

## CLIENT AGREEMENT ■

This Agreement is made and entered into on this ..... day of ..... Two Thousand .....

at .....

### By and Between

1) .....

bearing National Identity Card No./Passport No/Company registration No. .... of .....

.....(Address)

(2) .....

bearing National Identity Card No./Passport No/Company registration No. .... of .....

.....(Address)

(3) .....

bearing National Identity Card No./Passport No/Company registration No. .... of .....

.....(Address)

(hereinafter sometimes jointly and severally referred to as the “**Client/s**”) of the **One Part**

### And

JB SECURITIES (PVT) LIMITED a company duly incorporated under the laws of Sri Lanka bearing Company registration. No PV 20611 and having its registered office at No. 150, St. Joseph’s Street, Colombo – 14 (hereinafter referred to as “**the Stockbroker Firm**” which term or expression has herein used shall where the context requires or admits mean and include the said Stockbroker Firm, its successors and permitted assigns) of the **Other Part**;

**The Client/s and the Stockbroker Firm shall hereinafter be collectively referred to as “Parties” and each individually as “Party”.**

**WHEREAS** the Stockbroker 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;

**AND WHEREAS** the Client/s is/are desirous of trading on the securities listed on the CSE through the said Stockbroker Firm and the Stockbroker Firm agrees to provide such services to the Client/s in accordance with the applicable Rules of the CSE, CDS, SEC and other applicable laws of Sri Lanka.

**NOW THEREFORE THIS AGREEMENT WITNESSETH** and it is hereby agreed by and between the Parties hereto as follows:

### 1.0 RIGHTS AND RESPONSIBILITIES OF THE CLIENT/S

1.1 Subject to clause 1.5 below;

a) In the event of a Joint Account, the Client/s shall provide to the Stockbroker Firm, the name/s of the persons;

- authorized to give trading orders and settlement instructions; and,
- to whom payments by the Stockbroker Firm are to be made.

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**CLIENT AGREEMENT** ■

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- b) In the event of a Corporate Client Account, the Client shall provide to the Stockbroker Firm, the name/s of specific directors and officers authorized to;
- trade in securities; and,
  - execute all documentation for trading and settlement in the account,
- together with a copy of the Board resolution certified by the Company Secretary evidencing same.

The aforesaid person/s shall hereinafter be referred to as 'authorized person/s'.

- 1.2 The Client/s shall notify the Stockbroker Firm in writing, if there is any change in the contact and/or other information provided by the Client/s to the Stockbroker Firm, within seven (7) calendar days of such change.
- 1.3 Subject to clause 1.5 below, in the event the Client/authorized person(s) (as applicable) intends to purchase and/or sell securities, the Client/authorized person(s) (as applicable) shall give specific order instructions to the Investment Advisor (an employee of the Stockbroker Firm, who is certified by the CSE/SEC to deal with Clients) assigned to deal with the Client/s regarding same.
- 1.4 The Client/authorized person(s) (as applicable) authorize/s the Stockbroker Firm to accept order instructions given by the Client/authorized person(s) (as applicable) to the Stockbroker Firm pertaining to the CDS Account of the Client/s through electronic means and other means including telephone, Short Message Service (SMS), E-mail and Fax. The order instructions provided by the Client/authorized person(s) (as applicable) through aforesaid means shall not be revoked or withdrawn by the Client/authorized person(s) (as applicable) after the execution of the order and shall therefore be confirmed.
- 1.5 If the Client/s intends the Stockbroker Firm to use the Stockbroker Firm's own judgment, expertise and discretion to buy and/or sell securities on behalf of the Client/s, the Client/s shall provide the prior written authorization to the Stockbroker Firm for same.

The said written authorization provided by the Client/s to the Stockbroker Firm shall clearly include the following;

- Name of the Client/s and the CDS Account Number;
  - Effective Date of the authorization;
  - Applicable period of the authorization;
  - Investment objective (short time, long term, trading in any specific industry, any other specifications); and,
  - Purpose of giving discretion to the Registered Investment Advisor.
- 1.6 The Client/s shall ensure that cleared funds are made available to the Stockbroker Firm in respect of the securities purchased by the Stockbroker Firm on behalf of the Client/s, by 09.00 hours on the settlement date of such purchase transaction and if the Client/s fail/s to make payment as aforesaid, the Stockbroker Firm may, at its absolute discretion, charge an interest commencing from the day after the settlement date at a rate decided by the Stockbroker Firm, but not exceeding 0.1% per day as specified in the Stockbroker/Stock Dealer Rules of the CSE.

The Client/s shall accept the liabilities arising from all authorized transactions executed in the CDS Account of the Client/authorized person(s) (as applicable) by the Investment Advisor.

- 1.7 If the Client/s has/have a complaint against the Stockbroker Firm relating to a particular transaction/s, the Client/s shall first refer such complaint to the Compliance Officer of the Stockbroker Firm, in writing, within a period of three (3) months from the date of the transaction/s.

Where the Client/s is/are not satisfied with the decision given by the Stockbroker Firm or the manner in which the complaint was dealt with by the Stockbroker Firm, the Client/s may refer the complaint to the CSE, in writing, in accordance with the Procedure set out by the CSE (which is available on the CSE website, [www.cse.lk](http://www.cse.lk)).

## CLIENT AGREEMENT ■

- 1.8 The Client/s agree/s that the Stockbroker Firm may, at its absolute discretion, sell not only the securities in respect of which payment has been defaulted by the Client/s, but also any other securities lying in the CDS Account of the Client/s in respect of which payment has been made by the Client/s, in full or part, in order to enable the Stockbroker Firm to recover the monies due to the Stockbroker Firm from the Client/s including interest and other applicable charges.

The above authority i.e. the right to sell securities in clients said CDS Account, is in addition to other rights, powers and remedies available to the Broker under the prevailing laws rules and regulations of Sri Lanka. The authority granted hereby shall in no way affect or exempt client/s from any liability towards the Broker arising from or consequent upon any such default.

- 1.9 The Client/s shall not;
- a) use any funds derived through illegal activity for the purpose of settling purchases of securities to the Client's CDS Account. The funds invested through this account has been obtained through regular and normal channels of employment and business and is not derived from any money laundering or illegal activity as described in the Financial Act No 6 of 2006 and or the Money Laundering Act No 5 of 2006 and any amendments thereto or any similar legislations in any other part of the world.
  - b) enter into any verbal or written agreement/s with the employee/s of the Stockbroker Firm to share profits arising from the transactions carried out on behalf of the Client/s by the Stockbroker Firm.
- 1.10 On request of the broker, Client/s agree to deposit in cash/cheque, at least equivalent to 50% of the value of the order or in the alternative have adequate securities in clients account, to cover at least 50% of the value of the order.
- 1.11 Client/s agree to declare required information under provision of FATCA regulations and any similar rules and regulations imposed by foreign government. Client/s undertake/s to notify to the stockbroker in writing within thirty (30) calendar days if there is a change in any information provided to the stockbroker.

### 2.0 RIGHTS AND RESPONSIBILITIES OF THE STOCKBROKER FIRM

- 2.1 Subject to clause 2.3 below;
- a) In the event of a Joint Account, the Stockbroker Firm shall obtain from the Client/s, the name/s of the persons;
    - authorized to give trading orders and settlement instructions; and,
    - to whom payments by the Stockbroker Firm are to be made.
  - b) In the event of a Corporate Client Account, the Stockbroker Firm shall obtain from the Client/s, the name/s of specific directors and officers authorized to;
    - trade in securities; and,
    - execute all documentation for trading and settlement in the account,
 together with a copy of the Board resolution certified by the Company Secretary evidencing same.
  - c) the Stockbroker Firm shall carry out all transactions based on the specific order instructions provided by the Client/ authorized person(s) (as applicable) through the communication channels specified in clause 1.4 of this Agreement.
- 2.2 ~~Provided~~ Excepting any orders from a third party on behalf of the Client/s, the Stockbroker Firm shall first obtain the written authorization of the Client/s empowering the third party to trade on behalf of the Client/s through the Client's CDS Account.
- 2.3 The Stockbroker Firm shall not exercise the discretion to buy or sell securities on behalf of the Client/s, unless the Client/s has/have given prior written authorization to the Stockbroker Firm to effect transactions for the Client/s without his/their specific order instructions as set out in clause 1.5 of this Agreement.

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**CLIENT AGREEMENT** ■

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- 2.4 The Stockbroker Firm shall send to the Client/s a note confirming the purchase and/or sale of securities (bought/ sold note) by the end of the trade day (T).  
Upon obtaining the prior consent of the Client/s, the Stockbroker Firm may send the bought/sold notes to the Client/s in electronic form to the e-mail address provided by the Client/s for such purpose.
- 2.5 The Stockbroker Firm shall send a Statement of Accounts to the Client/s who is/are debtor/s over Trade Day + 3(T+3), on a monthly basis by the 7th day of the following month. This should apply when the client/s has/have had transactions during the month and the "interest charged on delayed payment" should also be considered as a transaction for this purpose. Such Statement of Accounts shall specify the transactions in the account including receipts and payments during the month under reference.
- 2.6 In the event the Statements of Accounts are issued electronically, the Stockbroker Firm shall obtain the consent of the Client/s and retain evidence of such consent.
- 2.7 The Stockbroker Firm shall provide a copy of its latest Audited Financial Statements filed with the CSE to a Client/s, upon request by such Client/s only on sole discretion of the directors of Stockbroker Firm.
- 2.8 The Stockbroker Firm shall communicate in writing, directly with its Client/s in respect of statements, bought/sold notes or any other information unless the Client/s has/have authorized the Stockbroker Firm otherwise in writing.
- 2.9 The Stockbroker Firm shall ensure that 'cleared funds' are made available to the Client(s) /authorized person(s) (as applicable) on the settlement date, unless the Client/s has/have expressly permitted the Stockbroker Firm, in writing, to hold the sales proceeds for future purchases.
- 2.10 Upon the request of the Client/s, the Stockbroker Firm may:
- a) extend credit facilities to the Client/s solely for the purpose of purchasing securities on the CSE and in accordance with the applicable Rules set out in the CSE Stockbroker Rules and terms and conditions mutually agreed to between the Client/s and the Stockbroker Firm by way of a written agreement for extension of such facilities.
  - b) provide internet trading facilities to such Client/s based on a written agreement mutually agreed between the Client/s and the Stockbroker Firm, in accordance with the requirements applicable to Internet Trading published by the CSE from time to time.
- 2.11 The Stockbroker Firm shall assign a Registered Investment Advisor to deal with the Client/s and shall inform such Client/s regarding the name and contact details of the Registered Investment Advisor assigned to such Client/s. Further, the Stockbroker Firm shall inform the Client in writing regarding any change to the Registered Investment Advisor within seven (7) Calendar Days of such change.
- 2.12 The Stockbroker Firm shall forthwith notify the Client/s in writing, if there is any material change in contact or other information provided to the Client/s by the Stockbroker Firm.
- 2.13 The Stockbroker Firm undertakes to maintain all information of the Client/s in complete confidence and the Stockbroker Firm shall not disclose such information to any person except in accordance with the Stockbroker Rules of the CSE.
- 2.14 The Stockbroker Firm shall disclose to the Client/s, the existence of any incentive scheme applicable for employees of the Stockbroker Firm, which is based on turnover generated from the transactions carried out by the employees for the Client/s.
- 2.15 The Stockbroker Firm may recover any outstanding balance arising from the purchase of securities of the Client/s from the sales proceeds due to the buyer only in the circumstances set out in the Stockbroker Rules of the CSE.

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**CLIENT AGREEMENT** ■

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- 2.16 The Stockbroker Firm shall provide services to the Client/s in compliance with the applicable Rules of the CSE, CDS, SEC and other applicable laws of Sri Lanka.
- 2.17 The Stockbroker firm which is a registered Foreign Financial Institution (FFI) under FATCA is required to comply with the FATCA regulations and report to the Internal Revenue Service (IRS) of the USA

**3.0 RISK DISCLOSURE STATEMENT**

- 3.1 The Stockbroker Firm agrees that a member of its staff who is authorized by the Board of Directors of the Stockbroker Firm to make declarations on behalf of the Stockbroker Firm has explained the applicable Risk Disclosures to the Client/s and has executed the declaration set out in Schedule 1 hereto in proof of same and such Schedule 1 shall form part and parcel of this Agreement.
- 3.2 The Client/s agree/s and acknowledge/s that he/she/it has understood the Risk Disclosures explained by the Stockbroker Firm and executed the Acknowledgement set out in Schedule 2 hereto and such Schedule 2 shall form part and parcel of this Agreement.

**4.0 INDEMNITY AND LIMITATION OF LIABILITY**

- 4.1 Each Party hereto, agrees to indemnify, defend and hold harmless the other Party against any loss, liability, damages, claims and costs, which each such Party may sustain by reason of negligence and/or breach of the terms and conditions hereof committed by the other Party hereto or its representatives. The aggrieved Party shall be entitled to enforce its/his/her indemnity rights by injunction or other equitable relief in any competent court of law in Sri Lanka.
- 4.2 The Client/s agrees/s that the Stockbroker Firm will not be liable for any losses arising out of or relating to any cause which is beyond the control of the Stockbroker Firm. Including but not being restricted to acts of God, fires, explosions, floods, earthquakes, wind storms, national strikes, national riots, national work outs, national boycotts, wars, laws, regulations or acts of any government or from other causes beyond the control of the Broker which by the exercise of due diligence the Broker is unable to prevent.
- 4.3 The Client/s agrees/s that the market data provided to clients are obtained from Colombo Stock Exchange Sources believed to be reliable, are provided solely on a BEST EFFORT BASIS ("AS IS" and "AS AVAILABLE" BASIS) and that no guarantees are made by the broker as to their accuracy, completeness, timeliness or correct sequencing. Client/s agree that the Broker will not be liable to client or have any responsibility whatsoever, for:
- a) any Losses arising out of or relating to a cause over which the Broker do not have direct/indirect control, including the failure of electronic or mechanical equipment or communication lines, telephone or network problems, unauthorized access; or
  - b) any special, indirect, incidental, consequential, punitive or exemplary damages that client/s may incur in connection with client/s use of the services provided by the Stock Broker under this Agreement.

**5.0 TERMINATION**

- 5.1 This Agreement shall forthwith terminate, if the Stockbroker Firm for any reason ceases to be a Member/Trading Member of the CSE or if the license issued to the Stockbroker Firm by the SEC is cancelled.
- 5.2 The Parties shall be entitled to terminate this Agreement upon giving notice in writing of not less than fourteen (14) calendar days to the other Party.
- 5.3 Notwithstanding any such termination, all rights, liabilities and obligations of the Parties arising out of or in respect of the transactions entered into prior to the termination of this Agreement shall continue to be in force.



## CLIENT AGREEMENT ■

### 6.0 GENERAL

6.1 Words and expressions which are used in this Agreement, but which are not defined herein shall, unless the context otherwise requires, have the same meaning as assigned thereto in the Rules of the CSE, SEC and other applicable laws of Sri Lanka.

6.2 The terms and conditions contained in this Agreement shall be subject to the applicable Rules, Regulations, Guidelines and Directions issued by SEC, Rules and Circulars of the CSE and other applicable laws of Sri Lanka..

In the event of any contradiction between the terms and conditions hereof and the applicable Rules, Regulations, Guidelines and Directions issued by SEC, Rules and Circulars of the CSE or other applicable laws of Sri Lanka, the applicable Rules, Regulations, Guidelines and Directions issued by SEC, Rules and Circulars of the CSE or other applicable laws of Sri Lanka (as applicable) shall prevail.

"We understand that where the account is opened among two or more persons, JB Securities is hereby authorized to take orders from any persons jointly or singly and to address all correspondence and payments to the first applicant named in the CDS application (Form1) in the absence of any specific instructions."

IN WITNESS WHEREOF the Parties to the Agreement have set their respective hands hereto and to one (01) other of the same tenor and date as herein above mentioned.

Signature of the Client(s)/Authorized  
Signatory of the Client(s)

Authorized Signatory of the  
JB Securities (Pvt) Limited  
Stockbroker Firm



1. ....

.....

2. ....

3. ....

*N.B if a corporate, authorized person/s should sign and the company seal should be placed.*

Witness:

Witness:

.....

.....

**SCHEDULE 1 - Risk Disclosure Statements - Declaration**

I, .....  
an employee of JB SECURITIES (PVT) LIMITED ('Stockbroker Firm'), who is duly authorized by the Board of Directors of the Stockbroker Firm to make declarations on its behalf hereby confirm that the following risks involved in investing/trading in securities listed on the Colombo Stock Exchange ('Risk Disclosure Statements') were clearly explained by me to

.....the Client/s') and invited the Client/s to read the below mentioned Risk Disclosure Statements, ask questions and take independent advice if the Client/s wish/es to:

- a) The prices of securities fluctuate, sometimes drastically and the price of a security may depreciate and may even become valueless.
- b) It is possible that losses may be incurred rather than profits made as a result of transacting in securities.
- c) It is advisable to invest funds that are not required in the short term to reduce the risk of investing.
- d) If you execute trade via electronic service system provided by us, you will be exposed to risks associated with the system thereof including, without limitation, its failure of hardware and software. Your instructions will not be executed as a result of the failure of the system. In addition, instructions given, or transactions conducted through the electronic service system may be subject to interruption, transmission blackout, delayed transmission or incorrect data transmission due to unpredictable traffic congestion or other reasons. Further, communications and personal data may be intercepted by unauthorized third parties"

Signed on behalf of the Stockbroker Firm by.....

Signature : .....

Designation : .....

Date : .....

NIC No. : .....

## CLIENT AGREEMENT ■

### SCHEDULE 2 - Risk Disclosure Statements - Acknowledgment

(1) .....  
bearing National Identity Card No./Passport No/Company registration No. .... of .....  
.....(Address)

(2).....  
bearing National Identity Card No./Passport No/Company registration No. .... of .....  
.....(Address)

(3) .....  
bearing National Identity Card No./Passport No/Company registration No. .... of .....  
.....(Address)

agree and acknowledge that the following risks involved in investing/trading in securities listed on the Colombo Stock Exchange

('Risk Disclosure Statements') were explained to me/us by .....

.....  
an employee of JB SECURITIES (PVT) LIMITED ( 'Stockbroker Firm'), and I/we was/were invited to read the below mentioned Risk Disclosure Statements, ask questions and take independent advice if I/we wish to.

Additionally, I/we acknowledge that I/we understood the following Risk Disclosure Statements;

- a) The prices of securities fluctuate, sometimes drastically and the price of a security may depreciate and may even become valueless.
- b) It is possible that losses may be incurred rather than profits made as a result of transacting in securities.
- c) It is advisable to invest funds that are not required in the short term to reduce the risk of investing.
- d) If you execute trade via electronic service system provided by us, you will be exposed to risks associated with the system thereof including, without limitation, its failure of hardware and software. Your instructions will not be executed as a result of the failure of the system. In addition, instructions given, or transactions conducted through the electronic service system may be subject to interruption, transmission blackout, delayed transmission or incorrect data transmission due to unpredictable traffic congestion or other reasons. Further, communications and personal data may be intercepted by unauthorized third parties"

Signature of the Client(s)/Authorized Signatory of the Client(s)



- 1. ....
- 2. ....
- 3. ....

Date : .....

*N.B if a corporate, authorized person/s should sign and the company seal should be placed.*



## FUND RETENTION REQUEST ■

CDS AC No : \_\_\_\_\_

Client Name : \_\_\_\_\_

With Reference to the above CDS account, I/We hereby authorize JB Securities (Pvt) Ltd to hold my/our sales proceeds/excess cash until further request by me/us or set off against future purchases.

This request will remain in effect until revoked by me/us in writing.

Thank you

Signature of the Client(s)/Authorized Signatory of the Client(s)



1. ....

2. ....

3. ....

\_\_\_\_\_  
Emboss seal/Rubber stamp

Date : .....

*N.B if a corporate, authorized person/s should sign and the company seal should be placed.*

## E- STATEMENT REQUEST ■

CDSAC No : \_\_\_\_\_

Client Name : \_\_\_\_\_

I/We hereby request you to forward to me/us soft copies of the contract notes for my/our purchases and sales and monthly statements etc., in respect of my/our share transactions through your company to the given e-mail address. I/We hereby undertake to request /inform you in writing if I/We require printed copies of the aforesaid documents or the given e-mail address is changed.

E-mail : \_\_\_\_\_

In consideration of JB Securities (Pvt) Ltd so doing I/We hereby agree and undertake to indemnify JB Securities (Pvt) Ltd and keep JB Securities (Pvt) Ltd indemnified and saved harmless at all times from and against all actions and expenses etc. What so ever arising which may arise or brought against or sustained by JB Securities (Pvt) Ltd by reason of sending me/us the soft copies of the documents mentioned above.

Signature of the Client(s)/Authorized Signatory of the Client(s)



1. ....

2. ....

3. ....

\_\_\_\_\_  
 Emboss seal/Rubber stamp

Date : .....

*N.B if a corporate, authorized person/s should sign and the company seal should be placed.*

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**DIRECT REMITTANCE ADVICE**


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CDSAC No : \_\_\_\_\_

**BANK ACCOUNT INFORMATION**

Bank account Name \_\_\_\_\_

(Attach a photocopy of the Saving Account information page/latest Current Account statement. The Bank Account Name must match with the Name of CDS Account Holder/Holders)

Bank Name \_\_\_\_\_ Bank Code \_\_\_\_\_

Branch Name \_\_\_\_\_ Branch Code \_\_\_\_\_

Account No \_\_\_\_\_

 Account Type ☐ Saving Account ☐ Current Account

I/We hereby authorize JB Securities (Pvt) Ltd (JBS) to credit the money due to me/us on CDS transactions on the due date to my/our above mentioned Bank Account. This authority shall remain in full force and effect until JBS has received written notification from me/us, of its termination or changes. I/We hereby declare that the particulars given herein are true and correct.

Signature of the Client(s)/Authorized Signatory of the Client(s)



1. ....

2. ....

3. ....

\_\_\_\_\_

Emboss seal/Rubber stamp

Date : .....

*N.B if a corporate, authorized person/s should sign and the company seal should be placed.*

## INTERNET TRADING AGREEMENT ■

Client / Company Name: \_\_\_\_\_

Joint Holder Details: \_\_\_\_\_

CDS AC No: \_\_\_\_\_

### OPERATING INSTRUCTIONS

For Joint Account Applications:

We, the undersigned, being joint account holders of Securities Account above specified hereby authorize Mr./Mrs./Ms./Dr. (Name and NIC No.)... being party to such joint account, to operate the said Securities Account and agree and indemnify the Broker and System Provider at all times against any and all losses, claims, damages and/or expenses which may be incurred or sustained in consequence of or incidental to the transactions of the aforementioned Securities Account. We agree and acknowledge we do not have any right of action jointly or severally against the Broker and /or System Provider in respect of any acts or omission in relation to the joint Securities Account by the party authorized to operate the said Account and the Broker and System Provider shall have no liability in respect of the same.

If the User is a Corporation:

It was resolved at a duly convened meeting of the Board of Directors of.....held on..... that (Name and NIC No.) .....is authorized to operate the Securities Account through the internet trading facility provided by the Broker, and the Company agrees to indemnify the Broker and System Provider against any and all losses, claims, damages and/or expenses which may be incurred or sustained in consequence of or incidental to the transactions of the said Securities Account by such authorized representative. The Company agrees and acknowledges that it does not have any right of action jointly or severally against the Broker and /or System Provider in respect of any acts or omission in relation to the Securities Account by its authorized representative and the Broker and system Provider shall have no liability in respect of the same.

I/We hereby declare that I/we am/are aware of the following Terms and Conditions imposed by JB SECURITIES (PVT) LTD. (Broker), and I/we hereby undertake to abide by the following Terms and Conditions:

### Conditions to use the Facility

- 1.1 All transactions shall be subject to the rules of the Colombo Stock Exchange and other prevailing laws and regulations of Sri Lanka and in particular to the authority hereinafter granted by the client to the broker.
- 1.2 Client acknowledges that all proprietary and intellectual property rights in the Facility (including the Broker's website) belong to the Broker.
- 1.3 The Facility shall be used solely for the purpose of operating the Securities Account of the Client and shall not be used by the Client to operate the Securities Accounts of any other person maintaining a securities account with CDS except, as specifically authorized by Stockbroker Rules of the CSE, or to provide third party training or as a service bureau for any third parties.
- 1.4 . Broker provides access to such online services in reliance upon Client having adopted procedures to prevent unauthorized access to and use of the Facility. You shall operate the Facility in accordance with the User Manual .
- 1.5 . You shall ensure that there are sufficient funds at all times available in your Securities Account to perform any of your trading instructions through the Facility.
- 1.6 You agree to settle all service charges, transaction fees, interest, and taxes as may be levied by the Broker from time to time in respect of your use of or access to the Facility.
- 1.7 You shall procure and maintain the equipment necessary to use the Facility in proper working order with adequate safeguards against malicious threats to the Facility and shall not use faulty, defective or insecure equipment to access the Facility or use the Facility in a harmful manner

## Access and Security

- 1.8 The facility shall be accessed by the client via unique User ID as assigned by the broker and a password
- 1.9 confidential to the client.. You accept sole responsibility for the use of, confidentiality and protection of the User ID and password as well as for all transactions and information changes entered into your account using such User ID and password.
- 1.10 You shall comply with the Broker's password policy, which may be updated from time to time. In the event of non-compliance, you remain solely responsible for such failure/breach of contract and the consequences thereof. You shall also be responsible to maintain confidentiality of all data and information provided via the application system, breach of confidentiality may lead to termination of the service.
- 1.11 Client will be liable for all transactions placed through the Facility including, those resulting from the use or misuse of your User ID and password. You accept responsibility for the monitoring of your Securities Account. You will immediately notify the Broker in writing if you become aware of any suspicious or unauthorized activity including, but not limited to, the following: (i) any loss, theft, or unauthorized use of your password, login and/or account numbers; (ii) any failure to receive a message indicating that an order was received and/or executed; (iii) any failure to receive an accurate confirmation of any execution; (iv) any receipt or confirmation of an order and/or execution which you did not place or; (v) any inaccurate information in your account balances, positions or transaction history

## Responsibilities of the Broker

- 1.12 The Broker undertakes to maintain confidentiality of the Client's User ID and password (to the extent the Broker is aware of such details) and not to permit the use of such information by any of its employees. Additionally, The Broker also undertakes the responsibility to maintain confidentiality of data and information provided to the application system.
- 1.13 The Broker will take all reasonable and practically possible steps to ensure its internet trading infrastructure is reliable and has adequate security features and controls to manage the risks in operating the system taking into account any law, rules, codes of conduct and prevailing market practices that may be applicable to the Facility.
- 1.14 Broker will provide the Facility and services thereunder in accordance with CSE rules. Unless due to gross negligence or willful default, neither the Broker or its employees, directors or officers assume any liability or responsibility to the Client for consequences arising from or in connection with the Facility.

## Minimum Hardware and Software Configurations

- 1.14 To use the Facility, you need to have any device that can access the internet.

## Risks of Online/Internet Trading

- 1.15 Client expressly agrees that the use of the Facility and online services provided thereby is at the Client's sole risk. Client shall assume full responsibility and risk of loss resulting from the use of services or materials obtained through the Facility and Broker website and you agree to any financial liability for trades executed through the Facility.

- 1.16 You understand and accept the risks associated with internet trading including, but not limited to:

**MARKET RISK:** Market prices can be volatile and unpredictable. Fluctuations in prices can result in losses if positions are not managed effectively.

**LIQUIDITY RISK:** Certain assets may have low liquidity, meaning it could be difficult to buy or sell them at desired prices. Illiquid markets can exacerbate losses or prevent timely exits from positions.

**OPERATIONAL RISK:** Online trading platforms are susceptible to technical issues, such as server downtime, connectivity problems, or cyberattacks. These disruptions can prevent traders from executing trades or accessing their accounts. •

**COUNTERPARTY RISK:** In some trading scenarios, such as derivatives trading, there is a risk that the counterparty may default on their obligations. This could result in financial losses for the trader.

**REGULATORY RISK:** Regulations governing financial markets and trading practices can change, affecting the trading environment. Traders need to stay informed about regulatory developments that could impact their trading activities. •

**LEVERAGE RISK:** Many online trading platforms offer leverage, which allows traders to control larger positions with a smaller amount of capital. While leverage can amplify profits, it also magnifies losses, potentially leading to significant financial liabilities.

**PSYCHOLOGICAL RISK:** Trading involves decision-making under uncertainty and the pressure to make split-second choices. Emotional biases, such as fear, greed, or overconfidence, can lead to irrational decision-making and losses. •

**INFORMATION RISK:** Traders rely on information to make informed decisions. However, there is a risk of misinformation, incomplete information, or delayed information, which can lead to incorrect trading decisions. •

**FRAUDULENT ACTIVITIES:** Online trading exposes traders to various forms of fraud, including phishing scams, Ponzi schemes, and fraudulent investment opportunities. Traders need to be vigilant and cautious to avoid falling victim to these scams.

**OVERTRADING:** Some traders may be tempted to trade excessively, either due to overconfidence or a desire to recover losses quickly. Overtrading can lead to increased transaction costs and higher exposure to risks.

- 1.17 Broker does not warrant the accuracy of any information pertaining to your Securities Account or transactions as reported through the Facility. You agree that the Broker shall not be liable in contract, tort or equity for any direct and/or indirect loss however arising from the inaccuracy or omission in the information obtained from the Facility.

#### Investment Advice and execution of orders

- 1.18 You understand that the Broker provides no tax, legal or investment advice of any kind, nor gives advice or offers any opinion with respect to the nature, potential value or suitability of any particular securities transaction or investment strategy through the Facility. You further understand that while you may be able to access investment research reports including computerized online services, the availability of such information does not constitute a recommendation to buy or sell any of the securities discussed therein.
- 1.19 Any investment decisions you make will be based solely on your own evaluation of your financial circumstances and investment objectives. You understand that all orders entered by you electronically are based upon your investment decisions and is your sole responsibility and you will not hold, nor seek to hold, the Broker or any of its officers, directors, employees, agents, subsidiaries or affiliates, liable for any trading losses or other losses incurred by you. You are advised to seek advice from relevant consultants and professionals before acting upon any information made available or accessed via the Facility.
- 1.20 You understand that entering an order with the Broker, including market orders, does not guarantee execution of the order, and you agree that the Broker shall not be responsible for any order that is not executed. The Broker shall not be deemed to have received any order or communication transmitted electronically by the Client until Broker has actual knowledge of such order or communication.
- 1.21 Any instructions to the Broker for cancellation, revocation, reversal, amendment or clarification of your earlier instructions can only be affected if your request is received before the earlier instruction is executed.
- 1.22 You hereby agree that the Broker's records and any records of the instructions, communications, operation or transactions made or performed, processed or effected through the Facility shall be binding and conclusive evidence of the transaction.

#### Limitation of Liability and Indemnity

You represent and warrant to the Broker that,

- 1.23 All information provided, and statements made by you in the Client Registration Form and subsequently are true and accurate and not misleading (whether by reason of omission to state a material fact or otherwise) and you are aware that the Broker has agreed to extend the Facility and services thereunder to you relying on such information and statements. You shall immediately notify the Broker in writing of any material change to such information and the Broker reserves the right to suspend or terminate access to the Facility or this Agreement based on such change.
- 1.24 You understand that access to the Facility or any feature thereof may be restricted or unavailable during period of peak demands, extreme market volatility, systems upgrades or other reasons. Broker makes no express or implied representations or warranties to you regarding the usability, condition or operation of the Facility. The broker does not guarantee that access to or use of the Facility will be uninterrupted or error free or that the Facility will meet any particular criteria of performance or quality
- 1.25 In the event, access to the Facility or any feature thereof is restricted or unavailable, you will use other means to place your orders or access information such as calling the Broker and/or Broker representative.
- 1.26 You have the legal capacity to, and is authorized to, enter into this Agreement and perform your obligations hereunder. You have the necessary skill, capacity and understanding of the internet, its functionality and of the use of the Facility
- 1.27 We hereby permit and authorize JB SECURITIES (PVT) LTD, (hereinafter referred to as "the Broker"), at their absolute discretion and at the company risk, to sell and transfer any or all of the shares or securities, registered in my/our securities account to be opened by the company and maintained by the Broker at the Central Depository System (Pvt) Limited, in order to make good and compensate for any loss or damages incurred or sustained by the Broker, as a result of our default in making any payments lawfully due to the BROKER, on or before the settlement date.
- 1.28 The Client hereby indemnifies the Broker and its employees and officers against all liabilities, claims, loss, damages of any kind which may be incurred by any of them and all action, proceedings which may be brought against any of them in connection with the provision of the Facility or services thereunder in the absence of any fraud, gross negligence or willful default on the part of the Broker or its employees.

- 1.29 The above authority i.e. the right to sell securities given to the Broker by the company, is in addition to other rights, powers and remedies available to the Broker under the prevailing laws rules and regulations of Sri Lanka. The authority granted hereby shall in no way affect or exempt me/us from any liability towards the Broker arising from or consequent upon any such default.
- 1.30 Before every purchase order, we agree to make a bank transfer / deposit a cheque, at least equivalent to 50% of the value of the order or in the alternative have adequate securities in our account, to cover at least 50% of the value of the order.
- 1.31 We acknowledge that the market data provided to the company are obtained from Colombo Stock Exchange Sources believed to be reliable, are provided solely on a BEST EFFORT BASIS (AS IS" and "AS AVAILABLE" BASIS) and that no guarantees are made by "the broker as to their accuracy, completeness, timeliness or correct sequencing. We agree that the Broker will not be liable to the company or have any responsibility whatsoever, for:
- 1.31.1 Any Losses arising out of or relating to a cause over which Broker do not have direct/indirect control, including the failure of electronic or mechanical equipment or communication lines, telephone or network problems, unauthorized access; or
- 1.31.2 Any special, indirect, incidental, consequential, punitive or exemplary damages that we may incur in connection with the company use of the Services provided by the Broker under this Agreement.
- 1.32 We hereby agree that the Broker shall not be responsible for any delay or failure to comply with any part of these terms and conditions resulting from causes beyond the Broker's control, including but not being restricted to acts of God, fires, explosions, floods, earthquakes, wind storms, national strikes, national riots, national work outs, national boycotts, wars, laws, regulations or acts of any government or from other causes beyond the control of the Broker which by the exercise of due diligence the Broker is unable to prevent.
- 1.33 The Broker shall not be liable for any loss caused directly or indirectly by any situation or circumstance beyond its control including, but not limited to, government restrictions, CSE or market rulings, suspension of trading, computer, communications, telephone or system failure, war, strikes, earthquakes, flood, accident, power failure, equipment or software malfunction.

#### Amendments and notices to the parties

- 1.34 Broker reserves the right to add, modify, delete or vary any of these terms or any information pertaining to the Facility from time to time with written notice to the Client.
- 1.35 Any legal notice to be given by one party to the other in connection to this Agreement shall be in writing and delivered to the registered address or email address set out below.

The Broker: Attn: Compliance Officer Address: 150, St Joseph's street, Colombo 14. E-mail: [jbs@jb.lk](mailto:jbs@jb.lk)  
The Client: the address / email address provided in the Registration Form or, to such other address as the party to be served, may have notified the other in accordance with the provisions of this clause.

#### Termination

- 1.36 The Broker may in its sole discretion terminate or restrict your access to the Facility and may terminate the Agreement at any time. Upon termination of this Agreement, any software license granted to you herein shall automatically terminate. You accept that in view of the nature of the transactions and dealings involved in providing the Facility, it may not be possible for the Broker to give you advance notice of such restrictions or termination.
- 1.37 The Client may terminate the Agreement with written notice to the Broker provided, there is no payable outstanding or security deliverable by the Client to the Broker.
- 1.38 Termination of the Agreement shall not affect any rights or obligations which have accrued prior to termination, or which may arise out of or in connection with acts done or omitted prior to termination.

Definitions and Interpretation 1. In this Agreement, unless the context otherwise requires, the following words shall have the following meanings:

“Agreement” : means this Internet Trading Facility Agreement including, the Securities Account Terms and Conditions, as may be amended from time to time;

“Broker” : means JB Securities (Private) Limited, a company incorporated under the laws of the Democratic Socialist Republic of Sri Lanka and a stockbroker licensed by the Securities and Exchange Commission of Sri Lanka and having its registered office at 140, St. Joseph’s street, Colombo 14 and its successors and permitted assigns;

“Facility” : means the services offered by the Broker to its clients to trade and deal in securities through its online trading platform;

“CDS” : Central Depository Systems (Pvt) Ltd

“Client” or “you” : means the Applicant and/or Joint Applicant (jointly and severally) identified in the Client Registration Form above and which expression includes his heirs, executors, administrators, successors “CSE” : Colombo Stock Exchange

Signature of the Client(s)/Authorized Signatory of the Client(s)



1. ....

2. ....

3. ....

Date : .....

*N.B if a corporate, authorized person/s should sign and the company seal should be placed*

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#### OFFICE USE ONLY

Investment Advisor Name .....

Signature .....

Date : .....

Approved By Name .....

Signature .....

Date : .....



## DECLARATION OF NON-U.S. PERSON/S ■

Manager  
JB Securities (Pvt) Limited  
150 St Joseph's Street  
Colombo 14  
Sri Lanka

CDS Account No : .....

I/We (1) .....

bearing National Identity Card No./Passport No/Company registration No. ....of  
.....(Address)

(2).....

bearing National Identity Card No./Passport No/Company registration No. ....of  
.....(Address)

(3).....

bearing National Identity Card No./Passport No/Company registration No. .... of  
.....(Address)

declare that I/we **DO NOT FALL UNDER THE DEFINITION OF A U.S. PERSONS** under the provisions of the Foreign Account Tax Compliance Act ("FATCA") which is a US legislation aimed at preventing tax evasion by US persons through overseas assets.

I/We agree to advise JB Securities (Private) Limited in writing, if I/We change my/our citizenship status in future and qualify to be a "U.S. Person" as described under FATCA

I/We confirm that I/we understand FATCA is extraterritorial by design and requires "US Persons" to report their financial assets held overseas.

I/We further confirm that this request is made by me/us with full knowledge and understanding of FATCA.

Further, I/We declare that I am/we are Resident of .....

I am/We are citizen of the following Country/Countries.....

My/Our Nationality : .....

Signature of the Client(s)/Authorized Signatory of the Client(s)



1. ....

2. ....

3. ....

Date : .....

*N.B if a corporate, authorized person/s should sign and the company seal should be placed.*

## DECLARATION ON FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) OF USA – U.S. PERSON/S

Manager  
JB Securities (Pvt) Limited.  
150 St Joseph's Street  
Colombo 14  
Sri Lanka

CDS Account No : .....

I/We (1) .....

bearing National Identity Card No./Passport No/Company registration No. ....of  
.....(Address)

(2).....

bearing National Identity Card No./Passport No/Company registration No. ....of  
.....(Address)

(3).....

bearing National Identity Card No./Passport No/Company registration No. .... of  
.....(Address)

who **FALL UNDER THE DEFINITION OF A U.S. PERSONS** under the provisions of the Foreign Account Tax Compliance Act ("FATCA") which is a US legislation aimed at preventing tax evasion by US persons through overseas assets. I/We confirm that I/we understand FATCA is extraterritorial by design and requires "US Persons" to report their financial assets held overseas.

I/We hereby request JB Securities(Pvt) Limited which is recognized as a Foreign Financial Institutions (FFIs) in terms of the FATCA to report all information pertaining to the accounts and investments held by me/us in the JB Securities (Pvt) Limited and to remit any tax payable to the Internal Revenue Service (IRS) of the United States of America.

I/We further confirm that this request is made by me/us with full knowledge and understanding of FATCA and terms of stock broker rules of Colombo Stock Exchange of Sri Lanka.

Further, I/We declare that I am/we are Resident of.....

I am/We are citizen of the following Country/Countries.....

My/Our Nationality : .....

Signature of the Client(s)/Authorized Signatory of the Client(s)



1. ....

2. ....

3. ....

Date : .....

*N.B if a corporate, authorized person/s should sign and the company seal should be placed.*