

## ADDENDUM MEMBER-CLIENT AGREEMENT (ITORS TRADING)

This agreement is made and executed at..... this..... day of....., 20..... between M/s. RR Commodity Brokers Pvt. Ltd., a body corporate, incorporated under the provisions of the companies act, 1956 being a member of the National Commodity and Derivatives Exchange Limited (hereinafter called "the Exchange" or "NCDEX") with the FMC ID : NCDEX/TCM/CORP/0635 for Commodity market, Multi Commodity Exchange of India Limited (hereinafter called "the Exchange" or "MCX") with the FMC ID : MCX/TM/CORP/28850 for Commodity market and having its Corporate Office : 47, M.M. Road, Rani Jhansi Marg, New Delhi-110055 (hereinafter called "the commodity broker") which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its assigns and successors in interest and itself in the capacity of a trading member while trading in the commodity spot & derivative segment, as the case may be, of the one part;

AND

Mr/Ms/M/s ..... S/o ..... an Individual/a Sole Proprietary concern/a Partnership Firm/a HUF/a Body Corporate or any other legal entity registered/ incorporated under the provisions of the Indian partnership act, 1932/ the companies act, 1956, whose particulars are given hereunder at the execution page (hereinafter called "the client") and having his/its office/ registered office at ..... , which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his/her heirs, executors, administrators and legal representatives/the partners for the time being of the said firm, the survivor or survivors of them, the member or members for the time being of the Hindu Undivided Family (HUF) and their respective heirs, executors, administrators and legal representatives/its successors, as the case may be, of the other part;

### WHEREAS:

1. The COMMODITY BROKER is a member of ("the Exchange") and is also registered with the Future Market Commission ("FMC") as a commodity broker.
2. The Client is a client/constituent of the commodity broker, and the commodity broker and the Client have entered into a Member Client Agreement dated the \_\_\_ day of \_\_\_\_\_ (the Main Member-Client Agreement);
3. The commodity broker offers and/or proposes to offer the Internet Trading Order Routing System (ITORS) Service to its clients; and the Client desires to avail of the commodity broker's ITORS Service for purchasing, selling or otherwise dealing in commodities; The commodity broker and the Client desire to enter into this Supplemental Agreement forming part of Main Member-Client Agreement in order to record the agreement between them relating to the commodity broker's ITORS Service to be availed of by the Client.

IT IS HEREBY AGREED BETWEEN THE COMMODITY BROKER AND THE CLIENT as follows:

### 1. DEFINITIONS:

1.1. In this Agreement (including the Recitals above), unless the context otherwise requires the following words shall have the following meanings:

- (i) "The Exchange" means the NCDEX, MCX, NSEL and includes a segment of the Exchange.
- (ii) "Exchange Provisions" means the Rules, Bye-laws, Regulations, Business Requirement, Specifications, handbooks, notices, circulars and resolutions of the Exchange or any segment of the Exchange in force from time to time and

includes the Minimum Requirements Handbook for ITORS prescribed by the Exchange, as amended from time to time.

(iii) "ITORS" means Internet based Trading through Order Routing System, being a system approved by the Exchange for enabling clients to route their orders to their commodity broker-brokers over the internet.

(iv) "ITORS Service" or "Service" means the service offered by the commodity broker to its clients through ITORS whereunder the clients can route their orders for purchase, sale and other dealings in commodities through the commodity broker's ITORS System.

(v) "Password" means an alphanumeric code used by the Client to validate his/her user name and to access the Service.

(vi) "FMC" means the Forward Markets Commission.

(vii) "Username" means an alphanumeric login identification used by the Client for accessing the Service.

### 2. AGREEMENT TO PROVIDE AND AVAIL OF THE ITORS SERVICE:

The commodity broker agrees to provide the commodity broker's ITORS Service to the Client, and the Client agrees to avail of the commodity broker's ITORS Service, on and subject to the terms and conditions of this Agreement, the Exchange Provisions and the terms of the commodity broker's ITORS Web Site.

### 3. USER NAME AND PASSWORD:

3.1 The Client will be entitled to a username and password, which will enable him to access the commodity broker's ITORS System for availing of the Service.

3.2 The Client is aware that the commodity broker's ITORS System itself generates the initial password and that the commodity broker is aware of the same. The Client agrees and undertakes to immediately change his initial password upon receipt thereof. The Client is aware that subsequent passwords are not known or available to the commodity broker.

3.3 The Client shall be responsible for keeping the Username and Password confidential and secure and shall be solely responsible for all orders entered and transactions done by any person whatsoever through the commodity broker's ITORS System using the Client's Username and/or Password whether or not such person was authorized to do so.

3.4 The Client shall immediately inform the commodity broker of any unauthorized use of the Client's Username or Password with full details of such unauthorized use including the date of such unauthorized use, the manner in which it was unauthorized used, the transactions effected pursuant to such unauthorized use, etc.

3.5. The Client acknowledges that he is fully aware of and understands the risks associated with availing of a service for routing orders over the internet including the risk of misuse and unauthorized use of his Username and/or Password by a third party and the risk of a person hacking into the Client's account on the commodity broker's ITORS System and unauthorized routing orders on behalf of the Client through the System. The Client agrees that he shall be fully liable and responsible for any and all unauthorized use and misuse of his Password and/or Username and also for any and all acts done by any person through the commodity broker's ITORS System on the Client's Username in any manner whatsoever.

3.6 The Client shall log off from the ITORS Service at any time the Client is not accessing or using the Service and any liability incurred to the Client as a consequence of the Client not logging off the Service shall borne solely by the Client.

3.7 Without prejudice to the provisions of Clause 3.5, the Client shall immediately notify the commodity broker in writing with full details if:

- (i) he discovers or suspects unauthorized access through his Username, Password or account,

- (ii) he notices discrepancies that might be attributable to unauthorized access,
- (iii) he forgets his password or
- (iv) he discovers a security flaw in the commodity broker's ITORS System.

3.8 In any of the above events specified in Clause 3.7, the Client shall immediately change Password. However, if the Client is unable to change Password by reason of his having forgotten his Password or his Password having been unauthorized changed by some other person or for any other reason then the Client shall immediately request the commodity broker in writing to discontinue old Password; and thereupon the commodity broker shall cause the commodity broker's ITORS System to discontinue the use of the Client's old Password and the commodity broker's ITORS System shall generate a new Password for the Client which shall be communicated to the Client. At no point in time shall the commodity broker be liable for any loss, whether notional or actual, that may be suffered by the Client on account of the misuse of the Password.

#### **4. TRANSACTIONS AND SETTLEMENTS:**

4.1 All orders for purchase, sale or other dealings in commodities and other instructions routed through the commodity broker's ITORS System via the Client's Username shall be deemed to have been given by the Client.

4.2 The orders and instructions and all contracts and transactions entered into pursuant thereto and the settlement thereof will be in accordance with the Exchange Provisions.

4.3 The commodity broker may from time to time impose and vary limits on the orders that the Client can place through the commodity broker's ITORS System (including exposure limits, turnover limits, limits as to the number, value and/or kind of commodities in respect of which orders can be placed, the commodity in respect of whose contract orders can be placed, etc.). The Client is aware and agrees that the commodity broker may need to vary or reduce the limits or impose new limits urgently on the basis of the commodity broker's risk perception and other factors considered relevant by the commodity broker, and the commodity broker may be unable to inform the Client of such variation, reduction or imposition in advance. The Client agrees that the commodity broker shall not be responsible for such variation, reduction or imposition or the Client's inability to route any order through the commodity broker's ITORS System on account of any such variation, reduction or imposition of limits. The Client understands and agrees that the commodity broker may at any time, at its sole discretion and without prior notice, prohibit or restrict the Client's ability to place orders or trade in commodities through the commodity broker.

4.4 Though orders will generally be routed to the Exchange's computer systems within a few seconds from the time the order is placed by the Client on the commodity broker's ITORS System, the commodity broker shall not be liable for any delay in the execution of any order or for any resultant loss on account of the delay.

4.5 The Client agrees that the commodity broker may, at its sole discretion, subject any order placed by a Client to manual review and entry, which may cause delays in the processing of the Client's order or may result in rejection of such order.

4.6 In case of a market order, the Client agrees that he will receive the price at which his order is executed by the exchange's computer system; and such price may be different from the price at which the commodity is trading when his order is entered into the commodity broker's ITORS System.

#### **5. MARGIN:**

The Client agrees and undertakes to immediately deposit with the commodity broker such cash, securities or other acceptable security, which the commodity broker may require as margin. The Client agrees that the commodity broker shall

be entitled to require the Client to deposit with the commodity broker a higher margin than that prescribed by the Exchange. The commodity broker shall also be entitled to require the Client to keep permanently with the commodity broker a margin of a value specified by the commodity broker so long as the Client desires to avail of the commodity broker's ITORS Service.

#### **6. CANCELLATION REQUESTS:**

6.1 When the Client places a request to cancel an order, the cancellation of that order is not guaranteed. The order will only be cancelled if the Client's request for cancellation is received and the order is successfully cancelled before it is executed.

6.2 The Client shall not be entitled to presume an order as having been executed or canceled until a confirmation from the commodity broker is received by the Client.

6.3 The Exchange may annul a trade *suo moto* without giving a reason therefor. In the event of such annulment, the commodity broker shall be entitled to cancel the relative contract(s) with the Client.

#### **7. INVESTMENT ADVICE:**

7.1 The Client acknowledges that the commodity broker shall not be liable to provide him with any legal, tax, investment or accounting advice or advice regarding the suitability or profitability of a commodity or investment.

7.2 The Client also acknowledges that the commodity broker's employees are not authorized to give any such advice and that the Client will not solicit or rely upon any such advice from the commodity broker or any of its employees.

7.3 The Client agrees that in the event of the commodity broker or any employee or official of the commodity broker providing any information, recommendation or advice to the Client, the Client may act upon the same at the sole risk and cost of the Client, and the commodity broker shall not be liable or responsible for the same.

7.4 The Client assumes full responsibility with respect to his investment decisions and transactions.

7.5 The commodity broker, its officers, directors, partners, employees, agents and affiliates will have no liability with respect to any investment decisions or transactions of the Client.

#### **8. SUPPLEMENTAL TO MAIN MEMBER-CLIENT AGREEMENT:**

This Agreement is supplemental to, and does not supersede, the Main Member-Client Agreement. Save as and except as modified expressly or by implication by this Agreement the Exchange Provisions or the terms of the commodity broker's ITORS Website, the provisions of the Main Member-Client Agreement shall apply *mutatis mutandis* to the extent applicable to dealings between the commodity broker and the Client pursuant to or otherwise relating to the commodity broker's ITORS Service.

#### **9. REPRESENTATIONS AND WARRANTIES OF CLIENT:**

The Client represents and warrants to the commodity broker that:

9.1 All the information provided and statements made in the Client's ITORS Account Application are true and correct and are not misleading (whether by reason of omission to state a material fact or otherwise) and the Client is aware that the commodity broker has agreed to provide the commodity broker's ITORS Service to the Client on the basis, *inter alia*, of the statements made in the Client's ITORS Account Application.

9.2 The Client is aware and acknowledges that trading over the internet involves many uncertain factors and complex hardware, software, systems, communication lines, peripherals, etc. which are susceptible to interruptions and dislocations; and the commodity broker's ITORS Service may at any time be unavailable without further notice. The commodity broker and the Exchange do not make any representation or warranty that the commodity broker's ITORS Service will be available to the Client at all times without any



interruption. The Client agrees that he shall not have any claim against the Exchange or the commodity broker on account of any suspension, interruption, non-availability or malfunctioning of the commodity broker's ITORS System or Service or the Exchange's service or systems for any reason whatsoever.

9.3 The Client has the required legal capacity to, and is authorized to, enter into this Agreement and is capable of performing his obligations and undertakings hereunder.

9.4 All actions required to be taken to ensure compliance of all the transactions, which the Client may enter into pursuant to this Agreement with all applicable laws, shall be completed by the Client prior to such transaction being entered into.

9.5 The Client shall abide by the Exchange Provisions and the terms of the commodity broker's ITORS Website in force from time to time.

9.6 Any instructions given by an authorized representative of the Client to the commodity broker (or to the commodity broker's representative) shall be binding on the Client.

**10. REPRESENTATIONS AND WARRANTIES OF THE COMMODITY BROKER:**

The commodity broker represents and warrants to the Client that:

The commodity broker's ITORS System has been approved by the Exchange.

Where the ITORS system has not been approved by the Exchange, the commodity broker has applied/ proposes to apply to the Exchange to approve the said ITORS System and the commodity broker will commence the commodity broker's ITORS Service only after the Exchange has approved the commodity broker's ITORS System.

**11. MARKET DATA:**

11.1 The Client understands that the Exchange asserts a proprietary interest in all of the market data it furnishes, directly or through the commodity broker or otherwise. The Client understands that the Exchange does not guarantee the timeliness, sequence, accuracy or completeness of market data or any other market information, or any messages disseminated by it. Neither the commodity broker nor the Exchange shall be liable in any way for incorrect, misleading, incomplete or dated data or information and, if the Client acts on the basis of the same, he shall do so at his own risk and cost.

11.2 The Client shall not furnish market information provided by the Exchange to any other person or entity for consideration or otherwise and in the event the Client uses such information he shall do so at his own risk and cost.

**12. NOTICES:**

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

**Signed for and on behalf of Commodity Broker:**

<b>RR Commodity Brokers Pvt. Ltd.</b> Member: MCX, NCDEX & NSEL Reg. & Corp. Office: 47, M.M. Road, Rani Jhansi Marg, New Delhi - 110055 Tel.: +91-11-23636363-62 Fax : +91-11-23636743
<b>For RR Commodity Brokers Pvt. Ltd.</b>  (Authorized Signatory)
<b>WITNESS:</b> 1  2

12.1 Any notice or other communication to be given by any party to the other in connection with this Agreement shall be in writing and shall be deemed duly served if delivered personally or sent by facsimile transmission or by prepaid registered post or by e-mail to the addressee at the address or (as the case may be), the e-mail or facsimile number (if any), of that party set opposite its name below:

**To the STOCK BROKER at the execution page.  
To the Client as per details at the execution page.**

or at such other address, facsimile number or e-mail address as the party to be served may have notified the other in accordance with the provisions of this Clause.

Notwithstanding anything stated above, communication relating to orders, margins, maintenance calls and other similar matters in the ordinary course of dealings between the commodity broker and the Client may be communicated orally or through SMS or phone call.

**13. TERMINATION OF AGREEMENT:**

13.1 The Client agrees that the commodity broker may at anytime terminate this Agreement. The Client is aware and accepts that in view of the nature of the transactions and dealings involved in providing the Service it may not be possible for the commodity broker to give advance notice of such termination or suspension to the Client.


13.2 The Client may at any time terminate this Agreement by not less than seven days notice to the commodity broker, provided that unless the commodity broker otherwise permits, the Client shall not be entitled to terminate this Agreement so long as any amount is payable or securities are deliverable by the Client to the commodity broker.

13.3 The termination of this Agreement shall not affect any rights or obligations of either party which have accrued prior to the termination or which may arise out of or in connection with acts done or omitted prior to the termination.

**14. DISPUTE RESOLUTION:**

Any claim, dispute or difference arising between the Parties hereto in respect of this Agreement or any contracts, dealings or transactions pursuant hereto or any rights, obligations, terms or conditions as contained in this Agreement or the interpretation or construction of this Agreement shall be subject to the grievance redressal procedure of the Exchange and shall be subject to the arbitration procedure as prescribed by the Exchange Provisions.

**Signed for and on behalf of Client:**

<b>Signature(s)</b> 
<b>Name</b> <b>Address</b>
<b>WITNESS:</b> 1  2