

**AGREEMENT BETWEEN ROYAL SECURITIES EXCHANGE OF BHUTAN LTD.,  
AND ISSUER**

This Agreement is drawn on this 13th day of December, 2022, between the ROYAL SECURITIES EXCHANGE OF BHUTAN LTD., having its Registered Office at Norzin Lam, RICBL Building, Post Box # 742, Thimphu (hereinafter, in this agreement called "Central Depository") of the One Part; AND STATE TRADING CORPORATION OF BHUTAN LTD. having its office/registered office at Babesa, Thimphu, hereinafter called the "Issuer" of the Other Part. WHEREAS Central Depository has agreed to declare the Issuer's

Nu.200,000,000.00(Two hundred million) only, (hereinafter called "the said security") as being eligible to be held in Central Depository;

AND WHEREAS the Issuer is desirous of entering into an agreement with Central Depository to facilitate the holding and transfer of securities in Central Depository, which Central Depository has agreed to do; AND WHEREAS the said security has been allotted an USIN No. \_\_\_\_\_ an Securities Identification Code "CP019"

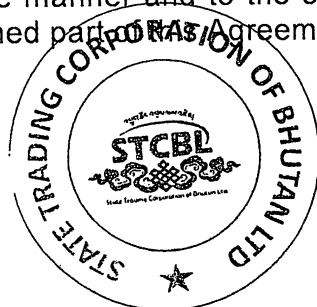
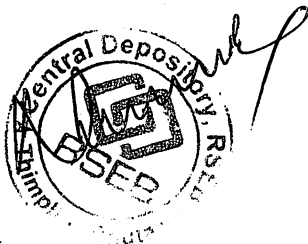
NOW THEREFORE, in consideration of the mutual promises herein contained, the parties hereto do hereby agree and covenant with each other as follows:

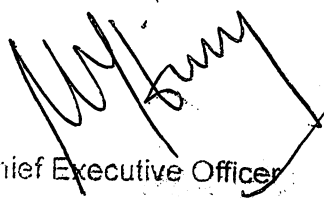
**1. General Clauses**

1.1 Words and expressions used but not defined in this Agreement but defined under, The Companies Act 2016, The Financial Services Act 2011, The Depository Regulation, or the Rules of Central Depository shall have the meaning assigned to them under the aforesaid Acts, Regulations or Rules as the case may be.

1.2 Unless otherwise warranted by the context or meaning thereof, the words or expressions "Account Holder" and "Issuer" used herein shall mean an Account Holder and Issuer to an issue in relation to Central Depository and the terms "Act", "Regulations", "Rules", and "Operating Instructions" shall mean "The Companies Act 2016, The Financial Services Act 2011, The Depository Regulation, or the Rules of Central Depository and the Operating Instructions / User Manual issued by Central Depository respectively.

1.3 The Issuer shall be bound by The Companies Act 2016, The Financial Services Act 2011, The Depository Regulation, or the Rules of Central Depository and agree to abide by the Central Depository Rules and the Operating Instructions / User Manual issued from time to time by Central Depository in the same manner and to the same extent as if the same were set out herein and formed part of this Agreement.



  
Chief Executive Officer  
State Trading Corporation  
of Bhutan Ltd.

1.4 The Issuer shall continue to be bound by the Central Depository Rules and Operating Instructions / User Manual, even after ceasing to be an Issuer in so far as may be necessary for completion of or compliance with its obligations in respect of all matters, entries or transactions which the Issuer may have carried out, executed, entered into, undertaken or may have been required to do, before ceasing to be an Issuer and which may have remained outstanding, incomplete or pending at the time of its ceasing to be an Issuer.

## **2. Securities Identification Code**

Central Depository shall allocate an USIN and Securities Identification Code to the Issuer (Issuer ID).

## **3. Connectivity and Communication**

The Issuer and Central Depository shall establish and maintain an electronic means of communication with each other.

## **4. Effective Date of Commencement of Dematerialization**

The Securities held by the Central Depository will be in Demat Form from the date of execution of this Agreement.

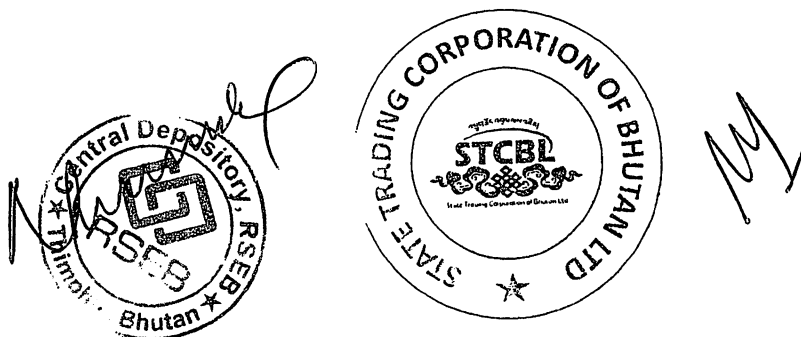
## **5. Information/Documents to be Furnished by the Issuer to Central Depository**

The Issuer shall, furnish to the Central Depository, a copy of the approval letter from the Registrar of Companies for the registration and permitting commencement of trading in respect of the said security within five business days from the date hereof and in the event of any fresh issue of securities ranked pari passu with the existing security within five business days from the date of issuance of such letter.

## **6. Details/Particulars to be Furnished by the Central Depository to the Issuer**

6.1 The Central Depository shall furnish to the Issuer the details/particulars of Account Holders holding securities in dematerialized form as of record date. Such details/particulars shall be provided by the Central Depository within such time as may be specified in the Operating Instructions / User Manual.

6.2 In addition to the above, the Central Depository may in its discretion provide, as and when required by the Issuer, on payment of such charges as may be specified by the Central Depository, details of Account Holders and any other details or particulars in respect of the said security.



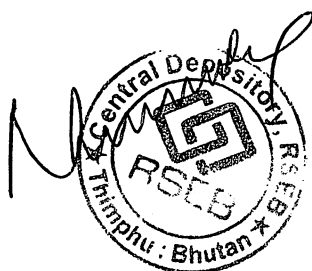
## 7. Corporate Action / Benefits

- 7.1 The Central Depository undertakes to provide a list of Account Holders with relevant details to the Issuer as of the book closure date/record date or specified date. Central Depository shall indemnify the Issuer for any loss that may be caused to the Issuer by reason of any incorrect or inaccurate information relating to Account Holders and/or their holdings being furnished by the Central Depository to the Issuer.
- 7.2 The Issuer shall, in respect of the said security, provide timely information to the Central Depository about all corporate action including book closure date, record dates, dates of redemption or maturity of securities, details of other corporate action such as merger, amalgamation or reconstruction of the Issuer, reduction of capital, forfeiture, re-issue, and such other information as may be specified by the Central Depository from time to time.
- 7.3 The Issuer shall be responsible for timely intimation of all corporate action to the Central Depository and the accuracy thereof as also for distribution of all corporate benefits. The Issuer shall also be solely responsible for accuracy of advice as to corporate benefits conveyed by the Issuer to the Central Depository. The Issuer shall indemnify the Central Depository for any loss that may be caused to the Central Depository by reason of any incorrect or inaccurate information furnished by the Issuer to the Central Depository.

## 8. Events Requiring Immediate Intimation by the Issuer to the Central Depository

8.1 The Issuer shall notify the Central Depository forthwith:

- (a) upon a petition for winding-up of the Issuer being presented in any court or a resolution being passed for winding up of the Issuer;
- (b) any scheme being framed for merger, amalgamation or reconstruction of the Issuer;
- (c) on its becoming aware of the presentation of any application or petition for its bankruptcy, insolvency, liquidation or attachment of its property;
- (d) upon its becoming aware of any distress, execution, attachment or other process being threatened or levied



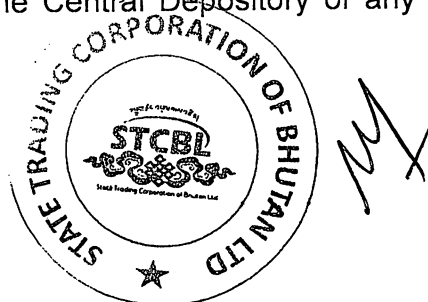
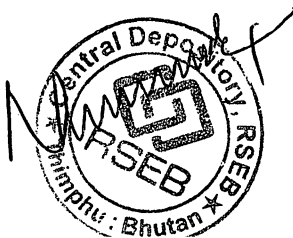
- (e) in case of any change in its financial conditions which may lead to its insolvency or winding-up or if it suffers a composition with its creditors;
- (f) upon convening of any meeting to consider a resolution for the appointment of a liquidator or receiver or administrator in respect of any of its properties or any other change in circumstances which could materially affect the business of the Issuer;
- (g) upon a receiver or administrator being appointed by any court in respect of the assets or properties of the Issuer;
- (h) upon the Issuer becoming aware of any event or occurrence which is reasonably likely to materially affect its commercial viability or existence or its ability to perform its obligations under this Agreement.

## 9. Confidentiality

- 9.1 The parties hereto shall keep strictly confidential all technical and business information including but not limited to that which may be disclosed or confided to it by the other in the course of the performance of the obligations under this Agreement.
- 9.2 Neither party hereto shall disclose the same to any third party without prior approval of the other party hereto.
- 9.3 Either party hereto shall be at liberty to permit inspection or allow extracts to be made at any time of such details, particulars, data or information relating to any Account Holder and/or his account to such extent and in such manner as may be required by any law in force for the time being and to provide or disclose such details, particulars, data or information relating to any Account Holder and/or his account as may be required or directed by any court, tribunal, the Government, the Authority or any regulatory or revenue authority empowered by law in that behalf or as may be required for compliance with any obligations in law or for enforcement of any of its rights or for protection of its interest without reference or recourse to the other provided however that save and except as mentioned hereinabove, the Issuer shall not divulge or permit or suffer to be disclosed any such details, particulars, data or information relating to any Account Holder and/or his account, to any party or person and shall hold such details, particulars, data and information in strict confidence.

## 10. Change in Address

The Issuer shall inform the Central Depository of any proposed change in the



address of the Registered Office of the Issuer as also of any change of the location of the premises where the equipment for maintenance of computerized records, backup facilities and communication with the Central Depository are situated, at least fifteen business days before the date of such change.

## 11. Prohibition Against Assignment

The functions, rights or obligations under this Agreement shall not be assigned or delegated to any party or person (including any Registrar to an Issue and/or Share Transfer Agent) by the Issuer without the express prior written consent of the Central Depository. Any purported assignment or delegation in contravention of the terms of this Agreement shall be null and void.

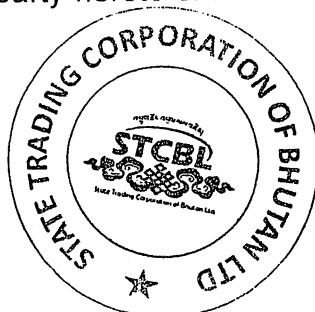
## 12. Indemnity

12.1 The Issuer agrees and undertakes to indemnify and keep indemnified and saved harmless Central Depository, its employees or agents from against all claims, demands, penalties, suits, action, litigation, arbitration, prosecution and any proceedings whatsoever and all costs, charges and expenses relating thereto and any harm, loss, damage or injury suffered or incurred by the Central Depository and/or any of its Depository Participants by reason of or as a consequence of the Issuer furnishing any false or incorrect information to the Central Depository or permitting dematerialization of securities in breach of any order, decree, injunction, covenant or law in force or permitting dematerialization of securities on the strength of certificates or documents which are found to be forged, counterfeit, fake or cancelled or in respect of which duplicates / replacements / renewals have been issued or the Issuer otherwise committing any default in observance of its obligations under the Central Depository Rules or Operating Instructions / User Manual or under this Agreement.

12.2 The Central Depository agrees and undertakes to indemnify and keep indemnified and saved harmless the Issuer from and against all harm, loss, damage or injury, claims, demands, suits, actions, litigations, prosecutions and all other proceedings whatsoever and all cost, charges and expenses relating thereto suffered and incurred by the Issuer by reason of or as a consequence of any breach, default or negligence on the part of the Central Depository, its employees or agents in complying with its obligations under the Act, the Regulations, the Central Depository Rules, this Agreement or Operating Instructions / User Manual.

## 13. Force Majeure etc.

13.1 Notwithstanding anything contained herein or in the Central Depository Rules, neither party hereto shall be liable to indemnify or compensate the



*[Handwritten signature]*

other for any breach, nonperformance or delay in performance of any obligations under this Agreement or for any harm, loss, damage or injury caused to the other due to causes reasonably beyond its control including but not limited to storm, flood, lightning, earthquake, fire, blast, explosion or any other act of God, war, insurrection, embargo or sanction, blockade, civil commotion, labour action or unrest including strike, lock-out or boycott, interruption or failure of any utility service, enemy action, criminal conspiracy, act of terrorism or vandalism, sabotage, unanticipated technological or natural interference or intrusion, loss or damage to any other data communications linkage, loss of connectivity or any other irresistible force or compulsion.

#### 14. Service of Notice

- 14.1 Any notice or communication required to be given under this Agreement shall not be binding unless the same is in writing and shall have been served by delivering the same at the address set out hereinabove against a written acknowledgement of receipt thereof or by sending the same by pre-paid registered post at the aforesaid address or transmitting the same by facsimile transmission, electronic mail or electronic data transfer at the number or address that shall have been previously specified by the party to be notified.
- 14.2 Notice given by personal delivery shall be deemed to be given at the time of delivery.
- 14.3 Notice sent by post in accordance with this clause shall be deemed to be given at the commencement of business of the recipient of the notice on the third business day next following its posting.
- 14.4 Notice sent by facsimile transmission, electronic mail or electronic data transfer shall be deemed to be given at the time of its actual transmission.

#### 15. Severability

If any provision of this Agreement shall be held or adjudged by any competent court, tribunal or regulatory authority to be unlawful, void or unenforceable or if any such provision is rendered void or unenforceable by reason of any statutory amendment, notification or any judicial decision, such provision shall to the extent required to be severed from this Agreement and rendered ineffective as far as possible without modifying the remaining provisions of this Agreement but shall not in any way affect the validity or enforcement of the rest of the provisions of this Agreement which shall continue to apply with full force and effect.



## 16. No Waiver

Neither party hereto shall be deemed to have waived, abandoned or relinquished any right, power, privilege or remedy available to it under this Agreement or in law except by a writing executed in that behalf and no failure or delay on the part of any of the parties hereto in the exercise of such right, power, privilege or remedy shall operate as a waiver thereof or as a waiver of any preceding or succeeding breach by the other party to this Agreement nor shall any single or any partial exercise of any right, power, privilege or remedy preclude any other or further exercise of such or any other right, power, privilege or remedy available under this Agreement or otherwise available in law or in equity it being agreed that all such rights, powers, privileges and remedies are several and cumulative of each other.

## 17. Governing Law

This Agreement shall be governed by and construed in accordance with the laws in force in Kingdom of Bhutan.

## 18. Jurisdiction

The parties hereto agree to submit to the exclusive jurisdiction of the Royal Court of Justice, Kingdom of Bhutan.

## 19. Headings

The headings in this Agreement are for convenience and reference only and shall in no way affect the construction or interpretation of this Agreement. Unless the context otherwise requires, words denoting the singular shall include the plural and vice versa and any reference to any statute, enactment or legislation or any provision thereof shall include any amendment thereto or any re-enactment thereof.

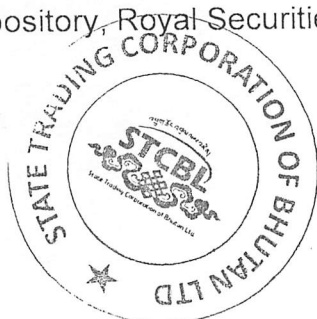
## 20. Execution of Agreement

This Agreement is executed in duplicate and a copy each shall be retained by each of the parties hereto.

IN WITNESS WHEREOF the parties hereto have hereunto set and subscribed their respective hands and seals to this Agreement in duplicate on the day, \_\_\_\_<sup>th</sup> month December, year 2022.

SIGNED AND DELIVERED  
by the within named

Central Depository, Royal Securities Exchange of Bhutan



by the hand of its Officer in-charge \_\_\_\_\_

in the presence of: \_\_\_\_\_

Name & Address of

witness: JANHATU WANGDI, Minj.

SIGNED AND DELIVERED

by the within named Issuer

by the hand of its .....

in the presence of: \_\_\_\_\_

Name & Address of witness:

Chentho

NAME: CHENTHO  
ADDRESS: STCBL, THIMPHU  
MOBILE NO.: 77610029

Chief Executive Officer  
State Trading Corporation  
of Bhutan Ltd

