

THIS **AGREEMENT** is made this day of, 20.....BETWEEN **CARDINALSTONE SECURITIES LIMITED**, a limited liability company incorporated under the Laws of the Federation of Nigeria, 2004 , having its registered office at 5, Okotie Eboh Street, Ikoyi, Lagos (the "Broker", which expression shall, where the context admits, include its successors-in-title and assigns) of the one part; AND a limited liability company incorporated under the Laws of _____ , having its registered office at _____ (the "Client", which expression shall, where the context admits, include its successors-in-title and assigns of the other part.

(The Broker and the Client are hereinafter collectively referred to as the "Parties" and individually as the "Party")

WHEREAS:

- (A) The Broker is duly licensed and registered in Nigeria as a Stockbroker with the Securities and Exchange Commission ("SEC"), the Nigeria Stock Exchange ("NSE"), and the FMDQ OTC Exchange. The broker is also registered as a participating institution with NASD Plc.
- (B) At the request of the Client, the Broker has agreed to provide certain Brokerage Services to the Client ("Brokerage Services").
- (C) The Parties are entering into this Agreement to set out the terms and conditions of the Brokerage Services.

THE PARTIES HEREBY AGREE AS FOLLOWS:

1. DEFINITIONS

- 1.1.1 "Agreement" means this Brokerage Agreement that details the understanding of the Parties in relation to the Brokerage Services;
- 1.1.2 "Brokerage Account" means the stockbroking account to be opened by the Client with the Broker for the Brokerage Services;
- 1.1.3 "Brokerage Fee" means the fees payable by the Client to the Broker as commission for the Brokerage Services at rates advised;
- 1.1.4 "Brokerage Services" means the services to be provided to the Client by the Broker pursuant to this Agreement, including buying and selling of securities; receiving and disposing of securities and/or property in the Brokerage Account, and receiving confirmations, statements and communications of every kind related to the Brokerage Account;
- 1.1.5 "Business Day" means any day on which banks are open for normal banking business in Nigeria;
- 1.1.6 "Contract Note" means a note issued by the Broker to the Client for every purchase or sale of securities
- 1.1.7 "CSCS" means the Central Securities Clearing System Limited;
- 1.1.8 "Freeriding" means the prohibited practice of purchasing and selling a security in rapid succession without meeting the payment obligation by the Settlement Date;
- 1.1.10 "Online Platform" means the electronic medium through which the Client can access the Broker's internet trading platform for, among others, placing purchase and sale mandates, receiving account information, trade confirmations, account statements, important notices, trade updates messages and other relevant information on the Client's Brokerage Account.
- 1.1.13 "Settlement Date" means the date of the financial satisfaction of any sale or purchase of securities pursuant to this Agreement.

2. APPOINTMENT OF BROKER AND DURATION OF AGREEMENT

- 2.1 The Client hereby appoints the Broker as its broker to provide it with Brokerage Services.
- 2.2 This Agreement shall commence from the Effective Date and inure until terminated in accordance with this Agreement.

3. OBLIGATIONS OF THE BROKER

- 3.1 The Broker shall:
 - 3.1.1 Open a Brokerage Account for the Client provided the Client satisfies the requirements for the operation of the Brokerage Account;
 - 3.1.2 Accept the Client's buy or sell orders, and use its best endeavour to obtain the best terms or trading results for the Client subject to market conditions, for orders not routed through the Online Platform;

4. OBLIGATIONS OF THE CLIENT

- 4.1 The Client shall specify and select the type of Brokerage Account (if applicable) and shall provide the Broker with all relevant information required for the opening of the said Brokerage Account.
- 4.2 The Client shall ensure that the Brokerage Account is sufficiently funded to ensure timely execution of orders.
- 4.3 The Client agrees to pay the prevailing Brokerage Fee and other statutory charges applicable for the Brokerage Services.
- 4.4 The Client bears solely responsibility for the confidentiality/protection of the secret answer, username and password that provide access to the Online Platform.
- 4.5 The Client understands that it has the sole responsibility of monitoring the activity on its Online Platform.

5. ORDER PROCESSING

- 5.1 The orders or instructions ("Mandate") of the Client or its authorised representative(s) to the Broker shall be by written Mandate, which may be in the form of a written instruction, email, recorded telephone call or placed on the Online Platform.
- 5.2 Notwithstanding Clause 5.1, the Client hereby understands and agrees that it shall be bound by the execution of the original Mandate where the Broker is unable to cancel or modify such Mandate , without liability on the Broker.

6. INTERNET TRADING

- 6.1 The Client shall be provided with an Online Platform, through which electronic trading of securities can be executed.

- 6.2 The Client will be the exclusive holder of its account details and bears full responsibility for all activities arising from the Online Platform. The Client shall immediately notify the Broker when its username and or password are compromised. Reports can be made via mail to contactus@cardinalstone.com or via calls on +234 1 7100 433.
- 6.3 The Client shall ensure that sufficient funds are available in the Brokerage Account for the execution of trades via the Online Platform.
- 6.4 Orders placed on the Online Platform cannot be cancelled once executed. Attempts to replace placed accounts may result in duplicate orders which the Client would be responsible for.
- 6.5 The Client acknowledges that research material, stock quotes, data and other information provided on the Online Platform or provided directly to the Client by the Broker is for informational purposes only and will not be construed as any form of advice. Consequently, the Client agrees to bear the sole responsibility of evaluating the merits and risks of information or content on the Online Platform before making any decision.
- 6.6 All copyright, trademark and other intellectual property rights used as part of the Online Platform are owned by the Broker or its licensors and the reproduction or independent use of the protected material is prohibited
- 6.7 The Client understands that any other service provided under the Online Platform shall be subject to the same rules provided in this Agreement and agrees to be bound any amendments or updates that may be subsequently published by the Broker on the Online Platform.
7. ELECTRONIC TRADING SYSTEM RISK
- 7.1 The Client agrees that the services provided on the Online Platform are provided on an “AS IS” and “AS AVAILABLE” basis without any warranties, including, any warranty of merchantability or fitness for a particular purpose.
- 7.2 The Client is solely responsible for possessing the minimum system requirements and understands that the Broker shall not be liable for any loss incurred by the Client due to poor quality of Internet connectivity or malfunction of Client’s hardware.
- 7.3 The Client accepts that electronic or computer-based facilities and systems to be provided by the Broker are inherently vulnerable to disruption or failure and may therefore be unavailable for the Client’s use occasionally.
- 7.4 The Client understands and is fully aware of the capital market’s volatility and that there is an inherent risk of incurring losses in the amount invested.
- 7.5 The Client assumes full responsibility for all transaction conducted on its account and will not hold the Broker, its affiliates, partners, directors or employees liable for any loss, damages, costs, fines, penalties or taxes that the Client incurs.
8. CREDIT BALANCES AND FUNDS AVAILABILITY
- 8.1 The Broker reserves the right to hold the available cash balance in the Brokerage Account as available credit balance, this being the sum of uninvested cash in the Brokerage Account less the amount required to pay for costs of purchase Mandate(s).
9. SETTLEMENTS
- 9.1 The Client understands that the settlement for its trades shall be in accordance with regulatory timeframes.
- 9.2 The Client shall settle the Broker for all trades executed and must ensure that the funds available in the Brokerage Account on the day of execution of a buy order are sufficient for the purchase.
- 9.3 Where the funds available in the Brokerage Account are insufficient, the Client will be unable to execute a buy mandate.
- 9.4 If a buy mandate is processed, (based on the Client’s request or other circumstances) and the required funds are not received on or before the Settlement Date, the Broker shall be entitled to charge the Client a penal rate of 44.5% per annum accruing daily, on the required funds. If after five calendar days of the purchase, the funds and accrued interest are not received, the Broker shall be entitled to liquidate the Brokerage Account and the Client shall bear the liability for any losses, outstanding balance or costs incurred by the Broker. In these circumstances, the Broker shall also be entitled to create a lien over the securities purchased for the Client.
10. RESTRICTION
- 10.1 The Client undertakes not to engage in Freeriding on the Brokerage Account. The Broker shall be entitled to refuse the execution of sale mandates placed for the purpose of Freeriding.
- 10.2 The Broker shall be entitled to restrict or close the Brokerage Account without prior notice and report the Client and the trade to relevant regulators where the Client continues to engage in Freeriding for a period of three (3) days after being notified by the Broker to desist from same.
11. FEES AND COMMISSIONS
- The Client shall pay to the Broker the Brokerage Fee advised from time to time as a commission on any buy or sale order or instruction executed by the Broker on the Client Account.
12. TERMINATION
- 12.1 Either Party shall be entitled to terminate this Agreement at any time during the term of this Agreement upon giving sixty business (60) days prior written notice to the other Party.
- 12.2 Notwithstanding the provisions of Clause 12.1 above, this Agreement shall terminate unconditionally and without prior notice in the event of the bankruptcy or insolvency of either Party, or the suspension or revocation of the registration of the Broker with either the NSE, the SEC or the CSCS.

- 12.3 The Client shall remain responsible for any outstanding obligations owed to the Broker, including any transactions charges, Brokerage Fees, and statutory fees that had accrued before the termination of this Agreement.
13. MODE OF PAYMENT
- 13.1 Any payment to be made pursuant to this Agreement may only be made by cheque, bank draft or electronic money transfer.
- 13.2 Where the Broker sells shares on behalf of the Client, payment for such sale shall be by cheque or bank draft in the Client's name exactly as the same appears on the sold share certificate or to an account with the Client's name via electronic money transfer.
14. LIMITATION OF LIABILITY
- 14.1 The Broker shall not be liable for any loss directly or indirectly caused by war; strikes; natural disasters; acts of terrorism; government restrictions; suspensions of trading by the NSE; computer or communications line failures or delays in the transmission of orders due to a breakdown or failure of the NSE's transmission facilities, trades executed pursuant to orders issued through the Client's Online Platform by a third party who has gained access to same or any other conditions beyond the Broker's reasonable control.
- 14.2 The Client also acknowledges and accepts that the Broker shall not be liable for any problems, technical or otherwise, which may prevent the Broker from entering and executing orders on the Online Platform.
15. CONFIDENTIALITY
- 15.1 All data and information pertinent to the Parties or the Brokerage Services provided pursuant to this Agreement shall be deemed confidential, and the Parties undertake not to divulge the same to any third party except under the following circumstances:
- (i) in accordance with laws, rules or regulations applicable in Nigeria or in accordance with a ruling of a competent court;
 - (ii) any information that becomes available to the public without breach of any confidentiality obligation owed to any of the Parties;
 - (iii) information previously known to such Party prior to receipt from the other Party, if proof of fore knowledge is provided by the divulging Party;
 - (iii) In reply to any official inquiry or request received by the Broker from the NSE, the SEC or any other competent official authority;
 - (iv) In order to protect the interest of the Broker or enable the Broker to sue for its Brokerage Fees or to defend any action instituted against it.
- 15.2 The Broker is entitled to keep records of all transactions carried out via the Online Platform for at least such period as required by relevant regulatory bodies.
16. INDEMNITY
- 16.1 The Client irrevocably authorises the Broker to act upon any instruction it receives from the Client and/or any authorised agents or representatives of the Client and the Client acknowledges that the Broker has no obligation to verify the authenticity of the said instructions and or the validity of the authority of any person that issues same, and further undertakes to verify as may be required, any illegible or irregular signature and/or unclear instructions arising from the instructions.
- 16.2 The Client covenants, warrants and undertakes to keep the Broker fully indemnified against all actions, proceedings, liabilities, claims, losses, damages, costs and expenses in relation to or arising out of the Broker acting on the instructions received from the Client and or any of its authorised agents and/or representatives, or in connection with the enforcement of this Agreement, and shall pay to the Broker within five (5) Business Days of demand, all payments, losses, costs and expenses incurred by the Broker in consequence thereof or arising therefrom.
- 16.3 The Client further waives any rights or remedy it may have or obtain, against the Broker arising directly or indirectly from any losses or damages suffered by the Client as a result of the Broker acting on the instructions received from the Client or any of its authorised agents and/or representatives.
17. NOTICE
- 17.1 Any notice, communication or instruction required pursuant to the terms of this Agreement shall be in writing and can either be hand-delivered or sent to the Parties by courier or other guaranteed-delivery service, or by facsimile or electronic mail transmission to the following addresses:
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| <p>In the case of the Broker:
 CARDINALSTONE SECURITIES LIMITED
 5, Okotie- Eboh Street,
 South-West, Ikoyi, Lagos.</p> | <p>In the case of the Client:

 _____</p> |
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- 17.2 If delivered personally, the notice shall be deemed sufficiently served upon delivery and acknowledgment thereof given by the receiving Party. If sent by courier, it will be deemed to have been given five (5) Business Days after same is properly addressed, pre-paid and deposited at the office of a courier company. If the notice is sent by facsimile or electronic mail transmission, it would be deemed to have been properly served upon transmission and due receipt of answerback confirmation.

18. GENERAL PROVISIONS

- 18.1 This Agreement represents the entire agreement between the Parties and supersedes all previous agreements whether written or oral. This Agreement may not be amended without the specific written consent of both Parties with the amendment being duly signed by the Parties.
- 18.2 Neither Party may assign any of its rights or obligations under this Agreement without the prior written consent of the other Party.
- 18.3 Failure of either Party in any one or more instances to insist on strict performance of any of the terms herein, shall not thereafter be construed as a waiver of the right to insist upon such performance, nor shall a waiver of any breach of any terms or conditions herein be thereafter construed as a waiver of such terms or conditions, which shall continue in full force and effect as though no such waiver had ever occurred.
- 18.4 In the event that any provision of this Agreement is found for any reason to be invalid, illegal or unenforceable in any respect, this Agreement shall be construed as if such invalid, illegal or unenforceable provision was not a part of this Agreement, and the Agreement shall be carried out as nearly as possible in accordance with its original terms and intent.
- 18.5 This Agreement may be executed in two or more counterparts, each of which is deemed to be an original and all of which constitute the same Agreement.
- 18.6 This Agreement shall be governed by the laws of the Federal Republic of Nigeria.
- 18.7 Where there is a dispute that the Parties are unable to amicably resolve within 15 working days, the Parties agree to submit the dispute to arbitration.
 - 18.7.1 The arbitration shall be conducted by an arbitrator to be jointly appointed by the Parties in accordance with the Arbitration and Conciliation Act Cap A18, Laws of Federal Republic of Nigeria. Where the Parties are unable to agree on the arbitrator, the decision shall be made by the extant Director-General of the NSE.
 - 18.7.2 The arbitration shall be conducted in the English language and held in Lagos.
 - 18.7.3 The decision of the arbitrator shall be final.

IN WITNESS WHEREOF the Parties have caused their common seals to be hereunto affixed on the day and year written above

SIGNED, SEALED AND DELIVERED BY THE WITHIN NAMED CLIENT

THE COMMON SEAL OF THE WITHIN NAMED BROKER
CARDINALSTONE SECURITIES LIMITED WAS AFFIXED
IN THE PRESENCE OF:

DIRECTOR

SECRETARY

THE COMMON SEAL OF THE WITHIN NAMED CLIENT
_____ WAS AFFIXED
IN THE PRESENCE OF:

DIRECTOR

DIRECTOR/SECRETARY