

INSTRUCTIONS TO FILL PROFESSIONAL CLEARING MEMBERSHIP UNDERTAKING

- Undertaking should be stamped as an Agreement on Non-Judicial stamp paper of Rs.300/- or the value prevailing in your State, whichever is higher
- Must be signed and stamped on each page
- Every hand written information should be counter signed by the authorised signatory

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Please type the following on the Stamp Paper as the First Page and sign:

(For Corporate & Institutions)

PROFESSIONAL CLEARING MEMBER UNDERTAKING

This Undertaking (“**Undertaking**”) is executed atthis day of , 20.....

To

Ace Derivatives and Commodity Exchange Limited, having its registered office at Rawat Ni Wadi, Near Central Bank of India, Gandhi Road, Ahmedabad-380001 and its corporate office at 6th Floor- Zone II, Kotak Infinity, Building No. 21, Infinity IT Park, General A K Vaidya Marg, Dindoshi, Malad (E), Mumbai – 400 097. (hereinafter called “**ACE**” or the “**Exchange**”, which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include their successors and assigns)

BY

..... having its registered office/place of business at (hereinafter called “**the Undersigned**”, which expression shall unless repugnant to the context or meaning thereof be deemed to mean and include its successors and permitted assigns).

WHEREAS ACE has agreed to admit the Undersigned as a Professional Clearing Member (“PCM”) of ACE in accordance with the Rules, Bye-Laws and Business Rules, Circulars of ACE in force from time to time.

AND WHEREAS ACE, as a precondition to the Undersigned being admitted as a PCM, requires the Undersigned to furnish the undertaking in the manner and on the terms specified herein below:

AND WHEREAS at the duly convened Board of Directors (the “Board”) meeting of the Undersigned being M/s Limited, the Board has authorized Mr. /Ms. And Mr. /Ms. to sign and execute this Undertaking to ACE on the following lines:

NOW THEREFORE, in consideration of ACE admitting the Undersigned as a PCM of ACE, the Undersigned hereby undertakes and agrees that:-

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1. The Undersigned is aware that it/he would be admitted as a Professional Clearing Member ("PCM") of ACE under the name and style _____, on paying the prescribed membership fee and security deposit and all transactions, deals, acts and deeds done under the above name shall be binding on the Undersigned. All documents signed and executed by and under the name and style of _____ shall be binding on the Undersigned.
2. The Undersigned shall comply with all such requirements, existing and future, with regard to and in connection with appointment and continuance as a PCM;
3. On being admitted as a PCM, the Undersigned shall be an active participant of ACE;
4. The Undersigned shall abide by, comply with and be bound by the Rules, Bye-Laws and Business Rules of ACE as in existence or in force from time to time and as may be applicable to him and any modification through any circular, order, direction, notice, instruction issued and in force from time to time;
5. The Undersigned shall clear and settle all the deals/transactions done by the Trading Members or clients of Trading Members affiliated to the Undersigned.
6. The Undersigned shall place such amount of security deposit with ACE, as may be prescribed, for affiliation of Trading Members. Such security deposit shall be refundable to the PCM on surrender of membership by Trading Member as per the provisions of the Rules, Bye-laws and Business Rules of ACE.
7. The Undersigned shall abide by all rules and the code of conduct as laid down by ACE from time to time.
8. The Undersigned agrees that ACE shall be entitled to amend its Rules, Bye-laws and Business Rules unilaterally and the Undersigned shall be deemed to have consented to them, and accordingly be bound by the Rules, Bye-laws and Business Rules prevailing from time to time and ACE shall be entitled to all powers vested in them under its Rules, Bye-laws and Business Rules by which the Undersigned unconditionally agrees to be bound;
9. The Undersigned shall maintain and preserve such information, records, books and documents pertaining to the working of the Undersigned as a PCM for such period as may be specified by ACE from time to time;

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10. The Undersigned shall permit ACE or any other authority appointed by it for inspection, access to all records, books, information, documents as may be required;
11. The Undersigned shall submit periodic reports, statements, certificates and such other documents as may be required by ACE, and shall comply with such audit requirements as may be framed specially by ACE from time to time;
12. The Undersigned shall follow and comply with such orders or instructions, whether being in the nature of a penalty or otherwise, as may be issued by ACE or any committee of ACE duly constituted for the purpose, in the event of the Undersigned committing any violation of any rules, regulation or practice or code of conduct prescribed by ACE in respect of conduct of the business in ACE.
13. The Undersigned shall conduct business at ACE prudently and shall ensure that it will not be prejudicial or detrimental to public interest in general, and to ACE in particular;
14. The Undersigned has read and fully understood the Rules, Byelaws and Business Rules and undertakes to abide by the provisions therein and any amendments thereto and comply with all directives issued thereunder from time to time. The Undersigned shall comply with all the terms and conditions of contract as may be applicable for the purpose of clearing on the Exchange's platform.
15. The Undersigned shall abide by and adopt the Rules, Bye-laws and Business Rules of the clearing and settlement systems of ACE and any other agencies appointed by ACE for this purpose and any amendments made thereto from time to time;
16. The Undersigned shall pay the costs and expenses including fees prescribed by ACE from time to time, as communicated by ACE forthwith on receipt of notice to the effect;
17. The Undersigned shall use ACE infrastructure facilities and equipment only for the purpose for which they are permitted to be used so;
18. The Undersigned shall furnish Base Minimum Capital (BMC) of such amount and in such form as may be required by ACE from time to time and shall maintain the said BMC with the Exchange at all times during the continuance of its membership.

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19. The Undersigned shall bring in Additional Base Capital (ABC) / margin deposits as and when required towards Initial and other margins and to maintain the capital adequacy as decided by ACE from time to time to participate in the clearing operations on ACE;
20. The Undersigned agrees to pay all the charges prescribed by ACE from time to time as and when demanded by ACE including but not limited to membership fees, processing fees, Annual subscription charges, transaction charges, advance transaction charges, insurance premium, statutory levies and other incidental charges as may be prescribed by ACE from time to time. ACE shall be entitled to suspend and/or terminate the membership of the Undersigned in the event of non-payment of any such charges by the Undersigned.
21. The Undersigned also agrees to do all acts, deeds and things to enable ACE to secure recovery of default in payment of any clearing house dues and other charges and dues of ACE (as referred to in Clause 20 above). The Undersigned without any prejudice to ACE's right to take any actions against the Undersigned under its Rules, Bye-laws and Business Rules, also unconditionally authorizes ACE to adjust any such dues and any interest thereon from the BMC deposited by the Undersigned with ACE.
22. The Undersigned understands and agrees that the membership shall be transferable only in such circumstances and on such terms and conditions as may be stipulated by ACE from time to time.
23. The Undersigned do unequivocally undertake that it shall not be entitled to make any claim for refund of BMC during the continuance of its membership. The Undersigned also understands and agrees that the said BMC shall be subject to a minimum lock in period as may be specified by ACE from time to time and in the event the Undersigned intend to surrender / surrenders its membership to ACE or ceases or discontinues to clear trade on ACE, the said BMC shall be released only after completion of the said lock-in period.
24. The Undersigned further undertakes to replace/renew the maturing non-cash component of the BMC and / or ABC suitably till the release of such BMC / ABC. Further, the amount shall be refunded by ACE as specified hereinabove, after appropriation of amounts due from the Undersigned towards its liabilities or obligation due to ACE and its clearing agent.
25. Without prejudice to the foregoing, ACE shall be entitled to forfeit any property, funds, amounts, deposits or other sums due to the Undersigned or to the credit of the Undersigned in such events or contingencies as may be stipulated in its Rules, Bye-laws and Business Rules of ACE in force from time to time.

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26. ACE shall not be held responsible or liable for any failure of computer systems, telecommunication network and other equipment installed at the offices of the Undersigned and ACE shall also not be held responsible for any misuse, mishandling, damage, loss, defect etc, and ACE has the right to inspect and supervise all computer systems, software programmes, tele-communications equipment, etc, which are provided by ACE at the office of the Undersigned and the Undersigned shall not make any alterations, modifications and changes in the same without prior written consent of ACE.
27. The Undersigned shall not disclose, reveal, publish and advertise any material information relating to operations, membership, software, hardware, etc. of ACE without prior written consent of ACE except and to the extent as may be required in the normal course of its business. Similarly the Undersigned hereby agrees not to use without express permission of ACE, the name of ACE to directly or indirectly promote business.
28. The Undersigned undertakes to keep the password in strict confidence and secrecy and shall not disclose the same to any person and Undersigned shall be bound by all transactions done on the ACE by use of its password. All transactions entered or done by use of password assigned to the Undersigned shall be deemed to be done by the Undersigned for all purposes.
29. Where in the opinion of ACE, any change has resulted or is likely to result in any change in the composition of the Board of Directors of the Undersigned due to any direct or indirect transfer of shares or securities in the share capital of the Undersigned, ACE will be entitled to review continuation of the Undersigned as a PCM of ACE; and, the Undersigned shall be bound by any decision taken by ACE in this regard which shall be final.
30. Where in the opinion of ACE any change has resulted or is likely to result in any change in the composition of the Board of Directors of the Undersigned due to any direct or indirect transfer of shares or securities in the share capital of any one or more companies or bodies corporate holding any part of the paid-up capital of the Undersigned, ACE will be entitled to review continuation of the Undersigned as a PCM of ACE, and the Undersigned shall be bound by any decision taken by ACE in this regard which shall be final.
31. Within 3 days from the date of the meeting of the Board of Directors of the Undersigned or other competent committee, the Undersigned shall notify ACE of any approval or refusal to transfer the shares or securities forming part of the issued capital of the Undersigned, if such transfer has or is likely to result in any change in the composition of the Board of Directors of the Undersigned.

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32. The Undersigned shall take prior approval from ACE before forming any subsidiary or acquiring any other company and also shall forthwith inform ACE of any change in its constitution.
33. The Undersigned undertakes to inform ACE in case of any change in the name of the company.
34. The Undersigned undertakes to communicate to ACE in writing under the signatures of all directors or remaining directors for any change in directorship of the company.
35. The Undersigned hereby confirms and undertakes that he is competent in all respects to become a PCM of ACE. The Undersigned further confirms that in case of any doubt or reference in future regarding validity of his candidature to become a PCM, the onus to prove the same shall lie on the Undersigned himself and ACE shall not be liable for any matter in case of such eventuality.
36. The Undersigned hereby confirms and undertakes that the dominant promoter group shall consist only of individuals not more than four in number who shall hold at least 51% of the paid up capital directly or indirectly. Any change in the said dominant promoter group or their shareholding interest shall be effected only after prior permission from ACE; The Undersigned agrees to pay any fee as prescribed by ACE from time to time for such changes in the dominant promoter group.
37. The Undersigned undertakes to make such contributions to Settlement/Trade Guarantee fund, if any or any such other fund pertaining to/constituted by ACE as and when required by ACE and also comply with all requirements stipulated by ACE in respect thereof.
38. The Undersigned hereby confirms that in case of default of the Undersigned OR its Trading Member / Trading cum Clearing Member OR clients / constituents on whose behalf the Undersigned has undertaken to settle the delivery obligations, it shall be solely liable to pay the dues of ACE.
39. The Undersigned shall be responsible for collection and payment of all Exchange dues payable by Trading Members to ACE (e.g. Transaction Charges, Annual Subscription Fee, Penalties and any other charges levied by ACE from time to time).

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40. The Undersigned shall execute, sign, and subscribe to such other documents, papers, agreement, covenants, bonds, and/or undertakings as may be prescribed or required by ACE from time to time.
41. The Undersigned shall arrange to get itself registered with respective relevant authorities under the law of land for the purpose of participating in the clearing operation of the ACE.
42. The Undersigned undertakes to subscribe to at their own cost, the mandatory centralized insurance cover as required by the Exchange for the PCM in ACE and shall pay the insurance premium as may be required by the ACE and also to comply with all requirements of the ACE in respect thereof.
43. The Undersigned shall forthwith inform ACE in writing as and when any winding up proceedings is initiated by the Undersigned or any other person/entity against the Undersigned. The Undersigned further undertakes that it shall forthwith inform ACE in writing on the onset of any circumstance which is likely to or may render the Undersigned to be subject to winding up proceedings.
44. That the Undersigned agrees and undertakes that fees, security deposits, other monies and any additional deposits paid, whether in the form of cash, bank guarantee, securities or otherwise, to ACE, by the Undersigned from time to time, shall be subject to a first and paramount lien for any sum due to ACE and all other claims against the Undersigned for due fulfillment of engagements, obligations and liabilities of the Undersigned arising out of or incidental to any dealings made subject to the Rules, Byelaws and Business Rules of ACE. ACE shall be entitled to adjust or appropriate such fees, deposits and other monies for such dues and claims, to the exclusion of other claims against the Undersigned, without any reference to the Undersigned.
45. The Undersigned further agrees that ACE reserves the right to terminate the membership of the applicant at any time in the event of non-compliance of any clause of this Undertaking.
46. If any difference/dispute shall arise as to the interpretation, meaning or effect of this Undertaking or as to the rights and liabilities of the parties to this Undertaking or in respect of any other matter relating to ACE operations, the decision of ACE shall be final, conclusive and binding on the Undersigned.
47. The Undersigned clearly understands that Membership agreed to be granted to the Undersigned is subject to compliance of above stated undertakings and may be withdrawn by the ACE at its absolute discretion without assigning any reason and without prejudice to any action ACE may deem fit.

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48. The Undersigned agrees that, in case the Undersigned submits to ACE any urgent instructions/documents through Facsimile transmission ("Fax") or through an electronic mail transmission ("E-mail") from an authorised E-mail ID, it shall deliver to ACE, hard copy of the same within three (3) working days of such Fax/E-mail, and shall be in the manner as may be specified by ACE from time to time. ACE may at its sole discretion, rely upon and act or omit to act in accordance with the Fax/E-mail which may from time to time be given or purport to be given to or received by ACE from the Undersigned.
49. The Undersigned agrees to assume and bear all the risks involved in respect of any telecommunication errors and misunderstanding and ACE shall not be liable for any losses or damages which Undersigned may suffer as a consequence of ACE acting in accordance with or in reference upon, any Fax/E-mail submission or otherwise pursuant to the authority conferred herein upon the ACE. Further, the Undersigned agrees that he/it shall, at all times, indemnify and keep indemnified ACE, its directors, officers, and employees, save and harmless against any and all claims, losses, damages, costs, liabilities and expenses of whatsoever nature, incurred, suffered or paid by ACE or required to be incurred and also against all demands, actions, suits, proceedings made, filed, instituted against ACE.
50. That without prejudice to the rights, remedies whether legal or otherwise available to ACE upon the Undersigned's non-compliance with this Undertaking, the Undersigned shall indemnify and keep indemnified ACE against any loss/damage suffered by it whether legal or otherwise including liabilities arising out of failure to comply with any or all the above clauses by the Undersigned or the agents of the Undersigned.
51. The Undersigned do hereby confirm that the information provided in the application form of the Undersigned for the PCM of ACE is true and correct to the best of the knowledge and belief of the Undersigned and that the above Undertaking will be binding on the successors and permitted assigns of the Undersigned.

Signed and delivered by the within named Professional Clearing Member

Being the authorized person

) _____
Name of Designated Director

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In terms of the resolution

) _____

Signature of Designated Director

Of the Board of Directors

) _____

At the duly convened meeting

) _____

Held on _____

) _____

(Date of Board resolution)

In the presence of

_____)

Name of witnesses

_____)

Signature of witnesses

Signature
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