

UNDERTAKING – AUTOMATED TRADING FACILITY

INSTRUCTIONS TO FILL UNDERTAKING BY THE MEMBER FOR USING AUTOMATED TRADING FACILITY OF THE EXCHANGE.

1. This Undertaking has to be either franked or executed on a Non-Judicial stamp paper of Rs. 300/- or the value prevailing in the State, whichever is higher.
2. Please ensure that each and every blank in the Undertaking is duly filled.
3. Please ensure that each and every handwritten detail filled is countersigned by the authorized signatory (ies).
4. Each and every page to be signed and rubber stamped.
5. Obtain signature of two witnesses on the last page of Undertaking.
6. In case of a corporate entity affix the common seal of the company on the last page of the Undertaking.

I/We.....
....., an individual /a firm registered under the Indian Partnership Act, 1932 / a Limited Liability Partnership (LLP) registered under the Limited Liability Partnership Act, 2008/ a Company / body corporate incorporated under the Companies Act of 1956/..... Act, 19....., and residing at / having registered office..... at.....

..... - give this UNDERTAKING (“Undertaking”) on this day of 20.... at IN FAVOUR of Ace Derivatives and Commodity Exchange Limited, a company incorporated under the Companies Act of 1956, having its registered office at Rawat ni Wadi, Nr. Central Bank of India, Gandhi Road, Ahmedabad, Gujarat, PIN 380001 (hereinafter called “ACE and /or “Exchange)

WHEREAS,

- a) ACE has provided the trading software to enable its Members to trade.
- b) ACE provides a Computer-to-Computer Link (hereinafter referred to as the “CTCL”) facility for order entry, receipt of order and trade confirmation and also for receipt of data relating to its trade quotations by using their own trading front end software in order to trade on ACE trading system.
- c) ACE also permits the users of CTCL, an AUTOMATED TRADING facility (hereinafter referred to as the “ATF”) which mean any software or facility by the use of which, upon the fulfillment of certain specified parameters, without the necessity of manual entry of orders, buy/sell orders are automatically generated using automated execution logic (‘algorithmic trading’) and entered by the software/program facility into the ACE trading system to be matched by the Exchange’s system and such permission is subject to terms and conditions as may be specified by ACE from time to time.
- d) ACE allows to avail the ATF by fulfilling all the terms and conditions as may be prescribed from time to time at its discretion.

NOW THEREFORE IN CONSIDERATION OF ACE having agreed to allow me / us to avail the ATF, I / we hereby IRREVOCABLY AND UNCONDITIONALLY UNDERTAKE and agree to abide by and be bound by the following terms and conditions:

1. That I / we shall make the ATF available only to the persons ("Approved Persons") only after obtaining the prior written permission of ACE and subject to such terms and conditions as may be prescribed by ACE from time to time.
2. That I/we have proper procedures, systems in place and technical capability to carry out trading through the use of ATF and have made necessary arrangements to safeguard algorithms from misuse and unauthorised use.
3. That in addition to such other terms and conditions as may be prescribed from time to time by ACE, all the provisions of the Byelaws, Rules, Business Rules, Circulars and Guidelines relating to use and operation of the ACE Trading System shall also mutatis mutandis become applicable to the use and operation of the ATF.
4. That notwithstanding anything contained in this Undertaking, all my / our liabilities and obligations as a Member of ACE shall not be affected nor shall be prejudiced in any manner whatsoever, by using ATF for entering orders on the trading system of ACE.
5. That without prejudice to the generality of above clause (4) of this Undertaking, I / we shall be responsible to settle all the trades executed by the Approved Persons on my / our behalf whether such trades were executed with or without my permission / knowledge and that I shall be bound to complete / fulfill all my / our obligations / liabilities / commitments arising out of the trades executed by the Approved Persons on my behalf, including the trades executed by using ATF.
6. I/We agree that the Exchange shall be entitled to conduct audit/inspection of the ATF, at any time in its absolute discretion.
7. I/We shall not modify the software/algorithm for ATF as approved by ACE without prior approval of ACE and there shall be clear classification of algo orders in terms of CTCL Terminal code/ATS User ID approved by the Exchange for algorithmic trading.
8. I/We shall be solely responsible for the network infrastructure and connectivity for availing ATF made available to me/us.
9. I/We shall be solely responsible for all the losses, damages or other costs and consequences arising in any manner for the use of ATF and shall not hold ACE

responsible in any manner whatsoever.

10. I /We shall ensure that we have real time monitoring systems to identify algorithms that may not behave as expected and shall immediately inform the Exchange about any such occurrences.
11. I/We shall ensure that all algorithmic orders are necessarily routed through members servers located in India and through specified CTCL ID/ATS User ID approved by the Exchange for algo trading.
12. I/ We shall maintain record of all control parameters, orders, trades and data points emanating from trades executed through ATF/algorithm trading.
13. I/We shall obtain prior approval of the Exchange on any modification or change to the approved algos or systems used for algos.
14. I/We shall adhere to the connectivity diagram approved by ACE and shall not make any changes in the same.
15. I/We shall be solely responsible and liable for the consequences in case of any breach of this Undertaking and ACE shall be entitled to take such appropriate action as deem fit against me/us.
16. I/We shall not extend ATF to any other person/entity and/or premises unless I/ we obtain prior written permission from ACE.
17. We also confirm that I/we have not obtained nor applied for any other User ID in the name of the Approved Persons/user/s and that the User ID allotted shall be utilized by the Approved Persons/user/s only to access the ACE trading system
18. I/We undertake to ensure that access shall be given only to Approved Persons and also to evolve and establish a method to ensure that non Approved Persons cannot access the system.
19. I/ We shall maintain all systems logs pertaining to the ATF facility and make the same available for inspection by ACE through its Officers/agents at any time at the sole

discretion of ACE.

20. That ACE, at its absolute discretion, may make the ATF available to me / us only from the date of enabling the ATF, till such time as it may deem fit and further that the ATF may at any time be suspended/withdrawn by ACE at its discretion without giving me / us any notice or any reasons whatsoever.
21. That I/We agree that the CTCL facility extended by ATF if made available to me/us by ACE will be on a non-exclusive basis only and that the same may be made available by ACE, at its discretion, to any other Trading Member whomsoever on such terms and conditions as it may deem fit.
22. That I/We may be entitled by giving one month's notice to request ACE to withdraw the ATF extended to me/us and such withdrawal shall be subject to such terms and conditions as may be prescribed by ACE including payment of such charges to ACE as may be decided by ACE at its discretion. I/We also agree and undertake to be bound by all transactions carried out through the ATF till the time the ATF is withdrawn pursuant to our request as aforesaid.
23. That I/We hereby bind ourselves to be conclusively responsible and liable for all acts, quotations made, transactions done, trades made or effected by my/our Approved Person through the ATF on the trading system of ACE in the same manner as if such acts, quotations, transactions, trade are done or effected by me/us for all purposes and I/we shall ensure that such Approved Person shall not execute any order on his/her own account or on account of anyone without such order having my/our prior approval in writing. I/We shall also ensure that the Approved Person will not function/place orders/deal on the trading system in any manner that would represent that the trades have been placed as a sub-broker.
24. I/We undertake to ensure that ACE is kept informed immediately on cessation of our association with the Approved Person and I/we shall seek the disablement of the User ID allotted under these presents. I/We shall be bound and hereby indemnify ACE against any disruption whether technical or otherwise to the trading system of ACE and against any liability or damages, claims, losses or, as may be suffered by ACE due to the provision of the ATF to us or by reason of use of the ATF by us/our Approved Person or on account of my/our non-compliance, contravention of any of the provisions of this Undertaking. Our indemnity shall survive the cessation of ATF to me/us in any manner.

25. That without prejudice to any other right under any law for the time being in force available to ACE or which may become applicable, ACE shall be vested with the exclusive right, upon my/our non-compliance of any of the terms and conditions of this Undertaking or upon the termination, suspension of my/our trading membership or upon my/our ceasing to be a Member of ACE, to take, at its discretion, such actions, steps, proceedings, measures, decisions within such period of time and upon such terms and conditions as it may deem fit and that any such actions, steps, proceedings, measures, decisions may, inter alia, include denial of the ATF and / or take such disciplinary actions as it deems fit.
26. This Undertaking shall be binding upon my /our heirs, successors, legal representatives and assigns.
27. I / We shall execute, sign, and subscribe, to such other documents, papers, agreement, covenants, bonds, and / or undertakings as may be prescribed or required by ACE and Forward Market Commission from time to time.

IN WITNESS WHEREOF this Undertaking is executed by the undersigned on the day, month, year and the place first mentioned above.

Signed by, for and on behalf of:

Before me

WITNESSES

Signature

1. Name

Address:

Signature

2. Name

Address:

Annexure to Undertaking

SCHEDULE I - NETWORK DIAGRAM

(Kindly enclose your network architecture)

SCHEDULE II

List of Approved Persons for Automated Trading Facility (in the following format)

1. Name of Person
2. Designation
3. Company name
4. Full Address
5. Tel No.
6. Fax No

This shall be read as part and parcel of the Undertaking dated _____ and is subject thereto.

Declaration – Technical Details

(On the letter head of the Member)

To :

Ace Derivatives and Commodity Exchange Limited

4th Floor, Building No. 4, Infinity IT Park,

Gen. A. K. Vaidya Marg,

Malad (East), Mumbai 400 097

Dear Sir,

In continuation of the Undertaking dated _____ executed by me/us in favour of Ace Derivatives & Commodity Exchange (Exchange) for availing the Automated Trading Facility, I/we hereby further declare/confirm that:

1. I/We shall ensure that Automated Trading Facility is used only by the persons in the manner as approved by the Exchange in writing.
2. I/We shall ensure that inflow of orders does not exceed 10 requests per second per CTCL User ID or as may be prescribed by the Exchange from time to time.
3. The Exchange, at its absolute discretion, may suspend/withdraw the Automated Trading Facility available to me/us at any time.

Stamp & Signature of the

Authorized Representative of the Member

Date:

Place: