



# BYE-LAWS

GREX Platform  
GREX Alternative Investments Market Pvt. Ltd

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## **PREFACE**

This document is in exercise of the power and rights conferred under the Articles of Association of GREX Alternative Investments Market Private Limited (hereinafter "GREX"), which makes it a part of Deed of Adherence for all participants and members of GREX Platform.

Bye-Law is a living document, an abiding instrument which makes the system of GREX Platform and its authorized body of Governing Council work. Its flexibility lies in its amendments. The text of this document shall be brought up-to-date by incorporating therein all amendments made by appropriate method.

This document defines the vision, objective and broad framework by which GREX Platform and its larger ecosystem will be governed and operated. This document shall be governed by Laws of India as may be in force from time to time. GREX Platform inter alia is created to promote policies designed:

- To contribute to the expansion of information exchange and securities transactions for Unlisted Companies in compliance with international principles of good faith and fair dealing.
- To promote fair and transparent terms in securities transactions and deepen the market through use of process, technology and international best practices within the ambit of legal framework.

## **1. Short Title, Commencement and Extent**

This Document is called the Bye-Laws of GREX (India). Save as otherwise provided in this document, it shall come into force on such date when adopted in the Articles of Association of the Company. It extends to the operations of GREX Platform pertaining to India and to such acts, deeds, operations and compliances of participants and members that may come within the purview of Indian Laws.

## **2. Definitions**

In this document or in practice, unless the context otherwise requires:

- 1.1 "GREX" means "GREX Alternative Investments Market Private Limited", which is an innovative financial services institution involved in building solutions that combine high finance with high technology and in doing so acts as an Intermediary as per Information Technology Act, 2008.
- 1.2 "INVESTOR-USER/S" means a resident or non-resident private investor/s who would like to discover and invest into the unlisted securities of Companies and other alternative assets on GREX Platform out of their own free will and is/are member/s of the Platform.

- 1.3 "PARTICIPANT COMPANY/IES" (Company/ies) means the unlisted resident member Company/ies who is/are registered with GREX Platform and may include its directors, officers, employees or authorized representatives.
- 1.4 "INVESTMENT ADVISOR" means any individual/entity/body corporate/association of individuals, whether incorporated or not, who is merely a member and not participant of Platform, having qualifications specified by GREX from time to time, if any, and who for or without consideration, is engaged in the business of providing investment advice to client Investor-Users.
- 1.5 "LAW FIRM" means any entity/body corporate/association of individuals, whether incorporated or not, who is merely a member and not participant of Platform, having expertise specified by GREX from time to time, if any, and who for consideration, is engaged in the business of providing specific legal services to client Participant Companies.
- 1.6 "GREX PLATFORM" (Platform) means innovative technology enabled financial services, information sharing and transaction enabling multi-user platform and includes its associated ecosystem of members, participants, partners and affiliates.
- 1.7 "APPLICATION MONEY" means the funds transferred by the Investor-User to the Platform of GREX for investing in the Participant Company.
- 1.8 "PRIMARY TRANSACTION" (Primary Capital Raise) means the process and transaction facilities of Securities of the Participant Companies between the Investor-User and the Participant Company as may be partly or fully enabled and/or assisted by GREX on its Platform or such transactions held outside the platform.
- 1.9 "SECONDARY TRANSACTION" means the transaction of Securities of a particular Participant Company between the Investor-Users and/or other Participants on GREX Platform.
- 1.10 "CLOSED USER GROUP" means a community of verified and registered users for accessing GREX Platform.
- 1.11 "PARTICIPANTS" means a collective term for all or some of the registered users, especially those who are permitted such actions on Platform which may have direct or indirect implication on transactions (viz. the Investor-Users, Sponsor, Participant Companies, etc.).
- 1.12 "THE PORTFOLIO PARTICIPANT COMPANY" (the Portfolio Company) means the Participant Company who has willfully and mutually agreed to be associated with the Sponsor as per terms of GREX and by virtue of the specific independent Agreement between the Portfolio Company and Sponsor.

- 1.13 "SPONSOR" is a body corporate who is member of GREX Platform and means an independent Financial Services Institution approved by GREX, which acts as an agent of the Participant Company during and for the purpose of capital transactions including the Primary Capital raise by the Participant Company and the Secondary Transactions done between the Investor-Users and may supervise any action or regulate any omission of the Participant Company on the Platform.
- 1.14 "SECURITIES" include shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any Participant Company/ies, and as may be laid down by law from time to time and also includes any other negotiable instruments or other financial instruments that may be generated at GREX (after due approval as may be required).
- 1.15 "DEED OF ADHERENCE" means an undertaking of the terms that are specifically set out in the Agreements and to other documents that is being referred to for adherence.
- 1.16 "GOVERNING COUNCIL" means an independent body of experienced and qualified persons as per the Bye-Laws of GREX in the interest of all participants/members and includes any sub-committee or other bodies established for similar purpose.
- 1.17 "SETTLEMENT ACCOUNT (FUNDS)" and/or "BANK ACCOUNT" means and refers to the designated non-interest bearing Bank Account (Current or any other as may be specified by GREX from time to time) to be opened and closed by GREX, and exclusively operated by GREX itself or the Settlement Agent, duly appointed by GREX, to settle the funds in the Primary and Secondary transactions.
- 1.18 "SETTLEMENT ACCOUNT (SECURITIES)" and/or "DEMAT ACCOUNT" means and refers to the designated Demat Account to be opened and closed by GREX, and exclusively operated by GREX itself or the Settlement Agent, duly appointed by GREX, to settle the securities in the Primary and Secondary transactions.
- 1.19 "MANAGEMENT" means an individual or a group of individuals who are duly appointed by the Company as per the Appointment process as employees/officers or any such designated persons by the Company, and who accept responsibilities to run GREX and its Platform by planning, organizing, directing and controlling all essential activities of Company.

Words and expressions used in this document but not defined above and defined in the Laws of Land, shall have the meanings respectively assigned to them in the law.

### **3. Regulations**

#### **3.1. Introduction**

Regulation framing is important at GREX in order to regulate conduct and activities of market, ensure fidelity, establish a sense of accountability and promote interest of Investors as well as other participants.

### 3.2. Categories

Regulations refer to the diverse set of instruments by which requirements are set; powers, rights, obligations and authorities are laid down. Regulations may fall into three broad categories:

- (i) Regulations for market decisions such as market entry, exit, eligibilities, etc.
- (ii) Regulations for general administration and behavior on GREX Platform

## **4. Governing Council - Objectives and Functions**

### 4.1. Objective

The Bye-Laws require that a Governing Council be set-up to ensure independent governance of GREX Platform on a regular basis such that it remains well represented, sustainable, unbiased, competitive, efficient and relevant to the needs of the market(s) that GREX operates in.

### 4.2. Principal Function: Rule Making

The Governing Council will form the detailed binding Rules including Safe Harbor Rules wherever possible and deemed fit for:

- (a) Threshold limits for the Appointment, Operations and Dissociation of any Participant and Members on GREX Platform and
- (b) The overall market operations of GREX as the need may be.

These Rules shall be in conformance of this document and its spirit. The Governing Council will follow the Directions and Guidelines as outlined in this document while making the various Rules. It can take decisions by passing binding Resolutions with simple majority of the members present in a valid meeting from time to time.

### 4.3. Other Functions

#### 4.3.1. Self-Regulation

The Governing Council is expected to act as a market representative and self-governing body of GREX. To ensure that it remains proactive and efficient the Governing Council can suo moto take cognizance of any incident or news and may seek an explanation from the Management. If required, this may lead to some corrective actions like but not limited to giving suggestions to the Management on handling certain issue/case at hand and/or even creating a new Rule/Guideline for GREX if required and/or modifying an old Rule/Guideline if required.

#### 4.3.2. Market Relevance

The Governing Council should ensure that the Rules and other Guidelines/Policies as well as decisions that they take should ensure that GREX is and remains competitive in the markets that it operates.

#### 4.3.3. Representation

The Governing Council is expected to be constituted such that it has reasonable member representation of almost all segments of market players that get affected by GREX. However, notwithstanding its constitution, the Governing Council is expected to function as a neutral representative of the market.

#### 4.3.4. Independence

The Governing Council should always ensure that its action or otherwise is independent and without bias.

#### 4.3.5. Governance

While the responsibility of Governance of the Company vests with the Company Board, the Governance of the markets that GREX operates vests with the Governing Council. The Governing Council is the conscience keeper of GREX and all constituents associated with it.

#### 4.3.6. Interpretation

When there is a doubt or dispute regarding interpretation of any of the covenants of this document or any of the Rules made by the Governing Council, the respective entity in doubt may reach out for a clarification to Governing Council. Such clarification will thereafter be applicable and followed by everyone adhering to this document.

#### 4.3.7. Dispute Resolution

The Governing Council will also act as a final point of dispute resolution and arbitration should there be any dispute between participants and/or members operating at GREX or any other issue that is brought to the attention of the Governing Council.

## **5. Governing Council - Standing and Rights**

### **5.1. Standing Council**

The Governing Council will be a Standing Council and can only be dissolved by a 75% majority vote in a General Meeting of GREX called by the Board with appropriate reasons for the same being recorded in the minutes of such General Meeting. Once dissolved the Board will be required to re-constitute the Council within a period not

exceeding 3 months from the dissolution of the last Council according to the initial set-up guidelines mentioned below.

## 5.2. Rights

The Governing Council will derive its rights required to be formed, govern, function and operate as per requirements of this document, from the Bye-Laws as well as from the Board of GREX. The Board of GREX empowers the Council with all such Rights by agreeing to incorporate the Bye-Laws as part of Articles of Association of the Company.

## 6. Governing Council - Constitution

### 6.1. Initial Setup

The Board of GREX will be entrusted with the responsibility of creating the first Governing Council ensuring that it satisfies the criteria as mentioned in this document.

### 6.2. Configuration

#### 6.2.1. Size

The Governing Council will not consist of more than sixteen (16) Members at any point of time.

#### 6.2.2. Tenure

Once appointed each member will have a continuous fixed tenure of 2 years.

#### 6.2.3. Extension

The tenure of any member may be extended by a maximum of 1 more year if the Governing Council wishes to do so with approval of Board given there is a justification for the same that makes the continuity of the member critical to the Governing Council.

#### 6.2.4. Procedure for Extension

The Governing Council may (after due deliberations) send in a request for extension of a member to the Board. If the Board approves and passes a resolution to that effect then the Governing Council may extend the services of the respective Council Member for another year.

#### 6.2.5. Re-Appointment

A member of the Governing Council may be re-appointed to the Council after a minimum cooling-off period of one year has passed.

### 6.3. Appointment



The Governing Council will be free to appoint other new members of the Governing Council to fill up a vacant or about to be vacant position. This appointment will be by a majority decision of the Council. All appointments to be communicated to the Board and Management for formal invitation and on-boarding process to be completed as per company policy.

#### 6.4. Member Eligibility Guidelines

It is advised to have members in the Governing Council who can guide the Council with their rich experience, exposure, knowledge and expertise. The members should hold a high personal standard and standing in the society.

The Governing Council may comprise of members inter alia from the following backgrounds –

##### 6.4.1. Participants Representative

The Governing Council should ensure adequate and fair representation of all participants on GREX to ensure their views are taken on-board.

##### 6.4.2. Industry Bodies

Industry bodies are eyes and ears of the economy and act as a bridge between rule makers and the ones who get impacted by them. The Governing Council can benefit from having some of their representative or ex-office bearers as part of it.

##### 6.4.3. Regulatory or Government Experience

The Governing Council may benefit a lot from the experience from people who have been in important Government Functions including Regulatory functions etc.

##### 6.4.4. Capital Market Players

People who bring rich and varied Capital Market expertise like Exchanges, Depositories, Clearing Corporation and their Members etc.

##### 6.4.5. Entrepreneurs

The Governing Council must ensure there is adequate representation from across the spectrum of Entrepreneurs community from small startups to large successful companies.

##### 6.4.6. Legal and Statutory Experts

The Governing Council can benefit from expertise of acclaimed lawyers as well as other statutory experts.

#### 6.4.7. Academicians

The Council may invite people from Academic fraternity who can add value to the working of the Council by bringing their independent perspectives.

#### 6.4.8. Financial Institutions and Banking Experts

The Governing Council may benefit by having people from Banking and Other Financial Institutions' background like VC/PE Funds or other Capital Management firms.

#### 6.4.9. Other People of Repute

Apart from the above categories of members the Council may invite some other members also who are people of Reputation in their fields like economists and other relevant professions.

#### 6.4.10. Board and Management

- (a) The Managing Director of the Company will be a permanent ex-officio member of the Governing Council as part of his role. He/She will not be due for retirement and/or re-appointment to the Council. In case of a change of Managing Director, the new Managing Director automatically becomes the member of the Council replacing the old member.
- (b) The Council may additionally appoint other members of the Management to the Council like the CEO (in case the CEO and Managing Director are different) and/or any other management functionary based on the wisdom of the Council. Such additional management appointments excluding the MD shall not exceed 25% of the existing GC members at the time of appointment. In case such additional management appointments exceed 25% of the existing GC members then Governing Council will be required to appoint new non-management members in immediate next GC meeting not being held later than 3 months. Appointment of new non-management member in such case shall be effected within a period of 3 months.

### 6.5. Changes in Bye-Laws

Any change in this document CAN ONLY be brought about by an approval of the GREX Company Board AND also the Governing Council.

## **7. Governing Council – Conduct**

### 7.1. Chairman

- (a) Appointment: The Governing Council shall elect a member as its Chairman. The Chairman presides over the meetings and conduct of the Governing Council. The Chairman once appointed will have tenure of one year unless a resolution is passed

in the Governing Council to change the Chairman and a new Chairman is therefore elected. An incumbent Chairman can be re-elected for another term of one year or until his remaining tenure as member of the council whichever is earlier.

- (b) Casting Vote: In case of an equality of votes, the Chairman of GC shall have a second or casting vote. Chairman ensures that meeting is conducted in fair manner and members are permitted to express their views.
- (c) Resignation: The Chairman may, by notice in writing or in electronic mode addressed to the Secretary, resign from his office of Chairmanship. The Secretary shall accept such resignation with immediate effect and notify all members of the GC as well as the GREX Board.
- (d) Vacancy: In the event of the occurrence of any vacancy in office of Chairman by reason of his death, resignation, temporary absence or otherwise, the Managing Director shall act as the Chairman until the date on which a new Chairman is appointed to fill such vacancy or existing Chairman resumes his office. New Chairman shall be appointed by the Governing Council in the immediate next GC meeting.

## 7.2. Council Members

The Governing Council members, once appointed will have a tenure of two years each, unless a resolution is passed in the Governing Council for removal before tenure of any one of them. An incumbent Council member can be re-elected for another term of one year or until his remaining tenure as member of the council whichever is earlier. The Council Member may, by notice in writing or in electronic mode, resign his office of Council member, provided that he shall continue to hold office for a period until he is permitted to relinquish his office by acceptance of resignation by the Chairman.

## 7.3. Secretary

- (a) The Management will appoint an ex-officio member to act as a Secretary to the Governing Council. It is recommended that the Secretary thus appointed should be the Law Officer or the Compliance Officer or any other important officer of the management whom they may deem fit for the same. The Secretary will thus be an ex-officio member of the Council. He/She will not have any rights to vote for the council resolutions but may guide the Council in its deliberations with his/her expertise.
- (b) Vacancy: In the event of the occurrence of any vacancy in office of Secretary by reason of his/her death, resignation, temporary absence or otherwise, the Managing Director shall act as the Secretary until the date on which a new Secretary is appointed to fill such vacancy or existing Secretary resumes office. New Secretary shall be appointed by the Management at the earliest possible.

## 7.4. Meetings

The Council may decide to meet based on the requirement to meet physically or otherwise, or as per a meeting frequency as set by the Council but not lesser than two meetings per year. The Secretary may draw up a meeting agenda based on inputs from the members, management and the Board as well as other items identified to be discussed in past meetings and any other important concerns that the Secretary may deem fit to be included in the agenda. The Secretary will share the agenda with the Chairman for his approval before it is shared with the members of the Council.

#### 7.5. Notice of GC meetings

A Governing Council meeting may be called by giving a notice of sufficient duration either in writing or through electronic mode. Every notice shall specify the place, date and time of meeting with the agenda to be discussed. The notice shall be given to all existing members and invitees. Any accidental omission to give notice to, or non-receipt of such notice by, any member or other person entitled to such notice shall not invalidate the proceedings of the meeting.

#### 7.6. Resolutions

- (a) A resolution shall be an ordinary resolution with simple majority passed by the votes cast by members entitled to vote and present, whether on a show of hands, or electronically, as the case may be, in favour of the resolution, including the casting vote, if any, of the Chairman.
- (b) A resolution shall be circular resolution when the intention to propose the resolution as circular resolution has been duly specified in writing or in electronic mode, and such resolution can be initiated by the Managing Director and/or Chairman of GC.

#### 7.7. Quorum

A minimum Quorum of 3 members or 30% of the Governing Council strength is required to pass any resolution by a simple majority.

#### 7.8. Remuneration

The various members of the Governing Council are expected to come from very distinctly different backgrounds. While it is envisaged and recommended that the position of a Governing Council member is not created as an office of profit at least in spirit. However, the Management will be free to define and accord them a respectable remuneration either individually or as a uniform standard as per their policy. However, it is also recommended that if benefits, rights and perks are accorded to the Governing Council members, it should be done so that it reflects the rightful financial status, as well as stature and standing of GREX in the market.

#### 7.9. Sub-Committees

- (a) The GC may constitute temporary or standing sub-committees consisting of existing GC members and/or invitees with special expertise having the ability to

decide upon the agendas proposed in meetings of sub-committees. All provisions of conduct which are applicable to GC meetings may apply to meetings of sub-committees, provided they do not hinder the intention of its constitution regarding fast and efficient decision making.

- (b) Rejection: Board can suo moto object/reject in full or in part the constitution of a sub-committee in following circumstances,
- (i) In the event of Constitution of a Standing Committee;
  - (ii) When Sub-Committee is empowered to act on behalf of GC;
  - (iii) Majority of Sub-Committee members are invitees.

#### 7.10. Minutes

Minutes of the proceedings of every GC meeting including the sub-committee meeting may be maintained, as per terms of reference, and such minutes shall contain a fair and correct summary of the proceedings. All appointments made at any of the meetings shall be included in the minutes of the meeting. The minutes kept in accordance with the provisions of this clause shall be evidence of the proceedings recorded therein and may be made publicly available as and when deemed fit by the management.

## **8. Dealings by Members and Participants**

### 8.1. Jurisdiction

#### 8.1.1. Civil Courts at Pune

Any transaction entered into through system of GREX Platform shall be deemed to have been entered at Pune and the place of contracting as between the Members/Participants with GREX shall be at Pune. Only the Civil Courts at Pune have exclusive jurisdiction in claims arising out of any disputes against GREX on its Platform. The provisions of this Bye-Law shall not object the jurisdiction of any Court deciding any dispute as between members/participants and their constituents to which GREX Platform is not a party.

#### 8.1.2. Evidence

For the purposes of any dispute the record as maintained by the system of GREX shall constitute valid evidence in any dispute or claim between the members/participants and GREX or between the members/participants of GREX Platform inter-se.

### 8.2. Indemnity

GREX Platform shall not be liable for any unauthorized dealings on its Platform by any persons acting in the name of participant(s). GREX or any of its authorized officials should not be made liable in actions/claims that they may not have been involved in

being a cause of. All the participants and members of GREX should agree to this basic principle.

### 8.3. Applicability of Bye-Laws

All actions and/or transactions in securities on GREX Platform shall be deemed made subject to the Bye Laws of the Platform and this shall be a part of the terms and conditions of all such actions/transactions and these actions/transactions shall be subject to the powers exercised by the relevant authority with respect thereto vested in it by the Bye-Laws.

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