

TERMS AND CONDITIONS TO BE READ, ACCEPTED AND SIGNED BY A CUSTOMER FOR TRADING IN SILVER WITH DELIVERY LOGIC

[This document should be read by each and every prospective customer before trading in silver with delivery logic and should be read in conjunction with the bye laws and rules of the Mercantile Exchange Nepal Limited (Exchange)]

A. Description of delivery and settlement

1. Trading in Silver with delivery logic will be as per the product specification prescribed by the Exchange. Buyer's open order for this product is entitled for compulsory physical delivery.
2. Customer shall place 'Buy order' with Initial Margin as prescribed by the Exchange.
3. The remaining value of the product should be deposited within contract validity.
4. Deposit of remaining amount within contract validity will lead to liquidation of open order with the 'Open Price'.
5. After liquidation, Customer can take the delivery of the product at the delivery centre as confirmed by the Delivery Vendor.
6. Any delay in taking the delivery as prescribed by the Delivery vendor will lead to imposition of storage charges till the delivery is taken.
7. Delivery Charges applicable for deliveries outside Kathmandu Valley, as prescribed by the Delivery vendor.

B. Profit & Loss shown in Trading Console

1. The floating profit shown in the open orders for this product will not have any effect in customer's 'Equity'.
2. The floating loss shown in the open order for this product will have normal/usual effect in customer's 'Equity'.

C. Contract validity, expiry and liquidation

1. Open orders validity will be as mentioned in the product specification.
2. Non-deposit of remaining amount within contract validity will lead to liquidation of open order/s and customer cannot claim for physical delivery after the liquidation.

D. Default cases and its effects on Customer's open orders

1. Failure to deposit remaining amount within contract validity;
 - a) If the open order/s is in Loss, it will be liquidated in the market at contract expiry time.
 - b) If the open order/s is in Profit, it will be liquidated with Order's Open Price.
2. Customer accounts getting 'Equity Hit' during contract validity and before depositing remaining amount; the open order/s will be liquidated in the market.

E. Charges and payments during default cases

1. Customer has to pay the actual loss shown in the trading console [if open order is in loss].
2. Customer has to pay the price difference loss.

[When customer defaults, the delivery vendor will search a new buyer who is ready to take the order initially executed by the customer. The price may vary as what the new buyer is willing to pay. Thus, Price difference loss is the amount when there is difference between the liquidated price of existing customer and the price at which new buyer is willing to take the order.]

3. Customer has to pay penalty as prescribed by the Exchange & Delivery Vendor.

F. Client's obligations

1. Customer is liable for fall of any holidays during the expiry and not able to deposit the remaining amount on time.
2. No margin calls will be issued for this product. So customer needs to be self alerted.
3. Equity Hit is an unforeseen situation and customers are liable to maintain sufficient fund in their trading account enough to hold the open position, Exchange and Delivery Vendor may not be in a position to inform/notify customer prior liquidation of open order/s during such condition.
4. Customer cannot take partial delivery for its placed order.
5. The customer hereby agrees to accept any information that the Exchange may send the customer regarding this product and its trading, delivery and settlement mechanism via Customer's trading console; it may include changes in product specification or changes related to these terms and conditions or any addition thereof.
6. If there is any change in government taxes, cost related to imports or other applicable charges, the base price of Silver can be changed with or without prior notice to customers.

I/We have fully understood the contents of this document and the possible risk and losses that may occur while trading in this product and it is my sole responsibility to update myself on all the current information related to this product and its trading.

For CUSTOMER

Customer Name : _____ Date: _____

Signature : _____

Client Code [7 digit] : _____

Applicable Commission [%]: _____ Bank A/c no.: _____

Whether customer wants to have same user for both the client code? Yes No

In the presence of Authorized Representative of Broker

Signature: _____ Seal: _____ Date: _____

Client Code [8 Digit; for this product]: _____ [To be filled by Clearing Member]