

# PORTFOLIO MANAGEMENT SERVICES

## Account Opening Form - Individual



**NIBL ACE  
CAPITAL**  
Managing shares. Managing investments.

Please complete this form using black ink within the boxes in BLOCK LETTERS.

Recent  
Photograph

### SECTION 1 - Individual Details

Title: Mr.  Miss  Mrs.  Other  Marital Status: Married  Single

Principal Applicant's Name:

Applicant's Name (In Nepali):

Father's Name:

Grand Father Name:

Mother's Name:

Spouse's Name:

Date of Birth: AD         BS

Citizenship No.:  Issued Date:  Issued Place:

Passport No.:  Issued Date:  Issued Place:

ID No(Incase of NRN):  PAN No.:

Nationality:  Educational Qualifications:

Email Address:

Address:

Permanent

Country		Zone		District	
VDC/SM/M		Ward No.		Block No.	
Mobile No.		Home Ph.		Tole	

Residential

Country		Zone		District	
VDC/SM/M		Ward No.		Block No.	
Mobile No.		Fax No.		Tole	
Home Ph.		Work Ph.		Email	

If currently Employed,

Employer's Name	
Employer's Address	

## SECTION 2 - Type of Service

Service Type: 1.Discretionary  2.Non-discretionary

Name of Selected Portfolio Product

## SECTION 3 - Investment Details

Investment Amount in shares:

Initial Cash Deposit:

Total Investment

Risk Appetite: Low  Medium  High

Expected Turnover: Low  Medium  High

Systematic Investment Plan (applicable as per product type): Monthly  Quarterly  Semi-annually  Annually

Investment Objective: Regular Income  Capital Growth & Regular Income  Capital Growth

Speculative Profits  Financing Specific Project  Other

Source of Fund

## SECTION 4: Case of Minor

Birth Registration No. / Minor ID Card No.:

Place of Issuance:

Date of Issuance:

Recent  
Photograph

## SECTION 5 - Guardian's Details

Guardian's Full Name:

Relationship with applicant:

Address for communication:

Phone No.:  Mobile:

PAN:  Email:

Recent  
Photograph

**SECTION 6 - Nomination Details**

Recent  
Photograph

I hereby nominate the under mentioned nominee as my beneficiary to receive the amount to my credit in the event of my death or physical disabilities, which may affect my decision making and authorize NIBL Ace Capital to transfer the total investments of my account to the nominated person.

Nominee's Full Name	<input type="text"/>
Nominee's Full Address	<input type="text"/>
Phone Number	<input type="text"/>
Citizenship Number	<input type="text"/>
Relationship to Applicant	<input type="text"/>

Date of Birth: (Mandatory if nominee is a minor)

Signature (Nominee) \_\_\_\_\_

Signature (Account Holder) \_\_\_\_\_

**SECTION 7 - Return Transfer:**


I/We request NIBL Ace Capital to transfer the returns of my investment from my Portfolio Management Service account to:

Account Holder's Name:

Account Number:

Name of Bank:	<input type="text"/>
Bank's Address:	<input type="text"/>

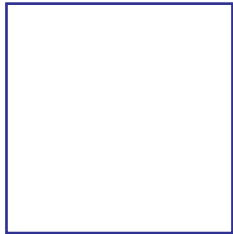
**Location Map**

  
N

**SECTION 8 - Declaration & Signature**

I/We have read and understood the terms and conditions set out in the provided Portfolio Management Services' Agreement. I hereby declare that all information and particulars furnished by me in this application are true to my knowledge and I have not suppressed, inflated or hidden any fact whatsoever. I agree and undertake to immediately inform NIBL Ace Capital in case of any changes in the information given in this application or in separate sheet/s with this application. I/We also agree to furnish such further information as NIBL Ace Capital or SEBON or the Stock Exchanges may require me to from time to time. I/We hereby authorize NIBL Ace Capital to buy/sell shares of Nepal Investment Bank Limited or securities of institutions to which NIBL Ace Capital has forwarded its underwriting commitments during public issuance of the same on my behalf if felt necessary by its discretion.

Also, I declare that the investment amount is earned through lawful means abiding the prevailing laws including Anti-money Laundering. Should there be doubt or in the event of receiving any information in terms of my investment amount being earned against the above mentioned laws, NIBL Ace Capital reserves the right to block the service and banks accounts maintained to operate PMS and inform the same to the concerned authorities.



Right



Left

Authorized Signatory(ies) \_\_\_\_\_

Date:

**FOR OFFICIAL USE ONLY**

Date of Application:

Application Screened By:

Application Approved By:

Name:

Name:

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Referral Branch

**Checklist:**

1. Photo Client:  Guardian:  Nominee:

2. Citizenship Client:  Guardian:  Nominee:

3. Permanent Account Number(PAN)

4. Birth Certificate (In case of Minor)

# PORTFOLIO MANAGEMENT SERVICES

## Power of Attorney



### TO ALL TO WHOM THESE PRESENTS SHALL COME, I/US

Client's Full Name: \_\_\_\_\_

Client's Full Address: \_\_\_\_\_

Client's Citizenship Certificate/NRN Certificate Number: \_\_\_\_\_ Issued By: \_\_\_\_\_

In case of joint holding,

Client's Full Name: \_\_\_\_\_

Client's Full Address: \_\_\_\_\_

Client's Citizenship Certificate/NRN Certificate Number: \_\_\_\_\_ Issued By: \_\_\_\_\_

(Here in after referred to as the "Client(s)" which expression shall, unless repugnant to the context or meaning, thereof, be deemed to include its/his/her/their respective heirs executors, administrators, successors, legal representatives and permitted assigns):

#### Whereas:

1. The Client(s) has entered into a Portfolio Agreement dated ..... ("PMS Agreement") with "NIBL Ace Capital Limited", company incorporated under the Companies Act, 2063 and having its registered office at Kathmandu Metropolitan Ward No. 2, Lazimpat, Kathmandu (hereinafter referred to as "NIBL Ace Capital" which expression shall, unless repugnant to the context or meaning thereof, include its successors and assigns); and is registered with Securities Board of Nepal for providing the Portfolio Management Services ("PMS").
2. Under the PMS Agreement, NIBL Ace Capital has agreed to provide discretionary/non-discretionary portfolio management services in respect of money and securities of the Client(s) (hereinafter collectively referred to as "Assets") on the terms and conditions and for the consideration set out therein.
3. Pursuant to the terms of the PMS Agreement, the Client(s) desires to execute and deliver to NIBL Ace Capital a power of attorney authorizing NIBL Ace Capital or any person appointed by NIBL Ace Capital in this behalf to do various acts on behalf of the Client(s).

**NOW KNOW ALL THAT** I/We, the Client(s) hereunder do hereby nominate, constitute and appoint NIBL Ace Capital and such other person(s) as may be appointed in this behalf by NIBL Ace Capital from time to time to be my/our true and lawful attorney(s), for me/us and in my/our name(s) and on my/our behalf to do all or any of the following acts, deeds matters and things in respect of above Portfolio Management only.

1. To open, operate and close bank account in my/our name, whether solely or jointly with another or others with any other Bank and Financial Institutions, in such manner as the Portfolio Manager may deem fit.
2. To open, operate and close an USD Account on my/our behalf after taking due written approval and if required to make applications to the Nepal Rastra Bank and or any other authority for repatriation of funds and holding receipts, dividends etc.
3. And to do all or any of the following:
  - a. To draw, endorse and sign cheque(s)/demand drafts, depositing monies and issue necessary instructions including electronic instructions or otherwise operate my/our Bank account for any and all monies in the hands of the Bank belonging to me solely or jointly with another or others and to operate my/our Bank account standing in my/our sole name or in the joint names of myself/ourselves and another or others in the Bank;
  - b. To open in the Bank a fixed deposit account in my/our name solely or jointly with another or others, and to draw, sign cheque(s) upon and/or issue necessary instructions including electronic instructions or otherwise operate the fixed deposit account as my/our Attorney may deem fit or proper.
4. To open, operate and close a Depository Participant Account in my/our name with a Depository Participant in such manner as the Portfolio Manager may deem fit on my/our behalf and to do the following:
  - a) To transfer Securities to/from my/our Depository Participant Account;
  - b) To effect all non-cash corporate actions in respect of the Securities held in my/our Depository Participant Account, if applicable;
  - c) To effect dematerialization/re-materialization of Securities;
  - d) To create a pledge/close a pledge of Securities held in my/our Depository Participant Account;
  - e) To lend/borrow Securities held in my/our Depository Participant Account and to return Securities so lent/borrowed to/from my/our Depository Participant Account, upon my/our specific written instructions and to sign all such writings and do all such acts as may be required for lending/borrowing of Securities based on such instructions;
  - f) To mark any lien on any Securities and to release such lien;
  - g) To make transfers and disposition of Securities to/from my/our Depository Participant Account on my/our behalf to/from any third party, including, but not limited to, individuals or legal entities.
5. To facilitate settlement of transactions in Securities done by the Portfolio Manager as a "Portfolio Manager" on my/our behalf and to take all or any of the following actions:
  - a) To collect and deposit monies directly in my/our Bank Account in my/our name, whether solely or jointly with another or others with the Bank and to make such debits in the said account as may be necessary;
  - b) To appoint and engage brokers/agents/intermediaries/custodian for the purpose of the powers conferred herein and to give instructions and orders to the brokers/agents/intermediaries/custodian including instructions and orders of purchase, sale, transfer, switch, redeem, consolidate units and to pay remuneration, brokerage, commission and other sums to the brokers/agents/intermediaries/ custodian;
  - c) To acquire or purchase or to make application/bids for investments in Securities and financial instruments including but limited to initial public offerings, rights issues on my/our behalf and to issue instructions to my/our Bank Account to enable payment for the Securities so applied/bid for on allocation/allotment/call if any from my/our Bank account on my/our behalf;
  - d) To make application for sale of Securities held in my/our name, whether solely or jointly with another or others, in an offer for sale and/or buyback of Securities on my/our behalf and to receive payments for the same upon acceptance in my/our Bank account on my/our behalf;
  - e) To make applications for conversion of a type of Security held in my/our name, whether solely or jointly with another or others, into another type of security and to receive/make payments, if any, upon such conversion in/from my/our Bank account on my/our behalf;
  - f) To lend/borrow Securities, to return Securities so lent/borrowed on my/our behalf with an Approved Intermediary, upon my/our instructions and to sign all such writings and do all such acts as may be required for lending/borrowing of Securities based on such instructions;

- g) To subscribe to/purchase units of Mutual Funds and to issue instructions to my/our bank account maintained by me/us in my/our name for the payments for the units so subscribed/purchased;
- h) To receive the account statement pertaining to the above said units and to acknowledge receipt of the same;
- i) To redeem/sell the units held by me/us, whether solely or jointly with another or others and to receive the payment of the redemption/sale price directly into my/our Bank Account and acknowledge receipt of the same;
- j) To sign all such writings and do all such acts as may be required for redeeming/selling any units;
- k) To dematerialize physical securities and rematerialize securities as deemed necessary;
- l) To hold, or appoint any custodian or other person to hold, any securities in such manner as the Portfolio Manager may consider appropriate;
- m) To sign all such writings and do all such acts as may be required for switching any units between schemes/plans of Mutual Funds;
- n) To collect and receive directly into my/our Bank Account and give good and effectual receipts and discharges for any sum including dividend, interest or income arising from the units and to sign and endorse dividend and interest warrants;
- o) To correspond with and give notice to the corresponding Fund Management Company/Trustees/Transfer Agents of the mutual funds;
- p) To instruct the corresponding Fund Management Company of the mutual funds to make note of instructions with regard to nomination/change in investment plans/any other changes that may be necessitated;
- q) To execute all papers, deeds, writings, matters and things, to enter into and execute contracts of sales/purchases of securities, to transfer, accept, collect, preserve, store, assign, endorse or otherwise deliver and acknowledge, whether absolutely or partly, any money or securities (including the full or any part of the beneficial or legal or other interest held by the Client(s) in any securities) whatsoever;
- r) Generally to attend to and act in all transactions, matters and deeds in connection with the sale/purchase instructions, transfer, delivery and other dealings in connection with the Securities, monies and other assets, including to demand and receive all debts, sums of money, interest, dividend and dues of whatsoever nature or kind relating to the above securities;
- s) To demand and receive, all interest and dividend due or to accrue on all or any Securities;
- t) To collect, receive and hold all the cash, assets and Securities and credit the same to any account with a custodian, and/or in a bank and/or demat account and/or otherwise;
- u) To make, verify, sign, execute and present on behalf of myself/ourselves the plaints, appeals, affidavits or statements, petitions or probate petitions or any other paper as may be expedient in the opinion of the Portfolio Manager to be made, signed, executed, presented or filed;
- v) To commence, prosecute, enforce, defend, answer or oppose any suit or other legal proceedings to be filed, instituted or commenced in connection with any or all matters in which I/we may be or may hereafter be interested in relation to the services provided by the Portfolio Manager and in accordance to the PMS Agreement;
- w) To appear before the relevant authorities, submit information and complete, sign and submit any applications or documents for any approvals that may be necessary or desirable to perform any of the acts listed in the PMS Agreement;
- x) To release or deliver or cause to be released or delivered Securities as follows:
- y) Deal with or deliver to the issuer of Securities or the agent for the purpose appointed by the issuer when Securities are called, redeemed, cancelled, retired or otherwise matured or became payable;
- z) Deliver for exchange for a different number of relative Securities or different certificates representing the same aggregate face value for exchange or conversion pursuant to any plans or scheme of merger, consolidation, recapitalization, reorganization or readjustment of the issuer of such Securities or pursuant to provisions for conversion contained in the terms of the issue or as may otherwise be required by the issuer under law/any Court of law.
- aa) In the case of warrants, rights or similar Securities, to surrender the same in connection with the exercise of such warrants, rights or similar Securities;
- bb) In case of any other dealings to take such steps as may be required.

The Client(s) hereby ratifies and confirms and covenants for itself/its successors and assigns to ratify and confirm and covenant all and whatsoever has been or shall be lawfully done on the premises by virtue of these presents, including in such ratification and confirmation whatever shall be done between the time of the revocation by any other means of these presents and the time of such revocation becoming known to the Portfolio Manager.

Any person shall be entitled to rely upon a certificate as may be issued during the validity of this Power of Attorney from NIBL Ace Capital (or any person nominated in this behalf by NIBL Ace Capital) as to the validity and subsistence of this Power of Attorney and such certificate shall be binding upon and shall not be challenged by the Client(s).

And I/We agree, covenant and confirm that all and whatsoever has been or shall be done lawfully and in accordance with these presents shall be binding on me/us, our successors and assigns and shall not be assailed, challenged, questioned or disputed by me/us provided all acts done are within the parameters of the agreement.

And the Client(s) shall not be entitled to hold NIBL Ace Capital responsible or liable in any manner whatsoever or claim any damages, losses or other amounts on account of the exercise of such discretion by NIBL Ace Capital or any decision taken by NIBL Ace Capital with regard to Portfolio Management.

And this Power of Attorney above shall continue to subsist after the demise/dissolution of the Client(s) for a period of 30 days from the date on which NIBL Ace Capital is informed of the death/dissolution of the Client(s) by the legal representative of the Client(s) and NIBL Ace Capital shall be entitled to continue to act under the terms of this Power of Attorney.

This Power of Attorney will be in full force and in effect till (i) revoked by the Client(s) with the consent of NIBL Ace Capital or (ii) the PMS Agreement terminates; whichever is earlier;

And we further agree to indemnify and keep indemnified and hold harmless the Portfolio Manager and its officers, directors, and employees as authorized by the Board as above from any and all costs, liabilities and expenses resulting directly or indirectly from all lawful actions and in accordance with proper instructions where required.

**IN WITNESS WHEREOF**, we have caused this Power of Attorney to be executed on this ..... (Day) of ..... (Month), 20.....

SIGNED AND DELIVERED by the within named  
For & on behalf of the "Portfolio Manager"

For & on Behalf of the "Client(s)"

.....

.....

.....

Authorized Signatory(ies)

Authorized Signatory(ies)

Signature

NIBL Ace Capital Ltd

NIBL Ace Capital Ltd

Name:

Name:

Name:

# PORTFOLIO MANAGEMENT SERVICES

## Agreement - Portfolio



Product Type: 1. Discretionary  2. Non-discretionary

This Portfolio Management Service Agreement (PMS Agreement) made by and between,

Client's Full Name: \_\_\_\_\_

Client's Full Address: \_\_\_\_\_

Client's Citizenship Certificate/NRN Certificate Number: \_\_\_\_\_ Issued by: \_\_\_\_\_

(Hereinafter referred to as the "Client(s)" which expression shall, unless repugnant to the context or meaning, thereof, be deemed to include its/his/her/ their respective heirs executors, administrators, successors, legal representatives and permitted assigns) of the ONE PART

AND

NIBL Ace Capital Limited, a Company incorporated under the Companies Act, 2063 and having its registered office at Lazimpat, Kathmandu, Nepal (hereinafter referred to as "Portfolio Manager", which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns) of the OTHER PART.

### WHEREAS:

- a) The Portfolio Manager is a registered as a Merchant Banker and licensed by the Securities Board of Nepal (SEBON) under its Securities Businessperson (Merchant Banker) Regulations, 2008;
- b) At the request of the Client(s), the Portfolio Manager has agreed to provide Discretionary Portfolio Management Services (hereinafter referred to as "PMS") to the Client(s);
- c) The Client(s) has satisfied itself to the capacity of the Portfolio Manager to provide the services of PMS;
- d) The parties hereto are entering into this Agreement to set out the terms and conditions on which the Portfolio Manager has agreed to render and the Client(s) has agreed to avail of the aforesaid services.

### MANDATE:

The Client(s) agrees that its mandate is subject to the Rules and Regulations of the SEBON and other related governing authorities The Parties agree as under:

#### 1. Definitions:

Unless the context or meaning thereof otherwise requires, the following expressions shall have the meaning assigned to them hereunder respectively:-

- 1.1 **Agreement** means this agreement and shall include all schedules and annexures attached Hereto.
- 1.2 **Application** means the Application made by the Client(s) to the Portfolio Manager to render the buy/sell advisory services on securities and other investment decisions and provide the back office functions. Upon execution of this Agreement by the Portfolio Manager, the Application shall be an integral part of this Agreement. In case of any conflict in the contents of the Application and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 1.3 **Assets** means (i) the Portfolio and/or (ii) the Funds.
- 1.4 **Bank Account** means one or more accounts opened, maintained and operated by the Portfolio Manager with any Banks/Financial Institutions in the name of the Client(s).
- 1.5 **Custodian** means any person who carried on or proposes to carry on the business of providing custodial services. NIBL Ace Capital will be the Custodian for rendering of Portfolio Management Services under this Agreement.
- 1.6 **Depository Account** means one or more accounts opened, maintained and operated by the Portfolio Manager in the name of the Client(s) with any Depository or Depository Participants registered/licensed under the appropriate and prevailing laws of Nepal.
- 1.7 **Discretionary Portfolio Management Services** means the PMS rendered to the Client(s), by the Portfolio Manager as per the terms and conditions stipulated in this Agreement, where under the Portfolio Manager exercises discretion in investments or management of assets of the Client(s).
- 1.8 **Funds** means monies managed by the Portfolio Manager on behalf of the Client(s) pursuant to this Agreement and includes monies mentioned in the Application, any further monies placed by the Client(s) with the Portfolio Manager for being managed pursuant to this Agreement, the proceeds of the sale or other realization of the Portfolio and interest, dividend or other monies arising from the Assets, so long as the same is managed by the Portfolio Manager.
- 1.9 **Parties** mean the Portfolio Manager and the Client(s); and "Party" shall be construed accordingly.
- 1.10 **Person** includes any individual, partners in partnership, company, body corporate, co-operative society, and corporation.
- 1.11 **Portfolio** means the Assets managed by the Portfolio Manager on behalf of the Client(s) pursuant to this Agreement and includes any Securities mentioned in the Application, any further Securities placed by the Client(s) with the Portfolio Manager for being managed pursuant to this Agreement, Securities acquired by the Portfolio Manager through investment of Funds and bonus and rights shares
- 1.12 **Portfolio Manager** means any person who pursuant to a contract or arrangement with a Client(s), advises or directs or undertakes on behalf of the Client(s) (whether as discretionary portfolio manager or otherwise) the management or administration of portfolio of securities or the funds of the Client(s), as the case may be.
- 1.13 **Portfolio Management Fees** shall have the meaning attributed thereto in Clause (5) below.
- 1.14 **Regulations** means the Portfolio Management Guidelines, 2010 issued by the Securities Board of Nepal and as may be amended from time to time.
- 1.15 **SEBON** means the Securities Board of Nepal established under Clause 3 of the Securities Act, 2007.
- 1.16 **Securities** includes:

(i) Securities as defined under the Securities Act, 2007;

(ii) Any other instruments or investments as maybe permitted by applicable law from time to time.

1.17 **Sub Delegate** means a person to whom the Portfolio Manager has fully or partially delegated the performance of his duties, discretion, obligations, any of power and authority.

## 1. Appointment of the Portfolio Manager

Pursuant to valid and proper authority and in accordance with applicable law, the Client(s) hereby appoints, entirely at his/her/its own risk, the Portfolio Manager to provide services for and in respect of Assets of the Account in accordance with the provisions of this Agreement and the Regulations (as may be applicable and in force from time to time). The Portfolio Manager shall have the absolute and unfettered discretion and authority (without reference to the Client(s)) to manage, invest and reinvest Client(s)'s Account.

## 2. Scope

- 2.1 The Portfolio Manager agrees to provide the services which shall include investment management, the responsibility of managing, renewing and reshuffling the Assets in the Account of the Client(s), buying and selling Securities, keeping safe custody of the Securities and monitoring book closures, dividend, bonus, rights, etc. and other corporate actions so as to ensure all benefits accrue in the Client(s)'s Account and to take day to day decisions in respect of the Account in accordance with this Agreement and may include consultancy services.
- 2.2 The Portfolio Manager shall individually, independently and at its sole, entire and absolute discretion manage the Assets of Account of the Client(s).
- 2.3 The Portfolio Manager shall, in discharging its duties as such, act as an agent/trustee of the Client(s) and in fiduciary capacity with regards Client(s)'s Account consisting of investments, accruals, benefits, allotments, calls refunds, returns privileges, entitlements, substitutions and/or replacements or any other beneficial interest including dividend, interest, rights, bonus as well as residual cash balances, if any (represented both by quantity and in monetary value).
- In the event of any conflict between the terms and conditions of this Agreement and any prevailing laws, the prevailing law shall prevail.
- 2.4 All actions undertaken by the Portfolio Manager, under this Agreement, shall be in accordance with the stated investment objectives and restrictions, as may be stipulated hereunder and further detailed in writing by the Client(s)'s forming integral part of the Agreement. All transactions in investments shall be subject to prevailing rules, regulations and laws so that:
- i) In the event of any conflict between the terms and conditions of this Agreement, and any prevailing laws, the prevailing law shall prevail;
  - ii) The Portfolio Manager shall be entitled to take such action or steps or omit to take any action or steps as it shall in its absolute discretion consider necessary to ensure compliance with the prevailing laws, including taking of any action to avoid or mitigate any loss arising as a result of a change in the prevailing law; and
  - iii) All of the prevailing law and any such action or step so taken by the portfolio Manager as a consequence of such requirement shall be binding upon the Client(s) as if expressly set out herein or authorized hereby.
- 2.5 The Portfolio Manager shall inform the Client(s) about its portfolio, the returns generated on the same, the costs associated with the portfolio construction, etc. on regular basis by creating a window for the same on its Official Website [www.niblcapi.com](http://www.niblcapi.com) wherein the Client(s) will be able to review their said information only by logging in with his/her/its username and password forwarded by the Portfolio Manager to Client(s).

## 3. Functions of the Portfolio Manager

The main function of the Portfolio Manager as per this Agreement shall be as follows:

- 3.1 To carry on the activity of Portfolio Management for the Client(s) by providing the Services in general and by exercising its discretion for the investments to be made with respect to the Assets of the Account as per the Investment Guidelines inter alia provided for in Clause 7;
- 3.2 To deploy funds contributed with an objective to enable the Client(s) earn reasonable returns on his/her/its contribution;
- 3.3 The Portfolio Manager has as on the date hereof launched certain Portfolios and may launch more Portfolios for the above purpose and the Client(s) may invest in such Portfolios as per the conditions stipulated in the Product Document.
- 3.4 For Institutional Client(s), the Portfolio Manager shall rely upon instructions/notices given by a person who is duly authorized by the Client(s) including decision for partial withdrawal of returns as per Product Document. Without prejudice to the aforesaid, the Portfolio Manager shall be facilitated with a copy of a board resolution of the Client(s) authorizing such person to act on behalf of the Client(s) with respect to this Agreement. In the event of revocation of authority of any such person, the Client(s) shall promptly inform the Portfolio Manager of such actions.
- 3.5 The Portfolio Manager may, if required by applicable law or regulations, disclose the identity of the Client(s) to the issuers of Securities held as part of the Assets or to the agents of such issuer upon the request of such issuer, or to any Government body or the court of law, without further consent from the Client(s).
- 3.6 The Portfolio Manager shall observe a high standard of integrity and fair dealing in all transactions involving the Client(s)'s Account.
- 3.7 The Portfolio Manager shall maintain appropriate records for every transaction undertaken in respect of the Client(s)'s Account. The records so maintained shall indicate the data, facts and opinion leading to the decision to conduct the transaction.

## 4. Fees and Charges

- 4.1 Notwithstanding anything contained herein or elsewhere, a Portfolio Management Fee as mutually agreed upon from time to time and on case to case basis through exchange of letter between the parties shall be paid by the Client(s) to the Portfolio Manager.
- 4.2 The fees will be charged upon activation of the Client(s)'s account i.e., from the date on which the account activation formalities are completed and the participation amount(s) is/are realized in the account of the Client(s), or in case of securities, the date on which the last of the securities with respect to the corresponding Minimum Participation Amount is credited in the depository account of the Client(s). For all purpose of this Agreement, including without limitation to the computation of the Portfolio Manager's fees hereunder, the Assets of the Account shall be valued in accordance with the Portfolio Manager's standard valuation policies and procedures.
- 4.3 The Client(s) hereby undertakes to pay the Portfolio Manager the fees for the Services rendered by the Portfolio Manager. The Client(s) hereby authorizes the Portfolio Manager to debit his/her/its Account for all costs, expenses, charges referred to in this Clause 5 and as mutually agreed upon and for any other services rendered by the Portfolio Manager or outsourced by the Portfolio Manager in relation to the Account as mentioned and furnished by the Portfolio Manager to the Client(s) and as agreed.
- 4.4 In the event of non-payment of feed and/or other charges due and payable by the Client(s) as stipulated under this Agreement, the Portfolio Manager by virtue of the authorization given hereby may sell any securities forming art of the Client(s)'s portfolio, at its absolute discretion and/or debit Client(s)'s Account to the extent of such outstanding fees/charges.



## **5. Portfolio Manager's Power, Duties and Obligations**

- 5.1 The Client(s) hereby authorizes the Portfolio Manager to do in its absolute discretion all such acts, deeds, matters and things on behalf of the Client(s) as may be incidental or consequential to the discharge of its responsibilities under this Agreement or any other applicable law in force.
- 5.2 The Portfolio Manager shall maintain books and records relating to its transactions for the Client(s) to ensure compliance with the Regulations.
- 5.3 The Portfolio Manager may at its discretion, constitute, nominate, appoint and substitute agents/custodians/auditors, determine their duties, fix their emoluments and acquire security in such instances and of such amount, as the Portfolio Manager may think fit.
- 5.4 The Portfolio Manager may constitute committees consisting of such persons as it thinks fit to guide and advise the operations of the Portfolio Manager, delegate suitable power to them, impose appropriate regulations on them; and generally, to do all acts, deeds, matters and things which are necessary for any object, purpose of or in relation to the Client(s)'s Account in any manner or in relation thereto.
- 5.5 The Portfolio Manager may not act upon the instructions given by the Client(s), in case after the receipt of instruction but before implementation thereof, the Portfolio Manager believes that the implementation or compliance may not be practicable or might be in contravention of any Law, Rules and Regulations.
- 5.6 The Portfolio Manager shall at its sole discretion determine the manner in which any voting rights; right to consent to corporate actions, conversion rights, subscription rights, tender rights, appraisal rights and any other rights pertaining to any portfolio of Securities held in the Account may be exercised. For the purpose, the Portfolio Manager may require the Client(s) to execute any such certificate, proxy, consent and/or any other document necessary or appropriate to effectuate its power under this Agreement.
- 5.7 The Portfolio Manager shall not derive any direct or indirect benefit out of the Client(s)'s funds or Securities other than in the manner contemplated herein.

## **6. Investment Guidelines**

- 6.1 Subject to the Directives of SEBON and amendments thereto from time to time, the Portfolio Manager shall have the sole and absolute discretion to invest Client(s)'s funds in any or all of the following Securities or in a combination of Securities deemed appropriate by the Portfolio Manager:
  - a. Securities listed with the Stock Exchange
  - b. Publicly issued Securities, Money Market Instruments and units of Mutual Fund
  - c. Time/Fixed Deposits with banks and Financial Institutions and
  - d. Any other investment instrument stipulated by SEBON from time to time.If provided, the Portfolio Manager requires investing Client(s)'s funds with certain restrictions, stipulated by the Client(s) in writing which shall form an integral part of this Agreement.
- 6.2 The Portfolio Manager shall not deploy Client(s)'s funds in bill discounting, for the purpose of lending or placement with corporate or non-corporate bodies or investment in such instruments as may be prohibited by SEBON or Nepal Rastra Bank ("NRB") or other regulatory bodies from time to time. The Portfolio Manager, while dealing with the Client(s)'s funds shall not indulge in speculative transactions, i.e., transactions for the purchase or sale of any Securities which is periodically or ultimately settled otherwise than by actual delivery or transfer of Securities.
- 6.3 The powers exercised by the Portfolio Manager as above shall be final, binding and irrevocable on the Client(s) and shall be construed having approved/ratified any such investment and/or related activities or deeds that the Portfolio Manager may take on behalf of the Client(s) from time to time.
- 6.4 In management of Client(s)'s Account, the Portfolio Manager may exercise complete discretion on the proportion of exposure on each security and apply for, subscribe, obtain, buy, accept, acquire, endorse, transfer, redeem, renew, exchange, dispose, sell or otherwise deal in the Securities specified in Clause 7.1 above and generally manage, convert, transpose and vary the investment in respect of Client(s)'s Account in such manner as the Portfolio Manager in its absolute discretion thinks fit and proper.
- 6.5 Accruals, accretions, benefits, allotments, call refunds, returns, privileges, entitlements, substitutions and/or replacements or any other beneficial interest including dividend, interest, rights, bonus that accrue to investments in respect of Client(s)'s Account shall be received by the Portfolio Manager either in its own name or in the name of the Client(s) but in either case it shall be placed in Client(s)'s Account on relevant date(s) upon realization. The Portfolio Manager shall take necessary steps for conversion of securities when necessary. The subscription/renunciation/renouncement of rights and options in respect of the Securities shall be at the sole discretion of the Portfolio Manager.
- 6.6 The Client(s) agrees to provide Portfolio Manager or its Sub-Delegate, such information as may be required from time to time, including, without limitation, all changes to the information provided by the Client(s) in the Application form in order to enable the Portfolio Manager or its Sub-Delegate to update the information therein.

Without prejudice to the aforesaid, the Client(s) shall inform the Portfolio Manager of

  - a. Residential status and of any changes thereto and
  - b. Any restrictions that have been or are imposed upon the acquisition of any particular Securities by the Client(s).
- 6.7 The portfolio Manager shall ensure that any transaction of purchase or sale including that between the Portfolio Manager's own accounts and Client(s)'s accounts or between two Client(s)'s accounts shall be at the prevailing market price.

## **7. Delegation and Use of Agents**

To the extent permissible by law, the Portfolio Manager may delegate any of its functions under this Agreement to an Agent and may provide information about the Client(s) and the Account to any such Agent. The Portfolio Manager will act in good faith and with due diligence in its choice and use of such Agents.

## **8. Maintenance of Client(s)'s Account**

- 8.1 The Portfolio Manager may open one or more bank accounts for and on behalf of the Client(s) with Banks and Financial Institutions to deposit and withdraw funds entrusted by the Client(s) and fully operate the same
- 8.2 The Client(s) shall execute and deliver to the Portfolio Manager, a Power of Attorney, in the format specified by the Portfolio Manager authorizing the Portfolio Manager or its Sub-Delegates, to do all acts on behalf of the Client(s) necessary for rendering the Services. The Portfolio Manager may rely and act on any instruction or communication which purport to have been given (and which is reasonably accepted as having been given) by or on behalf of any person notified by the Client(s) from time to time as being authorized to instruct the Portfolio Manager in respect of the Account through telephone, facsimile, telex, email, or in writing, whether or not the authority of any such person has been terminated, unless the Portfolio Manager has received a written notice of the termination.
- 8.3 The Portfolio Manager shall provide the Client(s) with a statement/report on investments/divestments and all credits to the accounts of the Client(s) by way of accruals, accretions, benefits, allotments, calls, refund, returns, privilege, entitlement, substitutions and/or replacements or any other beneficial interest including dividend, interest, rights, bonus received from time to time including details specified in Portfolio Management Guidelines, 2010.

## 9. Minimum tenure and Investment

The Client(s) shall maintain the minimum participation amount under each portfolio as may be stated by the Portfolio Manager from time to time as per its product paper and such minimum amount shall not in any event be less than the minimum amount stipulated under the Portfolio Management Guidelines, 2010 or in accordance with the amendments there under from time to time ("the Minimum Participation Amount"). The Portfolio Manager has the discretion to define an amount higher than SEBON specified amount as minimum amount acceptable portfolio value. The Assets placed for management by the Client(s) with the Portfolio Manager for Discretionary Portfolio Management Services under this Agreement shall be placed for a period as specified in the product document.

## 10. Indemnity

The Client(s) shall indemnify and keep indemnified the Portfolio Manager or its officers, employees, or representative or any custodian or other person specifically authorized by the Portfolio Manager of, from and against all and any costs, charges, expenses, claims and liabilities (including without limitation any stamp duty, rates, taxes,) incurred or to be incurred by the:

- 10.1 Portfolio Manager or its officers, employees, or representative or any custodian or other person specifically authorized by the Portfolio Manager in the Performance of the Discretionary Portfolio Management Services and any other rights, duties, obligations and functions under this Agreement.
- 10.2 The Portfolio Manager or its officers, employees, or representative or any custodian or other person specifically authorized by the Portfolio Manager as a result of the Portfolio Manager or its officers, employees, or representative or any custodian or other person specifically authorized by the Portfolio Manager acting or not acting on the basis of any information or instructions given by the Client(s).
- 10.3 The Portfolio Manager or as a result of any prosecution and/or any of its officers, employees, or representative or any custodian or other person specifically authorized by the Portfolio Manager other action taken and/or which may be taken or enforced against the Client(s) and/or the Portfolio Manager and/or any of its officers, employees, or representative or any custodian or other person specifically authorized by the Portfolio Manager with respect to the payment/recovery of wealth-tax, income tax, interest for delayed payment of income tax or wealth tax, penalty; and if any of the same shall have been recovered from the Portfolio Manager or any of its officers, employees, or
- 10.4 Representative or any custodian or other person specifically authorized by the Portfolio Manager or any of its officers, employees, or representative or any custodian or other person specifically authorized by the Portfolio Manager is held responsible for any of the aforesaid by any taxing authority, then the Client(s) shall forthwith on demand pay and/or reimburse to the Portfolio Manager such amount as may be required, in the opinion of the Portfolio Manager to pay to the tax authorities (whether or not such payment has been lawfully demanded by the tax authorities).

## 11. Period and Termination of the Agreement

- 11.1 This Agreement is deemed to have commenced on and from the date on which the parties have affixed their signatures and seal, if applicable.
- 11.2 This Agreement shall continue to subsist until terminated in accordance with the terms herein.
- 11.3 The Portfolio Manager may at any time terminate this Agreement by written notice of termination to the Client(s).
- 11.4 The Client(s) may at any time terminate this Agreement by not less than 30 days' written notice of termination to the Portfolio manager or as stipulated by SEBON from time to time, if applicable.
- 11.5 The Portfolio Manager may cease to render Discretionary Portfolio Management Services to the Client(s) at any time after receiving written notice of termination/withdrawn from the Client(s). Upon termination of this Agreement, the Portfolio Manager shall, within period of (30) days from the date of termination, pay and/or deliver the Assets to the Client(s).
- 11.6 In the event of the death of the Client(s), the legal representative of the Client(s) shall intimate the Portfolio Manager of the death of the Client(s) as soon as possible, and this Agreement shall thereupon terminate on the expiry of (30) days of the Portfolio Manager receiving such intimation. The power of attorney granted by the Client(s) shall continue to subsist after the demise of the Client(s) for a period of (30) days from the date on which the Portfolio Manager is informed of the death of the Client(s) by the legal representative of the Client(s) and the Portfolio Manager shall be entitled to continue to act under the terms of the said power of attorney.
- 11.7 Upon the termination of this Agreement as a consequence of the death of the Client(s), the Portfolio Manager shall deliver the Assets to the nominee of the Client(s) (as designated in the Application). Upon such delivery, the Portfolio Manager shall stand discharged of all obligations hereunder or in relation to the Assets.

## 12. Assignment

- 12.1 The client hereby agrees that he/she/it shall not assign or transfer any of his/her/its assets, right and /or obligations hereunder without the prior written consent of the Portfolio Manager.

## 13. Repayment and Transfer of Securities

- 13.1 The Portfolio Manager shall on a best effort basis liquidate the securities in the Client's Portfolio at an earliest date from the date of notice of termination and maturity and arrange to deposit the net realized value of securities held in the Client's Account together with all accruals, accretions, benefits, allotments, calls, refunds, returns, privileges, entitlements, substitutions and /or replacements or any other beneficial interest including dividend, interest, bonus as well as residual cash balance, if any on such date, subject to the Client fulfilling all his/her/its obligations under this Agreement, in the designated account. In case of failure to liquidate the securities in the Client's portfolio within 30 days from the date of receipt of notification from the Client of termination, physical delivery of the securities will be made to the Client. The Amount so realized, and/or the securities together with residual cash balances, if any, due and belonging to the Client , shall be paid/transferred to the Client, subject to the following deductions:
  - a) Payments, if any, already made to the Client
  - b) Portfolio Manager's fee, custody fee, other fee/expenses as described herein the Agreement or in product paper
  - c) All taxes, rates, fees, duties, commissions, costs, charges, penalties, deductions, recoveries and/or appropriations, etc., to be made in accordance with applicable law or Rules or Regulations or By-laws or otherwise on account of the Client and
  - d) Any other dues, liabilities, obligations etc. owed by/due on account of the Client under this Agreement.
- 13.2 The Portfolio Manager also reserves the right to settle the Client's account, in whole or in part, by issuing physical delivery or by transferring the securities to his/her/its depository account in case:
  - a) The Securities in his/her/its account cannot be liquidated by the Portfolio Manager within the stipulated time as aforesaid; and/or
  - b) A written request is received from the client to effect the termination by transfer of the Client's Securities to his/her/its depository account.

- 13.3 The Portfolio Manager by disbursement through payment and/or transfer of securities, subject to all the above recoveries, deductions and appropriations, shall be validly discharged of all its obligations owed to the Client or his/her/its legal heir or nominee, as the case may be, in respect of this Agreement.
- 13.4 Any accruals, accretions, benefit, allotment, calls, refund, returns, privilege, entitlement, substitutions and/or replacements or any other beneficial interest including dividend, interest, rights, bonus, voting rights, arising out of the amount, shall accrue to or vest in the Client and which, if received by the Portfolio Manager shall be returned/made over to the Client in full.

#### **14. Confidentiality**

The terms and conditions of this Agreement and all information and recommendations furnished by the parties shall be treated as confidential by the parties and shall not be disclosed to third parties except if required by applicable laws, Rules or Regulations or as otherwise expressly agreed to in writing by the parties.

#### **15. Risk and Losses**

- 15.1 The Client hereby agrees to undertake the risks pertaining to portfolio investments as stated herein:
- a) Securities investments are subject to market and other risks and there can be no guarantee against loss resulting from an investment in the scheme nor there any assurance that the scheme's objectives will be achieved.
- b) The past performance of the Portfolio Manager does not indicate the future performance of the same scheme or any other future schemes of the Portfolio Manager.
- c) Risk arising from the investment objective, investment strategy and asset allocation are mentioned as follows:
- The liquidity of the portfolio may be restricted by trading volumes and settlement periods. Different segments of the Nepalese financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems in settlement of transactions could result in temporary periods when the assets of the scheme are un-invested and no return is earned thereon. The inability of the Portfolio Manager to make intended securities purchases, due to settlement problems, could cause the Portfolio to miss certain investment opportunities. By the same token, the inability to sell securities held in the portfolio, due to the absence of a well-developed and liquid secondary market for debt securities, would result at times, in potential losses to the Portfolio, should there be a subsequent decline in the value of securities held in the portfolio.
  - The liquidity and valuation of the Portfolio's investments due to its holdings of unlisted securities may be affected if they have to be sold prior to their target date of divestment.
  - Corporate debt securities are subject to the risk of an issuer's inability to meet interest and principal payments on its debt obligations (credit risk). Debt securities may also be subject to price volatility due to factors such as changes in interest rates, general level of market liquidity and market perception of the creditworthiness of the issuer, among others (market risk). The Portfolio Manager will endeavor to manage credit risk through in-house credit analysis.
  - The value of the portfolio, to the extent invested in fixed income securities, will be affected by changes in the general level of interest rates. When interest rates decline, the value of a portfolio of fixed income securities can be expected to rise. Conversely, when interest rates rise, the value of a portfolio of fixed income securities can be expected to decline.
  - As with any investment in securities, the value of the portfolio can go up or down depending on various factors that may affect the values of the investments. In addition to the factors that affect the value of individual securities, the value of the portfolio can be expected to fluctuate with movements in the broader equity and bond markets and may be influenced by factors affecting capital markets in general, such as, but not limited to, changes in interest rates, currency exchange rates, changes in governmental policies, taxation, political, economic or other developments and increased volatility in the stock and bond markets.
  - Risk arising out of non-diversification: The investment objectives of one or more of the portfolio management schemes could result into concentration on a specific asset/asset class/sector/issuer etc., which could expose the portfolio to improper and/or undesired diversification.
  - In case the portfolio invests in mutual funds registered with SEBON, scheme specific risk factors of each such underlying scheme will be applicable to the Portfolio. All risks associated with such underlying schemes, including performance of their underlying stocks, derivative instruments, stock-lending, and investments etc., will therefore be applicable to the Portfolio. Client(s) are required to and deemed to have read and understood the risk factors of the underlying schemes.

#### **16. Joint Account**

If the client is more than a single person, the Client's obligations under this agreement shall be joint or the person jointly authorized by the account holders. It is clarified in this case of the joint client account, all dealings with the client under this agreement, including but without limitation to the payment of Assets of the Account on termination or expiry of the agreement would be undertaken by the Portfolio Manager with the first holder of the account or the person jointly authorized by the account holders. If the client proposes to disclose the information of its Account to any third person, the client shall make a written request to the Portfolio Manager.

#### **17. Income and Other taxes**

Any income tax and other tax liability on investments, funds and yields therefore shall be borne and paid by the Client(s). The Portfolio Manager does not take any responsibility for any matters relating to the tax filings or assessments of the Client(s).

#### **18. Representations and Warranties of the Portfolio Manager**

- 18.1 The Portfolio Manager represents and warrants that it is a Portfolio Manager licensed by SEBON to operate under Portfolio Management Guidelines, 2010 and amendments there under from time to time. The Portfolio Manager shall not change any clause of this Agreement without the consent of the Client in writing.
- 18.2 The Portfolio Manager does not provide any guarantee (express or implied) for the appreciation in value of the Securities in which the Portfolio Manager invests the Client's funds.
- 18.3 The Portfolio Manager understands and acknowledges that the liability of the Client shall not exceed the value of his/her/its investment with the Portfolio Manager.

#### **19. Representations and Warranties of the Client**

- 19.1 The Client represents and warrants that he/she/it is duly authorized, eligible and competent to enter into this Agreement and appoint Portfolio Manager to manage the Assets of the Account.

- 19.2 The Client having agreed to avail the services offered by the Portfolio Manager shall be deemed to have satisfied eligibility in this. The Client shall at all times comply with all relevant laws, rules and regulations as may apply to his/her/its portfolio, or dealing therein
- 19.3 The Client hereby warrants and represents to the Portfolio Manager that cash corpus/securities handed over to the Portfolio Manager upon execution hereof, absolutely belongs to him/her/it and there is no encumbrance on the same, of whatsoever nature and he/she/it shall not create any encumbrance on the assets whether by way of pledge, lien, mortgage, hypothecation or any other charge, during the tenure of the Agreement and shall also at all times comply with all relevant laws, rules and regulations as may apply to his/her/its dealings therein.
- 19.4 The Client warrants that all information which he/she/it has provided to the Portfolio Manager in relation to his/her/its status, including in particular his/her/its residence and domicile for taxation purpose is complete and correct and agrees to provide any further information, if required by any competent authority or the Portfolio Manager. The Client hereby agrees and undertakes to notify the Portfolio Manager forthwith if there is any change in any such information provided.
- 19.5 The Client understands and agrees that the services provided by the Portfolio Manager to the Client are not deemed to be exclusive, the Portfolio Manager being free to render investment advisory, portfolio management and/or other services to other Clients.
- 19.6 In the event of any change in the constitution, identity by change of name and/or residential status of the Client during the Tenure of this Agreement, it shall be the duty of the Client to keep the Portfolio Manager duly informed of such changes. The Portfolio Manager shall seek advice or appropriate directions where required, from competent authority, under applicable laws, with regard to the continuation of this Agreement and other Agreements with the Client, if any affected by such change under the applicable law.

**20. Income and other taxes**

Any income tax and other tax liability on investments, funds and yields where-from shall be borne and paid by the Client. The Portfolio Manager does not take any responsibility for any matters relating to the tax filings or assessments of the Client.

**21. Governing Law, Jurisdiction and Government Regulations**

The Portfolio Manager shall formulate the portfolio in accordance with the Regulations, Rules and other guidelines of SEBON and other concerned authorities subject to modification to the extent required by any applicable law, regulation, rule or guideline. This Agreement and the rights and liabilities of the parties shall always be subject to the prevailing Act, Rules, Regulations and Guidelines of SEBON and other concerned authorities.

**22. Arbitration**

All disputes, differences, claims and questions whatsoever, which may arise either during the subsistence of this Agreement or afterward between the parties hereto and/or their respective representatives touching these presents or any clause or anything contained herein or otherwise in any way relating to or arising through the interpretation of any provision contained therein shall be first settled by mutual discussions between the parties, failing which the same shall be referred to an settled in accordance with the Arbitration Act, 1999.

**23. Grievance Redressal System**

Where the Client has any grievance he/she/it should promptly notify the same to the Portfolio Manager in writing giving sufficient details to enable the Portfolio Manager to take necessary steps. The Portfolio Manager on receipt of such grievance, shall take prompt action to redress the same.

**24. Miscellaneous**

- 24.1 This Agreement sets forth the entire and exclusive understanding of the parties and supersedes and cancels any and all prior Agreements/engagements between the parties, whether written or oral, relating to investment management of the Account or of any other asset of the Client. Unless otherwise provided for herein, this Agreement may not be modified, amended, rescinded or waived in whole or part, except by a written instrument signed by duly authorized representatives of both the parties. No provision of this Agreement shall be construed so as to violate the applicable provisions of the Portfolio Management Guidelines, 2010 or amendments here under from time to time or any other laws, rules, regulations or orders.
- 24.2 The parties hereby agree that all terms, requirements or restrictions and other provisions of the Agreement are fair and reasonable and shall be enforceable in the court of law.
- 24.3 All mail and notice from the Portfolio Manager to the Client shall be sent to the Client's last known address, as in existence in the records of the Portfolio Manager. All mail and notices from the client to the Portfolio Manager shall be sent to the address stated in the Application Form.
- 24.4 In order to be effective, the Client's notification to the Portfolio Manager regarding change of address etc., must be lodged at least 30 (thirty) days before the date on which any payment from the Portfolio Manager to the Client falls due.

**In witness thereof the parties hereto have set their hands on this Agreement at the place on the day, month and year first herein written**

**SIGNED AND DELIVERED by the within named  
For & on behalf of the "Portfolio Manager"**

**For & on Behalf of the "Client(s)"**

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Authorized Signatory(ies)

Authorized Signatory(ies)

Signature

NIBL Ace Capital Ltd

NIBL Ace Capital Ltd

Name:

Name:

Name:

