

## **AGREEMENT FOR MARGIN FINANCING**

HIS AGREEMENT is made at Karachi on the \_\_\_\_\_ day of \_\_\_\_\_ **20** BETWEEN M/S Topline Securities Ltd, TREC holder of Pakistan Stock Exchange (hereinafter refer to as the "TREC Holder") AND MR. / M/S. \_\_\_\_\_, an individual/ partnership firm / company, resident of / having office at \_\_\_\_\_ (hereinafter referred to as the "CLIENT") for the administration of margin trading account.

### **WHEREAS**

- (a). The TREC Holder is a Member of the Pakistan Stock Exchange (hereinafter called the "**Stock Exchange**") and registered with the Securities & Exchange Commission of Pakistan (hereinafter called the "**Commission**").
- (b). The Client is as Account Holder of the TREC Holder having executed and submitted the Standardized Account opening Form prescribed by the Commission and has applied to the TREC Holder for grant it to carry out Margin Financing(MF) of securities.

### **NOW THIS AGREEMENT WITNESSETH AND THE PARTIES HERETO AGREE AS UNDER**

1. Limit in margin financing will be allowed to the client as per company policy. The gross margin financing limit is Rs. \_\_\_\_\_. The client agreed MF commission @ \_\_\_\_\_ for MF exposure to be charged on rollover on \_\_\_\_\_ basis.
2. The Client hereby affirms and declares that he / it is not one of the persons declared ineligible for availing the said facilities as per regulations of NCCPL.
3. Margin Financing of Securities on account of the client shall be governed by the Securities (Leveraged Markets and Pledging) Rules, 2011 and any amendments thereto or substitutions thereof or any other legal or regulatory requirement as implemented from time to time. The client(s) undertake(s) to execute the TREC Holder's standardized documents for such transactions, including those prescribed by SECP, PSX, NCCPL, etc.
4. The Margin Financing Facility shall be for a tenor not greater than the respective tenor prescribed by the PSX (KSE) from time to time or such other period as the TREC Holder may at its sole discretion determine.
5. The minimum equity/Cash participation amount/ratio that the TREC Holder shall accept for MF Facility shall not be lower than the limit prescribed by the National Clearing Company of Pakistan Limited Regulations, 2003, (Regulations) as amended and/or modified from time to

time. However, the TREC Holder at its discretion can request for higher equity participation than what is prescribed in the Regulations. The Client shall pay Minimum 25% cash Participation of each & every transaction value or VaR rate prescribed by the NCCPL, whichever is higher, shall be contributed by client in Cash. The broker may increase the client participation rate upto **10 %** to be deposited by the client in cash or margin eligible securities of NCCPL subject to broker prior intimation.

6. In respect of MF transactions, the Client(s) shall pay to the TREC Holder mark-up on financing computed at the rate \_\_\_\_\_% decided from time to time pro-rated to the actual number of days for which any amount is financed to or on account of the Client(s). The TREC Holder shall have the right to debit Client(s) account for the mark-up and the Client(s) undertake(s) to pay the mark-up immediately upon written demand from the TREC Holder without raising any issues.

7. The purchase of securities shall be carried out by the Client(s) only in respect of MF Eligible Securities as decided by the TREC Holder from time to time. The Client(s) accept(s) and acknowledge(s) that the TREC Holder has the sole discretion to limit the number of MF Eligible Securities for which it may wish to facilitate the Client(s), and the Client(s) can only ask for facilitation of those MF Eligible Securities from the TREC Holder which the TREC Holder has short-listed. Any change to the MF Eligible Securities shall be affected immediately by the TREC Holder except where the MF Securities' contract already executed require otherwise.

8. In case of any corporate action such as a dividend declaration or a rights announcement by a MF Eligible Security which has been financed by the TREC Holder / MF Financier, such right shall remain vested with the Client(s) and the TREC Holder/MF Financier shall not benefit from such actions in spite of the securities being in its custody.

9. If there is any loss in the Client(s)' account due to Mark-to-Market (MTM) of the MF Contract, such losses shall be settled by the Client(s) within one business day.

10. The TREC Holder is hereby authorized by the Client(s) to mortgage, pledge or hypothecate the securities deposited or bought on behalf of the Client(s) for a sum not exceeding the outstanding balance in the margin account, to the extent that the same is permissible under the applicable laws, Rules and Regulations.

11. The Client(s) unconditionally agree(s) that his/her/its/ their securities may be sold by the margin financier/Topline Securities, in case of any default or margin call not being addressed as per the requirements of Rules & Regulations as applicable from time to time, in

the course of financing.

12. All fees and charges will be charge to client as NCCPL and PSX may charge.

13. Client can renew or close his/her MF position on/or any trading day.

14. Notwithstanding the conditions of Clauses 4 and 8, in the event of default, failure, refusal or inability on part of the Client(s) to repay the finance or any outstanding mark-up thereon, the TREC Holder shall have the right to square up and liquidate the position of the Client(s) and sell all the securities held on account of the Client(s) upon one business days' notice to the Client(s). The net sale proceeds so realized after deduction of brokerage, cost, taxes, duties, etc. shall be applied towards adjustment of the outstanding owned by the Client(s) to the TREC Holder. In case of any shortfall, the Client(s) shall be liable to pay the same to the TREC Holder with late payment charges, computed form the due date(s) of the outstanding amount up to the date of actual realization by the TREC Holder.

15. It is hereby distinctly understood that the grant of this MF Facility by the TREC Holder to the Client(s) is subject to the provisions of the Securities (Leveraged Market and Pledging) Rules 2011 with such variations and modifications as may be made from time to time. The Client(s) has/has read, understood and agreed to abide by the provisions of the said Rules, as well others applicable Rules and Regulations. Further, all applicable Procedures, prescribed Documents, Policies, Notifications, Rules, Regulations, etc. issued or made by the Stock Exchange / NCCPL/Commission in respect of Margin Financing/ Marin Trading shall become applicable and binding on the Client(s) and the TREC Holder. If any fine is imposed or other adverse action is taken by the Commission or the Stock Exchange or NCCPL against the TREC Holder due to non-compliance of any of the provisions of the said Rules and/or any direction of the Commission or the Stock Exchange or NCCPL by the Client(s), the Client(s) shall be liable to pay the same to the TREC Holder and indemnify and keep indemnified the TREC Holder against all losses, cost expenses, demand, proceedings and compensate the TREC Holder in all respect to the full extent.

16. The TREC Holder hereby discloses, and the Client(s) acknowledge(s) that the transaction and activity of margin trading/margin financing has its inherent risk, and consequently, the Client(s) by entering into this Agreement accepts such risk. Such risk include, but are not limited to, default risk, economic risk, market risk, regulatory risk, interest rate risk, priority right of other creditors in case of liquidation, and other force majeure events like terrorism, act of God, civil commotion, failure of communication and I.T. related systems downtime or other glitches, etc.

17. The Client(s) represent(s) that the funds being provided by him/her/them/it is/are his/her/its/their own funds and not obtained or borrowed from any other person

17. All provisions of the Anti-money Laundering Act,2010 and SECP AML and CFT Regulations, 2018 will be applicable in these transactions

18. All rules as per Margin Financing provided by NCCPL may apply on client and TREC Holder both sides.

IN WITNESS WHEREOF the parties hereto, have executed this Agreement on the date and year mentioned above

\_\_\_\_\_  
Signature of TEC Header (Broker)

\_\_\_\_\_  
CLIENT(S)

WITNESSES  
(Signature, Name and Address)

1. \_\_\_\_\_

2. \_\_\_\_\_

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

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

Address: \_\_\_\_\_

Address: \_\_\_\_\_

C.N.I.C No. \_\_\_\_\_

C.N.I.C No. \_\_\_\_\_

**MARGIN FINANCING APPLICATION FORM**  
**(Note: Each and every column must be filled in)**

Account Opening Form Reference No. _____	Date: _____
CDC Account No _____	
Client ID/Account No: _____	
Name of Brokerage House: <b><u>Topline Securities Limited</u></b>	

I/We hereby apply for Margin Financing.

I/We declare that since last five years:

- (i). I/We/any of our director have not applied to be adjudicated as an insolvent and that I/we have not suspended payment and that I/we have not compounded with my/our creditors;
- (ii). I/We am/any of our director are not un- discharged insolvent;
- (iii). I/We/any of our director have not been declared defaulter in repayment of loan of a bank/financial institution; and
- (iv). I/We/any of our director have not been convicted by a court of law for an offence involving moral turpitude;

I/We have read, understand and agree to the terms and conditions of the Securities (Leveraged Markets and Pledging) Rules, 2011 and agree to abide by all the provisions, terms and conditions contained therein, at all times. I/We confirm that all the information in this application is complete, we are duly authorized by the board of directors for this facility and provide you the accurate information and what is stated above is true and correct to the best of my/our knowledge and belief.

Name & Address of the Applicant: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

Date: \_\_\_\_\_

**Agreement for Margin Trading System Market Transactions**

This agreement is made in addition to the Account Opening Form and for the compliance of PSX regulation 4.20 of the Pakistan Stock Exchange Limited for Margin trading System (MTS) transactions.

Following are the parties to this agreement:

M/s Topline Securities Limited, a Company incorporated under the Companies Ordinance, 1984 registered at 8<sup>th</sup> Floor, Horizon Tower, Plot 2/6, Block-3, Clifton, Karachi Pakistan (Broker) and;

\_\_\_\_\_ bearing CNIC No. \_\_\_\_\_ resident of  
\_\_\_\_\_  
\_\_\_\_\_ (Client)

Following clauses and points hereby agreed and binding on both client and broker;

1. The Financing limit would not exceed to Rs. \_\_\_\_\_ million.
2. The client undertake that the funds being provided to broker for margin trading are its own funds and not obtained or borrowed from any other person.
3. The client agreed on terms and conditions of markup or profit prevailing at the prevailing market conditions available at NCCPL MTS system.
4. The client agreed MTS commission @ \_\_\_\_\_ paisa per share for MTS exposure on \_\_\_\_\_.
5. This agreement is initially for a period of five years and can be extended by the both the parties. On expiration of this agreement period if no notice will be given by any party than this agreement will further extended for a period of five years.
6. The client will only trade in NCCPL eligible MTS securities. This list of eligible MTS trading securities is being notified by the NCCPL and it may be amended from time to time by the NCCPL.
7. In case of exposure demand of client, the client will provide those securities acceptable by NCCPL to meet its margin demands.
8. Default management procedures shall apply in the event of default by the client in completing client respective obligations as per the Rules and authorized intermediary's regulations approved by the Commission
9. All provisions of the Anti-money Laundering Act, 2010 will be applicable in these transactions
10. This agreement is only for exposure at Margin Trading System Market of NCCPL.
11. The client understood and agreed all the risk associated with this Margin Trading System Market and client has ability to bear these risk associated with these transactions i.e. interest rate risk, market value risk, security eligibility risk of NCCPL.
12. The client has understood and undertake that It understand all the risks involved in MTS transactions and has ability to bear the risks of MTS transactions.

\_\_\_\_\_  
Broker

\_\_\_\_\_  
Client

**Rights and Obligations of the Clients;**

**Rights;**

The client has a legal right on Title of the Securities.

**Obligations**

The client has an obligation to fulfill margins demand determined as per NCCPL Securities (Leveraged Markets and Pledging) Rules, 2011. The client should fulfill margin requirements and submit mark to market losses. The deposits and mark to mark losses shall be payable in cash only.

**Brokers Obligations;**

Broker will execute the client order while the order will be placed and other specified in the NCCPL Securities (Leveraged Markets and Pledging) Rules, 2011.

**For and on the Behalf of Broker**

**For and the Behalf of client**

\_\_\_\_\_

**Broker**

**Name:** \_\_\_\_\_

**CNIC No.** \_\_\_\_\_

Master Murabahah Agreement for MSF  
“By Securities Broker to its Customer”

MASTER MURABAHA AGREEMENT (MMA) Dated \_\_\_\_\_  
By AND BETWEEN

NAME \_\_\_\_\_ AS MSF BUYER  
AND

NAME TOPLINE SECURITIES LIMITED AS MSF SELLER

THIS MASTER MURABAHA AGREEMENT (MMA) (this “Agreement”) is made at \_\_\_\_\_ on  
this \_\_\_\_\_

**BY AND  
BETWEEN**

\_\_\_\_\_ having its registered office

\_\_\_\_\_ (hereinafter referred to as the “**MSF Buyer**” which  
expression shall where the context so permits mean and include its successors in interest and permitted  
assigns) **of the One Part;**

**AND**

TOPLINE SECURITIES LIMITED, incorporated under the law of Pakistan, having its registered office 8<sup>th</sup>  
Floor, Horizon Tower, Plot 2/6 Block-3, Clifton, Karachi Pakistan (hereinafter referred to as the “**MSF  
Seller**” which expression shall where the context so permits mean and include its successors in interest and  
permitted assigns) **of the Other Part.**

(The MSF Buyer and the MSF Seller are hereinafter individually referred to as a “**Party**” and collectively  
as the “Parties”)

**WHEREAS**

1. the MSF Buyer wishes to obtain finances as defined in NCCPL Regulations, 2015 with the  
principles of Murabahah Share Financing “MSF” from the MSF Seller for the purchase of the  
Eligible Securities.
2. The Securities Broker has been admitted as Clearing Member of the National Clearing Company  
of Pakistan Limited “NCCPL” under NCCPL Regulations, 2015”;

**NOW THEREFORE IT IS HEREBY AGREED BETWEEN THE PARTIES as follows:**

**1. PURPOSE AND DEFINITIONS**

1.1 This Agreement sets out the terms and conditions upon and subject to which the MSF Seller  
has agreed to sell the MSF Eligible Securities to the MSF Buyer from time to time by way of  
Murabahah Share Financing facility up to a total aggregate of MSF Transaction Cost Price  
**Rs. \_\_\_\_\_ /- (Rupees \_\_\_\_\_ Only)**, at any given time to purchase /  
trading of Shariah compliant MSF Eligible Securities of Listed companies

1.2 In this Agreement, unless the context otherwise requires:

“**Business Day**” means a day on which MSF Seller is open for normal business in Pakistan;

**“Event of Default and Termination”** means any of the events or circumstances described in Clause 9 below and include any event or circumstance which with the passage of time or the giving of notice or both would become an Event of Default and Termination.

**“Expire Date”** Means \_\_\_\_\_

**“Financial Indebtedness”** mean any obligation, whether present or future, actual or contingent, to pay/ deliver any moneys under or in respect of any financial accommodation, facility or arrangement granted to the MSF Buyer including:

- (a) Moneys financed or raised by the MSF Buyer including, without limitation, any Finances as defined in NCCPL Regulations, 2015
- (b) Guarantee
- (c) MSF Eligible Securities
- (d) Central excise duty and other statutory levies imposed by or payable to the Federal, Provincial or any local governments by virtue of or in respect of any of the above; and
- (e) An arrangement which achieves the same equivalent commercial effect as to any of the above

**“MSF Deposits”**

means the ratio of deposit required to be maintained by the MSF Buyer in cash with the respective MSF Seller for MSF Transaction.

**“Guarantee”** means a guarantee, MSF Collateral;

**“Indebtedness”** means any obligation of the MSF Buyer for the payment of any sum of money due or payable under this Agreement;

**“MSF Transaction Cost Price ”** means the amount which is incurred by MSF Seller for the acquisition of the MSF Eligible Securities including all costs, duties, taxes, fees, levies and charges incidental to and connected with acquisition of the MSF Eligible Securities:

**“MSF Transaction”** means the sale and purchase of the MSF Eligible Securities which is affected on the MSF System and where both the MSF Transaction Cost Price and the Profit are disclosed by the MSF Seller. Provided that such transaction should be recorded by MSF Seller within ten Business Days from the Settlement Date of Ready Delivery Contract or Ready Market Contract purchase. After expiry of ten Business Days, such transaction may be recorded subject to the valid reason/justification provided by the MSF Seller, as acceptable to the Company.

**“MSF Eligible Securities”** means the Securities declared by the Company as such pursuant to these Regulation which the MSF Seller shall acquire, from time to time, for the sale the MSF Buyer as mentioned in Schedule “A” hereto and as more particularly described in the Agreement

**“MSF Collateral”** means MSF Eligible Securities offered by the MSF Buyer as collateral that may, from time to time, be substituted to MSF Seller against MSF Transaction, as more specifically mentioned in attached Schedule “B”, which will remain mortgaged / pledged to the MSF Seller as MSF Collateral;

**“MSF System”** means a system made available by the Company to MSF Participants for recording and execution of MSF Transactions

**“Payment Date(s)”** means the respective date(s) for the payment of amount of the MSF Transaction or part thereof by the MSF Buyer to the MSF Seller as specified in separate Schedule “C” as attached hereto, or, if such respective due date is not a Business Day, the next Business Day;

**“Profit”** means any amount which is over and above the MSF Transaction Cost Price, as disclosed by the MSF Seller for the execution of MSF Transaction

**“Parties”** means the parties to this Agreement;

**“Schedule of Payments”** or **“Payment Schedule”** means Schedule “D” attached hereto in which the payment Date(s) in respect of the MSF Transaction shall be specified.

**“Value Date”** means the date on which the MSF Transaction Cost Price will be paid by the MSF Seller for the purchase of the Eligible Securities.

Clause headings and the table of contents are inserted for convenience of reference only shall be ignored in the interpretation of this Agreement, unless the context otherwise requires, references to Clause and Schedules are to be construed as references to the clause of and Schedule, this Agreement and references to this Agreement include its Schedules; words importing the plural shall include the singular and vice versa and reference to a person shall be construed as including reference to an individual. Firm, institution, corporation, unincorporated body of person or any state or any Agency thereof;

## **2. MSF TRANSACTION**

**2.1** The MSF Seller will purchase the required MSF Eligible Securities from the Ready Delivery Contract or Ready Market Contract using Client Code tagged with the UIN of the respective MSF Buyer through a specific key to identify such trades

**2.2** Non-Broker MSF Seller, shall appoint Broker Clearing Member (admitted with the Company as potential MSF Buyer) as its Agent under Agency Agreement before entering into MSF Transaction. Accordingly, Non-Broker MSF Seller, through its Agent, will purchase the required MSF Eligible Securities from the Ready Delivery Contract or Ready Market Contract using Client Code tagged with the UIN of the respective MSF Buyer through a specific key to identify such trades.

**2.3** On the Trade Date, relevant information of such purchases shall be initiated in MSF System by MSF Buyer (Broker Clearing Member) to the relevant Non-Broker MSF Seller within Designated Time Schedule. Non-Broker MSF Seller, within the Designated Time Schedule, will intimate through MSF System its intention by confirming such purchases to enter into MSF Transaction on future date including Settlement Date after assuming ownership of the purchased securities as per the terms covered in MMA. In case where MSF Buyer does not intimate relevant information of such purchases to Non-Broker MSF Seller and/or relevant information of such purchases initiated in MSF System by MSF Buyer to the relevant Non-Broker MSF Seller but Non-Broker MSF Seller un-affirmed/rejected such intimation, in such case, MSF

Transaction shall not be recorded in MSF System on future/settlement date and MSF Buyer shall be responsible to settle such trades in NCSS.

**2.4** On the Settlement Date, Ready Delivery Contract or Ready Market Contract purchases shall be settled under Balance Order System as prescribed in these Regulations and the Procedures whereby, the MSF Seller shall be obliged to pay against Ready Delivery Contract or Ready Market Contract purchases which are confirmed as per clause 7E.2.4.6 above and Securities shall be delivered to the CDS house account of MSF Seller maintained under MSF Blocked Status under Balance Order System

**2.5** If MSF Seller is unable to receive the Securities on Settlement Date on account of default by the counter selling Clearing Member, the Company shall initiate squaring up process in accordance with NCSS Procedures and the securities purchased through squaring process shall be transferred to the CDC account of such MSF Seller on SD+1 basis. If the Company is unable to purchase the relevant Security in the squaring up process, then the Company will initiate squaring-up/close-out process in accordance with NCSS Procedures. Resultantly, the transaction shall be considered as cancelled and the MSF Seller shall receive its actual purchase price paid on the settlement date.

**2.6** On the agreed date, in accordance with the terms and conditions of MMA, MSF Transaction will be recorded by MSF Seller in MSF System within Designated Time Schedule based on activity performed by the MSF Seller and MSF Buyer on Trade Date. Provided that such transaction should be recorded by MSF Seller within ten Business Days from the Settlement Date of Ready Delivery Contract or Ready Market Contract purchase. After expiry of ten Business Days, such transaction may be recorded subject to the valid reason/justification provided by the MSF Seller, as acceptable to the Company.

**2.7** In accordance with the provisions agreed in MMA whereby MSF Buyer undertakes the Company to make arrangement for transfer of its purchased securities through MSF Transaction to its designated MSF Blocked Status as MSF Collateral, the Company shall deliver such purchased Securities from the CDS house account of MSF Seller maintained under MSF Blocked Status to the CDS account of MSF Buyer maintained under MSF Blocked Status as MSF Collateral. MSF Seller will obtain Securities Deposit directly from MSF Buyer.

**2.8** MSF System will facilitate MSF Seller to release such MSF Collateral from CDS house account of MSF Buyer maintained under MSF Blocked Status to the respective normal CDS house account of MSF Buyer. Once such instruction is received in MSF System from MSF Seller, such movement of securities will be done through On-line BO Mechanism within Designated Time Schedule

**2.9** MSF Transaction Price and Profit will be managed by MSF Participants directly in accordance with the terms and conditions set-out in MMA

**2.10** In case of any default by MSF Buyer or any dispute, the MSF Seller will have recourse to these Securities. MSF System will facilitate MSF Seller to release such MSF Eligible Securities from CDS account of MSF Buyer and/or from his own CDS house account maintained under MSF Blocked Status as the case may be, to his normal CDS account. Once such instruction is received in MSF System from MSF Seller, such movement of securities will be done through On-line BO Mechanism within Designated Time Schedule.

### **3. SALE AND PURCHASE OF THE MSF ELIGIBLE SECURITIES**

3.1 The MSF Seller, agrees to sell the Securities, of a maximum amount of Rs. \_\_\_\_\_/= (Rupees) at any time, to the MSF Buyer. The MSF Buyer agrees to purchase the MSF Eligible Securities from the MSF Seller, from time to time, at the MSF Transaction

### **4. MSF COLLATERAL**

4.1 As security for the Indebtedness under this Agreement, the MSF Buyer shall:

- (a) furnish to the MSF Seller MSF Collateral(s) substantially in the form and substance as per attached schedule hereto;
- (b) execute such further deeds ad documents as may from time to time be required by the MSF Seller for the purpose of more fully securing and/or perfecting the MSF Collateral created in favor of the MSF Seller; and
- (c) create such other securities to secure the MSF Buyers obligations under this agreement as the parties hereto, may by mutual consent, agree from time to time.

### **5. FEES AND EXPENSES**

The MSF Buyer shall pay to the MSF Seller on demand, within [ \_\_\_\_\_ ] days of such demand being made, all expenses (including legal and other ancillary expenses) incurred by the MSF Seller in connection with the negotiation, preparation and execution of the agreement and of amendment or extension of or the granting of any waiver or consent under the agreement.

### **6. PAYMENTS**

6.1 All payments to be made by the MSF Buyer under this Agreement shall be made in full, without any set-off, roll over or counterclaim whatsoever, on the due date and when due date is not a Business Day, the following Business Day and save as provided in Clause 6.2 below, free and clear of any deductions or withholdings, to an account of the MSF Seller as may be notified from time to time, and the MSF Buyer will only be related from its payment obligations hereunder by a written notification by the MSF Seller to the MSF Buyer in respect thereof.

6.2 Where any amount is required to be paid by the MSF Buyer to the MSF Seller under the agreement on a specified date and is not paid by that date (or till any extension there of permitted by the MSF Seller without any increase in the required payment), the MSF Buyer hereby undertakes to pay to the charity fund, if constituted by the MSF Seller, a sum calculated @ { \_\_\_\_\_ }% per annum, for the entire period of default, calculated on the total amount of the obligation remaining un-discharged or any other amount acceptable to the MSF Seller, unless the delay in the required payment is accepted to the MSF Seller .

The charity fund shall be used exclusively for the purpose of charity to be approved by the Shariah supervisory board/Shariah Advisor of the MSF Seller.

**7. MSF SELLER'S REPRESENTATIONS AND WARRANTIES**

7.1 The MSF Seller warrants and represents that:

- (a) That it is admitted as Eligible MSF Seller of NCCPL in accordance with the eligibility criteria as prescribed in the NCCPL Regulations
- (b) That it full legal right, power and authority to enter into, execute and deliver this agreement and to perform the MSF transactions on MSF System;
- (c) That all requisite corporate approval and consents have been obtained to enable it to enter and perform its obligations under this agreement.
- (d) The obligation of the MSF Seller to pay the MSF Transaction Cost Price shall be in accordance with NCCPL Regulations

**8. MSF BUYERS REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

8.1 The MSF Buyer represents, warrants, covenants to and undertakes with the MSF Seller that so long as the MSF Buyer is indebted to the MSF Seller in terms of this Agreement:

- (a) Neither its execution of, nor its exercise of, its rights or performance of its obligations under this Agreement does or will;
  - i. Contravene any applicable law to which the MSF Buyer are subject;
  - ii. Contravene any undertaking or instrument binding on the MSF Buyer;
  - iii. Required the MSF Buyer to make any payment or delivery in respect of any Financial Indebtedness before the scheduled date of that payment or delivery; or
  - iv. Cause any limited on the power of the MSF Buyer to incur Financial Indebtedness to be exceeded;
- (b) All requisite corporate and regulatory approvals required to be obtained by the MSF Buyer in order to enter into the agreement are in full force and effect and such approval permit the MSF Buyer, inter alia, to obtain financial facilities under this agreement and perform its obligations hereunder and that the execution of the Agreement by the Finance;
- (c) No material litigation, arbitration or administrative proceeding is pending or threatened against the MSF Buyer or any of its assets;
- (d) It shall inform the MSF Seller within business days of an event or happening which may have an adverse effect on the financial position of the MSF Buyer, whether such an event is recorded in the financial statements or not as per applicable international accounting standards where applicable;
- (e) No extraordinary circumstances and no change of law has occurred which would make it impossible for it to carry on its business or fulfill its obligations under this agreement;

- (f) No order or passing of resolution for the winding up of the MSF Buyer has been made or is likely to be made;
- (g) There are no judicial and enforcement proceedings taken against the MSF Buyer which may, singly or cumulatively result in a significant of the value of its assets;
- (h) There is no governmental measure or decision, whether general moratorium or individual decision or any other event whatsoever which has or will have material adverse effect on the MSF Buyer or its assets:
- (i) No process has been invoked by any court or authority against the MSF Buyer or any of its asset;
- (j) The security created and /or furnished by the MSF Buyer to the MSF Seller or any other Security furnished by the MSF Buyer to the MSF Seller under or pursuant to this agreement has not deteriorated in quality or has become inadequate;
- (k) No amount whatsoever is declared to be due and payable or has become capable of being declared due and payable in respect of any Financial Indebtedness of the MSF Buyer before the stated maturity of that Financial Indebtedness;
- (l) In the event of an occurrence of an Event of Default, the MSF Seller shall have the right to initiate any legal proceedings it deems fit, in the MSF Buyers name and at the MSF Buyers cost and expense. The MSF Buyer agrees to indemnify the MSF Seller against all losses, damages and expenses that it may suffer, sustain or incur in this regard;
- (m) it shall inform the MSF Seller of any Event of Default or any event, which with the giving of notice or lapse of time or both would constitute an Event of Default forthwith upon becoming aware thereof;
- (n) it shall provide to the MSF Seller, upon written request, copies of all contracts, agreements and documentation relating to the purchase of the Goods;
- (o) the MSF Buyer shall provide to the MSF Seller fresh MSF Collateral if the security provided to the MSF Seller at any time ceases to be an effective security in the sole opinion of the MSF Seller and failure to do so on the part of the MSF Buyer shall constitute an Event of Default hereunder. All costs and expenses incurred in creating and registering such a fresh MSF Collateral shall be borne by the MSF Buyer;
- (p) the MSF Buyer has not defaulted in respect of any payment obligation ( whether relating to loan, finance or otherwise) or any other type of obligation owed to any MSF Seller or financial institution and that the MSF Buyer has not defaulted in payment of any taxes or other dues owed to the Government or local authority; and
- (q) it shall forthwith inform the MSF Seller of:

- i. any event or factor, any litigation or proceedings pending or threatened against the MSF Buyer which could materially and adversely affect or be likely to materially and adversely affect: (a) the financial condition of the MSF Buyer; (b) business or operations of the MSF Buyer; and (c) the MSF Buyers ability to meet its obligations when due under any of the agreement;
- ii. any actual or proposed termination, rescission, discharge ( otherwise than by performance), amendment or waiver or indulgence under any material provision of any of the agreement; and

8.2 The MSF Buyer acknowledges that the MSF Seller has entered into this agreement in reliance on the representations and warranties contained in this Clause 8.

## **9. EVENTS OF DEFAULT AND TERMINATION**

9.1 There shall be an Event of Default and Termination if in the opinion of the MSF Seller:

- (a) The MSF Buyer fails to pay any sum payable by its under this agreement when due; or admits its inability to pay any sum payable by it under this agreement as they fall due; or
- (b) Any representation or warranty or undertaking or covenant made or deemed to be made or repeated by the MSF Buyer in or pursuant to the agreement or in any document delivered under this agreement is found to be incorrect in any material respect; or
- (c) The MSF Buyer defaults in the due and punctual performance of any other provision of this agreement and (if such default is in the opinion of the MSF Seller capable of remedy) such default shall not have been remedied within [\_\_\_\_] days of the MSF Seller notifying the MSF Buyer of such default; or
- (d) The MSF Buyer stops or suspends payment of its debts generally or is unable or admits inability to pay its debts as they fall due or proposes or enters into any composition or other arrangement for the benefit of its creditors generally or proceedings are commenced in relation to the MSF Buyer under any law, regulation or procedure relating to reconstruction or readjustment of debts; or
- (e) Proceedings are commenced for the winding-up (whether compulsory or voluntary) of the MSF Buyer or the alteration of the structure, power, authority and functions of the MSF Buyer or if the implementation and compliance with any terms and conditions of this agreement are rendered impossible or illegal; or
- (f) Any event occurs or proceedings are taken with respect to the MSF Buyer in any jurisdiction to which it is subject, which has an effect equivalent or similar to any of the events mentioned herein; or

- (g) The MSF Collateral furnished by the MSF Buyer to the MSF Seller under Clause 4 above deteriorates in quality or becomes inadequate in the reasonable opinion of the MSF Seller; or
- (h) Any MSF Collateral executed or furnished by the MSF Buyer under Clause 4 above for any reason whatsoever ceases to be in full force and effect or is declared to be void or is repudiated.

9.2 Notwithstanding anything contained herein, the MSF Seller may without prejudice to any of its other rights, at any time after the happening of an Event of Default, by notice to the MSF Buyer declare that its obligations hereunder are immediately terminated.

9.3 The MSF Buyer shall pay the said amount to the MSF Seller within [\_\_\_\_] Business Days after the receipt of such notice. If the MSF Buyer fails to pay the outstanding amount along with any other payment (costs, expenses, charity payment etc) within [\_\_\_\_] Business Days from the date of the receipt by the MSF Buyer of such notice from the MSF Seller

## **10. GENERAL**

10.1 The Parties unconditionally and irrevocably agree that the only obligation of the NCCPL with regard to the facilitate settlement and MSF contracts in accordance with NCCPL Regulations, 2015. The Parties acknowledge and confirm that NCCPL shall not be responsible for:

- i. the title, ownership, genuineness, regularity or validity of any security or any other documents or instrument pledged with or held by the Parties under this agreement;
- ii. the execution, genuineness, validity, enforceability or sufficiency of any agreement or any other document relating thereto;
- iii. the collectability of amounts payable in respect of MSF;
- iv. the financial condition of Parties to this agreement;
- v. the performance and observance by Parties of their obligations under the agreements or any other documents executed between them in respect of MSF; or
- vi. In the event of fraud, negligence or default by any parties to the agreement, neither the Company nor any of its officers, employees shall be liable to any party of this agreement for any loss suffered to any party arising out of any act or omission in relation to MSF.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year above written.

\_\_\_\_\_

For: MSF Buyer

For: MSF Seller

Mr. \_\_\_\_\_

Mr. \_\_\_\_\_

**Witnesses:**

**Witnesses:**

1. \_\_\_\_\_

1. \_\_\_\_\_

NIC# \_\_\_\_\_

NIC# \_\_\_\_\_

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

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

2. \_\_\_\_\_

2. \_\_\_\_\_

NIC# \_\_\_\_\_

NIC# \_\_\_\_\_

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

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