

Naveen Rego Capital Private Limited

SEBI Registered Investment Adviser

Reg.No: INA000019211 & BASL Membership No:2178

First Floor, NJ Arcade, Ladyhill, Mangalore-575006

CIN: U65999KA2004PTC034441

GSTIN:29AAACF8215B1ZY

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Letter Of Engagement

This "Investment Advisory Agreement" or "The Agreement" is made and entered into by and between **M/s . Naveen Rego Capital Private Limited, registered with SEBI under SEBI Investment Advisor Regulations, 2013 vide Registration Number: INA000019211, and BASL Membership ID:2178** hereafter referred to as **the Adviser or the Investment Adviser** and **Mr. xxxxxxxx, PAN: xxxxxxxx** hereafter referred to as **the Client**. Investment Advisor is represented by **Mr. Naveen Julian Rego, who is the Principal Officer and Managing Director**.

Terms and Conditions of the Agreement

- 1) Appointment of the Investment Adviser:** In accordance with the applicable laws, the Client hereby appoints, entirely at his / her / its risk, the **Investment Adviser** to provide the required services in accordance with the terms and conditions of the agreement as mandated under Regulation 19(1)(d) of the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013.

- 2) The Client declares that:**
 - a) I / We have read and understood the terms and conditions of Investment Advisory services provided by the Investment Adviser along with the fee structure and mechanism for charging and payment of fee.
 - b) Based on our written request to the Investment Adviser, an opportunity was provided by the Investment Adviser to ask questions and interact with "person(s) associated with the investment advice".

- 3) The Investment Adviser declares that:**
 - a) We shall neither render any investment advice nor charge any fee until the Client has signed this agreement.
 - b) We shall not manage funds and securities on behalf of the Client and that he shall only receive such sums of monies from the Client as are necessary to discharge the Client's liability towards fees owed to the Investment Adviser.
 - c) We shall not, in the course of performing its services to the Client, hold out any investment advice implying any assured returns or minimum returns or target return or percentage accuracy or service provision till achievement of target returns or any other nomenclature that gives the impression to the Client that the investment advice is risk-free and/or not susceptible to market risks or that it can generate returns with any level of assurance.
 - d) We shall act in a fiduciary capacity towards the Client for consideration and shall disclose all conflict of interests as and when they arise.

4) **Previous Agreements:** This Agreement supersedes any previous agreements between the Client and the Investment Adviser.

5) **Communication of Advice**

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- a) All investment advice shall be communicated through the following email IDs.
- b) The Investment Adviser's email ID: naveen@naveenreg.com and assistant@naveenreg.com.
- c) The Client's email ID: **XXXXXXXXXXXXXX**
- d) Any information shared through any communication channel other than e-mail shall not be considered investment advice.
- e) In case of change of email ID either by the Investment Advisor or by the Client, the same shall be communicated to the other party immediately.
- f) *The Client shall consider only the information shared by the Investment Adviser through e-mail as the investment advice. The Client will not consider the information/advice/suggestions shared through any other communication channel including but not limited to phone call, WhatsApp, SMS, or any other channel as investment advice and will not act upon such information.*

6) **Fees specified under Investment Adviser Regulations**

The Investment Adviser is permitted to charge fees from the clients in either of the two modes:

- a) **Assets under Advice (AUA) mode:** The maximum fees that may be charged under this mode shall not exceed 2.5 percent of AUA per annum per Client across all services offered by the Investment Adviser.
- b) **Fixed fee mode:** The maximum fees that may be charged under this mode shall not exceed INR 1,25,000 per annum per client across all services offered by the Investment Adviser.
- c) **Applicable GST** and Government levies could be charged over and above this.

This is in accordance with Regulation 15A of the amended Investment Adviser regulations and with SEBI circular "Guidelines for Investment Advisers" dated September 23, 2020.

We would be charging fees within the above limits based on the engagement option opted by the client.

7) **Fee Schedule:**

We have a slab wise pricing structure for our advisory engagements, which is easy and simple to understand. The fees are dependent on the Engagement models opted. More details on the "Engagement Options" and "Our Fee Structure" are as per the separate attachments. Any changes on fee structure/List of Options would be communicated during renewal. Any such changes would be prospective basis only.

The Investment Adviser may allow a grace period of up to 15 days for payment of any instalment of annual Fee. The Investment Adviser shall communicate such grace period to the Client through an e-mail. There would be a 10% escalation on the quoted fee during the grace period.

The payment of fees shall be through a mode which shows traceability of funds. Such modes may include account payee crossed cheque/ Demand Drafts or by way of direct credit to the bank accounts through NEFT/ RTGS/ IMPS/ UPI or any other mode specified by SEBI from time to time. However, the fees shall not be accepted in cash.

8) Scope of services under Investment Advisory Agreement/Agreement:

- a) The Investment Advisor provides Investment Advisory Services that includes financial planning; Financial Counselling, Financial reviews, developing plan or strategies to achieve client specified financial goals; building a model portfolio, limited personal tax planning; retirement planning and any incidental work thereon.
- b) The Investment Advisor does not assist in filing income tax returns but would refer a panel of Tax consultants to the client, if asked for.
- c) The Investment Adviser if asked for, would also refer a panel of legal advisors and estate planners for legal consultations and making wills of the clients.
- d) The Investment Adviser if asked for, would also assist insurance planning and would refer a panel of insurance agents/ brokers/portals without any referral fees agreement.
- e) The Investment Advisor shall always act in a fiduciary capacity towards the client.
- f) The Investment Advisor who also implement the advice if asked for by the client. No fees would be charged for the same and all execution would be in low/ no cost options wherever feasible.

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9) Type of instruments for which advice shall be provided:

- a) Direct Equity Portfolio, ETFs, Mutual Funds, Bonds, Debentures, Bank Deposit, Corporate Deposits, Gold Bond, Small Savings Schemes, other equity/non-equity products, life/non-life insurance plans and retirement products. The Advisor does not advise on F&O, Commodity and Currency market.
- b) The Investment Adviser can refuse to advice on an investment due to lack of knowledge about the investment product or due to incompatibility of the investment with Client's risk profile or for any other reason.
- c) The Investment Advisor would restrict itself to products which are regulated in India.

10) Review of Portfolio:

The portfolio shall be reviewed on a Quarterly/half yearly/ annual basis. Any other frequency of review shall be mutually decided. The portfolio review may also be warranted due to change in circumstances.

11) Disciplinary History: There is no history of disciplinary action against the Investment Adviser.

12) Obligation of the Client

- a) The Client shall provide copies of KYC documents for the record.
- b) The Client shall undertake Risk-profiling process.
- c) To receive suitable financial advice, the Client shall provide complete and accurate information regarding their financial situation to the Investment Adviser.

13) Functions of the Investment Adviser

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The Investment Advisor (RIA) will ensure adherence to the following functions, obligations, duties, and responsibilities at all times:

- a) Terms of compliance with the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013 and its amendments, rules, circulars, and notifications.
- b) Compliance with the eligibility criteria as specified under the Investment Adviser Regulations at all times.
- c) Risk assessment procedure of client including their risk capacity and risk aversion.
- d) Providing reports to clients on potential and current investments.
- e) Maintenance of records i.e. client-wise KYC, risk assessment, analysis reports of investment advice and suitability, terms and conditions document, related books of accounts and a register containing list of clients along with dated investment advice and its rationale in compliance with the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013.
- f) Provisions regarding audit as per the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013.
- g) The Investment Adviser undertakes to abide by the Code of Conduct as specified in the Third Schedule of the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013.

14) Investment objective and guidelines:

- a) The Investment Adviser shall consider the risk profile of the Client, cash flows, existing assets and liabilities and financial goals before providing any investments advice. Asset allocation, investment strategy and the time period for deployment shall also depend on such factors.
- b) The Client understands that implementation of investment advice offered by the Investment Adviser shall result in income or capital gains that will be taxed as per extant tax laws.
- c) Goods and Services Tax shall be applicable on the fee charged by the Investment Adviser.
- d) The Investment Adviser shall recommend investments in direct plans of mutual fund schemes.

15) Risk Factors:

- a) Capital markets, including but not limited to real estate, equities, debt, derivatives, gold and other commodities, and mutual funds are inherently volatile, and their performance cannot be guaranteed. There is no assurance or guarantee that the objective of the investments will be achieved. There is no guarantee about the returns of the investment product.
- b) There is a possibility of severe capital loss.
- c) By investing in capital markets, based on the Investment Adviser's product recommendations or otherwise, the Client agrees that he/she understands the risks involved in investing in capital markets.
- d) Investments in mutual funds, securities and investment products are subject to market risk, credit risk and liquidity risks.
- e) All calculations are based on certain assumptions and are subject to error. That can result in underfunding of any investment goal or objective.
- f) The Investment Adviser is not liable for non-achievement of financial goals and performance of an investment.

16) Validity of Advisory services:

- a) The Agreement shall be valid for a minimum period of 3 months.

- b) The Agreement shall remain valid until it is voluntarily/mandatorily terminated or terminated due to non-payment of fees or for any other reason.

17) Amendments – This Agreement may be amended by mutual written consent of the parties.

18) Termination

This Agreement may be terminated under the following circumstances, namely

- a) Voluntary / mandatory termination by the Investment Adviser.
- b) Voluntary / mandatory termination by the Client.
- c) Suspension/Cancellation of registration of Investment Adviser by SEBI.
- d) Any other action taken by other regulatory body/ Government authority.
- e) Non-payment of fee by the Client as per the Fee Schedule

In case of a voluntary termination of the Agreement, the Client shall be required to give a 30-day prior written notice while the Investment Adviser shall be required to give a 30-day prior written notice. Such written notice can be delivered through an e-mail.

In the event of suspension/cancellation of the certificate of registration of the Investment Adviser, the Client shall have an option to terminate the Agreement and the refund of fee, if any, shall be dealt accordingly.

Refund of Fee in the event of pre-mature termination

- a) The “The initial set up fees for new clients” is not refundable.
- b) In the event of voluntary/mandatory termination by the Investment Adviser, the Client shall be refunded the “annual fees” for the unexpired period.
- c) In the event of voluntary/mandatory termination by the Client, the Client shall be refunded the “annual fees” for the unexpired period after adjusting for the termination charge. The Investment Adviser shall charge a fee equivalent to 3-months of the “Annual Fees” as an Adjustment Fee for the year as the termination charge.

In the event of termination of the Agreement, the fiduciary duties of the Investment Advisor will cease immediately for all the past advice and the past and future transactions done based on the past advice.

The Client understands that the Investment Adviser does not control any assets of the Client. In the event of termination of Agreement for any reason, the Client will not require support of the Investment Adviser to access any investments.

19) Disclosure and Relationship with related parties:

- a) The Investment Adviser declares that it is carrying on its activities independently, at an arms-length basis with its related parties.
- b) The Investment Adviser declares that he shall disclose any conflicts that may arise in the future.
- c) The Investment Adviser declares that it maintains an arms-length relationship between its activities as an investment adviser and other activities. Such arm’s length relationship shall be maintained throughout the tenure of advisory service.

- d) The Investment Adviser shall not provide any distribution services for advisory clients.
- e) The family of the Investment Adviser shall not provide distribution services to the Client advised by the Investment Adviser, for securities and investment products.
- f) The Investment Adviser declares that he shall not provide investment advisory services for securities and investment products to the Client, for which he/she is receiving distribution services from other family members of the Investment Adviser.
- g) The Client understands that the Investment Adviser provides support for the implementation of the financial plan, but such support is limited to direct Mutual Funds, Listed Securities (stocks, REIT's, ETF's INVIT's, SGB), Corporate Bonds and Government Securities. Investment advisor would not receive any remuneration by executing transactions in the above products. The Client is not under any obligation to avail such support and is free to implement the plan as he/she wishes.
- h) The Client understands that the Investment Adviser or his relatives shall be holding the financial products or securities which are the subject matter of advice.
- i) All assets will be held by the Client directly. The Adviser will not receive nor retain nor control any of the Client's assets. The Investment Adviser shall only act as an adviser to the Client.

20) Representation to the Client: The Investment Adviser declares that he will take all consents and permissions from the Client prior to undertaking any actions for Client's portfolio in relation to the securities or investment products advised by the Investment Adviser.

21) No right to seek Power of Attorney: The Investment Adviser shall not seek any power of attorney or authorizations from the Clients for implementation of investment advice.

22) No conflict of interest: The Investment Adviser declares that he will disclose all conflicts of interest as and when they arise and not derive any direct or indirect benefit out of the Client's securities/investment products.

23) Maintenance of accounts and confidentiality:

- a) Investment Adviser shall be responsible for maintenance of client accounts and data as mandated under the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013.
- b) No information about the Client will be disclosed by the Investment Advisor (RIA) to external parties except as required or allowed for by the extant laws or to meet regulatory compliance or with client's express consent.
- c) If the Client takes support from the Investment Adviser for investment in direct plans of mutual fund schemes or copies Investment Adviser's registration code (INA000019211) in mutual fund transactions, the data feeds for such services received by the Investment Adviser from Registrar and Transfer Agencies (RTAs) shall be uploaded in third party cloud-based servers for analysis and portfolio tracking.

24) Liability of Investment Adviser:

- a) The Investment Adviser shall not incur any liability by reason of any loss, which the Client may suffer by reason of any depletion in the value of the assets under advice, which may result by reason of fluctuation in asset value, or by reason of non-performance or under-performance of the securities/funds or any other market conditions.

25) Representations and covenants:

- a) The Investment Adviser shall ensure compliance with the eligibility criteria for the Investment Adviser, the principal officer and the persons associated with investment advice as specified under the Investment Adviser Regulations at all times throughout the validity of the advisory service.

26) Death or Disability of the Client

- a) The Client understands that services provided to the Client are personal to him/her and that the Client cannot assign the right to receive services or the benefits or burdens thereof to any other person. In the event of Death of the Client or any disability to the Client that renders him unable to receive services under this Agreement, the Agreement will stand terminated from the date the Investment Adviser is intimated about the event. The Investment Adviser shall be responsible for the refund of fees, if any, to the Client's family. The person legally succeeding the Client (limited only to spouse & children for the scope of this Agreement) shall reach out to the Investment Advisor (RIA) to inform him about the event and enter into a fresh agreement which is in line with their possibly different risk profile and distinct financial goals.
- b) The Client understands it is his/her responsibility to keep the family members informed about his/her investments and the relationship with the Investment Adviser.

27) Death or Disability of the Investment Adviser

- a) The Client understands that the Investment Advisor (RIA) currently operates as a **Corporate (non-individual)**. In the event of the death of the Principal Officer /Person Associated with Investment Advise (PAIA) or any disability that renders Principal Officer/ PAIA unable to discharge services under this Agreement, Mrs. Manjiri Rahul Joshi PAN-AOBPJ7502D (Senior Manager with mobile number 9686694288 and email id assistant@naveenregco.com) shall inform the Client about the event and an alternative PAIA to manage the portfolio.

28) Settlement of disputes and provision for arbitration:

- a) The Investment Adviser does not guarantee performance of any of the products recommended. All the recommendations are based on past data, the Investment Adviser's interpretation of the product features and are given in good faith. The Investment Adviser shall not be responsible for any damage, financial or otherwise, caused due to any of the Client's actions based on his recommendations.
- b) The Investment Adviser offers investment advice to the Client after accounting for Client's risk profile, financial goals, and suitability of financial products. **The Client is free to follow or to disregard, in whole or in part, any recommendations that Investment Advisor makes.**

- c) If the Client has any grievance, he/she can write to **naveen@naveenreg.com**. The Investment Adviser shall resolve the grievance within 2-4 weeks or within timelines specified by SEBI, whichever is earlier.
- d) If not satisfied, the Client can lodge a complaint with SEBI at <http://scores.gov.in/>. For any queries, feedback or assistance, please contact SEBI Office on Toll Free Helpline at 1800 22 7575 / 1800 266 7575. You may also note the following SEBI regional / local office address: Page
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2nd Floor, Jeevan Mangal Building,
No.4, Residency Road,
Bengaluru - 560025, Karnataka
Tel. Board: +91-080-22222262/ 22222264/ 2222 2283
E-mail : bangalore-lo@sebi.gov.in

- e) The grievances of the Client pertaining to financial products in which investments have been made based on investment advice by the Investment Adviser shall fall within the purview of the regulator of such financial product.
- f) Any dispute between the Client and the Investment Adviser may be resolved through arbitration or through Ombudsman authorized or appointed for the purpose by any regulatory authority, as applicable.
- g) The Client and the Investment Advisor (RIA) agree that if any controversy arises in connection with any Services provided under this Agreement, such controversy shall be under the jurisdiction of Courts in Mangalore.

29) Severability

If any provision of this Agreement shall be held or made invalid by a court decision, statute, rule or otherwise, the remainder of this Agreement shall not be affected thereby.

30) Force Majeure.

The Investment Adviser shall not be liable for delays or errors occurring by reason of circumstances beyond its control, including but not limited to acts of civil or military authority, national emergencies, work stoppages, fire, flood, catastrophe, acts of God, insurrection, war, riot, or failure of communication or power supply. In the event of equipment breakdowns beyond its control, the Investment Adviser shall take reasonable steps to minimize service interruptions but shall have no liability with respect there to.

31) Miscellaneous

Each party agrees to perform such further actions and execute such further agreements as are necessary to effectuate the purposes hereof.

Naveen Julian Rego -CFP
MD and Principal Officer

Client Name: xxxxxxxx
PAN: xxxxxxxxxxxxxx

Date: 20-06-2024

Place: Mangalore.