

AGREEMENT – CREDIT FACILITY

(Two-Page Document)

THIS AGREEMENT is made and entered into on this _____ day of _____ Two Thousand and _____ (20__).

By and Between

Asha Phillip Securities Limited a company duly incorporated under the laws of Sri Lanka and having its registered office at No. 321, Lakshmans Building, 2nd Floor, Colombo 03 (hereinafter referred to as "The Company") which term shall as herein used where the context so requires mean and include the said Asha Phillip Securities Limited (its successors permitted assigns) of the One Part

And

.....
(a company incorporated under the laws of Sri Lanka\client name) bearing CDS numberand having its registered office/residence at No.....
(hereinafter referred to as "The Client") which term shall as herein used where the context so requires mean and include the saidOr its successors and assigns/his heirs executors administrators and assigns of the Other Part

The Company and The Client are individually referred to herein as "**Party**" and collectively as "**Parties**"

WHEREAS the Colombo Stock Exchange Stock Broker Rules which are in force from 12th February 2012 to refrain from extending credit to the clients, without a written Agreement.

THEREFORE THIS AGREEMENT WITNESSETH and it is hereby agreed by and between the parties hereto as follows

REPRESENTATIONS AND WARRANTIES

Each of the parties represents and warrants that:

- 1.They have the legal power and authority to enter into and perform their respective obligations under this Agreement and that the parties have the financial capacity to undertake and perform their respective obligations under this Agreement;
- 2.No litigation, arbitration, dispute or legal proceeding has been commenced or is pending or is threatened and no judgment or award has been given or is pending which in any way prejudices or restricts the power, capacity or authority of the respective parties hereto to perform its undertakings under this Agreement.

CONDITIONS OF CREDIT

1. The Company shall grant credit only in instances where the credit granted is secured by listed securities.
2. The Company shall not grant credit exceeding 50% of the market value of the client’s pledged securities portfolio, provided however in the event that the securities pledged are less than 10% at the time they are pledged the client shall make good such shortfall by the next market day.
3. If the client fails to make good such shortfall by the next market day the Company shall be entitled to sell the pledged securities and recover such shortfall.
4. The Company shall not grant credit to any single client beyond the stipulated limits setout by the Securities Exchange Commission Regulation.
5. Any outstanding credit payments above T+7 will be charged at an interest rate of 16.5% annually.

However the above rates and directions are subject to vary from time to time as per the Colombo Stock Exchange and Securities Exchange Commission regulations/guidelines and directions.

VARIATION AND CANCELLATION

No agreement varying, adding to, deleting from or cancelling the Agreement shall be effective unless reduced to writing and signed by on behalf of the Parties.

REMEDIES AND WAIVERS

No delay or omission on the part of any Party in exercising any right, power or remedy provided by law or under this Agreement shall impair such right, power or remedy, or operate as a waiver thereof.

IN WITNESS WHEREOF the said Asha Phillip Securities Limited has affixed its Common seal and the said.....has affixed its common seal / placed his / her signature hereunto and to one other on this..... day of Two Thousand and.....

(Authorised Signatory of the Client)

(Authorised Signatory of the Company)

Witness

National ID Number

Signature

1.

2.