

For office use:	TM ID NO.	
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TRADING MEMBERSHIP UNDERTAKING

This undertaking is given at..... this
..... day of, 20.....

To:

Nepal Derivative Exchange Limited,
3rd Floor, NDEX Complex
Tinkune, Kathmandu
Nepal

Hereinafter called “NDEX” (Which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include their successors and assigns)

BY:

.....

Regd. Office

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.....

Hereinafter called “the Undersigned” (which expression shall unless repugnant to the context or meaning thereof be deemed to include its successors and permitted assigns).

WHEREAS the NDEX has agreed to admit the Undersigned as a trading member on NDEX in accordance with the Byelaws, Rules and Regulations of NDEX in force from time to time.

AND WHEREAS NDEX has as a precondition to the Undersigned being admitted as a trading member. It is required that the Undersigned to furnish the undertaking in the manner and on the terms herein below:

AND WHEREAS at the duly convened Board of Directors (The “Board) meeting of the Undersigned being M/s Limited, the Board has authorized Mr. /Ms. And Mr. /Ms. to sign and execute the Undertaking to NDEX on the following lines.

Now therefore in consideration of NDEX admitting the Undersigned as a trading member of Nepal Derivative Exchange Limited, the Undersigned hereby undertakes and agrees that: -

1. The Undersigned shall comply with all such requirements, existing and future with regard to and in connection with our appointment as a trading member;
2. The Undersigned shall adhere to the Bye-laws, Rules and Regulations framed by NDEX from time to time;
3. The Undersigned shall abide by the code of conduct as laid down from time to time by NDEX;
4. The Undersigned shall maintain and preserve such information, records, books and documents pertaining to the working of the Undersigned as a trading member for such period as may be specified by NDEX from time to time;
5. The Undersigned shall permit NDEX or any other authority appointed by it for inspection, access to all records, books, information, documents as may be required therefore;
6. The Undersigned shall submit periodic reports, statements, certificates and such other documents as may be required by NDEX, and shall comply with such audit requirements as may be framed specially by NDEX from time to time;
7. 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 NDEX or any committee of NDEX duly constituted for the purpose, in the event of the Undersigned committing any violation of any rules, regulation or practice or code of conduct prescribed by NDEX in respect of the conduct of the business in NDEX;
8. The Undersigned shall conduct business at the Nepal Derivative Exchange Limited prudently and shall ensure that it will not be prejudicial or detrimental to public interest in general, and to NDEX in particular;
9. If any difference/dispute shall arise between the parties as to the interpretation, meaning 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 the Nepal Derivative Exchange Limited operations, the same shall be settled to the extent provided as per Bye-laws, Rules and Regulations framed for that purpose;
10. The Undersigned shall abide by the Bye-laws introduced/modified from time to time with/without prior notice;
11. The Undersigned shall abide by and adopt the Rules and Regulations of the clearing and settlement systems of the NDEX and any other agencies appointed by NDEX for this purpose and any amendments made thereto from time to time;
12. The Undersigned shall pay the costs and expenses including fees prescribed by NDEX from time to time, from or incidental to the Undersigned operating on the Nepal Derivative Exchange Limited's trading systems; and to establish other systems in accordance with the specifications prescribed by NDEX from time to time;

13. The Undersigned shall use the Nepal Derivative Exchange Limited infrastructure facilities and equipment only for the purpose for which they are permitted to be used;
14. The Undersigned shall furnish security deposits, pledge of securities, hypothecation of movables, lien on bank accounts or such other security as may be required by NDEX from time to time and to do all acts, deeds and things to enable NDEX 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 the NDEX and clearing house, if any;
15. 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 the Nepal Derivative Exchange Limited;
16. On being admitted as a trading member, the Undersigned shall be active participant of the Nepal Derivative Exchange Limited;
17. The Undersigned are aware that the Undersigned would be/are admitted as a trading member of the Nepal Derivative Exchange Limited on paying the prescribed membership fee and security deposit and that the membership is not transferable for a minimum period of five years or any minimum period as may be stipulated from time to time by NDEX and the Undersigned do unequivocally undertake that the Undersigned shall not be entitled to make any claim for refund of the security deposit for a minimum period of three years even if the Undersigned intend to cease or to discontinue to trade on the Nepal Derivative Exchange Limited;
18. NDEX 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 NDEX shall be entitled to all powers vested in them under the Rules, Regulations and Bye-laws, by which the Undersigned unconditionally agrees to be bound;
19. Without prejudice to the foregoing, NDEX 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 the NDEX in force from time to time;
20. NDEX shall not be held responsible or liable for any failure of computer systems, telecommunication network and other equipment installed at the offices of the undersigned and NDEX shall also not be held responsible for any misuse, mishandling, damage, loss, defect etc, and NDEX has the right to inspect and supervise all computer systems, software programmes, tele-communications equipment, VSAT etc, which are provided by NDEX at the office of the Undersigned and the Undersigned shall not make any alterations, modifications and changes without prior written consent of NDEX;
21. The Undersigned shall not disclose, reveal, publish and advertise any material information relating to operations, membership, software, hardware, etc. of NDEX without prior written consent of NDEX except and to the extent as may be required in the normal course of its business;

22. Where in the opinion of NDEX, any change in the composition of the Board of Directors of the Undersigned has resulted or is likely to result due to any direct or indirect transfer of shares or securities in the share capital of the Undersigned, NDEX will be entitled to review continuation of the Undersigned as a trading member of the Nepal Derivative Exchange Limited; and, the Undersigned shall be bound by any decision taken by NDEX in this regard which shall be final;
23. Where in the opinion of NDEX any change in the composition of the Board of Directors of the Undersigned has resulted or is likely to result due to any direct or indirect transfer of shares or securities in the share capital of any one or more companies or bodies corporate holding any part of the paid-up capital of the Undersigned, NDEX will be entitled to review continuation of the Undersigned as a trading member of the Nepal Derivative Exchange Limited, and the undersigned shall be bound by any decision taken by NDEX in this regard which shall be final;
24. Within 3 days from the date of the meeting of the Board of Directors of the Undersigned or other competent committee, the Undersigned shall notify NDEX of any approval or refusal to transfer the shares or securities forming part of the issued capital of the Undersigned, if such transfer has or is likely to result in any change in the composition of the Board of Directors of the Undersigned; and that
25. The Undersigned shall execute, sign, and subscribe to such other documents, papers, agreement, covenants, bonds, and/or undertakings as may be prescribed or required by NDEX from time to time;
26. The Undersigned undertakes to make such contributions to Investor's Compensation Fund pertaining to the Nepal Derivative Exchange Limited as and when required by the exchange and also complies with all requirements of the exchanges in respect thereof;
27. The Undersigned undertakes to subscribe to the mandatory centralized insurance cover arranged by the exchange for the Trading Members in the Nepal Derivative Exchange Limited to pay the insurance premium as may be required by the exchange and also to comply with all requirements of the exchange in respect thereof;
28. The company shall take prior approval from the NDEX before forming any subsidiary or acquiring any other company;
29. Undersigned shall keep the password in strict confidence and secrecy and shall not disclose the same to any person and undersigned shall be bound by all transactions and trades done on the NDEX by use of its password;
30. The Undersigned shall get registered with the relevant sales tax Authority if required under the law and shall pay all applicable sales tax and stamp duty. Also the undersigned shall reimburse NDEX any tax, statutory obligation (including interests and penalties thereon if any) in the event of NDEX being levied and made to pay or bear any such liability by the Statutory Authorities;
31. That the fees, security deposits, other monies and any additional deposits paid, whether in the form of cash, bank guarantee, securities or otherwise, with the NDEX,

by the Undersigned from time to time, shall be subject to a first and paramount lien for any sum due to the NDEX and all other claims against the Undersigned for due fulfillment 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 the NDEX. The NDEX 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;

32. The undersigned shall indemnify the NDEX against any loss or damage including liabilities arising out of failure to comply with the Clauses above.

The Undersigned do hereby confirm that the information provided in the application form of the Undersigned for the Trading Member of NDEX is true and correct to the best of the knowledge and belief of the Undersigned and that the above undertakings will be binding on the successors and permitted assigns of the Undersigned.

Name of authorized person:

Designation:

Authorized Signature:

Seal of the Company:

Date: