

CUSTOMER AGREEMENT

This Agreement is entered into on this between **HNB Securities Limited**, a Company incorporated in Sri Lanka (Registration No. **PB228**) being an authorized primary dealer and having its registered address 04th Floor, No. 53 Dharmapala Mw., Colombo 03, Sri Lanka (hereinafter referred to as the “DEALER” and which shall include its successors and assigns) and

.....
(NIC NO / CRN) of

.....
(hereinafter referred to as the “CUSTOMER” and which shall include its successors and assigns)

Dealer—Primary Dealer appointed by the Central Bank of Sri Lanka to distribute Government Securities such as Treasury Bills, Treasury Bonds and other Central Bank Securities as well as derivatives which may be introduced in time to come, as well as other products which are within the Company’s products portfolio now and maybe introduced in time to come;

Customer – Any person or entity who purchases or sells or otherwise acquires or disposes of any product or any service therein or an interest therein through the Dealer or who negotiates with the Dealer for the possible acquisition or disposition of such product or any service therein or interest and shall include where the context so permits a legal representative (a person who is acting for a customer under a power of attorney) of such customer or of the state of such customer and shall be carried out subject to the below mentioned General Conditions.

General Conditions

1. Introduction

These General Conditions shall apply to any transactions entered into between the Customer and the bank/primary dealer (collectively “Dealer”) and may be supplemented by Specific Conditions which may be applicable for particular transactions, with such Specific Conditions prevailing over these General Conditions in the event of any conflict.

2. Authority

(a) The Dealer may open and maintain Securities Accounts to hold Scripless Securities and interest of the Customer in accordance with the terms and conditions mentioned herein and those contained in the Specific Conditions.

(b) The Dealer may rely on the authority of each person designated by the Customer to send Communications (defined below) or do any other thing, subject to system rules applicable to Dealer Direct Participants of the Scripless Securities Settlement System, until the Dealer has received written notice or other notice acceptable to it of any change from a duly authorized person and the Dealer has had a reasonable time to act (after which time it may rely on the change).

- (c) The Dealer may, without specific instructions of the Customer, carry out such transactions which are identified in the Specific Conditions.
- (d) The Dealer may receive maturity proceeds on Scripless Treasury Bills and proceeds of transactions in Scripless Treasury Bills to which the Customer is entitled.
- (e) The Dealer may rectify an erroneous debit or credit to a Securities Account of the Customer and shall inform the Customer in writing of any such rectification.

3. Communications

Unless otherwise agreed, the Customer or the Dealer may give instructions to the other in writing, by facsimile transmission or by any means of electronic communication, acceptable to the Dealer. The Customer shall comply with any agreed security procedures designed to verify the origination of any such communication and shall indemnify the Dealer for any loss or damage which may be caused to the Dealer for any non-compliance by the Customer.

4. Performance

- (a) The Dealer shall perform its obligations in respect of any transaction in good faith and with reasonable care, as determined in accordance with the standards and practices of the primary dealer industry.
- (b) Neither the Customer nor the Dealer will be responsible for any failure to perform any of its obligations with respect to any transaction if such performance would result in it being in breach of any law, regulation or other requirements of any governmental or other authority in accordance with which it is required to act.

5. Customer Information

- (a) The Customer shall provide the Dealer all documents and other information reasonably required by the Dealer for the purposes of opening and maintenance of Securities Accounts and entering into any transaction and the Customer shall undertake to promptly inform the Dealer upon any change of such information
- (b) The Dealer shall keep the information relating to the Customer as confidential provided however that the Dealer may disclose such information if the Customer consents to the disclosure of such information or to any third party who is involved in processing any data of the Dealer or if any such information is required to be disclosed by any law or by order of court.

6. Liability and Indemnity

- (a) Neither the Dealer nor Customer shall have any liability for any indirect, incidental or consequential loss or damages.

- (b) The Dealer shall not be liable for any losses sustained by the Customer unless caused by negligence or default on the part of the Dealer or any of its employees or agents.
- (c) The Customer agrees to indemnify the Dealer from any loss or liability arising out of the carrying out of any instructions of the Customer provided in accordance with the General Conditions and the Specific Conditions, including but not limited to the settlement of funds to the Dealer on the stipulated value date, and any loss arising to the Dealer as a result of the failure to do so.
- (d) If the Customer is more than one individual, all persons who would comprise the Customer, shall be jointly and severally liable to the Dealer.

7. Fees, Taxes and Levies

- (a) The Customer shall pay to the Dealer such fees and charges as are specified in any fee schedule which is provided by the Dealer to the Customer. Fees and charges may be waived by the Dealer at its discretion;
- (b) The Customer shall pay the Dealer all expenses incurred by the Dealer on account of taxes, levies and duties imposed on any transactions which are entered into between the Customer and the Dealer or by the Dealer on behalf of the Customer.

8. Lien and Set-Off

- (a) The Dealer shall be entitled to exercise a right of lien on all monies, deposits and securities belonging to the Customer pending the settlement of all amounts which are due and owing from the Customer to the Dealer.
- (b) The Dealer shall also be entitled to exercise a right of set-off and appropriate any sum standing to the credit of the Customer in any account towards the satisfaction of the amounts due from the Customer to the Dealer.

9. Deal Confirmations and Customer Statements

- (a) The Dealer shall send a written confirmation for each transaction entered into on behalf of the Customer.
- (b) The Customer should make use of the facilities afforded by the Central Bank of Sri Lanka to receive periodic statements in electronic form or through the postal system. In addition, the Customer may also view the status of their transactions through the facilities provided by the Central Bank of Sri Lanka for such purpose.
- (c) The Customer shall inform the Dealer in writing of any errors in confirmations or statements issued by the Dealer or the Central Bank of Sri Lanka within 14 days of receipt of such statement or confirmation.

- (c) The Customer agrees to provide instructions pertaining to the maturity proceeds at least seven calendar days prior to maturity. In the event of the Dealer not having any instructions with respect to the manner in which the maturity proceeds are to be dealt with, the Dealer may reinvest such proceeds for a period not exceeding the period of the earlier transaction, in accordance with the Customer Charter

10. Notices

The Dealer and the Customer shall notify each other of the names and designations of persons to whom any notice in terms of this Agreement should be sent together with their addresses, facsimile contact numbers or e-mail addresses as may be applicable. Each of the Customer and the Dealer may rely on the information provided as aforesaid until it has received notice in the manner specified above of any change and has had a reasonable time to act (after which time it may rely on the change).

11. Complaint resolution

The Dealer would resolve any complaints which it has received from the Customer in accordance with the complaints resolution procedure set out in Section 14 of the Customer Charter issued by the Central Bank of Sri Lanka to primary dealers.

12. Amendments

The Dealer shall provide the Customer with no less than one month's notice with regard to any amendments, alterations to the services which it provides to customers.

13. Language of communication

The Dealer's preferred language of communication is English. Alternatively, the Customer may request that any information/documentation relating to any transactions to be entered into by the Customer with the Dealer be provided to him in either Sinhala or Tamil language.

14. Applicable Law

The Dealer shall at all times act in accordance with all applicable written law in the carrying out of its responsibilities, duties and functions and in the provision of services to the Customer.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

By:

Name: Tanuja Perera

Title: Vice President - Operations

Date:

By:

Name: Shehan Stembo

Title : CEO

Date :

[Where CUSTOMER is an individual]

Signature(s):

Name:

.....

Name:

Signature(s):

Name:

.....

Name:

Witness:

(Name).....

Witness:

(Name).....

Date :

[Where CUSTOMER is incorporated]

The common seal ofLimited)
was affixed hereto in Colombo in the)
Seal affixed and Directors sign presence of)
..... Director)
and Director)
who do hereby attest the sealing hereof)

Witness

1.

2.

OR

Signed by , Authorised)
Signatory of the Company at Colombo) Signature

Witness

1.

2.