

Contract No. : \_\_\_\_\_

**QNB ALAHLI**

**Custodian Agreement**

**Customer name:** \_\_\_\_\_

**Code number :** \_\_\_\_\_

**Account number :** \_\_\_\_\_

**Branch name:** \_\_\_\_\_

**Central Securities and Custody Department**

**Address :- 54 El Batal Ahmed Abdel Aziz – el mohandsen – Giza – Egypt**

### Custodian Agreement

This agreement is made and entered into this date ..... /...../ .....

**By and between:**

(1) **QNB ALAHLI –S.A.E–** having its registered office at : **5 Champollion St., Down Town , Cairo**, represented herein by **Mr./ Yasser Zaazaa** in his capacity as/ **Head of Central Securities and Custody Department**. Hereinafter referred to as "The Custodian Bank" "First party".

(2) **A) Individuals :-**

**Mr./Mrs./Miss/** : ..... **Nationality** : ..... **Job** : .....  
**Address** : ..... **ID. No. / Passport No.** : .....  
**Telephone No.** : ..... **Mobile No.** : ..... **E-Mail** : .....  
**Account No.** : ..... **Branch** : ..... **Unified Code** : .....

**B) Corporate / Institution :-**

**Company Name** : ..... **Commercial Registration No.** : .....  
**Registration Office Name** : ..... **Head office address** : .....  
**Telephone No.** : ..... **Fax No.** : ..... **E-Mail** : .....  
**Account No.** : ..... **Branch** : ..... **Unified Code** : .....

**Represented herein by :-**

(1) **Mr./Mrs./Miss/** : ..... **Title** : ..... **Telephone No.** : .....  
(2) **Mr./Mrs./Miss/** : ..... **Title** : ..... **Telephone No.** : .....

Hereinafter referred to as "**The Client**" "**Second party**".

Both parties hereby declare that they have legal capacity to enter into this agreement and agrees on the following:

**Preamble :**

- Whereas **QNB ALAHLI** “the Bank” is one of the authorized banks in Egypt, licensed from the Capital Market Authority, to practice the Custodian activity of Securities and is a member on Misr company for central clearing, depositary and registry, and is authorized to practice the Bookkeeping activity pursuant to provisions of Law No. 93/2000 of the Securities Central Depositing and registry, and it's Executive Regulation No. 906/2001.  
- And, whereas the Client desires to keep his securities with the securities custody department in **QNB ALAHLI** and whereas the Bank agrees to act as Custodian for the Client.  
- Therefore, both parties, hereto, agreed to enter into this agreement according to the conditions and provisions stated hereinafter.

**CLAUSE (1) : The Preamble:**

The above preamble, hereinbefore and the attached appendix, is deemed an integral part of this agreement and one of its complementary terms.

**CLAUSE (2): Opening the account:**

According to this agreement, the Custodian Bank consents to open securities account in the name of the Client, through the competent authorities, in order to keep securities owned by the Client, which he owns by buying them or by another legal path, and this shall be after the technical and legal review of Misr company for central clearing, depositary and registry and its acceptance.

**CLAUSE (3) : Keeping the securities:**

The Custodian Bank shall receive the aforementioned securities by transferring them from one account to another after completing the settlement; this transaction is undertaken by Misr company for central clearing, depositary and registry pursuant to its applicable rules and procedures, and also through the rules and procedures of the Egyptian Stock Exchange and Capital Market Authority.

**CLAUSE (4) : Managing of the account:**

**Signature :** .....

Managing the account and dealing on it shall be in the name and in favor of the Client, according to his instructions, orders and within its limits. Those instructions & orders could be also through his agent, whether by an internal banking mandate signed from the Client, or by authenticated mandate, or by the brokerage company, in the previous last case, the Client shall mandate the Custodian Bank to receive directly the orders upon the account from any brokerage company with attaching the order of the Client.

**CLAUSE(5):Custodian’s obligations :**

The custodian Bank shall be obligated with the following :-

- To keep the securities and manage its accounts in the name of its owner and in his favor according to the owner instruction or from his agent as mentioned at clause (4).
- To spend the maximum care levels in executing the Client’s orders.
- To notify the Client with any Corporate-actions occurred by the issuing companies, concerning the securities deposited in his account & its balance change, such as free Shares, with respecting to the way of notification which will be mentioned in clause (7) of this agreement
- To separate between his accounts and the Clients’ accounts and between the Clients' accounts themselves, with commitment to debit & credit each Client’s account by values that accrued as a result of his transactions on securities and at the same day of settlement.
- To compensate the client against any damage caused through his violating or bad executing of the Client's instructions.
- To return the securities kept with him under the Client's name upon the Client's request – unless there is a legal or judicial reason preventing the return of these securities – and by transferring them into another Custodian chosen by the Client within 3 working days from the Client's request and after the Client pays his obligations towards the Custodian bank .

**CLAUSE (6) : Client’s obligations :**

The Client shall be obligated with the following:

- All instructions, made to the custodian, shall be hard copy and based on clear instructions, to avoid confusion, and signed by the Client himself (or by his agent) with his verified signature at the Custodian Bank.
- To abstain cheating or fraud means in his dealing with the custodian Bank.
- The client can send his instructions by fax or by e-mail to the custodian bank & it would be accepted as long as the client signed attached authorization forms that assure his desire to activate that services.
- Canceling any prior order shall be in written instruction and after verifying that neither the custodian bank nor client' broker execute such order.
- When the Client issues any order concerning his securities, the custodian may send such order to the brokerage company, according to the Client’s order without bearing any responsibility concerning this order, order will be under full responsibility of the Second party, the Client can give a direct order to the brokerage company , which he chooses, and in this case the Bank shall specialize and available the securities or transfer the securities balance in favor of the brokerage company after paying the commission and the expenses, and it is agreed that any orders or instructions concluded between the Bank and the brokerage company shall be through the computer as known in the practice.
- The Client undertakes to respect the operative market general rules and provisions which are applied upon the operations & mainly the following provisions & Decrees:
  - 1- **Capital Market Law 95/1992 & its executive regulations.**
  - 2- **Depositary & Registry Law 93/2000 & its executive regulations.**
  - 3- **Law 159/1981 concerning Corporate Companies.**
  - 4- **Anti Money Laundry (AML) Law 80/2002 & all decrees related to it.**
- The Client undertakes before executing his instructions to keep sufficient balance in his accounts in order to execute his instructions and he bears the responsibility of non-executing caused from non-complying with the aforesaid.

**CLAUSE (7) : Notifications :**

As it is agreed that the client or his agent, shall receive notifications at the Bank periodic statements which are issued every six months at 30<sup>th</sup> of June and 31<sup>st</sup> of December, from the Custodian Bank location at .....

- The Second party undertakes that the above-mentioned notifications and Custodian bank periodic statements are verified and true, unless the Second party submits a written objection to the custodian Bank within 15 days from the date of receiving such notifications and the bank periodic statement.

In case of any objection, the Custodian Bank shall review this objection and submit it to the brokerage company or to Misr company for central clearing, depository and registry and to Capital Market authority, Since they are considered the competent authorities to scrutinize this objection, and in all cases the custodian Bank does not bear any liability because the custodian Bank is not competent to amend or cancel any previous transaction.

**CLAUSE (8): Custodian Tariff:**

- The Client agrees to pay the custodian bank, against his services, the commissions and expenses stipulated in the attached list that considered an integral part of this agreement, concerning the transactions on securities account.

The aforesaid tariff shall be applied upon signing this agreement and the Client authorizes the custodian bank to deduct the aforesaid commission and expense from his account, or from any other claims for him at the Bank or at any other place. The Custodian Bank has full rights to refuse his client hold for sale order in case there are deferred liabilities occurred according to signed Custody tariff

**CLAUSE (9) : Information disclosure:**

Upon signing this agreement, the Client authorizes the custodian Bank to disclose any information concerning the securities kept with him, to the Capital Market Authority, the Stock Exchange or Misr company for central clearing, depository and registry, or to any affiliate has an authorization from the aforesaid authorities.

**CLAUSE (10) : Account closing :**

- Each of the custodian Bank or the Client has the right to close the securities account. Closing the account shall be after sending a notification, by a registered mail, from any party to the other party, excluding emergency cases which require the account to be closed at once,(such as Client's death)

- In case of account closes the Client shall notify the custodian bank about the place which he desires to transfer his securities account and his account number at this place.

- Closing the account – After client pay all of his liabilities toward custodian bank – shall cause ending of all transactions which may occur on the Client's account excluding the transactions under settlement.

**CLAUSE (11) : Jurisdiction :**

Cairo courts are competent to settle any dispute may arise between the parties concerning this agreement.

**First party ( Custodian Bank ):**

Central Securities and Custody Department at QNB ALAHLI

**Name:** ..... **Title :** .....

**Second Party ( The Client ):**

**For:** .....

**(1) Name:** ..... **Legal Capacity :** .....

**Address:** ..... **Type & ID No. :** .....

**Issuing Date:** .....

**Signature:**.....

**(1) Name:** ..... **Legal Capacity :** .....

**Address:** ..... **Type & ID No. :** .....

**Issuing Date:** .....

**Signature:**.....

Central Securities and Custody Department's Service Fees

	<u>Service</u>	<u>Fees</u>	<u>Minimum</u>	<u>Maximum</u>
1	Account Opening	Free	-	-
2	Securities Depository (Transferring Physical Shares to Scrip-less)	0.025% (0.25 per thousand) from securities Market Value calculated using last trading day closing price	EGP 10	-
3	Bookkeeping Commission	% 0.5 (0.5 per thousand)	EGP 2	-
4	Coupon Collection	% 0.5 ( 0.5 per thousand ) of coupon value upon collection	EGP 3	EGP 500
5	Account Position (Statement upon request)	Free	-	-
6	Account Freezing for attending General Assembly Meeting (GAM)	Free	-	-
7	Annual Withholding Fees	0.01% (1 per ten thousand) Annually (Calculated on the Market Value of the securities balance at the 31st of December of each year)	EGP 5	-
8	Annual Investor Protection Fund (IPF) Fees	No Commission , % 0.11 (11 per ten thousand). Paid entirely to MCDR (Collected every year, calculated on the Market value of the securities balance on 31 <sup>st</sup> of December of each year)	-	110 per security per Currency
9	Balance Transfer from another Custodian	Free	-	-
10	Balance Transfer to another Custodian	0.15 % (1.5 per thousand) from securities' Market Value	-	-
11	Securities Pledge	0.5% (5 per thousand) from securities' Market Value	EGP 25	EGP 5,000
12	Securities Pledge Release	0.1% (1 per thousand) from securities' Market Value	EGP 25	EGP 5,000

- In addition to the pre-mentioned Commissions there is % 0.005 (0.5 per ten thousand) collected in favor of Misr for central Clearing , Depository and Registry (MCDR).
- The Bank has the right to add new services or the amendment of current fees.
- In addition to any future fees claimed by MCDR.

Delegation (Optional)**To :- QNB ALAHLI****Central Securities and Custody Department**

With this delegation I .....hereby approve for .....Brokerage Company for the following actions (please mark the desired action):-

(1) **Statement Printout :-** (     )

(2) **Buy & Sell Trades :-** (     )

Based on my instructions in the pre-mentioned Brokerage Company.

This delegation is on my full responsibility with none against QNB ALAHLI's Central Security and Custody Department.

**Name :-** .....

**Unified Code :-** .....

**Beginning Date :-** .....

**End Date :-** ..... (Max 5 Years)

**Signature :** .....