

Clearing Member Undertaking

(On the letter head of applicant)

We _____, a company/Bank incorporated under the Companies Act, 1956/2013 (*mention relevant act*) and having its registered office at _____ {hereinafter referred to as the 'Undersigned' which expression shall unless repugnant to the context include its successors, assigns and legal representatives} submit this undertaking **IN FAVOUR of India International Bullion Exchange IFSC Limited**, a company incorporated under the Companies Act, 2013 and having its registered office at Unit-1302A, Brigade International Financial Centre 13th Floor, Building-14A, Block 14, Zone 1, Gift SEZ Gift City, Gandhinagar {hereinafter referred to as the "**IIBX**" which expression shall unless repugnant to the context include its successors, assigns and legal representatives}.

WHEREAS **IIBX** has inter alia, determined that the Trading Members registered with it are eligible to be admitted to Clearing Membership of **IIBX** provided an application in writing and in the prescribed format is made to this effect to **IIBX**.

AND WHEREAS the Undersigned is a Trading Member of **IIBX** and is required to clear and settle the deals executed by the Undersigned, either by itself by becoming Clearing Member or by making an arrangement with other Clearing Members through whom the deals could be cleared and settled, in accordance with the Rules, Bye Laws and Regulations of **IIBX**.

AND WHEREAS the Undersigned are desirous of becoming a Clearing Member of **IIBX** and **IIBX** has agreed to admit the Undersigned to the benefits of its Clearing Membership provided, inter alia, the Undersigned execute an Undertaking in its favour.

NOW THEREFORE IN CONSIDERATION, IIBX HAVING AGREED TO GRANT THE UNDERSIGNED AT ITS REQUEST, CLEARING MEMBERSHIP, THE UNDERSIGNED UNCONDITIONALLY AND IRREVOCABLY UNDERTAKE AND AGREE AS FOLLOWS;

1. That the Undersigned shall abide by, comply with and be bound by the Rules, Bye-laws and Regulations of **IIBX** as in existence or in force from time to time and also with any circular, order, direction, notice, instruction issued and in force from time to time;
2. That the Undersigned shall execute, sign, subscribe, to such documents, papers, agreements, covenants, bonds and/or undertakings whether legal or otherwise as required by **IIBX** from time to time;
3. That the Undersigned shall abide by, comply with and be bound by the Bye- Laws, Rules and Regulations of **IIBX** as in existence or in force from time to time and any modification through any circular, order, direction, notice, instruction issued and in force from time to time;
4. That the Undersigned agrees that **IIBX** shall be entitled to amend its Bye-laws, Rules and Regulations unilaterally and the Undersigned shall be deemed to have consented to them, and accordingly be bound by the Bye-laws, Rules and Regulations prevailing from time to time and **IIBX** shall be entitled to all powers vested in them under the Rules, Regulations and Bye-laws, by which the Undersigned unconditionally agreed to be bound;

5. That the Undersigned shall abide by the code of conduct as laid down from time to time by **IIBX** and also any Rules, Regulations, circulars, guidelines etc. framed by International Financial Services Centres Authority (IFSCA) or other regulatory authorities from time to time;
6. That the Undersigned shall maintain and preserve such information, records, books and documents pertaining to the working of the Undersigned as a Clearing Member for such period as may be specified by **IIBX** from time to time;
7. That the Undersigned shall submit the periodic reports, statements, certificates and such other documents as may be required by **IIBX**, and shall comply with such audit requirements as may be framed specially by **IIBX** from time to time;
8. That the Undersigned shall follow and comply with such orders or instructions including any such order or instruction, whether being in the nature of a penalty or otherwise, as may be issued by **IIBX** or any committee of **IIBX** duly constituted for the purpose, in the event of the Undersigned committing any violation of any Rules, Bye laws, Regulations or practice or code of conduct prescribed by **IIBX** in respect of the conduct of the business in **IIBX**;
9. That the Undersigned shall conduct business at **IIBX** prudently and shall ensure that it will not be prejudicial or detrimental to public interest in general, and to **IIBX** in particular;
10. That the Undersigned shall pay the costs and expenses including fees prescribed by **IIBX** from time to time, as communicated by **IIBX** forthwith on receipt of notice to the effect;
11. That if any difference/dispute shall arise as to the interpretation, meanings or effect of this undertaking or as to the rights and liabilities of the parties to this undertaking or as to any other matter relating to **IIBX** 's operations, the same shall be settled in accordance with the provisions contained in the Bye-laws, Rules and Regulations of **IIBX** and that the decision of the relevant authority shall be final, conclusive and binding on the undersigned;
12. That the Undersigned shall furnish security deposits, pledge securities, hypothecate movables, create lien on bank accounts or furnish such other security as may be required by **IIBX** from time to time and to do all acts, deeds and things to enable **IIBX** to exercise all or part of the above mentioned securities to secure recovery of default in payment and other incidental charges relating to default and other dues of **IIBX** , if any;
13. That the Undersigned shall bring in additional deposits and funds as and when required to maintain the level of capital adequacy norms as decided from time to time to operate on **IIBX**
14. That the Undersigned agrees that it shall pay all margins and make good the MTM losses for as per the timelines specified by **IIBX**. The Undersigned further agrees that in the event of any non-compliance by the Undersigned with respect to margins requirements/MTM Losses payments, **IIBX** shall have the right to close-out one or all of the open positions, at the prevailing market rate, with all costs and consequences to the Undersigned.
15. That the Undersigned are aware that it would be/are admitted as a Clearing Member on paying the prescribed membership fees and security deposit and that the Undersigned do unequivocally undertake that it shall not be entitled to make any claim for refund of the

security deposit, except when the Undersigned surrenders its clearing membership to **IIBX** , that too for the amount lying after appropriation of amounts due from the Undersigned towards its liabilities or obligations towards **IIBX** and any other dues recognised as payable by the undersigned under the Rules/Bye-laws and Regulations/Business Rules of **IIBX** and any other dues recognised as payable by the undersigned under the Rules/Bye-laws and Regulations of **IIBX**;

16. That without prejudice to the foregoing, **IIBX** 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 the Rules, Regulations and Bye-laws of **IIBX** in force from time to time;
17. That the Undersigned is fully aware and has full knowledge that **IIBX** is not responsible or liable for any failure of computer systems, telecommunication network and other equipment installed at its offices and **IIBX** shall also not be held responsible for any misuse, mishandling, damage, loss, defect etc; and **IIBX** has the right to inspect and supervise all computer systems, software programmes, tele-communications equipment, etc, which are provided by **IIBX** at the undersigned's office for which necessary assistance, cooperation and facility shall be provided and the Undersigned shall not make any alterations, modifications and changes without prior written consent of **IIBX**;
18. That the Undersigned undertakes to subscribe to the mandatory insurance cover as required by **IIBX** for the Clearing Members in all and to pay the insurance premium directly and report the compliance with the said requirement to **IIBX**;
19. That within three calendar days from the date of the meeting of the Undersigned's Board of Directors or other competent committee, the Undersigned shall notify the Corporation of any approval or refusal to transfer the shares or securities forming part of its issued capital, if such transfer has or is likely to result in any change in the composition of its Board of Directors;
20. That 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 **IIBX**;
21. That the Undersigned shall take prior approval from **IIBX** before forming any subsidiary or acquiring any other company;
22. That the Undersigned shall comply with requirement of **IIBX** with respect to its promoter group which shall be in accordance with the norms prescribed by the **IIBX**. The Undersigned further undertake that any change in its promoter group or its shareholding shall be effected only after prior permission from **IIBX**;
23. That the Undersigned shall forthwith inform **IIBX** in writing as and when any notice is received by the Undersigned in connection with any institution of winding up proceedings against it and that the Undersigned shall also inform **IIBX** in writing before the Undersigned initiate any winding up proceedings to be wound up. The Undersigned further undertake that it shall inform **IIBX** in writing on the onset of any circumstance which is likely to or may render it to be wound up or which is likely to or may render it liable to be subject to winding up proceedings;

24. That the fees, security deposits, other monies and any additional deposits paid, whether in the form of cash, bank guarantee, securities or otherwise, with **IIBX**, by the Undersigned from time to time, shall be subject to a first and paramount lien for any sum due to **IIBX** and all other claims against the Undersigned for due fulfilment of engagements, obligations and liabilities of the Undersigned arising out of or incidental to any dealings made subject to the Byelaws, Rules and Regulations of **IIBX**. **IIBX** shall be entitled to adjust or appropriate such fees, deposits and other monies for such dues and claims, to the exclusion of the other claims against the Undersigned, without any reference to the Undersigned;
25. That without prejudice to the rights, remedies whether legal or otherwise available to **IIBX** upon the Undersigned's non-compliance with this Undertaking, the Undersigned shall indemnify and keep indemnified **IIBX** against any loss/damage suffered by it whether legal or otherwise arising due to its non-compliance with the provisions of this Undertaking;
26. That this Undertaking shall be binding upon the heirs, legal representatives, successors and assigns of the Undersigned;

Signed sealed and delivered on this)
the ____ day of ____ at _____)
on behalf of the within named)
company in terms of resolution)
passed by the Board of Directors)
at the duly convened meeting)
held on)
in the presence of)

WITNESSES

(1)

(2)

Before Me