. The Client undertakes IBTS will be used solely for the purpose of operating the CDS Account of the Account holder and not be used to operate CDS accounts of any other parties, except in the instances set out in the Stockbroker Rules of the Colombo Stock Exchange.
- l. The Client/s acknowledge that these rules are based on the "Trading Participant Rules Applicable to Stockbrokers and Stock Dealers dated April 3, 2023 and as amended by Circular No January 8, 2024 (Effective from January 16, 2024) of which the Clients are expected to have full knowledge of accessing the documents from the Website of Exchange.
- m. The Client undertakes to maintain the confidentiality of all data and information provided through the application system and agrees to take necessary steps to protect the security and integrity of this data.

3.1.2 Client Declaration

- a. The Client hereby declares that all transactions shall be subject to the rules of the CSE and other prevailing laws and regulations of Sri Lanka. The authority granted by the Client to the Stockbroker, along with other stipulations made by the Stockbroker from time to time, will regulate transactions conducted via the website.
- b. The Client authorizes the Stockbroker, at its absolute discretion and at the Client's risk, to sell and transfer any or all of the shares in the Client's securities account maintained with the CDS. This is to compensate for any loss or damages incurred by the Stockbroker as a result of the Client's default (for any reason) in making payments lawfully due to the Stockbroker for transactions pertaining to the said securities account on the settlement date.
- c. The Client acknowledges that this authority is granted in addition to the Stockbroker's right to sell specific securities related to the Client's default. This authority does not affect the Client's responsibility or liability toward the Stockbroker for such defaults. Furthermore, the Client agrees to any other remedial actions taken by the Stockbroker to recover losses incurred due to the Client's actions.

- d. The Client undertakes to conduct all business in compliance with the Terms and Conditions stated in this Agreement.
- e. The Client declares having read this Agreement in full, is fully aware of the Terms and Conditions governing the use of the website, and agrees to abide by them unconditionally.
- f. The Client assures and undertakes that transactions will not be attempted through the IBTS unless sufficient funds are available for the purchase of securities, inclusive of all associated charges. For the purposes of this Agreement, unless otherwise separately agreed, "sufficient funds" shall mean, in the case of a cash deposit, up to 100% of the value of the proposed transactions or a percentage of the Client's liquid securities portfolio. The purchasing power based on portfolio value may vary at the Stockbroker's discretion.

3.2 Stockbroker Obligations and Declarations

3.2.1 Stockbroker Obligations

- a. The Stockbroker shall ensure the confidentiality of all data and information exchanged through the Application Systems. The Trading Participant agrees to implement adequate security measures to protect this data
- b. The stockbroker undertakes not to disclose or permit the use of the User ID and password assigned to the Client by any other person, including employees of the Trading Participant, unless specifically authorized by **the Client in writing** under the Trading Participant Rules of the CSE.
- c. The Stockbroker reserves the right to change/revise the terms and conditions by updating this posting all changes/ revisions shall be part and parcel of the Terms and Conditions The Stockbroker has the exclusive right to decide on the opening, maintenance and or close of Internet Based Trading Facility.
- d. The Stockbroker, CDS and or Exchange reserves the right impose and revise all fees/charges applicable on the Internet Based Trading

3.2.2 Stockbroker Declarations

- a. The Stockbroker shall have the authority to sell and transfer the Client's securities to recover any loss or damages resulting from the Client's default as specified in Clause 3.1.2.(b).
- b. The Stockbroker reserves the right to amend or impose additional stipulations for transactions conducted via the website, provided such stipulations comply with the prevailing laws and regulations of Sri Lanka.
- c. The Stockbroker may exercise discretion in determining the purchasing power available to the Client based on the value of the Client's portfolio, as outlined in Clause 3.1.2(f).

3.3 Mutual Obligations

- a. The Parties undertakes to mutually to notify in writing to each the other,
 - i. in the event of any material change to the information provided in the agreement hereby entered into and,
 - ii. in the event of any modifications to the information pertaining to the Internet Trading Facility.
- b. The Parties acknowledge that these rules are based on the "Trading Participant Rules Applicable to Stockbrokers and Stock Dealers dated April 3, 2023 and as amended by Circular No January 8, 2024 (Effective from January 16, 2024) of which the Clients are expected to have full knowledge of accessing the documents from the Website of Exchange.

c. Without prejudice to the outstanding liabilities awaiting for settlement either party may terminate this Agreement by giving three months' notice

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Account Holder

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1st Joint Holder

.....
2nd Joint Holder

Date:

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For Lanka Securities (Pvt) Limited

Date: