

## AGREEMENT FOR CREDIT FACILITY

**THIS AGREEMENT** is made and entered into on the dates and places hereinafter mentioned by and between, Senfin Securities Limited a company duly incorporated under the laws of Sri Lanka bearing Registration No. PB160 and having its registered office at 4th Floor, No.180, Bauddhaloka Mawatha, Colombo 04. (hereinafter referred to as "The Company") which term shall as herein used where the context so requires mean and include the said Senfin Securities Limited (its successors and permitted assigns) of the One Part

**And**

..... (individual's name)  
of.....(Address) NIC Number  
.....(hereinafter referred to as "The Client") which term shall as herein used  
where the context so requires mean and include the said Client or its successors and assigns/his/her/their  
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** in terms of the Section 7 Other Business Activities/Services of Stockbroker Rules 2012 of the Colombo Stock Exchange of Sri Lanka (hereinafter referred to as the "CSE") stockbrokers shall enter into a written agreements with each client to whom credit is extended, which clearly sets out the terms and conditions entered into between the parties

**AND WHEREAS**, The Client is desirous of availing the credit facility and the Company agrees to extend credit facilities to the Client at its absolute discretion and as may be specified by the CSE and the Securities and Exchange Commission of Sri Lanka (hereinafter referred to as the "SEC") from time to time, subject to the terms and conditions contained herein.

**NOW THEREFORE** in consideration of the mutual covenants and agreements herein contained the Parties agree as follows:

### **1. REPRESENTATIONS AND WARRANTIES**

Each of the Parties represents and warrants that:

- I. 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;
- II. 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.

### **2. PERIOD OF THE CREDIT FACILITY**

The Client agrees to pay and settle the extended credit amount to the Company within Twenty Two (22) market days from the trading date. (On or before T+22 market days)

### **3. CONDITIONS OF CREDIT**

- I. The Client agrees that the credit extension facility shall be provided at the absolute discretion of the Company and the Client has no authority to demand such facilities from the Company
- II. The Company shall grant credit to its Clients only in instances where the credit granted is secured by listed securities.
- III. The Client agrees to pay and settle the extended credit amount to the Company on demand of the Company.

- IV. In the event that the Client fails to pay and settle the extended credit amount in accordance to the clause 2 hereof and /or on demand of the Company the Company may and is hereby authorized to force sell all or part of the securities portfolio without prior notice to the Client and recover all sums of money due and payable by the Client to the Company.
- V. The Company shall not grant credit exceeding 50% of the market value of the Client’s pledged securities portfolio. In the event that the credit extended to the client exceeds 50% of the Market Value of the securities pledged by the Client, the Company shall inform the Client to make good such short fall by the next market day and the Client shall settle the outstanding and/or sell the securities to recover such shortfall.
- VI. The Company shall be entitled to charge an interest on the outstanding amount at such rates as maybe mutually agreed subject to it not exceeding 0.1% per day (36.5% per annum) from the day after the settlement date.
- VII. The Client agrees that the Company shall be entitled to recover any loss incurred by it in connection with this Agreement from the Client even after termination of this Agreement.
- VIII. The Client shall at all times indemnify and keep fully indemnified the Company and/or its nominees, agents and correspondents against any and all costs (including costs of litigation), expenses, liabilities, claims and demands whatsoever in under or arising out of credit extension or any act done hereunder.
- IX. This Agreement can be altered, amended and/or modified by the Parties mutually in writing. Provided however, if the rights and obligations of the Parties hereto are altered by virtue of change in Rules and regulations of the SEC/CSE, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the Parties mentioned in this Agreement.

**4. TERM**

This Agreement shall come into effect on the dates hereinafter mentioned and shall remain in force unless sooner terminated by either party.

**5. TERMINATION**

The Company and the Client shall be entitled to terminate this Agreement without assigning any reason whatsoever to the other Party, after giving notice in writing not less than seven market (07) days to the other Party. Notwithstanding any such termination, all rights, liabilities and obligations of the Parties arising out of or in respect of transactions entered into prior to the termination of this Agreement shall continue to survive and vest in/be binding on the respective Parties or his/its respective heirs, executors, administrators, legal representatives or successors, as the case may be.

**6. NOTICES**

Any notice or other communication to be given under this Agreement shall deem to be accepted by the parties when delivered to the addresses herein above and/or following email addresses;

To the Company:

info@senfinsecurities.com

To the Client:

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**7. 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 parties have executed this document on the respective dates and places specified below.

**THE COMPANY**

**Signature of the CLIENT**

.....  
**AUTHORIZED SIGNATORY - SENFIN SECURITIES LIMITED**  
 Date:

.....  
 Name:  
 Date: