

Terms and conditions governing e-ETF

In order to facilitate the orderly use of the e-ETF platform (“the Platform”), the participation of all eligible Participants in e-ETF fund offer on the Platform shall be subject to these terms and conditions (the “Terms and Conditions”).

1. Definitions

- a. The “**Platform**” shall mean and refer to the facility provided to trading members to apply for ETFs using the network and order collection mechanism provided by NSEIL.
- b. “**Trading Member**” shall mean and refer to a registered trading member of NSEIL in Capital Market Segment.
- c. “**Offer(s)**” shall refer to New Fund Offer(s) (NFO)/Further Fund Offer(s) of units of various Exchange Traded Funds.
- d. The “**Legal Framework**” shall refer to all applicable terms and conditions governing the use of the Platform as may be specified by NSEIL from time to time, the applicable laws and SEBI regulations, and such other requirements as may be notified from time to time by any regulatory / statutory authority, including but not limited to the Government of India (“GOI”), Association of Mutual Funds across India (“AMFI”), and the Securities and Exchange Board of India (“SEBI”).
- e. “**Operating Guidelines**” shall refer to the guidelines specified by NSEIL from time to time describing the processes, procedures and policies to be complied with by Participants in any Offer on the Platform.
- f. “**Participants**” shall refer to all eligible Trading Members of NSEIL who are eligible for, and registered to, participate in the Platform.
- g. “**AMC**” shall mean and refer to the asset management company issuing the units of Exchange Traded Funds during an Offer on the Platform.
- h. “**Clients**”, with reference to any Participant, shall mean and refer to the investors participating in Offers on the Platform through that Participant.

2. Eligibility for registration and applicability of Terms and Conditions

- a. All Trading Members of Capital Market Segment of NSEIL and who are also duly registered under the regulations of AMFI and have a valid AMFI Registration Number shall be eligible to participate in the Platform.
- b. All Participants shall be bound at all times by these Terms and Conditions as may be amended or modified by NSEIL from time to time, in addition to such other requirements as may be notified from time to time under the Legal Framework.

3. Obligations of Participants

- a. Participants shall comply with all extant and applicable requirements and covenants under the Legal Framework in connection with their participation in the Platform, and the Operating Guidelines as notified by NSEIL, at all times.
- b. Participants shall conduct their business on the Platform professionally, transparently, fairly, and prudently, and shall ensure that its actions are not prejudicial or detrimental to any Client's rights, the public interest, or to NSEIL's rights in particular.
- c. Participants shall use the facilities and equipment provided in connection with the Platform only for the purpose for which they are permitted to be used.
- d. Participants shall only use the Platform for the benefit of such investors ("Clients") as are eligible to participate in the Offers under the extant applicable legal framework.
- e. Participants shall be solely responsible for the fulfillment of all necessary KYC/FATCA related requirements in relation to its Clients.
- f. Participants shall ensure that they record/document the prior consent of its Clients for their participation in any Offer, separately for each Offer.
- g. Participants shall ensure that its Clients are kept suitably informed about, and are always compliant with, the applicable Legal Framework as may be relevant and applicable to the Clients including but not limited to the Operating Guidelines, the Terms and Conditions, and such other policies, processes and procedures as may be notified by NSEIL or the AMC. Participants shall keep its Clients informed about allotment/ rejection of subscription or any changes in relation thereto from time to time.
- h. In relation to any Offer, Participants shall ensure that they properly communicate to their Clients all material features, terms and conditions in relation to the Offer, including but not limited to the risks involved in the investments, the nature and timeframe of returns, the nature of applicable lock-ins on funds, and the applicable commissions/charges chargeable by Participants to their Clients in relation to their services to their Clients in connection with transactions on the Platform.
- i. Participants shall maintain separate books of accounts for its stock broking operations and its activities on the Platform. Each Trading Member shall ensure that the money deposited by its Clients shall not be used for any purpose other than the purposes for which the consent of the Client has been obtained, and which are permissible under the Legal Framework and under these Terms and Conditions. Participants shall not withhold / set- off monies due and payable to a Client under their stock broking business for dues arising out of such Client's participation in any Offer on the Platform, or vice versa.

- j. Participants shall promptly, transparently, diligently, and fairly provide all necessary services with regard to the Client's participation in any Offer, including services in relation to facilitating the updation of a Client's personal details, notifying Clients about changes to any terms of any Offer, etc. All service requests from Clients that may need to be communicated to the AMC/NSEIL/the depositories shall be diligently processed by Participants on a timely basis.
- k. Participants shall maintain appropriate policies and procedures in place to receive and redress grievances of its Clients in connection with their participation in the Platform. Participants shall ensure that these policies and procedures are suitably communicated to their Clients.
- l. Participants shall duly comply with all requirements, covenants, and responsibilities in relation to meeting its payment obligations towards NSEIL, towards its Clients, or otherwise in relation to any Offer, on a timely basis and within the timeframe prescribed under the Operating Guidelines / the Legal Framework.
- m. Participants shall not, in any manner, violate the intellectual property rights of NSEIL.
- n. Participants shall ensure that they have suitable procedures in place to implement and comply with the provisions of the Prevention of Money Laundering Act, 2002.

4. Maintenance of records, audits and inspection by Participants

- a. Participants shall maintain and preserve such information, records, books and documents pertaining to their activities on the Platform for such period as may be specified under the Legal Framework from time to time.
- b. Participants shall provide NSEIL, or any other agent or authority appointed by it, access to the Trading Member's hardware, software, and systems, and shall provide NSEIL or any other agent or authority appointed by it access to all records, books information, documents, as may be required for the purpose of any audit, inspection or review in connection with the Participants participation in any Offer on the Platform.
- c. Participants shall submit periodic reports, statements, certificates and other relevant documents and comply with such audit requirements as may be required under the Legal Framework.

5. Representations and warranties by Participants

Notwithstanding the generality of the obligations of Participants as described herein above, by registering for and using the Platform, each Participants represents, warrants, agrees, and undertakes as follows:

- a. That it has all the necessary permissions, approvals, authorizations, registrations and certifications for the purpose of participating in Offers on the Platform and for the

execution, delivery and performance of any agreement, document, covenant, or undertaking by the Participants in connection with its registration for and subsequent participation in the Platform, that are valid and subsisting at all times.

- b. That it shall adhere to all applicable requirements, compliances, and obligations under the Legal Framework, the Operating Guidelines, and these Terms and Conditions in connection with its use of the Platform, as amended from time to time.
- c. That its Clients have been registered in accordance with the Terms and Conditions specified by NSEIL from time to time, in addition to such other relevant and applicable requirements under the Legal Framework.
- d. That it shall provide promptly complete and correct details of the application of its Clients for applications during any Offer, and shall strictly adhere to the instructions received from its Clients in relation to transactions on the Platform on behalf of its clients during any Offer.

6. Consequences of non-compliance with Terms and Conditions

Participants understand and agree that if they commit a breach or violation of the requirements under the Legal Framework, or any directions by NSEIL in relation to their participation in any Offer on the Platform, NSEIL may take necessary discretionary action, including the withdrawal of permission to such Participants to use the Platform, and/or levy of damages on the Participants as may be determined by NSEIL.

7. Obligations of NSEIL

- a. NSEIL shall make the Platform available for prior testing to Participants upon registration, and in case any material changes have been carried out to the software or the functionality of the Platform, upon the implementation of such changes, to enable the Participants to satisfy themselves of the utility and functionality of the Platform for the intended purpose.
- b. NSEIL shall ensure that the Platform is robust, and meets the requisite quality requirements to ensure that Offers are carried out smoothly, and to the extent reasonably practicable, without disruption. NSEIL shall ensure that adequate infrastructure / facilities are provided to Participants to allow effective and smooth participation in the Offers in accordance with the Operating Guidelines and the operational requirements under the Legal Framework. NSEIL shall ensure that the design of the Platform is compliant with the requirements under the Legal Framework.
- c. NSEIL shall ensure the safety, integrity and retrievability of data received from Participants on the Platform. NSEIL shall ensure that the Platform provides the necessary facilities to ensure that applications, as received from the Participants, are

properly registered, stored, and communicated to the intended recipient/stakeholders.

- d. NSEIL shall make suitable provisions to generate status updates and alerts in relation to the status of bids or payments received/paid by Participants, generate suitable confirmation statements, and provide such other updates and responses to service requests as may be required under the Legal Framework or the Operating Guidelines, and provide for the necessary facilities and infrastructure to enable proper and timely communication/notification of such updates or instructions between clients, the depositories, and the Participants.
- e. NSEIL shall ensure that it generates on a timely basis, the necessary payment obligation reports, statements confirming the completion of payment formalities by Participants, and records indicating the completion of other formalities required in relation to placing subscription bids for an Offer.

8. Limitation of liability of NSEIL

- a. Reliance on the Platform, or any of its features by Participants constitutes an acceptance by such Participants of the utility and functionality of the Platform for all intended purposes, and such use shall constitute a waiver by such Participants of their right to hold NSEIL responsible for any loss, damage, or other costs, including without limitation any incidental special or consequential damages or loss of profit arising out of any use of the Platform, save in cases of gross negligence and wilful default on the part of NSEIL.
- b. NSEIL shall take prompt actions for any defects, problems or complaints for system maintenance. However, NSEIL shall not be liable for delays in performance or non-performance caused by circumstances beyond its control.
- c. NSEIL shall not be held responsible or liable for any failure of computer systems, telecommunication network and other equipment installed at the offices of the Participants.
- d. NSEIL shall not be responsible for the information in connection with applications received from Participants, whether proprietary or on behalf of their Clients. NSEIL shall not verify or validate the information received by it from the Participants in relation to applications during any Offer, and shall transmit the data “as is”. NSEIL shall merely facilitate the transmission of subscription applications details through the Platform as a facilitator, and NSEIL shall not be liable for any rejection or non-receipt of applications by the AMC due to misstatement of, inaccuracies in, or incompleteness of information pertaining to any data or instruction from any client or Participants.
- e. NSEIL shall not be responsible or liable for delays in receipt, or non-receipt, of application amounts by Participants from their Clients.
- f. NSEIL shall not be responsible for the allotment of units of ETF to Clients or Participants,

or refund of amounts owed to Clients by Participants/the AMC, or for any non-performance of its obligations resulting from circumstances or events beyond its control.

9. Indemnification

- a. By registering to participate on the Platform, Participants agrees to indemnify NSEIL and hold it harmless and keep its officers, directors, employees and agents at all times fully indemnified and held harmless from and against all actions, proceedings, claims, liabilities (including statutory liability), penalties, demands and costs (including without limitation, legal costs), awards, damages, losses and/or expenses however arising directly or indirectly, including but not limited to, as a result of:
 - i. Breach or non-performance by the Participants of any of its warranties, covenants, declarations or obligations under these Terms and Conditions, or under the Legal Framework,
 - ii. Any claim or proceeding brought by a Client against NSEIL in respect of any failure by the Participants in the performance of its obligations under these Terms and Conditions,
 - iii. Any negligent act or omission or default or misconduct or fraud by the Participants or its agents, and
 - iv. Any act, deed, omission or non-performance solely attributable to the Participants.
- b. The indemnities provided herein shall survive the termination or expiration of the registration of the Participants with the Platform.

10. Client Grievance Redressal

Participants shall be solely responsible for disputes between a Participant and its Client arising out of the Client's participation in Offer. Disputes related to allotments or refunds of application amounts shall be raised with the AMC related to the Offer.

11. Reservation of rights by NSEIL

- a. NSEIL reserves the right to, at its own discretion or upon receiving directions or instructions from any authority with competent jurisdiction to the effect, change or update these Terms and Conditions, the Operating Guidelines, and other policies governing the use of the Platform by any Participants by giving reasonable prior notice, and the continued use of the Platform by the Participants shall constitute an explicit agreement that such use is qualified by its understanding and acceptance of the revised or modified Terms and Conditions and Operating Guidelines.
- b. NSEIL may cancel or suspend the registration of a Participant, or disclose details/information regarding its transactions on the Platform if so required by any judicial,

regulatory or other competent authority under the Legal Framework.

12. Termination of registration of Participants

- a. Participants may opt to surrender their registration for use of the Platform without cause by providing a notice of at least 20 (twenty) days of their intention to surrender.
- b. NSEIL may terminate the registration of a Participants from the Platform anytime without prior notice if required due to reasons including but not limited to non-compliance with any provisions of these Terms and Conditions, non-payment of any applicable fees/charges, directions as such under an order, injunction or decree issued by any court or agency of competent jurisdiction against any Participants that is non-appealable, the introduction of any law rendering illegal the business of any Participant, or the winding up of any Participant. Any amounts returnable to such Participants upon de-registration shall be returned after deducting any dues, claims or other amounts owed to NSEIL, as applicable.
- c. Surrender/Termination of the registration of the Participants for whatever reasons shall not be deemed to result in the termination of allied covenants of the Participants arising from its participation on the Platform.

13. Governing law

These Terms and Conditions shall be subject to and construed and interpreted in accordance with the laws of India and all Participants who register on the Platform submit to the exclusive jurisdiction of the Courts in Mumbai for any differences/disputes that may arise between any Participants and NSEIL as to the interpretation, meaning, or effect of these Terms and Conditions, or as to the rights and liabilities of Participants, or as to any other matter relating to NSEIL's administration of the Platform. This clause shall continue to bind Participants even after the expiration or termination of their registration with NSEIL to participate on the Platform.