

Annexure II- Undertaking for Inhouse Back Office Facility

To be executed on Rs. 600/- stamp paper / applicable stamp duty of the state (whichever is higher), duly Notarized on all pages, signed, stamped & sealed by Authorized Signatory on all pages

I / We _____, registered as a trading member with National Stock Exchange of India Limited, and residing at / having our registered office at/ having place of business at

_____ (hereinafter referred to as the "Trading Member" including its successors, assigns and legal representatives) give this UNDERTAKING on this _____ day of _____ at _____ IN FAVOUR of National Stock Exchange of India Limited, a company incorporated under the Companies Act of 1956, with its registered office at Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 (hereinafter referred to as 'NSEIL' or 'Exchange' which expression shall unless repugnant to the context include its successors and assigns.)

WHEREAS

- a) The Trading Member has developed software(s) in-house for back-office facility (hereinafter referred to as "**Software**") in compliance with the requirements stipulated by the Exchange from time to time and is desirous of seeking the Exchange approval for utilizing the same.
- b) The Exchange in this regard has agreed to provide its approval to the Trading Member for the Software developed in-house including its utilization based on the application submitted by the Trading Member to the Exchange and subject to fulfilment of such criteria as may be stipulated by the Exchange from time to time, and the Trading Member executing this Undertaking in favour of the Exchange as prescribed hereunder.

NOW THEREFORE IN CONSIDERATION OF the Exchange having agreed to allow me/us to develop and use the Software for the aforesaid purposes, I / We hereby IRREVOCABLY AND UNCONDITIONALLY AGREE, ACCEPT and UNDERTAKE to abide by and be bound by the following terms and conditions:

- 1. I/We hereby, declare that the information/data provided by me/ us as a part of my/our application form submitted to the Exchange for approval of the Software and this Undertaking are complete and true to best of my/our knowledge and based on records. I/We further agrees to forthwith inform the Exchange in writing if there is any change in the information furnished to the Exchange.
- 2. I/We shall install the Software after duly ensuring that all the functionality requirements stipulated by the Exchange/SEBI in this regard have been complied with by me/us.

3. I/We undertake to obtain the prior approval of the Exchange for any major changes to be made to the Software and also maintain/update such software versions. Major changes mean any changes with respect to reports/submission/details specified in Annexure VI - Criteria/Aspects of Testing of Exchange's circular having reference number NSE/COMP/53088 dated 26-July-2022, as may be modified from time to time by Exchange. Such approval of the Exchange shall be provided to me/us within mutually agreeable timelines for implementation. I/We may carry out other changes with regard to the base software version for which approval of the Exchange may not be required. All references to the Software in this Undertaking, including its features, upgrades, documentation, and training, shall be in respect of the functional/technical requirements with respect to the criteria/aspects of testing mentioned in the aforesaid Annexure VI of the Exchange circular having reference number NSE/COMP/53088 dated 26-July-2022, as may be modified from time to time.
4. I/We shall comply with all applicable requirements, guidelines, circulars, rules, regulations and Byelaws of the Exchange/SEBI as may be introduced/ modified from time to time with/without prior notice.
5. I/We undertake to ensure that access to the Software shall be given only to my/our authorized representative ("Approved Users") and officials of Exchange / SEBI, and I/We shall ensure to deploy a method (including malware protection) to prohibit any unauthorized access to the Software.
6. I/We undertake that the backup and recovery procedure controls shall be inbuilt in the Software by me/us.
7. I / We shall ensure that the Software shall be developed so as to generate the following for the purpose of verification for the inspection:
 - i. Number of users having Backoffice access rights.
 - ii. Number of users having different privileges.
 - iii. Timeline of the system locking and date range.
 - iv. All the systems logs and audit log trails of the users and the Trading Member.
 - v. All periodic submission to SEBI/the Exchange as per the standardised formats defined by SEBI/NSEIL.
 - vi. Provisions for monitoring Dummy control accounts and Dummy entries.
 - vii. Limitations on number of machines by issuing license key which will act as a validation for each instance of login/reinstallation of the application.
 - viii. The Software has the facility to generate logs of all entries/deletion/modification done by the trading member(s), as specified through relevant circulars.

8. I/We undertake that-

- i. NSEIL shall have the right and privilege of inspecting the functionality of the Software at my/our site without any prior notice.
- ii. We shall provide all the necessary support, technical and otherwise including for inspection and retrieving data from the Software, as may be required by the Exchange/SEBI or any other regulatory authority.
- iii. I/We shall ensure User Acceptance Testing (UAT) environment, testing of the technical specifications of the Software.
- iv. I / We shall make available Prototype and the technical specifications of the Software to the Exchange for testing purposes.
- iv. I / We shall make all periodic submissions and inspection submissions to be made via API or any other mode as specified by the Exchange time to time.
- v. I / We shall incorporate any change in the Software introduced by the Exchange/SEBI for regulatory requirements within stipulated timelines.
- vi. I / We shall be responsible to fix the bugs in the Software, if any.

9. I / We shall meet the criteria's as may be prescribed by the Exchange from time to time to measure the expected level of performance of the Software.

10. I / We shall ensure that adequate documentation along with the user manual required to operate the Software and use of system outputs as specified by the Exchange from time to time with respect to the Software are provided to Approved Users and officials of Exchange / SEBI. Further, such documentation shall include the potential error conditions and recommend action in the event of occurrence of error.

11. I / We undertake that:

- i. All material and information which has or will come into my /our possession or knowledge in connection with this Undertaking or the performance hereof, consists of confidential and proprietary data, whose disclosure to or use by third parties will be damaging or cause loss to the Exchange. I / We agree to hold such material and information in strict confidence, not to make use thereof other than for the performance of the Undertaking, to release it only to my/our employees requiring such information and that too only with the written consent of the Exchange, and not to release or disclose it to any other parties. I / We shall take appropriate action with respect to my / our employees to ensure that the obligations of non-use and non-disclosure of confidential information under this Undertaking are fully satisfied by executing appropriate and applicable non-disclosure agreement with my employees and shall also ensure that my/our employees are aware and comply with the above provisions. The provisions of this clause shall survive the termination of the Undertaking.

- ii. I / We shall not advertise or publish any brochure, pamphlet, booklet, notice, or promotional material mentioning the Exchange or the services to be provided under the Undertaking without the prior written consent of the Exchange.
- 12. I / We shall develop the Software after considering the current and expected increase in workload, to ensure that the desired efficiency can be maintained with future workloads.
- 13. I / We shall develop the Software and make it compatible to other Operating Systems, in case of any need to transfer the Software from one piece of hardware to another due to technological changes.
- 14. I / We shall provide upgrade to the Software as and when the need for the same arises and in accordance with the requirements of the Exchange. Further, I/We shall provide the training and documentation required with respect to the same to the Exchange.
- 15. I / We am / are fully aware that the Exchange shall not be responsible for development, maintenance, updates, upgrades, error fixes and other support functions.
- 16. I / We undertake to ensure as follows:
 - i. That in case of failure or malfunctioning of the Software, I/We shall make such first level trouble shooting and rectification of the Software problem to restore the Software in its proper operating condition.
 - ii. That I / We shall perform onsite maintenance of the Software regularly or in such manner and at such time intervals as may be specified by the NSEIL from time to time.
- 17. I / We confirm that the Software complies with all the requirements stipulated by the Exchange/SEBI in this regard and undertake that I / we shall modify the Software, if necessary to ensure continued compliance with the requirements of the Exchange / SEBI as may be issued from time to time.
- 18. I/We confirm that during the continuation of this undertaking if any modification/amendment to this Undertaking or to the Software is required by the Exchange/ to be made by me/us, I/We agree and undertake to implement the same within timelines specified by the Exchange from time to time.
- 19. I/We agree and understand that the Exchange / SEBI has the right to take such actions as it may deem fit in accordance with Byelaws, Rules and Regulations of the Exchange or SEBI laws, in case of any fraudulent activity / unlawful business by me/us or for my/our non-compliance with any of the provisions of this Undertaking.

20. I / We shall render all possible assistance and co-operation to the Exchange by providing access to any kind of information in any form as it may require and I/we hereby undertake to produce such documents, records, accounts, books, data howsoever stored including data stored in magnetic tapes, floppy diskettes, etc. and any other information as may be required by the Exchange at its discretion. In case of any impediment which frustrates the role / rights of NSEIL as provided herein, such impediment (which falls within our domain) shall be resolved by me/us at the earliest.
21. I/We agree that the Exchange endeavours to provide the approval for the Software on a best-efforts basis and makes no representations or warranty, express or implied, with regard to the advantages, benefits, usefulness, or accuracy of the same or the advantages accruing by subscribing to it. The Exchange shall not be responsible, liable or shall guarantee the results for the functionality and / or performance of the Software and shall in no event be liable or responsible for any direct or indirect claims/damages arising out of the usage / avilment / subscription of such facility.
22. I/We agree that the approval granted by the Exchange to the subject matter back-office facility does not, in any manner, represent or warrant that the said back-office facility shall be free of any error, omission, defect, bugs, shortcoming or limitation of any nature whatsoever. I/We am/are solely responsible for ensuring that the Software does not result in any market abruptions, aberrations or disturbs/affect the integrity of the market / sanctity of price discovery mechanism. Further, I/We shall be solely liable for all/any dysfunctional, erroneous or disorderly functioning of the Software and for the consequences arising out of such functioning. I/We shall at all times ensure that the Software shall not be used for any purpose that is contrary to applicable circulars, Byelaws, Rules and Regulations of the Exchange and/or SEBI.
23. I / We agree and undertake that the Exchange shall not be liable for any direct or indirect loss, damage, costs, claims and expenses whatsoever caused or contributed by any event of force majeure. For the 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 the Government of India and any concerned State Government and such other acts or events beyond the Exchange's control and further the above is without prejudice to the rights already accrued to the Exchange due to my/our failure to perform either in full or in part, my/our obligations prior to the occurrence of events of Force Majeure.
24. I / We shall indemnify and keep indemnified the Exchange harmless against every and all claim, loss, damage, settlement, penalties, demands, costs, taxes, expense or other liability (including, without limitation, attorney's fees), including any and all third party claims (each, a "**Claim**") arising directly or indirectly against the Exchange from or related to my / our non-compliance, contravention with any of the provisions of this Undertaking or any loss suffered by the Exchange for reasons attributable to me/us in connection to this Undertaking or the Software.
25. I / We agree that no forbearance, delay or indulgence by the Exchange in enforcing the provisions of this Undertaking shall prejudice or restrict the rights of the Exchange

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 the Exchange is exclusive of any other right, power or remedy available to the Exchange and each right, power or remedy shall be cumulative.

26. I / We undertake that any declaration or other notice to be given by me/us to the Exchange shall be sent by registered letter or email/ telex/cable or facsimile transmission to the address first mentioned above.
27. That 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 the Exchange from time to time.
28. I/We agree to adhere to adhere to cyber security practices, policies and norms specified by Exchange from time to time.
29. That I / We shall produce all such necessary documents/papers to Exchange in support of my claim that Software is solely developed by me/us and the intellectual property rights of the Software is owned by me/us.
30. Any term(s) & condition(s), warranty and/or representation stipulated in this Undertaking shall be binding as per its applicability.
31. In event of conflict between the terms and conditions of this Undertaking and any other agreement/engagement executed in regard to the purpose mentioned herein, the terms and conditions of this Undertaking shall prevail at all times.
32. This Undertaking shall be subject to, construed and interpreted in accordance with the laws of India and the Courts in Mumbai shall have exclusive jurisdiction over it.

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

Signed, Sealed and Delivered By

For and on behalf of

Before me (Witness)

Checklist for Submitting Undertaking

Sr	Pre-Checks	Tick wherever applicable
1	Stamp paper is of minimum Rs. 600 /- **for details refer instruction below	
2	Stamp paper purchased in name of Trading Member	
3	Undertaking is executed in favour of NSEIL	
4	Date of Stamp paper purchase:	
5	Date of execution of undertaking mentioned:	
6	Date of Notarizing to be mentioned:	
7	Notary stamp on all pages	
8	Date of entering into the agreement as specified on the first page of the agreement should be on or before the date of notarizing the agreement.	
9	Undertaking is executed within validity of stamp paper (Date of execution is on or after the date of, and is within six months of, the stamp paper purchase date)	
10	Clauses of Undertaking are as per format	
11	Signature on all pages of the Undertaking	
a	For Individual: Only self can sign	
b	For Partnership Firm: All Partners OR Authorised Signatory	
c	For Corporates: Minimum two directors or a managing director / Authorised signatory	
d	For others: Authorised signatories	
12	Signature of 2 witness on last pages of the Undertaking (not mandatory)	
13	Company's stamp is affixed and in presence of persons authorised by the Board Resolution (for Corporates only)	
14	If there is any correction in the undertaking, then ensure the persons as authorised by the board resolution have signed across the correction	
15	Additional Documents to be collected	Remarks
a	For Individual: None	-
b	For Partnership Firm: Partnership deed or any other documents as advised	
c	For Corporates: Copy of board resolution and specimen signature list of authorised signatories	
d	For others: any other documents as advised	

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