**Undertaking for testing of software by Members/Brokers**

I / We M/s. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(TM Code :\_\_\_\_\_\_\_), an individual /a partnership firm under the Indian Partnership Act, 1932 / a Company / body corporate incorporated under the Companies Act of 1956 /\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Act, 19\_\_, and residing at / having our principal place of business / registered office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ give this UNDERTAKING on this the \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_ 20\_\_ at \_\_\_\_\_\_\_\_\_\_\_\_\_ IN FAVOUR of National Commodity & Derivatives Exchange Limited, a company incorporated under the Companies Act of 1956, with its registered office at 1st Floor, Akruti Corporate Park, Near GE Garden, LBS Road, Kanjurmarg (West), Mumbai 400 078 (hereinafter called "NCDEX")

**WHEREAS**

Securities and Exchange Board of India (**SEBI**) vide its circular CIR/CDMRD/DEICE/03/2015 dated December 11, 2015 has laid down the requirements to be complied by the brokers/members for using the software (“**Software**”) used in or related to Trading and Risk Management and more specifically in relation to CTCL (Computer to Computer Link), IBT (Internet Based Trading), STWT (Security Trading through Wireless Technologies) & AT (Algorithmic Trading) (hereinafter referred to as “**Facility**”).

And whereas, the member is further required to submit an undertaking for using the Software to NCDEX, as per the requirements of SEBI circular dated December 11, 2015.

In consideration of NCDEX considering the request made by the Member from time to time seeking permission of NCDEX for deploying new software/changing or modification of existing software, the Member undertakes unconditionally and irrevocably to comply with the following terms and conditions:

1. I/We will take all necessary steps to ensure that every new Software or existing software that has undergone change to the trading and/or risk management functionalities will be tested as per the framework prescribed by SEBI / NCDEX before deployment of such new / modified Software.
2. I/We will ensure that approval of NCDEX is sought for all new software or existing software that has undergone change and will comply with various requirements specified by SEBI / NCDEX from time to time with regard to usage, testing and audit of the Software.
3. The absolute liability arising from failure to comply with the above provisions shall lie entirely with me/us.
4. The Member agrees to comply with the circulars/directions/notices/orders/ stipulations issued by SEBI / NCDEX from time to time with regards to the use of the Software used in or related to Trading and Risk Management.
5. The Member shall pay such fee/charges as may be levied by NCDEX from time to time.
6. The Member understands and agrees that NCDEX may revoke the permission granted to me/us with regards to use of Software, in case, non-compliance or violation of the requirements of SEBI / NCDEX.
7. The Member agrees that the provision of this Undertaking shall apply to every application made by it to NCDEX seeking permission for deploying new Software or changing the existing Software.
8. In case of dysfunctional algorithmic trading (i.e. algos leading to loop or runaway situation), the member shall suo moto provide the information to NCDEX immediately and shall strictly adhere to the various directions including deactivation of algorithmic trading, suspension of trading activities as issued by NCDEX from time to time. The decision of NCDEX with regards to incident arising out of dysfunctional algorithmic trading, integrity and capability of algorithmic trading or system used for algorithmic trading shall be final and binding.
9. The Member undertakes that the present undertaking shall be binding upon my/our heirs, successors, legal representatives and assigns.

**IN WITNESS WHEREOF** this Undertaking is executed by me/us (\*\*\*as per the resolution passed by the Board of Directors in their meeting held on …………………………………...) on the day and the year mentioned herein above.

