

SAMPATH SECURITIES (PRIVATE) LIMITED

AGREEMENT FOR INTERNET TRADING FACILITIES

This Agreement for Internet Trading Facilities (hereinafter referred to as the “**Agreement**”) is made and entered into at Colombo, Sri Lanka on this [.....] day of [.....] 202....:

By and between

SAMPATH SECURITIES (PRIVATE) LIMITED, a company duly incorporated under the laws of Sri Lanka bearing company registration number PV 4754 and having its registered office at 110 Sir James Pieris Mawatha, Colombo 02 (hereinafter referred to as the “**Firm**” which term shall where the context so requires or admits mean and include the said SC Securities (Private) Limited, its successors and assigns);

And

For an individual:

[.....],
, bearer of national identity card numbered [.....] residing at [.....]
(hereinafter referred to as the “**Client**” which term shall where the context so requires or admits mean and include the said [.....], and his / her heirs, executors, administrators and permitted assigns).

For a company:

[.....],
, a company duly incorporated under the laws of Sri Lanka bearing company registration number [.....] and having its registered office at [.....] (hereinafter referred to as the “**Client**” which term shall where the context so requires or admits mean and include the said [.....], its successors and permitted assigns).

For joint account holders:

(1)[.....],
bearer of national identity card numbered [.....] residing at [.....] and
[.....],
(2)[.....], bearer of national identity card numbered [.....] residing at [.....], and (3) [.....],
bearer of national identity card numbered [.....] residing at [.....] (hereinafter collectively referred to as the “**Client**” which term shall where the context so requires or admits mean and include the said [.....], [.....] and [.....], their heirs, executors, administrators and permitted assigns).

The Firm and Client shall individually be referred to as a “**Party**” and collectively be referred to as the “**Parties**”.

PREAMBLE

The Firm is a member of the Colombo Stock Exchange (hereinafter referred to as the “**CSE**”) and is licensed by the Securities and Exchange Commission of Sri Lanka (hereinafter referred to as the “**SEC**”) to operate as a stockbroker.

The Firm has opened a securities account bearing number [.] with the Central Depository Systems (Private) Limited (hereinafter referred to as the “**CDS**”) on behalf of the Client, for the purposes of trading on the CSE.

The Firm further provides stock broking services to the Client which the Client avails subject to the terms and conditions contained in a written agreement executed between them (hereinafter referred to as the “**Client Agreement**”).

The Firm has at the request of the Client agreed to provide Internet Trading Facilities (as defined herein) to the Client, which the Client has agreed to avail subject to the terms and conditions set out in this Agreement, which are supplemental to the terms of the Client Agreement.

THE PARTIES HEREBY AGREE THAT:**1. DEFINITIONS**

In this Agreement, unless the context requires otherwise, the following terms shall have the corresponding meanings:

“Internet Trading Facilities”	Shall mean the online trading facilities and associated services provided by the Firm in terms of the Trading Participant Rules of the CSE and any other services or features introduced by the Firm in connection therewith regardless of whether the Client registers for it.
“Rules of the CSE / SEC”	Shall mean the Securities and Exchange Commission of Sri Lanka Act, No. 19 of 2021 and the rules, regulations, directions, circulars and other requirements imposed by the CSE / SEC there under.

2. PROVISION OF SERVICES

The Firm agrees to provide Online Trading Facilities to the Client, and the Client agrees to avail the Online Trading Facilities of the Firm, subject to the terms and conditions of this Agreement.

3. FEES

The Firm shall be entitled to charge the Client all applicable fees and charges for providing Internet Trading Facilities. The fees and charges applicable at the date of signing this Agreement shall be communicated to the Client in writing. Any amendments to such fees and charges shall be effective upon providing notice in writing to the Client.

4. USERNAME AND PASSWORD

- (a) The Firm shall issue a unique user ID and password to each Client in accordance with the Trading Participant Rules of the CSE.
- (b) The Firm shall also provide the Client with a **User Manual** for the Internet Trading Facilities. The Client agrees to read and familiarize themselves with the contents of the manual to ensure that they understand how to use the facility properly and effectively. The Client acknowledges that it is their responsibility to seek clarification from the Firm if any instructions or functionalities in the manual are unclear.
- (c) The Firm shall provide the Client with a **Password Policy** detailing the requirements for managing passwords associated with the Internet Trading Facility, including ensuring that passwords are frequently changed and that they are not disclosed to any other party except in accordance with the Trading Participant Rules of the CSE or as required by law. The Client agrees to read and strictly adhere to the terms of the Password Policy and acknowledges that failure to comply with such policy shall make the Client liable for any consequences arising there from. **The Client acknowledges that it shall be the sole responsibility of the Client to ensure that such passwords shall not be shared with any third party and shall not hold the Firm responsible for any consequences that may arise as a result of the misuse of the password by any third party as a result of the Client's failure to comply with this obligation.**
- (d) The Firm further undertakes that it shall not disclose or permit the disclosure of the user ID or password assigned to any Client to any other person including employees of the Firm.

5. REPRESENTATIONS AND WARRANTIES

The Client represents and warrants that:

- (a) The Client possesses the necessary capacity and knowledge to operate the basic operations of the internet, has a clear understanding of how to use the Internet Trading Facilities and has the technical competence to carry out securities transactions via the Internet Trading Facilities.
- (b) The Internet Trading Facilities provided by the Firm shall be used by the Client for the sole purpose of routing his or her orders to the Automated Trading System of the CSE and shall not be used by the Client to route orders on behalf of any other person maintaining a securities account with the CDS.
- (c) The Client possesses the minimum system requirements necessary to operate the Internet Trading Facility effectively and undertakes to maintain such requirements throughout the duration of this Agreement.

6. RISK DISCLOSURE

The Client understands, acknowledges and accepts that there are inherent risks involved in using the Online Trading Facilities provided by the Firm. These risks may include, but are not limited to:

- (a) **System disruptions:** Technical failures such as system outages, interruptions, delays, or software malfunctions which may prevent the timely execution of trades.
- (b) **Connectivity issues:** Internet connection issues can result in delays or the inability to execute trades as intended.
- (c) **Cyber-security threats:** Cyber-security attacks, such as hacking and phishing attempts, may result in unauthorized access to the securities account and consequently result in financial losses.
- (d) **Data privacy risks:** Sensitive personal and financial information, including passwords, may be exposed to unauthorized parties.
- (e) **Third-party risks:** Issues with third-party service providers engaged by the Firm can affect the Client's online trading experience.
- (f) **Investment risk:** The Client understands that all orders placed by the Client through the Internet Trading Facilities are based upon the Client's own evaluation of his or her financial circumstances and investment objectives. Any such investment decisions

shall therefore be the sole responsibility of the Client and the Firm or any of its officers, directors, employees or agents shall not be held liable for trading losses or other losses incurred by the Client.

7. ADDITIONAL OBLIGATIONS

- (a) **Unauthorised use.** The Client shall be required to immediately notify the Firm in writing if he or she becomes aware of (a) any loss, theft, or unauthorized use of the password, login and/or account numbers; (b) any failure to receive a message indication that an order was received and/or executed; (c) any failure to receive an accurate confirmation of any execution; (d) any receipt or confirmation of an order and/or execution which the Client did not place; or (e) any inaccurate information in the Client account balances, positions or transaction history.
- (b) **Joint accounts.** Each joint account holder agrees that they shall be collectively and individually responsible for ensuring compliance with the terms and conditions of this Agreement.
- (c) **Records.** The Client accepts the Firm's records and statements of all transactions as conclusive and binding for the purposes of this Agreement.

8. CONFIDENTIALITY

- (a) The Parties agree to maintain the confidentiality of all proprietary, confidential, or sensitive information disclosed by one Party to the other during the course of this Agreement, whether orally, in writing, or through any other medium.
- (b) Neither Party shall disclose any confidential information to any third party without the prior written consent of the other Party, except as required by law. The obligations of confidentiality shall continue beyond the termination of this Agreement.
- (c) Confidential information for the purposes of this clause shall include, but is not limited to, trading strategies, financial information, account details, proprietary systems, software, and any other non-public information that is disclosed by either Party in connection with this Agreement.

9. INDEMNITY

The Client agrees to indemnify and hold harmless the Firm, its officers, directors, employees, agents, and affiliates from and against any and all claims, liabilities, losses, damages, costs, and expenses (including reasonable attorneys' fees) arising out of or related to the Client's breach of this Agreement, violation of the Rules of the CSE / SEC or any other applicable laws, or any third-party claims resulting from the Client's use of the Firm's services.

10. LIMITATIONS OF LIABILITY

The Firm shall not be liable to the Client for any indirect, incidental, consequential, special, or exemplary damages, including but not limited to loss of profits, loss of data, or business interruption, arising out of or related to the use or inability to use the Internet Trading Facilities or any other matter in connection with this Agreement. Nothing in this Agreement shall however limit or exclude the Firm's liability for gross negligence, fraud, or wilful misconduct.

11. AMENDMENTS

- (a) The Firm reserves the right to amend the terms of this Agreement and the terms of its service without prior notice to the Client. The Firm shall promptly notify the Client of any such amendments following their implementation. The Client's continued use of the Internet Trading Facilities after the effective date of any such amendment shall constitute acceptance of the revised terms.
- (b) Each Party agrees to promptly notify the other Party in writing of (a) any material change in the information provided under this Agreement, or (b) any modifications to the information pertaining to the Internet Trading Facilities.

12. TERMINATION

- (a) The Firm may at its sole discretion terminate this Agreement or restrict the Client's access to the Internet Trading Facilities.
- (b) The Client may terminate this Agreement by giving seven (7) days written notice provided that it has complied with all its obligations under this Agreement to the satisfaction of the Firm.
- (c) Termination of this Agreement shall not affect the rights and liabilities accrued by either Party up to the date of termination.

13. NOTICE

Any notice to be given under this Agreement shall be in writing and be deemed to have been served if delivered by hand, courier, registered post or email to the following addresses:

If to the Firm:

Postal address: Head of IT, Sampath Securities (Private) Limited, No. 26B, Alwis Place, Colombo 3.
Email address: onlinetrading@sampathsecurities.lk

If to the Client:

Name:
Email address:

Postal address:
Contact Number

14. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of Sri Lanka.

15. DISPUTE RESOLUTION

Any dispute arising out of or in connection with this Agreement shall be resolved in accordance with the Dispute Resolution Rules of the CSE which shall form part and parcel of this Agreement.

16. SUPPLEMENTAL

- (a) This Agreement is supplemental to and does not supersede the terms of the Client Agreement.
- (b) The Parties shall also be required to act in accordance with the Rules of the CSE / SEC. If there is a conflict between the terms of this Agreement and the Rules of the CSE / SEC, the latter shall prevail to the extent of the conflict.

17. MISCELLANEOUS

- (a) **Waiver:** No failure or delay on the part of any Party in exercising any right hereunder will operate as a release or waiver thereof and no waiver of any provision hereof shall be effective unless made expressly and specifically in writing by the Party granting such waiver.
- (b) **Assignment:** The Firm reserves the right to assign its obligations under this Agreement. The Client shall not assign its rights or obligations under this Agreement without the prior written approval of the Firm.
- (c) **Force majeure:** Neither party shall be liable for any failure or delay in the performance of its obligations under this Agreement if such failure or delay is due to causes beyond its reasonable control, including but not limited to acts of God, natural disasters, pandemics, war, terrorism, civil unrest, strikes, lockouts, labour disputes, government actions, or any other events that are unforeseeable and unavoidable (hereinafter referred to as a “**Force Majeure Event**”). The affected Party shall notify the other Party in writing as soon as reasonably practicable of the occurrence of a Force Majeure Event, specifying the nature of the event and its anticipated duration. The obligations of the affected Party shall be suspended for the duration of the Force Majeure Event, provided that the affected Party uses reasonable efforts to mitigate the impact of the event and to resume performance where possible.

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Signature of the Client

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Investment Advisor at Sampath Securities (Private) Limited

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Head of IT at Sampath Securities (Private) Limited