

## NON-DISCRETIONARY INVESTOR'S PORTFOLIO MANAGEMENT AGREEMENT

This Agreement is made and entered into on \_\_\_\_\_ Agreement No.:

### By and Between

The Portfolio Manager : **LankaBangla Investments Limited**

The Client : \_\_\_\_\_

### WITNESSETH

**WHEREAS**, the Client (as defined hereunder) wishes to avail the service of the Portfolio Manager for professional management and administration of portfolio of securities through opening a non-discretionary investment account (Investor's Portfolio Account – IPA) with the Portfolio Manager and the Portfolio Manager has agreed to render its expertise and services with respect to management and administration of the portfolio of the Client on the terms and conditions set forth hereunder:

**NOW THEREFORE**, in consideration of mutual covenants herein set forth, the parties hereto agree as follows:

### Definitions

**"Approved Portion"** shall mean the portion of the Portfolio of the Client, as determined by the Portfolio Manager, necessary to be disposed off for setting the liabilities of the Client, which shall be decided upon at the sole discretion of the Portfolio Manager.

**"Authorized Person"** shall mean the mandate appointed by the Client under Article 1-22.

**"Business Day"** means the days on which banks and financial institutions are open for business in Bangladesh, except for Fridays and public holidays.

**"Eligible Claim"** shall mean the claim of the Client on the corporate announcements has been legally established.

**"Equity"** shall mean total value of the Portfolios in the relevant investment account less Debt Liabilities (as defined hereunder) including accrued interest, if any.

**"Client"** shall mean such person, firm, company, trust, or association who has appointed the Portfolio Manager for rendering its services under the terms and conditions of this Agreement

**"Debt Liability"** shall mean total Margin Loan to the account including accrued interest at a specified time.

**"Portfolio Manager"**, "Manager" and "Custodian" shall mean LankaBangla Investments Limited (LBIL) – a limited company incorporated under the laws of Bangladesh and having its registered office at Safura Tower (11<sup>th</sup> Floor), 20 Kemal Ataturk Avenue, Banani, Dhaka-1213.

**"Initial Fund"** shall mean the minimum investment amount as stipulated in Schedule I.

**"Institutional Client"** means such client who is a firm, company, trust or association.

**"Investment Account"** shall mean such other account opened with the Portfolio Manager including the Non-Discretionary Account managed by the Portfolio Manager.

**"Margin Deposit"** means the deposit to be made by the Client into the Non-Discretionary Account in accordance to Article 2 and Schedule I hereunder. The Margin Deposit shall be in the form of cash only.

**"Margin Loan"** means the loan provided to the Client for investment in securities in accordance to the terms and conditions of this Agreement.

**"Means of Communication"** means the manner which the order have been placed with the Portfolio Manager by the Client for execution of any investment as described in Article 1-4.

**"First Minimum Debt Liability"** is the percentage of the total Debt Liability as indicated in Schedule I attached hereto.

**"Second Minimum Debt Liability"** is the percentage of the total Debt Liability as indicated in Schedule I attached hereto.

**"Minimum Value"** means the total securities value as indicated in Schedule I attached hereto.

**"Non-Discretionary Account"** shall mean an investment account opened with the Portfolio Manager described in Article 1 hereunder.

**"Net Asset Value"** shall mean total portfolio value including cash, accrued dividend and interest less total liabilities including margin loan, accrued interest, management fee, brokerage commission and other applicable charges.

“**Portfolio**” shall mean a group of securities, including but not limited to shares, debentures, bonds, treasury bills, certificates and other selections from the equity, capital and money market.

“**Valuation of Policy**” means the policy adopted by the Portfolio Manager for valuing the assets of the Portfolio of the Client delineated in Schedule IV of this Agreement. The Portfolio Manger reserves the right to revise the provisions of the Valuation Policy from time to time as it deems necessary.

#### **Article – 1            Terms of Investment**

- 1-1 Prior or upon execution of this Agreement, the Client shall i) open a Non-Discretionary Account with the Portfolio Manager with a deposit of the Initial Fund for investment purpose; and ii) execute Letter of Lien and set a lien over the assets of the Portfolio in favor of the Portfolio Manager.
- 1-2 In case the Client indicates in his/her application that Margin Loan will be availed, in addition to the documentation in relation to opening of the Non-Discretionary Account, the Client shall be required to furnish to the Portfolio Manager executed the requisite demand promissory note and the letter of continuation with the application.
- 1-3 The Portfolio Manager shall maintain separate designated bank account(s) in a schedule bank for keeping and managing the funds received from or on account of the Client from time to time, including the Initial Fund.
- 1-4 The Client has absolute discretionary power to make investment decisions and may from time to time instruct the Portfolio Manager to make such investment(s) for and on its behalf by the following Means of Communication.
  - a) Order Slip of the Portfolio Manager signed by the Client;
  - b) Written instruction signed by the Client;
  - c) Faxed instruction signed by the Client;
  - d) Other evidence of order recorded through any other electronic devices accepted by the Portfolio Manager
- 1-5 The Means of Communication shall constitute evidence of orders made by the Client to the Portfolio Manager, which when executed shall be conclusive and binding on the Client.
- 1-6 In case the Client wishes to send instructions through electronic modes (i.e. other than by written instructions handed over physically to the counter of the Portfolio Manager or mail), it shall execute an Indemnity Agreement as set out in Schedule II. Provided that instructions given through telephone, if accepted by the Portfolio Manger in case of emergency, shall require a written confirmation within 24 hours of giving such oral instruction. In case of failure to give written confirmation by the Client, the transactions that have been done by the Portfolio Manager on the basis of Client's oral or electronic modes instructions, shall be binding on the Client and Portfolio Manager shall have no responsibility or liability for the said transactions.
- 1-7 All instructions and orders made by the Client over telephone or any other electronic or electrical devices shall be logged by the Portfolio Manager in its system and such records shall be conclusive that the instructions have been given by the Client and the transactions so ordered or instructed shall be binding on the Client.
- 1-8 Order by electronic transmission to the Portfolio Manager shall be made at the risk of the Client and the Portfolio Manager shall under no circumstances be held responsible for any loss due to non-transmission arising out of any electronic, electrical or mechanical fault.
- 1-9 The Portfolio Manager shall open a trading sub account in the name of the Client with the designated registered broker of the stock exchanges, which the client sets preference to. In case the client does not indicate any broker preference, the Portfolio Manager shall open the trading sub-account with any registered broker at its sole discretion.
- 1-10 The Portfolio Manger shall execute the trades through the registered broker with whom the trading sub-account of the Client is maintained.
- 1-11 The Portfolio Manger shall direct the trades of the Client to the broker maintaining the trading account of the Client and the trades conducted by the broker shall be allocated to the account of the Client on the performance of such broker on actual basis.
- 1-12 The Client shall be eligible to purchase only the securities approved by the Portfolio Manager
- 1-13 The Portfolio Manger may, at its discretion, from time to time, add new securities to or remove existing securities from the list of approved securities.
- 1-14 The Portfolio Manager upon acceptance of an order shall undertake necessary steps to execute such orders of the Client. If the Means of Communication is not satisfactory, the Portfolio Manager shall not be obliged to comply with such order but revert back to the Client for clarification.
- 1-15 If the value of an order of the Client exceeds the purchasing power of the Client, which will be determined by the available cash and Margin Loan in the account, the Portfolio Manager shall have the discretion either to reject the order or modify the order by reducing the order quantity and/or eliminating a specific order.
- 1-16 The sole responsibility for making investment decisions shall be on the Client and the Portfolio Manager will not make any discretionary investment decisions for or on behalf of the Client. The Portfolio Manager will only act on instructions of the Client in the manner stipulated in Article 1.4 hereinabove.
- 1-17 The Client hereby confirms that it is fully aware of the risks of losses arising out of fluctuations in prices of securities and Portfolio Manager has also appraised him accordingly. The Client has agreed to invest through the Non-Discretionary Account in spite of the aforesaid risks.
- 1-18 The Portfolio Manager shall under no circumstances be responsible or liable for any result whether adverse or otherwise of the investment decisions of the Client.
- 1-19 The client acknowledges that the Portfolio Manager neither guarantees any rate of return or profit from any investment to the Client nor shall be responsible for any losses caused to the Client due to fluctuations of the capital market.
- 1-20 The funds of the Client will be invested in securities, listed or deemed to be listed, with the stock exchanges in Bangladesh or unlisted, both from primary and secondary markets, with a view to earning capital gain and annual return in the form of dividend/interest/bonus shares.
- 1-21 The Non-Discretionary Account may be used for series of transactions by the Client and will continue till the expiry or termination of this Agreement, whichever is earlier.

- 1-22 The Client may from time to time appoint or remove any person as a mandate by submission of the form set out in schedule III.
- 1-23 Mandate
- I. An individual Client shall be allowed to appoint 1 (One) Authorized Person to act on behalf of the Client at any time.
- II. An institutional Client shall be allowed to appoint a maximum of 3 (Three) Authorized Persons at a time.
- 1-24 Such Authorized Person shall be able to do all acts and give instructions or orders for all transactions which the Client would be able to do under this Agreement, including operating the account(s) of the Client and shall be acting for and on behalf of the Client until he is removed in the manner stipulated hereunder. The account(s) of the Client shall be operated singly either by the Client or by the Authorized Person.
- 1-25 Where two or more persons are appointed, the Portfolio Manager may act on the instructions of any one of them unless otherwise specified by the Client
- 1-26 The Portfolio Manager may act on the instructions of an Authorized Person until it actually receives written notice from the Client of the removal of such Authorized Person and may in any event act on any instructions issued by the Authorized Person before the date of receipt of the written notice of such removal.
- 1-27 The Client shall bear the full responsibility of the acts or omissions of its Authorized Person. The Portfolio Manager shall not be held liable for any irregularities or unauthorized acts committed by the Authorized Person including and not limited to, unauthorized placing of share purchase orders or withdrawal of fund/securities.
- 1-28 In case the Client is a limited company, institution, association, trust or a firm, the signatories to this Agreement the Client shall provide full corporate documents, including Board approvals and shareholder approval (if any) supporting the appointment of the Authorized Person prior to the appointment.
- 1-29 The client shall be solely responsible for notifying the Securities and Exchange Commission and other concerned authorities in the case of acquiring substantial shares of a company and/or trading shares of companies in which the client holds directorship or in other cases where it is obligatory to notify the regulatory authorities.
- 1-30 Pursuant to the Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Regulation, 1996 the Client shall provide a statement to the Portfolio Manager declaring any directorship of any private/public limited company of Bangladesh in 'Form - B'.

#### **Article - 2 Margin Loans**

- 2-1 On the application of the client, the portfolio Manager may grant a Margin Loan to Client at the ratio stipulated in Schedule I.
- 2-2 The Portfolio Manager will not grant margin loan to the client, unless the client execute requisite Demand Promissory Note and Letter of Continuity in favor of Portfolio Manager. Further, the Client acknowledges that this Agreement does not provide any right to the Client to receive any margin loan facility. The decision to provide margin loan facility will be made at the sole discretion of the Portfolio Manager.
- 2-3 The Client may avail the Margin Loan only to purchase the securities approved by the Portfolio Manager.
- 2-4 Upon approval of the grant of Margin Loan, the Portfolio Manager shall disburse the advances under the Margin Loan from time to time to the Non-discretionary Account of the Client for procurement of securities as instructed by the Client. Each advance shall be equivalent to the purchase price of such securities and the aggregate of such Advances shall under no circumstances exceed the Margin Loan amount sanctioned in favor of the Client by the Portfolio Manager.
- 2-5 The Margin Loan shall first be adjusted from the sale proceeds of the securities from the Client's portfolio after disbursement of the advance.
- 2-6 In case the Client's Equity falls below First Minimum Debt Liability as set out in Schedule I, the Portfolio Manager shall by written notice call for the requisite Margin Deposit to be deposited by the Client within three (3) Business Days from the date of the notice.
- 2-7 If the Client fails to do so within 3 (three) business Days of notification or the equity falls to the Second Minimum Debt Liability, the Portfolio Manager may trigger sale of the Appropriate Portion of the portfolio.
- 2-8 If the Client fails to do so within 3 (three) Business Days of notification or the equity falls to the level of the Second Minimum Debt Liability, the Portfolio shall be entitled to exercise its lien over the Portfolio of the Client in the manner set forth in Article 9 below

#### **Article - 3 Trading Error**

- 3.1 A trading error shall have occurred if any discrepancy is detected between the order given by the Client in accordance to Article 2 hereinabove and the order placed to the broker in the following aspects
- a) Misdescription of the name of securities
  - b) Alternation of orders, i.e., placing buy order while the Client placed sale order and vice versa.
  - c) Excess order to the broker. However, placing lesser quantity of order shall not be deemed to be a trading error.
- 3.2 The Portfolio Manager shall not be responsible for or assumes any obligation to compensate for any damages or loss suffered by the Client due to a trading error committed by the broker.
- 3.3 A broker shall have committed a trading error, if any discrepancy is detected between the written order placed to the broker and the trade confirmations received from the broker in the following aspects :
- (a) The securities traded differ from the order placed.
  - (b) Executing erroneous trades which differs from the order placed by the Portfolio Manager, i.e., executing buy order while sale order was placed and vice versa.
  - (c) Excess order carried out by the broker(s). However, executing lesser quantity of order shall not be deemed to be a trading error.

- 3.4 Subject to the provisions under this Article 3, in case the Portfolio Manager commits any error in directing trades to the broker, the Portfolio Manager shall reverse the trades within shortest possible time and compensate the account for any realized losses arising out of such wrong transaction. However, the Portfolio Manager shall under no circumstances be liable to compensate any amount more than the actual loss amount and will not be liable for any loss of opportunity, loss of profit or future loss.

#### **Article - 4 Covenants**

- 4.1 The Portfolio Manager will exercise diligent efforts, without any obligation in buying and selling securities and rendering services related to the maintenance and administration of the Portfolio of the Client in accordance with the instructions of the Client.
- 4.2 The Portfolio Manager shall undertake all necessary steps to make application for Initial Public Offer (IPO) or Pre-IPO placement on behalf of the Client after receiving instructions from the Client.
- 4.3 The Portfolio Manager will maintain separate client-wise accounts for the fund and the securities of its clients.
- 4.4 The Portfolio Manager shall act as custodian to all the securities of the Portfolio and shall exercise all care and due diligence in the dealing, administration and management of the account(s) and the securities of the Client.

#### **Article – 5 Representations and warranties**

- 5.1 Each party hereto represents and warrants that: the party:
- i) has the requisite authority or corporate authority (as the case may be) to enter into this Agreement and consummate the transactions contemplated by this Agreement, including the obtaining of all requisite consents or approvals of, or exemptions by, any state, governmental or public bodies and authorities;
  - ii) the signing and delivery of this Agreement and all documents in contemplation thereto and the performance of any transactions contemplated thereunder will not:
    - ♦ contravene or constitute a default under any provision contained in any agreement, instrument, law, judgment, order, license, permit or consent by which the party is bound or affected; or
    - ♦ cause any limitation on the party (whether imposed by any or its constitutional documents or by any law, order, judgment, agreement, instrument or otherwise) to be exceeded
- 5.2 The representations and warranties in this Article shall be deemed to be repeated, updated mutatis mutandis at each such date, on the date of each transaction undertaken under this Agreement.

#### **Article - 6 Responsibilities of Portfolio Manger**

- 6.1 The Portfolio Manger shall
- (a) operate the Portfolio of the Client with care and professional integrity and in accordance with the instructions of or restrictions imposed by the Client;
  - (b) invest the funds of the Client as soon as possible upon receipt of instructions and will promptly refund any dues which the Client is entitled under the terms of this Agreement;
  - (c) in its best endeavor provide the Client with prospectus, memorandum and other research materials to assist them taking investment decisions. However the Portfolio Manager shall under no circumstances be responsible of any misstatements, false representation or error made in such prospectus, memorandum and other research materials or is under any obligation to verify the information given therein;
  - (d) in case of application of IPO securities, timely refund of unallocated amounts (if any);
  - (e) inquire into any written complaint lodged by the Client and ensure redress of any legitimate complaint of the Client within one month of the date of receipt of such written complaint;
  - (f) make all transactions of the Client within price range advised by the Client in writing;
  - (g) maintain the Client's account separately from its own account;
  - (h) provide the Client with periodic reports on the Portfolio, at least once in every six months containing details of the Portfolio, transactions, cash position, incomes and expenses; and
  - (i) keep all securities bought in the account of the Client in safe custody.
- 6.2 The Portfolio Manager shall not:
- (a) receive any advantage from the funds or Portfolio of the Client;
  - (b) furnish any exaggerated information to the Client regarding its competence, skill and success; and
  - (c) disclose any material financial information of the Client to anybody unless it is required at the direction of any government regulatory body.

#### **Article - 7 Fees, Charges and Interest**

- 7.1 The Portfolio Manager shall be paid by way of remuneration for its services under this Agreement the fees either as stated in Schedule I of this Agreement or as may be agreed in writing by a separate fee letter agreement between the Portfolio Manger and the Client.
- 7.2 The Portfolio Manger shall also be paid interest on the Margin Loan as stated in Schedule I of this Agreement at the rate stipulated in Schedule I attached hereto or as may be agreed in writing by the separate fee letter agreement between the Portfolio Manger and the Client.
- 7.3 The Portfolio Manager shall also be paid all out-of-pocket and third party expenses as stated in Schedule I of this Agreement.
- 7.4 The Portfolio Manger may revise the fees and interests payable at any point of time and the Client agrees to pay the Portfolio Manager such revised rates.
- 7.5 Clients are required to keep sufficient cash balance at the end of each quarter for realization of various charges by the Manager.

- 7.6 In case of failure to pay the Portfolio Manger any of the fees, charges or expenses under this Agreement within 15 (Fifteen) days after such payment becomes due, the Portfolio Manager may realize the accrued charges/fees and interest by exercising it's lien over the assets of the Portfolio in the manner stipulated in Article 9 hereunder.

**Article - 8 Reporting and Notifying**

- 8.1 The Portfolio Manger will provide the Investor a report at least once in every six months that will contain details of formation of the portfolio, securities, cash and NAV on the date of reporting, details of all transactions, all financial gains received and expenses incurred.
- 8.2 The Portfolio Manager may provide any other optional reports upon written request of the Client where it deems appropriate.
- 8.3 The Portfolio Manager will notify the Client in writing in event the total value of securities in the Portfolio falls to the Minimum Value.

**Article - 9 Enforcement of Lien**

- 9.1 The Portfolio Manger shall be entitled to exercise lien over the assets of the Portfolio of the Client under the provisions of this Agreement without any prior written notice to the Client.
- 9.2 The Portfolio Manager will sell the appropriate Portion of the Client's portfolio.
- 9.3 If the sale proceeds of the Appropriate Portion or any part thereof exceeds the required Margin Deposit with interest or any outstanding indebtedness of the Client under this Agreement, the excess funds after adjustment will be deposited in the Non Discretionary Account.
- 9.4 If the sale proceeds of the Appropriate portion or any part thereof is less than the required Margin Deposit with interest or any outstanding indebtedness of the Client under this Agreement, the Portfolio Manager shall immediately request the Client in writing for adjustment of the shortfall.
- 9.5 Upon failure by the Client to adjust his/her outstanding account or accounts, the Portfolio Manager will be entitled to close all or any accounts of Client and take appropriate actions, including enforcement of this Agreement and the Security. The outstanding dues of the Client shall also be adjusted from the sale proceeds of shares of the Client, if any.

**Article - 10 Transmission**

- 10.1 In the event of death of the Client, the nominee(s) as prescribed by the Client in the Application Form shall be the only person(s) recognized by the Manager as being entitled to the assets of the portfolio.
- 10.2 In case nominee(s) are not mentioned, the Portfolio Manager shall not be obliged to deal with any person or persons to accept any right, title or interest of any person unless such person is holding a valid succession certificate, probate or letter of administration covering the investment from a court of competent jurisdiction and subject to such further documents or evidence that the Portfolio Manger may require.

**Article - 11 Allocation of IPO and Pre-IPO Securities**

- 11.1 Allocation of IPO securities to investment accounts shall be made on actual basis, i.e., the amount of shares allotted to the Client by the issuing company.
- 11.2 Allocation of Pre-IPO placement shares to the Client shall be made in proportion to the orders of the clients (including the Client) subscribing for the same shares where the available shares is less than the total orders submitted.
- 11.3 The Portfolio Manger shall determine the amount of available securities for allocating among the clients of the Manger.

**Article - 12 Valuation of Assets**

- 12.1 The assets of the Portfolio of the Client shall be valued following the provisions of the Valuation Policy adopted by the Portfolio Manger delineated in Schedule IV of this Agreement.
- 12.2 The Portfolio Manager may from time to time revise all or any provisions of the Valuation Policy. However, the Manager shall notify the Client any such revisions.
- 12.3 The value of the Portfolio shall be applied for determining management fee and other applicable charges and also shall be used for reporting purposes.

**Article-13 Registration of Securities**

- 13.1 The Portfolio Manager will ensure registration of all the securities acquired for the Client within 48 hours before the relevant closure to books.
- 13.2 In case any securities acquired for the Client become available within 24 hours of book closure/record date, the Portfolio Manager shall in its best endeavor, without assuming any obligation, procure the registration of the securities on an emergency basis.
- 13.3 However, the Portfolio Manager shall not be held responsible for any loss caused to the Client due to non-registration of securities.
- 13.4 If the Client may register the Securities anytime before the closure of books, by instructing the portfolio Manager accordingly. After receiving of such instructions from the Client, the Manager shall arrange sending he securities to the issuing company for registration within 2 (Two) Business Days.

#### **Article – 14 Notice**

- 14.1 Any notice provided for in this Agreement shall be in writing and shall be first transmitted by facsimile transmission, and then confirmed by registered mail or courier service, in the manner as elected by the party giving such notice to the addresses provided in schedule I.
- 14.2 All notices shall be deemed to have been validly given on (i) the Business Day when the transmission was made, if transmitted by facsimile transmission, or (ii) the Expiry of 3 (three) Business Day after posting if transmitted by registered mail or (iv) the Business Day of receipt, if transmitted by courier.
- 14.3 Any Party may, from time to time, change its address or representative for receipt of notices provided for in this Agreement by giving to the other party, not less than 10 (Ten) days prior written notice.

#### **Article –15 Termination of Agreement**

- 15.1 This Agreement shall continue in force until terminated by either party giving to the other not less than 60 (sixty) Business Day's notice in writing provided that either party may upon serving written notice to terminate this Agreement in occurrence of any of one of the following events:
- (a) The other party is in breach of any material terms of this Agreement, which shall not have been remedied within 15 (Fifteen) days after serving of written notice requiring the breach to be remedied.
  - (b) The other party shall go into bankruptcy or liquidation. A resolution is passed for its winding up or a receiver or similar officer is appointed over any assets of the party.
  - (c) Voluntary or compulsory termination of portfolio management services by the portfolio Manager.
  - (d) Suspension or termination of registration of Portfolio Manager by the Securities and Exchange Commission (SEC).
  - (e) Occurrence of any other matter that causes permanent disability for the Portfolio Manager to carry out the portfolio management functions.
- 15.2 Upon termination of this Agreement, the Portfolio Manager shall at the option of the Client either deliver the securities and cash in its custody hereunder to the Client. Or to a bank or agent of the Client's selection provided, however, that the Portfolio Manager shall not be required to make any such delivery or payment until full payment shall have been made by the Client of all the fees, cost and expenses due to the portfolio manager, including reasonable expenses incurred in connection with such delivery of securities and cash.
- 15.3 Settlement of cash and delivery of securities, if any, will be made within 7 (Seven) Business Days by the portfolio Manager, provided such securities are available with the Manager, however, if the Client opts for setting of securities by selling them in the market and if the Portfolio Manager agrees to such proposal, it will be made within time allowed by the market conditions.
- 15.4 The Portfolio Manager reserves the right and sole discretion to liquidate the Portfolio of the Client in whole or in part without notice to the client and to disburse the NAV to the Client if the Portfolio Manager deems that such action is necessary or expedient for any reason whatsoever, including the compliance of any applicable law or regulation.

#### **Article - 16 Dispute and Settlement**

- 16.1 All questions of differences whatsoever which may at any time hereinafter arise between the parties hereto or their respective representatives relating to these presents or the subject matter hereof or arising out or in connection hereto (as the case may be) shall be referred to a single Arbitrator on mutual agreement, otherwise two umpires in accordance with and subject to the provisions of the Arbitration Act 2001.
- 16.2 The venue of arbitration shall be in Bangladesh.

#### **Article – 17 Force Majeure**

- 17.1 The Portfolio Manager shall not be held responsible for any losses caused to the Client due to the occurrence of the following :
- a) Irrational behavior of the capital market, structural changes in the economy, or any fundamental change in the securities issuing companies.
  - b) Failure to pay dividend or interest by any issuing companies.
  - c) Uncertainties cause by political or social instability, or change in any law or regulations of the territory.
  - d) Occurrence of any other factors beyond the control of the Portfolio Manager.

#### **Article – 18 Governing Law and Jurisdiction**

- 18.1 This Agreement shall be governed by the laws of Bangladesh.

#### **Article – 19 Taxes**

- 19.1 The Portfolio Manager shall make necessary income tax deduction from the account(s) of the Client in accordance to the fiscal laws of the country.

**Article – 20        Miscellaneous**

- 20.1        The Portfolio Manger shall be fully authorized to modify or vary the terms and conditions contained herein for compliance with any prevailing or change of relevant laws relating to matters herein.
- 20.2        The Portfolio Manager shall have the right to be fully indemnified for any loss, claim, damages or expenses arising out of the regular operation, administration and management of the Client or proceeds from the sale of the Portfolio or any part thereof, provided that the Portfolio Manager has acted in good faith.
- 20.3        The Schedule(s) and any rider(s) attached hereto including the Portfolio Account Opening Form, together with this Agreement shall constitute the entire Agreement between the parties hereto and supplement this Agreement.
- 20.4        This Agreement is or shall be in compliance with the Securities and Exchange Commission (SEC) laws and such rules, regulations, notices or circulars issued by the Securities and Exchange Commission from time to time.

In Witness whereof the parties hereto have caused this Agreement to be executed in duplicate by their respective duly authorized representatives as of the date and year first written above.

For and on behalf of the Portfolio Manager

For and on behalf of the Client

**LankaBangla Investments Limited**  
City Centre (Level-24)  
90/1 Motijheel C/A,  
Dhaka1000.

\_\_\_\_\_  
**Signed By**

Name :

Designation :

\_\_\_\_\_  
**Signed By Principal Applicant**

Name :

Address :

\_\_\_\_\_  
**Signed By Joint Applicant**

Name :

Address :

**In the Witness of :**

\_\_\_\_\_  
**Signature**

Name :

Designation :

**In the Witness of:**

\_\_\_\_\_  
**Signature**

Name :

Address :

## Non-Discretionary Portfolio Management Agreement

### SCHEDULE I

The Portfolio Manager may change from time to time any of the provisions of this Schedule I.

1. **Initial Fund:** a minimum of Tk. 100,000.00 (One Hundred Thousand) only.
2. **Margin Loan** 100% of the Client's Equity, i.e., the Debt to Equity ratio would be 1:1. However, the loan amount should not exceed Tk. 20.00 (twenty) million. The management may however enhance the limit considering the market scenario and the special case the ratio may extended to 2:1
3. **Equity:** Total Asset Value of the Portfolio less Debt Liability, i.e., Equity is the value of the Total Assets of the Portfolio net of Debt Liability.
4. **Total Asset Value of the Portfolio:** Market Value of Securities + Cash + Accrued Dividend/Interest, i.e., Total Asset Value of the Portfolio is the sum of the market value of securities, cash and accrued dividend and interest on the investments.
5. **Debt Liability:** Extended Margin Loan + Accrued Interest, i.e., Debt Liability is the some of extended margin loan and accrued interest thereon.
6. **Ratio of Equity and Debt Liability :** (Equity/Debt Liability)x100
7. **First Minimum Debt Liability:** .....% of the total Debt Liability.
8. **Second Minimum Debt Liability:** .....% of the total Debt Liability.
9. **Margin Deposit :** Debt Liability – Equity, i.e., the Call amount of Margin Deposit shall be the difference between the Debt Liability and the Equity of the Client.
10. **Minimum Value:** Total value of the securities drops to .....% of their original cost.
11. **Fees, interest and charges shall be payable to the Portfolio Manager in accordance with Article 4:**

Sl.	Particulars	Fees/Charges
01	Documentation Charge	Tk. 500.00 [One off]
02	Management Fee (to be charged quarterly)	.....% p.a. on asset value of portfolio (The asset value of portfolio shall be determined following the valuation Policy of the Company as delineated in the schedule-IV)
03	Interest on Margin Loan (to be charged quarterly)	.....% p.a.
04	Brokerage Fee	.....% on transaction value

12. **Out of Pocket and any third party expenses:** Charges of Central Depository are to be levied according to the charging mechanism set by the Central Depository of Bangladesh Limited. These expenses include (but not limited to) :
  - a. Central Depository Fees
  - b. Other extra-ordinary communication costs.

**13. Address for serving of notices :**

In the case of notices to the Portfolio Manager at:

Facsimile : +88 02 9561107  
 For the Attention of : Merchant Banking Division  
 Address : Room No. 320, (2nd Floor),  
 DSE Annex Building, 9/E Motijheel C/A  
 Dhaka – 1000

In the case of notices to the Client at:

Facsimile :  
 For the Attention of :  
 Address :

.....  
**Signature**  
 (Principal Applicant)

.....  
**Signature**  
 (Joint Applicant)



## Non-Discretionary Portfolio Management Agreement

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### SCHEDULE II

#### Indemnity for Electronic Instruction

Date :  
To : The Portfolio Manager  
From : The Client

With reference to Article 1-6 of the Agreement No..... dated..... I/we hereby agree and acknowledge that the Portfolio Manager shall not be liable for any losses, damages, expenses, costs, liabilities and claims of whatsoever nature:

- 1) caused by the unauthorized use or forging of Client's or any of his/her Authorized Person's signatures provided that in any such case the Portfolio Manager shall have properly investigated such signatures in accordance with approved banking practices and by reference to any certified specimen signatures delivered to the Portfolio Manger; or
- 2) arising from any error or ambiguity in any instructions (whether written or oral) received by the Portfolio Manager;
- 3) as a result of the Portfolio Manager acting on oral instructions from the Client or his/her Authorized Persons which are not subsequently confirmed in writing as stated in Article 1-6 or as a result of reverting or attempting to reverse the same.

.....  
**Signature**  
(Principal Applicant)

.....  
**Signature**  
(Joint Applicant)

**Non-Discretionary Portfolio Management Agreement**

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**SCHEDULE III**

**Part 1: APPOINTMENT MANDATE [Article 1- 22]**

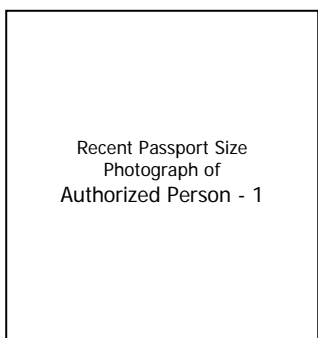
Date :  
 To : The Portfolio Manager  
 From : The Client

With reference to Article 1-22 of the Agreement no..... Dated....., I/We hereby notify you that the persons whose names signatures and photographs (hereby certified as true) are set out below are each appointed by me/us to be an Authorized Person as defined in the Agreement.

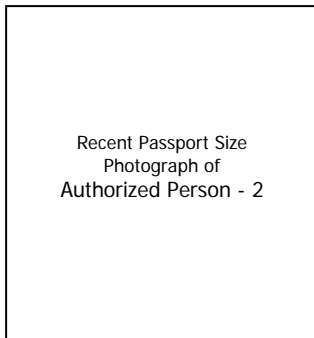
**Name & Address of Authorized Person**

**Specimen Signature**

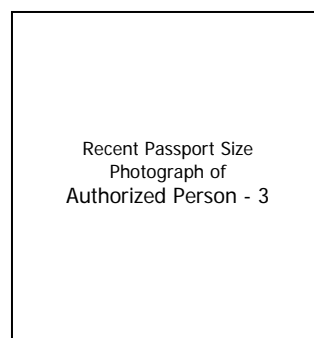

**Photograph(s)**



(Authorized Person - 1)



(Authorized Person - 2)



(Authorized Person - 3)

I/We hereby acknowledge and confirm that the Authorized Person(s) has full power and authority on my/our behalf to issue and to sign singly / any two jointly (\*) on instructions, directions and other communications to you in connection with the services being or to be carried out by you under or pursuant to the Agreement and I/We shall bear full responsibility of the acts or omissions of my/our above mentioned Authorized Person(s).

I/We hereby declare and acknowledge that LankaBangla shall not be held responsible or liable for any irregularities or unauthorized act(s) committed by the above mentioned Authorized Persons, including but not limited to, unauthorized placing of sale/purchase orders or withdrawal of fund/securities.

.....  
**Signature**  
 (Principal Applicant)

.....  
**Signature**  
 (Joint Applicant)

(\*) – Please delete as you deem appropriate.

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**Non-Discretionary Portfolio Management Agreement**

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**SCHEDULE III**

**Part 2: Removal Mandate [Article 1-22]**

Date :  
To : The Portfolio Manager  
From : The Client

With reference to Article 1-22 of the Agreement No..... dated..... I/we hereby notify you the person(s) whose name(s) appear below shall cease to be an Authorized Person for the purpose of the Agreement with effect from the date of your receipt of this notice.

**Name(s) of Person(s) Ceasing to be an Authorized Person**

.....

.....

.....

.....  
**Signature**  
(Principal Applicant)

.....  
**Signature**  
(Joint Applicant)

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## Non-Discretionary Portfolio Management Agreement

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### SCHEDULE IV

#### Valuation Policies [Article 12]

With reference to Article 12 of the Agreement No. .... dated..... the Portfolio Manager shall value the assets of the Client's portfolios applying the following policies during the period of the Agreement. The Portfolio Manager may change from time to time any of the following provisions of this Schedule IV without further reference to me/us.

- 1 In valuing of the assets of the Client's portfolio, the closing price of securities quoted on the last trading day of Dhaka Stock Exchange (DSE) will be used.
- 2 When the securities were not traded at DSE on the particular valuing date, immediate previous closing price to the valuing date will be taken into account.
- 3 When the securities are de-listed or suspended for trading, those may be excluded for the purpose of valuation, at the discretion of the Portfolio Manager.
- 4 For valuation of the shares procured through IPO or Pre-IPO Placement, the acquisition price shall be taken into account until the securities get listed with the stock exchanges.
- 5 In case the securities do not get listed within 120 (One Hundred Twenty) days from the date of closing of subscription, the securities shall be treated as non-listed securities.
- 6 The valuation of non-listed securities including the de-listed securities shall be made by the Portfolio Manager and the valuation shall be verified by the Internal Auditor of the Portfolio Manger.
- 7 Once non-listed securities are valued, the valued amount shall be considered for purpose of valuing the assets of the Client's portfolio until the securities are revalued and the Portfolio Manager shall have the discretion to revalue the securities at any interval of time.
- 8 Bonus shares shall be taken in to account on the date of start of book closure or record date, as the case may be, for the purpose of valuation. The number of bonus shares shall be determined on the basis of Eligible Claim of the Client.
- 9 Right shares shall be valued following the valuation policies applicable to the IPO shares. Right shares shall be valued at acquisition cost until the shares are received. After receiving the shares, those will be subjected to valuation for daily price movement.

.....  
**Signature**  
(Principal Applicant)

.....  
**Signature**  
(Joint Applicant)

# LETTER OF LIEN

## LankaBangla Finance Limited

Merchant Banking Division  
Safura Tower (11th Floor)  
20 Kemal Ataturk Avenue  
Banani, Dhaka - 1213

Dear Sir,

In consideration of your acting as our Portfolio Manager under the terms and conditions of the Non Discretionary Portfolio Management Agreement No..... dated..... (the "**Agreement**"), and for settlement on demand of all amounts due or which hereafter may become due from me/us to you, as well as for settlement on demand of all interest thereon at the rate or rates that you may from time to time determine as payable thereon and all costs, charges and expenses, I/we hereby declare pledge and declare as follows:

1. I/we pledge with you as security for repayment to you all shares, stock and securities with transfer forms duly signed in blank and/or securities duly endorsed in your favor which I/we now deposit or which I/we have deposited with you or which is in your possession held on my/our behalf and also all shares, stocks, and/or securities which I/we may hereafter deposit with you in addition to or in substitution for the shares, stocks and/or securities already deposited or which may hereafter come into your possession on my/our behalf.
2. I/we the undersigned hereby appoint you as my/our attorney for the purpose hereafter mentioned and specially authorize and empower you and all attorney holding power of attorney on your behalf to fill up and complete any incomplete transfer form attached to any shares, stocks and/or securities and to insert your or that of any other nominee of LankaBangla Finance Limited (LBFL) therein and give effect to any transfer of shares, stocks and/or securities (whether dematerialized or not) as transferor of the shares and/or stocks and to sign, seal execute and deliver any such transfer or other documents that may be necessary or required for the purpose of completing your title to any such shares, stocks and/or securities and register the same in the books of the concern company or entity to which the same relates to or with the public office in case of securities and obtain fresh scripts for the shares, stocks and/or securities in the name of LankaBangla Finance Limited or in that of any other employee or nominee of LBFL without any reference to or consent of me/us.
3. I/we hereby authorize you to pledge and/or sell and absolutely dispose off all or any such shares, stocks and securities at such price and in such manner as you may think fit without any reference to or consent of me/us. I/we hereby further agree to sign and/or endorse of as the case may be to sign, seal, execute and deliver any transfer or other document at your request that may be necessary or required by you for the purpose of completing your title to any such shares, stocks and/or securities for the purpose of completing the deal thereof.
4. I/we authorize and empower you and all attorney holding powers of attorney on your behalf to sign, seal, execute and deliver any transfer or other documents for the purpose of effecting and completing the sale in my/our name and I/we further authorize you to reimburse yourself out of the proceeds of any pledge or sale all costs, charges and expenses incurred by you in transferring and selling all or any such shares, stocks and/or securities or maintaining the value thereof or otherwise in connection therein.
5. I/we declare that you shall not be responsible for any loss from or through any brokers or others employed in the sale of any such shares, stocks and/or securities or for any loss or depreciation in value of any such shares, stocks and/or securities arising from or through any cause whatsoever and deficiency whatsoever and howsoever arising.
6. I/we agree to make good any payment to you on demand and it is further agreed that you shall have a lien on all such shares, stocks and/or securities or the proceeds thereof after sale (if sold) as security for or in part payment of any other debt due to liability incurred or likely to be incurred by me/us to you and I/we further make good any payment on demand to you
7. I/we authorize you to collect all dividends and bonuses or interest as the case may be payable or hereafter paid in respect of any shares, stocks and/or securities and agree to sign all such further documents as may be necessary for effectual to vest in or secure to you the property in the said shares, stocks and/or securities and dividends, bonuses and interest payable in respect thereof or to effect the selling or transferring of the same or to enable you to obtain new shares, stocks and/or scripts in the event of any company being wind up or reconstituted.

8. In the event of a temporary or permanent depreciation in value of any such shares, stocks and/or securities, I/we agree at all times to keep up the value of such shares, stocks and/or securities and at your request pay to you in money the difference between the market value or any such shares, stocks and/or securities on the day when they were deposited or came into your possession and on the date on which you may call upon me/us to deposit such difference.
9. I/we expressly agree that I/we shall immediately pay on a call being made by you against any partly paid shares, pledged by me/us with you. In the event of my/our failure to do so, you shall, without being bound to do so, be entitled at your discretion either to pay the amount of such call and to debit the same to my/our account or to sell off such shares in the manner mentioned herein above. In the event of your paying amount of call I/we shall immediately reimburse the amount to you with interest thereon as prescribed or effective during the period from the date of your payment till my settlement of the outstanding amount.
10. In the event of my/our failing to comply with the request to pay to you on demand all or any part of the money due/owing by me/us to you, I/we hereby authorize you to exercise all or any of the powers hereby conferred upon you and I/we declare that you shall not be answerable or responsible for any damage or depreciation which any such shares, stocks and/or securities may suffer whilst in your possession under this agreement nor shall you be under any liability whatsoever to make any payment of money or to do any other act or things for the purpose of preventing loss or depreciation in the value of the said shares, stocks and/or securities.
11. I/we admit and acknowledge that until the termination or expiration of the Agreement and all our indebtedness thereto have been discharged in full, the securities in our Portfolio and any amount available in our accounts with the Portfolio Manger will remain subject to the security created by this Letter.
12. I/we hereby agree that upon occurrence of any circumstances under the Agreement which entitles you to exercise your lien and transfer or apply all or any of the monies from time to time standing to the credit of my/our accounts in or towards the discharge and satisfaction of any of our liabilities with you, you may set off any amount standing to the credit of any of my/our accounts against any amount owed by me/us to you under the Agreement but unpaid and such right of set off shall be irrevocable and binding until all our liabilities with you have been irrevocably and fully discharged.
13. I/we hereby also agree that any notice in writing required to be served herein shall be sufficiently served if served through facsimile, e-mail or any other electronic media or addressed me/us at my/our address registered with you or in the event of no such address being registered, at my/our last known place of residence or business.
14. Nothing herein contained shall extinguish, derogate, curtail, prejudice, impair or otherwise affect all or any of the rights and remedies available to the Bank under the terms under which the Loan was made available to me and/or that may be otherwise available to Bank under law.
15. It is agreed that any inaction or omission on the part of the Bank under this Letter of Lien shall not be treated as waiver or abandonment of any such right.
16. I/We further hereby declare that this Letter of Lien, the undertakings and the irrevocable authorization given herein above shall be binding on my heirs, successors and assigns.

In witness whereof I/we hereinto set my/our hands this.....day of.....200

\_\_\_\_\_  
**Signature of the Principal Holder**

Name:

Address:

\_\_\_\_\_  
**Signature of the Joint Holder**

Name:

Address:

**In the Witness of:**

1. Signature : \_\_\_\_\_

Name :

Address :

2. Signature : \_\_\_\_\_

Name :

Address :

# POWER OF ATTORNEY

I/We (1) Name: .....

Father's Name: .....

(2) Name: .....

Father's Name: .....do hereby

appoints the Portfolio Manager as attorney, with full powers and authority, in the favor of my/our, to take all necessary actions, whether in favor of my/our or otherwise, require to take legal proceedings or such other actions, to effect anything or matter, and such act shall be deemed to have been done for and on behalf of my/our, in accordance with this Agreement is made and entered into on ..... Agreement No. ....

As the attorney appointed in favor of my/our, the Portfolio Manager shall be empowered among other things, apply for IPO securities, receive certificates against allotment letters, buy and sell securities from the secondary market, dematerialize shares, transfer and register such securities with issuing companies, issue proxy, attend and vote at the Annual General Meetings, claim and collect dividend, bonus and right shares with respect to companies whose securities shall be held by the Portfolio Manager, open and operate trading account or accounts with registered brokers for and on behalf of myself/our self.

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**Signature**  
[Principal Applicant]

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**Signature**  
[Joint Applicant]

# DEMAND PROMISSORY NOTE

Date: .....

**LankaBangla Finance Limited**

Merchant Banking Division  
Safura Tower (11<sup>th</sup> Floor)  
20 Kemal Ataturk Avenue  
Banani, Dhaka - 1213

**Taka** .....

On demand I/we (1) Name: .....

Father's Name: .....

(2) Name: .....

Father's Name: ..... do

hereby irrevocably and unconditionally promise jointly and severally, to pay to **LankaBangla Finance Limited (LBFL)** or to order of LankaBangla Finance Limited the sum of Taka..... (Taka.....)

only with interest at.....percent per annum being the amount of margin loan owing and due under the **Non-Discretionary Portfolio Management Agreement No.....** dated..... and any subsequent amendment thereof between me/us and LankaBangla Finance Limited (LBFL).

All payments under this Note shall be made free and clear of and without any deduction for or on account of (a) any set-off or counter claim and (b) any taxes, levies, imposts, duties, charges, fees or assessments of any kind whatsoever.

I/We hereby waive diligence, presentment, demand, protest and notice of any kind in the enforcement of this Note. I/We agree to reimburse the holder of this Note for all costs of collection and enforcement of this Note including, without limitation, fees of counsel.

S T A M P Tk. 20/-  
[Please cancel the stamps by signing on them]

**Signature of Principal Applicant**

Name :

Address :

**Signature of Joint Applicant**

Name :

Address :



# LETTER OF CONTINUITY

**The Managing Director**

LankaBangla Finance Limited  
Safura Tower (11<sup>th</sup> Floor)  
20 Kemal Ataturk Avenue  
Banani, Dhaka-1213

Dear Sir

I/we (1) Name: .....

Father's Name: .....

(2) Name: .....

Father's Name: .....

would request to enclose a-Demand Promissory Note for Tk. ....

(Taka .....) only signed by

me/us which is given to you as security for the repayment of the credit facility in relation with

my/our Investor's Portfolio Account which is at present outstanding in my/our and/or any other

amount which I/we may avail of hereafter and the said Promissory Note is name and also for the

repayment of any enhanced/renewed facility to the extent of Tk. ....

(Taka .....) only

to be a security to you for the repayment of the ultimate balance or sum remaining unpaid on

account of the credit facility and I/we am/are to remain liable on the Promissory Note

notwithstanding the fact that by payments made in to the account of the credit facilities from

time to time the same may from time to time be reduced or extinguished or even that the balance

of the said accounts may be at credit

This letter also refers to and is an integral part of the Promissory Note(s) dated .....

for Tk. .... (Taka ..... ) only

executed in the Limitation Act (Act IX of 1908), and or any amendment thereto, in order to

prejudice any question of limitation law, that I/We am/are liable to you for payment of the amount

mentioned in the Promissory Note(s) together with interest thereon and such Promissory Note(s)

together with interest thereon and such Promissory Note shall remain in force.

I also acknowledge that the limitation of the demand Promissory Note shall be suspended until I

default in payment of the dues and the limitation shall start from the date of default.

Yours faithfully

---

**Signature**  
[Principal Applicant]

---

**Signature**  
[Joint Applicant]

Date:

# REVIVAL LETTER

Date: .....

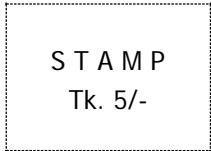
**LankaBangla Finance Limited**

Merchant Banking Division  
Safura Tower (11<sup>th</sup> Floor)  
20 Kemal Ataturk Avenue  
Banani, Dhaka - 1213

Dear Sir,

With reference to my/our Non-Discretionary Portfolio Management Account (**Investor's Portfolio Account - IPA**) No ..... maintained with you secured by a Demand Promissory Note dated..... for Taka.....(Taka.....only) with interest executed by me/us in favor of **LankaBangla Finance Limited (LBFL)** and endorsed by the payees to you, I/we acknowledge and confirm for the purpose of section 19 of the Limitation Act IX of 1908 and any like Limitation Law in order to prejudice any question of Limitation Law that I am/we are liable for payment of the amount mentioned in the Promissory Note(s) together with interest thereon and such Promissory Note shall remain in force.

I/we further declare to the effect that the aforesaid Demand Promissory Note shall be a continuing security.



---

**Signature of Principal Applicant**

Name :  
Address :

---

**Signature of Joint Applicant**

Name :  
Address :

**Witnesses:**

01. Name:  
Address:

02. Name:  
Address:

**Note:** This form is for signature by the maker of the Demand Promissory Note and is for use in cases where a Demand Promissory Note is made in favor of a Third party and endorsed by the said third party.