

## Annexure II- Undertaking for 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 \_\_\_\_\_, an individual / a firm registered under the Indian Partnership Act, 1932 / a Limited Liability Partnership registered under Limited Liability Partnership Act 2008/a Company / Body Corporate incorporated under the Companies Act of 2013/ \_\_\_\_\_ Act, \_\_\_\_, and residing at / having our registered office at/ having place of business at \_\_\_\_\_ (including its successors, assigns and legal representatives) give this UNDERTAKING on this \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ IN FAVOUR of BSE Ltd.(BSE), a company incorporated under the Companies Act of 1956, with its registered office at 25th floor, PJ Towers, Dalal Street, Mumbai - 400001 (hereinafter referred to as 'BSE/Exchange' which expression shall unless repugnant to the context include its successors, assigns and legal representatives)

### **WHEREAS**

- a) The trading members registered with the Exchange ("hereinafter referred to as Trading Members") may, for its approval of Back office facility, either develop the necessary software on its own or procure suitable software from a software vendor ("the Software") empanelled with the Exchange after such vendors/ trading member duly comply with the requirements as may be stipulated by the Exchange in this regard (hereinafter referred to as "the Vendor").
- b) The Exchange shall approve / empanel such software vendors to provide Trading Members with software on the Back office facility based on the application received from them and fulfilment of such criteria as may be stipulated by the Exchange from time to time including such software vendor providing an Undertaking in favour of the Exchange in the format prescribed by it and agreeing to abide by and be bound by the various terms and conditions which the Exchange may prescribe in this regard from time to time. However, in event of such software developed in-house, the prescribed undertaking shall be provided by the Trading Member.
- c) The trading member developing such software in-house may not be required to engage an empanelled vendor with the Exchange. However, for such Software for Back Office Facility, the designated director of the trading member shall provide the undertaking as prescribed hereunder.

**NOW THEREFORE IN CONSIDERATION OF the Exchange having agreed to identify / identified me / us as a Vendor 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:**

I / we am / are desirous of developing software in-house or develop such software for the Trading Members or engaging the service of a vendor to develop such software, in order to enable to avail the Back office facilities, and in this regard, I/ we, have submitted our application to the Exchange for empanelment (*as applicable*) along with an undertaking as

herein below stating inter alia that I/We shall fulfil all the terms and conditions as may be prescribed by the Exchange from time to time at its discretion in this regard.

1. I/We hereby, declare that, the information provided by me/ us in the application form submitted to the Exchange for approval of the Software on Back office facility are complete and true to best of our knowledge and based on records.
2. I/ We agree to pay any such license fees/charges/royalties as may be levied by SEBI/the Exchange or any other regulatory/statutory authorities from time to time.
3. I/We shall install the Software after duly ensuring that all the functionality requirements stipulated by the Exchange in this regard have been complied with by us.
4. I/We undertake to obtain the prior approval of the Exchange for any major changes to be made to the software and also maintain such software versions. Major changes mean changes with respect to reports / submission details specified in Annexure A. (Vendors may carry out other changes with base software version for which approval may not be required).
5. I/We undertake to ensure that details of all changes made in the back office (Major or minor) will be reported to Exchange on every half yearly basis.
6. I/We undertake to ensure that access shall be given only to the authorized individuals, either it being our representatives (“Vendor’s personnel”) or representative of the Trading Member (“Approved Users”) and officials of Exchange / SEBI and shall ensure to deploy a method (including malware protection) to prohibit any unauthorized access to the Software provided on the Backoffice facility.
7. I/We undertake that the backup and recovery procedure controls shall be inbuilt in the Software by me/us.
8. I / We shall ensure that the Back-office facility shall be developed so as to generate the following from the software 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/BSE
  - vi. Provisions for monitoring Dummy control accounts and Dummy entries posted by the Trading member
9. I/We undertake that
  - i. BSE shall have the right and privilege of inspecting the functionality of the Software at my/our site and the software at Trading Members site without any prior notice.

- ii. We shall provide all the necessary support, technical and otherwise, as may be required for the Exchange/SEBI or any other regulatory authority to inspect and retrieve data from the Software.
  - iii. 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 or Regulatory requirements within stipulated timelines
  - vi. I / We shall be responsible to fix the bugs in the Software if any.
10. I / We shall meet the criteria set as may be prescribed by the Exchange from time to time to measure the expected level of performance.
11. I / We agree that the terms of delivery and payment shall be as agreed to by the Trading Member and myself/us and the Exchange shall not be responsible for any breach, either by the Trading Member or by me/ us, of such terms and conditions agreed therein.
12. I / We shall provide the documentation i.e. training manuals required to operate the software and use of system outputs as specified by the Trading Member and Exchange, with the Software. Further, such documentation shall include the potential error conditions and recommend action in the event of occurrence of error.
13. I / We undertake to provide user training to the Approved User, at the time, when the software is being installed and thereafter whenever a major upgrade is released for the following:
- i. Use of software
  - ii. Maintenance of the software
  - iii. Regulatory changes

Further, I / We also undertake that the frequency and calibre of the Vendor's Personnel providing the training shall be as specified.

14. 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 Agreement, 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 the Agreement are fully satisfied 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 agreement. For the purpose of this clause the term data shall include

- amongst other things technical data which may be divulged by the Trading Member during the normal course of development of the software and information relating to the operations of the Exchange.
- 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 Agreement without the prior written consent of the Exchange.
15. 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.
  16. 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.
  17. 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.
  18. I / We am / are fully aware that the Exchange shall not be responsible for development, maintenance, updates, upgrades, error fixes and other support functions.
  19. I / We undertake to provide the training and documentation as and when the Software is technically upgraded.
  20. 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 provide services for regular onsite maintenance of the Software in such manner and at such time intervals as specified by the Trading Member. We are also aware that BSE shall in no way be responsible for non-fulfilment of either this or any other condition by the Trading Member.
  21. I / We confirm that the Software complies with all the requirements stipulated by the Exchange, SEBI and the DOT in this regard and undertake that I / we shall modify the Software, if necessary to ensure continued compliance with the requirements of the Exchange / DOT / SEBI / any other authority as may be issued from time to time.
  22. I / We hereby undertake to duly inform the Exchange in case of any cause, resulting in any change to my/our entity, or any change in any of the eligibility criteria based on which we have been identified as a Vendor for this purposes by the Exchange.
  23. I / We hereby undertake to duly inform the Exchange the list of Trading Members who are using my/our back office facility as and when the Exchange sought such information with the stipulated time as communicated by the Exchange

24. That during the continuation of this undertaking if any modification/amendment is required by the Exchange/Trading Member, to be made by us, I/We agree and undertake to make the same.
25. I/We agree that the term “Empanelment by the Exchange” is specifically limited to share API or any other technical requirement with registered vendors to achieve standardization of reports and/or seamless periodic data submissions to Exchange and receiving update from BSE in respect of the regulatory changes to be done in back office facility, wherever we display or express our Empanelment with the Exchange.
26. I/We agree that “Empanelment at the Exchange” does not guarantee the software veracity or any commercial veracity of any contract or agreement done by us with our clients and any software developed by us shall in no way construed as being recommended by the Exchange. I/ We agree that our Empanelment at the Exchange does not constitute or imply endorsement, recommendation, or favouring of the Exchange, its associate companies or any of its employees or contractors acting on its behalf.
27. I/We shall undertake that the Exchange / SEBI has the right to dis-empanel with immediate effect in case of any fraudulent activity / unlawful business by us or at its discretion of Exchange / SEBI
28. I/We shall undertake that I/we shall render all required assistance and co-operation to the member for migration to new back office facility / Vendor in case Exchange / SEBI has dis-empanelled us with immediate effect or otherwise.
29. 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 BSE as provided herein, such impediment (which falls within our domain) shall be resolved by I/ We at the earliest.
30. I/We agree that the Exchange endeavours to provide the approval for back office facility 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 back office facility and shall in no event be liable or responsible for any direct or indirect claims/ damages or the like arising out of the usage / availment / subscription of such facility.
31. 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. The Vendor and Trading Member is solely responsible for ensuring that the subject matter back office facility does not result in any market abruptions,

aberrations or disturbs/affect the integrity of the market / sanctity of price discovery mechanism. Further, the Vendor and Trading Member shall be solely liable for all/any dysfunctional, erroneous or disorderly functioning of the subject matter back office facility and for the consequences arising out of such functioning. The Vendor and Trading Member shall at all times ensure that the subject matter back office facility shall not be used for any purpose that is contrary to applicable Circulars, Byelaws, Rules and Regulations of the Exchange and/or SEBI.

32. I/We agree that in case of any dispute arising between me/us and trading member/s, the Exchange shall not, in any way, be responsible for the resolution of any such dispute. Further, the Exchange shall in no case be responsible in case of breach of any terms and conditions, commercials etc. which have been mutually agreed upon between the Vendor and Trading Member.
33. 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.
34. I / We shall indemnify and keep indemnified the Exchange harmless against every and all claims, demand, damages, liabilities and expenses suffered by the Exchange directly by reason of my / our non-compliance, contravention with any of the provisions of this Undertaking or by reason of bugs or malfunctioning of the software provided by us to the Trading Members of the Exchange or any loss suffered by the Exchange for reasons attributable to me/us in connection to this undertaking. I/ we shall defend and keep harmless the Exchange from any and all adverse actions, claims, demands, whatsoever and all costs, expenses (including the reasonable cost of investigating or defending any loss, liability, claim, damages or expense and reasonable counsel fees incurred in connection therewith), losses and liabilities which are adjudicated by a court of competent jurisdiction to have directly arisen out of and in connection with such wilful misconduct, fraud, fraudulent misrepresentation or conduct that demonstrates a reckless disregard for the rights of others in the performance of obligations under this Undertaking provided however that in case any obligation is cast unto the Exchange by any court of competent jurisdiction to pay/ deposit any interim amount pending final disposal of any matter pertaining to the above mentioned adverse actions, claims, demands etc. then in such an eventuality I/ We shall forthwith without any delay or demur pay such interim amount to the Exchange subject to the said amount not exceeding the average annual revenue generated by me/ us in the last three completed and audited financial years from the suite of software approved by the Exchange. In the event of any higher amount being ordered to be paid / deposited then the same would be mutually discussed and appropriate amount agreed to, for payment to the Exchange.
35. 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.

36. 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.
37. 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.
38. I/We also agree that in the event of my/our non-compliance with any of the provisions as mentioned above, the Exchange shall take such action against us as it may deem fit in this regard.
39. I/We agree to adhere to adhere to cyber security practices, policies and norms specified by Exchange from time to time.
40. That I / we shall produce all such necessary documents/papers to Exchange in support of my claim that Software is solely developed and the intellectual property rights of the Software is owned by me/us or the software is developed by third party and I/We have the licence to use / to distribute
41. Any term(s) & condition(s), warranty and/or representation stipulated in this Undertaking shall be binding as per its applicability in light of Clause (a), (b) and (c) hereinabove.
42. In event of conflict between the terms and conditions of this Undertaking and any other agreement/engagement executed in regard to the services provided for the purposes mentioned herein, the terms and conditions of this Undertaking shall prevail at all times.

**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)**

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### 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 Vendor	
3	Undertaking is executed in favour of BSE	
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 signatories	
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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