

ANNEXURE - 3

TRADING MEMBER AND NON MEMBER CLIENT AGREEMENT

This agreement is made at _____ this _____ day of _____ 20____ by and between _____, a company / firm / individual or any other body duly formed and registered under the Relevant Act, hereinafter called EXCHANGE MEMBER, having its registered office address at _____, and _____, a company / firm / individual or any other body duly formed and registered under the Relevant Act, hereinafter called NON MEMBER CLIENT, having its registered office address at _____.

WITNESSTH:

Whereas the member is registered as EXCHANGE MEMBER of NEPAL DERIVATIVE EXCHANGE LIMITED (hereinafter called NDEX).

Whereas the NON MEMBER CLIENT is desirous of trading in those contracts admitted for dealing on the NDEX as defined in the Bye – Laws, Rules and Regulations of NDEX.

Whereas the NON MEMBER CLIENT has satisfied itself of the capability of the EXCHANGE MEMBER to deal in those contracts admitted for dealing on the NDEX and wishes to execute his orders through him and the NON MEMBER CLIENT shall continue to satisfy him of such capability of the EXCHANGE MEMBER before executing any orders through him.

Whereas the EXCHANGE MEMBER has satisfied and shall continuously satisfy himself about the genuineness and financial soundness of the NON MEMBER CLIENT and trading objectives relevant to the services to be provided.

Whereas the EXCHANGE MEMBER has taken steps and shall take steps to make the NON MEMBER CLIENT aware of the precise nature of the TRADING MEMBER liability for business to be conducted, including any limitations on that liability and the capacity in which it acts.

In consideration of your handling derivatives transactions carried out on the NDEX, I agree that

- 1) I have read the Risk Disclosure Document appended hereto and understand the trading & risks involved in the trading these instruments and am fully responsible for my dealings in these instruments.
- 2) I shall be bound by the ByeLaws, Rules, Regulations, and Customs of the NEPAL DERIVATIVE EXCHANGE LIMITED and the Clearing House of the Exchange.
- 3) I shall deposit with you monies, Warehouse Receipts or other property, which may be required to open and/or maintain my account.
- 4) I shall not, acting alone or in concert with others, directly or indirectly, hold and control excess number of permitted futures contracts as fixed from time to time by the Exchange.

5) I shall not exercise a long or short position where, acting alone or in concert with others, directly or indirectly I will have exercised in excess of the number of permitted futures contracts as may be fixed from time to time by the Exchange.

6) All monies, Warehouse Receipts or other property which you may hold on my account shall be held subject to a general lien for the discharge of my obligations to you under this agreement.

7) I hereby authorize you at your discretion, should you deem it necessary for your protection to buy, sell or close out any part or all of the derivative contracts held in my account with you. Any or all such incidental expenses incurred by you will be reimbursed by me.

Now, THEREFORE, in consideration of the mutual understanding as set forth in this agreement, the parties thereto have agreed to the terms and conditions, as follows:

1. The agreement entered into between the Trading Member and the NON MEMBER CLIENT shall stand terminated by mutual consent of the parties by giving at least one-month notice to each other. Such termination shall not have any effect on the transactions executed before the date of notice of termination and the parties shall enjoy same rights and shall have same obligations in respect of such transactions.

2. In the event of the death or insolvency of the NON MEMBER CLIENT or his otherwise becoming incapable of receiving and paying for or delivering or transferring Commodities which the NON MEMBER CLIENT has ordered to be bought or sold, the Trading Member may with the approval of the Exchange, close out the transaction of the NON MEMBER CLIENT and the NON MEMBER CLIENT or his legal representative shall be liable for any losses, costs and be entitled to any surplus which may result therefrom.

3. All trades, transactions and contracts are subject to the Rules, Bye Laws and Regulations of the Exchange and shall be deemed to be and shall take effect as wholly made, entered into and to be performed in the city of KATHMANDU for the purpose of giving effect to the provisions of the Rules, Bye - Laws and Regulations of the Exchange.

In WITNESS THEREOF, the parties to agreement have caused these presents to be executed as of the day and year first above written.

SIGNED for and on behalf of

THE Trading member : _____

By : _____

Signature : _____

Title : _____

Witness : _____

SIGNED for and on behalf of

THE Non Member Client : _____

By : _____

Signature : _____

Title : _____

Witness : _____