

**INSTRUCTIONS TO FILL INSTITUTIONAL TRADING-CUM-CLEARING MEMBER
- TM AGREEMENT**

1. The INSTITUTIONAL TRADING-CUM-CLEARING MEMBER - TM AGREEMENT has to be executed on a Non-Judicial Stamp of the value prevailing in the state or Rs.300 whichever is higher.
2. Please ensure that each and every blank in the agreement is duly filled
3. Please ensure that each and every handwritten detail filled in the agreement is countersigned by the Authorized Signatories and Rubber stamp affixed thereon.
4. Members are requested to obtain the signature of the authorized signatories and rubber stamp on each and every page of the agreement
5. Obtain signature of two witnesses on the last page of agreement
6. Agreement has to be notarised
7. Please type the following on the stamp paper (as the First Page)

INSTITUTIONAL TRADING-CUM-CLEARING MEMBER - TM AGREEMENT

This Non-Judicial Stamp paper of Rs. _____ forms part and parcel of this agreement submitted to Ace Derivatives and Commodity Exchange Limited executed between Mr./Mrs./M/s. _____ and Mr./Mrs./M/s. _____ on _____ day of _____, 20__ at _____.

Institutional Trading-cum-Clearing Member - TM Agreement of Ace

This agreement is made on this _____ day of _____, 200__ at _____

Between _____, a company/Association/partnership firm/Limited Liability Partnership/individual having its registered office/office/residence at _____

(hereinafter called the Institutional Trading cum Clearing Member and for the sake of brevity shall be referred as ITCM or the Clearing member) which expression shall unless repugnant to the context or meaning thereof shall be deemed to mean and include its successors, legal representatives and permitted assigns) of the ONE PART;

And

_____, a company/partnership firm/individual having its registered office/office/residence at _____ (hereinafter called the Trading Member and for the sake of brevity shall be referred as 'TM' who/which decides to clear its/their trade with the Clearing Member), which expression shall unless repugnant to the context or meaning thereof shall be deemed to mean and include its successors, legal representatives and permitted assigns) of the OTHER PART;

Whereas :

1. _____ has been admitted as an Institutional Trading cum Clearing Member of Ace and is authorised to carry on the activities of clearing and settlement of deals/trades (hereinafter referred to as deals) on behalf of TMs who are registered as such by the ITCM with Ace or on behalf of TMs registered directly by Ace for Trading on Ace, the settlement of which shall happen through the ITCM.
2. _____ has been admitted as TM of Ace Derivatives and Commodity Exchange Limited [hereinafter referred to as "Ace"], by the ITCM. This TM is required to clear and settle the deals executed by it /him through the ITCM of Ace with clearing rights in accordance with the Rules, Bye Laws and Business Rules of Ace.
3. The TM desires to clear and settle the deals executed by it /him on the Trading System of Ace through the ITCM of Ace. The ITCM undertakes that it would clear & settle deals and discharge its duties & obligations towards Ace on behalf of the

TM and the Clearing Member has also agreed to do the same on the terms and conditions contained herein.

A. NOW, THEREFORE, THIS AGREEMENT WITNESS AS FOLLOWS:

- I. In consideration of TM agreeing to pay certain fees and charges mentioned herein and abide by the terms and conditions contained in this agreement, Rules, Bye Laws and Business Rules of Ace, the Clearing Member undertakes upon itself /himself, to the total exclusion of the TM, the obligation of clearing and settlement of the deals of the TM executed/done on Ace and to do all the acts, deeds and activities incidental to the clearing and settlement of the deals.

B. Rights of the Clearing Member

- I. The Clearing Member shall be entitled to demand/receive from the TM such deposits in such form as it/ he may specify from time to time. This deposit shall be collected by the ITCM from the TM and paid to Ace for allocation of the trading limits.
- II. In addition to Clause I above, the Clearing Member shall be entitled to receive such amount in the form of security deposit from the TM as may be specified/determined by Ace from time to time for being affiliated with the Clearing Member, as per the provisions of Rules, Bye-laws and Business Rules and Circulars issued by Ace from time to time.
- III. Without prejudice to the generality of the above, the TM shall place with the Clearing Member such amount as may be specified by ITCM or Ace from time to time as deposit which shall be maintained at any point of time. Subject to the provisions of Bye Laws, Rules and Business Rules of Ace, in case of any shortfall in such deposit, the ITCM can initiate any action necessary to protect its /his/their interests in this regard against the TM which may include restriction on further trading and close-out of open positions.
- IV. The Clearing Member shall be entitled to receive from the TM such fees, charges, brokerage or commission in respect of various services which it /he/they renders or agrees to render to the TM at such intervals as may be mutually agreed upon.
- V. The Clearing Member shall specify, subject to the requirements prescribed by Ace from time to time, the exposure limits upto which open positions can be taken by the TM. Such limits may be increased or reduced by the Clearing Member from time to time. The Clearing Member has the authority to initiate any action necessary to protect its /his interests in this regard which may, inter alia, include restriction on further trading and close-out of open positions of the TM or withdrawal/disablement of trading facility of the TM by making necessary requests to Ace for initiating such action.

- VI. Clearing Member shall be entitled to collect from TM margin(s) of such amounts of such kinds, as he may deem necessary, which at any point of time shall not be less than the amount stipulated by Ace from time to time. The Clearing Member shall have authority to collect such additional margin(s) as the Clearing Member may deem necessary or as per the requirement of Ace.
- VII. The Clearing Member shall be entitled to receive from the TM such amounts as may be required to be paid towards daily mark to market settlement, final settlement or such other settlement as per the requirement of Ace at such intervals as may be mutually agreed upon by them.
- VIII. The Clearing Member shall be entitled to receive from the TM a statement containing (i) the details in respect of margin amount, due and paid by the TM to the Clearing Member on his own account, which the Clearing Member had paid to Ace for the purpose of meeting margin requirements and (ii) a list of client codes, names of the clients, client-wise margin amount, collected by the TM from his clients and paid to the Clearing Member, which the Clearing Member had paid to Ace for the purpose of meeting margin requirements. Such statements to be furnished by the TM to the Clearing Member periodically as may be specified by Ace providing the amounts paid by the TM on it /his own account and on behalf of it / his clients shall be conclusive and binding on itself / himself, his Clearing Member and all his clients unless the contrary is proved to the satisfaction of Ace.
- IX. The Clearing Member shall be entitled to collect and pay all dues of Ace payable by the TM to Ace (e.g. Transaction Charges, Annual Subscription Fee, Penalties and any other charges levied by Ace from time to time.)
- X. The Clearing Member shall have authority to close out/liquidate the open positions of the TM in accordance with the Ace Business Rules, in the case of non-payment of dues by the TM towards margins, daily mark to market settlement, final settlement or such other settlement, fees, brokerage, commission and/or charges, by making necessary requests to Ace for initiating such action. In such case, any loss arising due to the closing out of open positions will be recovered from the TM.
- XI. Without prejudice to clause VIII above, in the event of non-payment of dues by the TM towards margins, daily mark to market settlement, final settlement or such other settlement, fees, charges, brokerage and/or commission, the Clearing Member will have the authority to withdraw or disable the trading facility of the TM by intimation to Ace.

- XII. The Clearing Member shall have the right to require the TM to undertake registration of all his constituents and to comply with the requirements of 'Constituent Registration Form' and 'Risk Disclosure Document'. For this purpose, the Clearing Member shall be entitled to collect such information from the TM about their constituents as the Clearing Member may require including the information pertaining to constituents' positions.
- XIII. The Clearing Member shall have the right to require the TM to allot each constituent a distinct constituent code. The Clearing Member shall have the right to inspect the books of accounts, records, and documents and computerised data of the TM for which Clearing Member shall have free access to the premises occupied by TM or by any other person on his behalf.

C. Obligations of the Clearing Member

- I. The Clearing Member shall ensure that the TM collects the margins from it / his/their constituents on such basis as may be prescribed by Ace from to time.
- II. The money deposited by each TM shall be kept in a separate account by the Clearing Member, distinct from his own account and shall provide the details to Ace.
- III. The Clearing Member shall inform the TM about the exposure limits (including any increase or reduction in such limits) upto which open positions can be taken by the TM.
- IV. The Clearing Member shall be liable to pay to the TM such amounts towards daily mark to market settlement, final settlement and such other settlement as per the requirements of Ace.
- V. The Clearing Member shall be required to refund any excess margin money to the TM as per mutual agreement.
- VI. The Clearing Member shall settle the accounts on a periodical basis as may be mutually agreed between the Clearing Member and the TM which should be in accordance with the Byelaws, Rules & Business Rules of Ace.
- VII. In the event of default by an ITCM or Clearing Member being declared a defaulter by Ace due to the default of its TM or otherwise, the money of the clearing member's constituents, TMs own account and TMs' constituents shall be appropriated by Ace towards the liability of the ITCM.
- VIII. In the event of failure by the Clearing Member in the payment of any dues to the TM, the TM shall, with the prior approval of Ace, have the right to take up their matter with Ace.

- IX. The Clearing Member shall inform Ace in case the TM has defaulted in his payments and similarly the TM will inform Ace in case the Clearing Member has defaulted in making payment.
- X. In case the Clearing Member is declared a defaulter by Ace then the TM's open positions have to be closed out and the Clearing Member shall be obliged to pay for any costs incurred for closing out the open positions.
- XI. If due to the default of the Clearing Member, the open position of the TM is closed-out and any loss is incurred due to such close-out, the Clearing Member shall reimburse such loss to the TM except to the TM because of whom the Clearing Member has defaulted.
- XII. The Clearing Member shall treat the information pertaining to the TM and of the constituents of such TM as confidential. The Clearing Member shall not disclose the same to other TMs or any other person except to the governmental, statutory, regulatory or legal authorities on a request made by these authorities in writing.
- XIII. The Clearing Member shall give a reasonable notice to the TM before undertaking any inspection of books of accounts, records, and documents of the TM.
- XIV. The Clearing Member shall be required to provide reports/statements of mark to market settlement, final settlement or such other settlement, margin amounts and open positions to the TM.

D. Rights of the TM

- XV. The TM shall be entitled to have all the deals, entered into by him on Ace, cleared and settled through the Clearing Member.
- XVI. The TM shall be entitled to receive intimation from the Clearing Member about the exposure limits (including any increase or reduction in such limits) upto which open positions can be taken by the TM.
- XVII. The TM shall be entitled to receive reports/statements of mark to market settlement, final settlement or such other settlement, margin amounts and open positions from the Clearing Member.
- XVIII. The TM shall be entitled to receive from the Clearing Member such amounts towards daily mark to market settlement, final settlement and such other settlement as may required to be paid by the Clearing Member as per the requirement of Ace.
- XIX. In the event of failure by the Clearing Member in the payment of any dues to Ace as well as TM, the TM shall, with the prior approval of Ace, have the right to transfer his own open positions as well as the open

positions of his constituents immediately to another Clearing Member. The TM shall also have the right to recover from Clearing Member any costs incurred for transfer of the open positions.

- XX. In case the open position of the TM is closed-out due to the default of the Clearing Member, the TM, except the TM because of whom the Clearing Member has defaulted, shall be entitled to recover such loss from the Clearing Member.
- XXI. The TM shall be entitled to receive intimation from the Clearing Member before the Clearing Member undertakes inspecting books of accounts, records, and documents of the TM.

D. Obligations of the TM

- I. The TM shall pay to the Clearing Member such security deposits in such form as may be specified by Ace from time to time for affiliation with Clearing Member.
- II. The TM shall pay to the Clearing Member such deposits in such form as the Clearing Member may specify from time to time.
- III. Without prejudice to the generality of the above, the TM shall place with the Clearing Member an amount of Rs. _____ as deposit which shall be maintained at any point of time. Subject to the provisions of Bye Laws, Rules and Business Rules of Ace, the Clearing Member can initiate any action necessary to protect it / his interest in this regard against the TM which may include restriction on further trading and close-out of open positions.
- IV. The TM shall pay to the Clearing Member such fees, charges, brokerage or commission in respect of various services which he renders or agrees to render to the TM at such intervals as may be mutually agreed upon by them.
- V. The TM shall pay to the Clearing Member margins of such amounts as may be prescribed by Ace from time to time including additional margins, if any, or such higher amount of margins as may be mutually agreed with the Clearing Member. The margins shall be deposited by the TM within such time and in such form as may be specified by the Clearing Member.
- VI. The TM shall collect the margins from his constituents on a gross basis.
- VII. The TM shall be liable to pay to the Clearing Member such amounts towards daily mark to market settlement, final settlement and such other settlement as per the requirement of Ace at such intervals as may be mutually agreed upon by them.

- VIII. The TM shall submit to the Clearing Member a statement containing (i) the details in respect of margin amount, due and paid by the TM to the Clearing Member on his own account, which the Clearing Member had paid to Ace for the purpose of meeting margin requirements and (ii) a list of client codes, names of the clients, client-wise margin amount, collected by the TM from his clients and paid to the Clearing Member, which the Clearing Member had paid to Ace for the purpose of meeting margin requirements. Such statements to be furnished by the TM to the Clearing Member periodically as may be specified by Ace providing the amounts paid by the TM on his own account and on behalf of his clients shall be conclusive and binding on himself, his Clearing Member and all his clients unless the contrary is proved to the satisfaction of Ace.
- IX. The accounts shall be settled on a periodical basis as may be mutually agreed between the Clearing Member and the TM which should be in accordance with the Byelaws, Rules & Business Rules of Ace.
- X. The TM shall be obliged to reimburse any loss caused due to the closing out / liquidation of his open positions by the Clearing Member, in the case of non-payment of dues by the TM towards margins, daily mark to market settlement, final settlement or such other settlement, fees, charges, brokerage, commission, penalties and expenses.
- XI. The TM shall be obliged to pay to the Clearing Member all the dues of Ace as may be payable by TM to Ace (e.g. Transaction Charges, Annual Subscription Fee, Penalties and any other charges levied by Ace from time to time.
- XII. The TM shall do all such acts, deeds and activities which are necessary for the purpose of complying with the Rules, Bye Laws & Business Rules of Ace by the Clearing Member.
- XIII. The TM shall enter into an agreement with the constituent and shall issue a Constituent Registration Form and a Risk Disclosure Document before accepting or placing orders on behalf of the Constituents and provide such details to the Clearing Member.
- XIV. The TM shall allot each constituent a distinct constituent code.
- XV. The TM shall provide such information about his constituents as the Clearing Member may require including the information pertaining to constituents' positions.
- XVI. The TM shall maintain separate bank accounts to distinguish the (i) moneys received from or on account of and moneys paid to or on account of each of his constituents; and (ii) the moneys received and paid on member's own account and provide such details to the Clearing Member. The moneys belonging to one constituent shall not be utilised for meeting the obligations of the TM or some other constituent.

- XVII. The TM shall keep such books of accounts as will be necessary to distinguish the (i) moneys received from or on account of and moneys paid to or on account of each of his constituents; and (ii) the moneys received and paid on member's own account and provide such details to the Clearing Member.
- XVIII. The TM hereby agrees and undertakes to do all things, which may be necessary in order to transfer his constituents positions to the clearing member or another TM in the event of his default. The TM shall be obliged to pay for any costs incurred for transfer of open positions. In the event of default due to failure of a specific constituent to fulfill his obligation, the money of other constituents shall remain safe and can not be utilized to meet the obligation of the defaulting constituent.
- XIX. If due to the default of the TM, the open position of the TM is closed-out and any loss is incurred due to such close-out, the TM shall reimburse such loss to the Clearing Member.
- XX. The TM shall allow the Clearing Member to have free access to the premises occupied by him or by any other person on his behalf and also extend reasonable facilities for examining any books, records, documents and computerised data in his possession.

E. Termination of the Agreement

The agreement entered into between the Clearing Member and the TM shall stand terminated by mutual consent of the parties by giving at least one month written notice. Such cancellation or termination shall not have any effect on transaction executed on or before the date of termination and the parties shall enjoy the same rights and shall have same obligations in respect of such transactions.

F. Notice

Any communication between the Clearing Member and TM shall be made in any one or more of the following ways:

- a) delivering it by post
- b) sending it by registered post
- c) sending it under certificate of posting
- d) sending it by express delivery post / courier services.
- e) sending it by telegram
- f) affixing it on the door at the last known business or residential address
- g) advertising it at least once in any prominent daily newspaper
- h) sending a message through the Trading System an electronic mail or fax

G. Force Majeure

No liability shall result to either party for delay in performance or nonperformance of the obligations under the agreement caused or contributed to by any event of

force majeure. For purposes of this Clause, "Force Majeure" means and includes wars, insurrections, revolution, fires, floods, epidemic, quarantine restrictions, declared general strikes in relevant industries, act of God, act of governmental, statutory, regulatory or legal authority and such other acts or events beyond the control of the non-performing party.

H. No assignment

Neither party shall be entitled to assign or otherwise transfer this agreement or any benefits, rights, obligations or interests herein whether in whole or in part to any other agency without the prior written consent of the other.

I. Supersession

This agreement shall supersede all previous communications between the Clearing Member and TM with respect to clearing and settlement of deals, both oral or written, and the provisions herein contained shall not be omitted, added to, modified or amended in any manner except in writing and signed by both the parties hereof.

J. Non-waiver

No forbearance, delay or indulgence by either party in enforcing the provisions of this Agreement shall prejudice or restrict the rights of that party nor shall any waiver of its rights operate as a waiver of any subsequent breach and no rights, powers, remedies herein conferred upon or reserved for either party is exclusive of any other right, power or remedy available to that party and each right, power or remedy shall be cumulative.

K. Arbitration

All disputes, differences or questions arising out of or in relation to the agreement including the interpretation of the terms contained herein or in the Rules, Bye Laws and Business Rules of Ace or in regard to the obligations, failure or breach thereof by any of the parties and/or of any matter whatsoever arising out of the Agreement, shall in the first instance be resolved mutually by the parties.

If the parties fail to resolve the same mutually, then the same shall be referred to the arbitration in accordance with the Rules, Bye Laws and Business Rules of Ace.

L. Jurisdiction

This agreement shall be subject to the exclusive jurisdiction of the courts in Mumbai.

Name 1 (ITCM)_____

Name 1 (TM)_____

Signature 1 (ITCM) _____

Signature 1 (TM) _____

Name 2 (ITCM) _____

Name 2 (TM) _____

Signature 2 (ITCM) _____

Signature2 (TM) _____

Rubber Stamp

Rubber Stamp

IN WITNESS THEREOF, the parties to agreement have caused these presents to be executed as of the day and year first above written.

Signed for and on behalf of

Name of the Clearing Member (ITCM)

Signature 1

Signature 2

Rubber Stamp

Rubber Stamp

WITNESS

WITNESS

(1) Name : _____

2). Name : _____

Address : _____

Address : _____

Signature :

Signature :

Signed for and on behalf of

Name of the TM (TM)

Signature 1

Signature 2

Rubber Stamp

Rubber Stamp

WITNESS

WITNESS

(1) Name : _____

2). Name : _____

Address : _____

Address : _____

Signature :

Signature :