

FEATURES LIST OF THE SYSTEMS FOR SMART ORDER ROUTING AND THE APPLICABLE TERMS AND CONDITIONS

FEATURES LIST OF OUR SMART ORDER ROUTING SYSTEM

When an order is placed by the client who requires the order to be executed as a SOR order, the client or GS system in case of DMA or the GS trader in case of manual flow, will flag this order as a SOR order and the SOR engine will work this order on the basis of the SOR functionality described below.

Market orders will not be accepted by SOR. For limit orders, SOR will automatically route dually listed stock orders to both the primary and secondary exchange with the intent of providing clients with potential access to more liquidity and possible price improvement (i.e. a better average price than what otherwise may be accessible on one exchange) thereby aiming to achieve best execution for the client.

We define the primary exchange for a given symbol based on Bloomberg definitions. Bloomberg marks the exchange for a given country as primary if the total volume traded on the exchange is the highest in that country.

Functional description of SOR:

Market data check:

SOR considers displayed liquidity from the National Stock Exchange of India ("NSE") and the Bombay Stock Exchange ("BSE") market data using direct market data feeds.

Sweep (Takeout):

If the parent order entering SOR ("Parent Order") is marketable with respect to prevailing displayed liquidity, SOR tries to take quantity from the NSE and BSE, otherwise SOR moves to the Posting phase below. All orders sent from SOR are constrained by the aggregate quantity (never greater) and price (never worse) of the Parent Order.

During the Sweep phase SOR will send immediate or cancel ("IOC") orders to each destination until Parent Order is filled OR the order is no longer marketable OR until a certain maximum number of IOC orders are sent (sum of orders sent to BSE and NSE), as described below:

- 1) If a Parent Order or unfilled quantity of the Parent Order is marketable and one of the exchanges has better prevailing price, SOR will take the liquidity on the exchange with the favorable price, by sending an IOC order.
 - a) If the NSE has better prevailing price (best offer for buy / best bid for sell) than BSE, then SOR will send IOC to the NSE for Parent Order/remaining unfilled quantity of Parent Order, in order to take out the best price level
 - b) If the BSE has better prevailing price (best offer for buy / best bid for sell) than NSE, then SOR will send IOC to the BSE for Parent Order/remaining unfilled quantity of the Parent Order, in order to take out the best price level
- 2) If the Parent Order is marketable and both exchanges have the same best price, SOR will send IOC orders to both exchanges in a pre-determined ratio at the same best price.

If the maximum number of IOC orders is hit then SOR moves to Posting phase. The maximum number of IOC orders that may be sent, may change from time to time, without notice to the client, on the basis of SOR performance or market conditions.

Posting (Passive order placement)

Unfilled order quantities will be sent to both exchanges in a pre-determined ratio at the limit price of the Parent Order. All posting orders will be DAY orders.

Rebalancing

In the Posting phase when we split the unfilled quantity to both the exchanges there may be a scenario that we get filled partially on only one of the exchanges. In this scenario the SOR will look to rebalance the remaining unfilled quantity between the exchanges at a predetermined ratio in order to maximize likelihood of execution.

All pre-determined ratios, whether for sweep, posting or rebalancing may be revised from time to time (including intra-day) based on volumes in both exchanges and fill rates, without notice to clients.

The SOR engine will treat the orders on a time priority.

TERMS AND CONDITIONS APPLICABLE TO USAGE OF SMART ORDER ROUTING SYSTEMS

The provision of SOR system shall be subject to the terms and conditions as set out herein and any legends, disclaimers, terms and conditions notified to you.

Disclosure Statement

SOR systems differ from traditional manual order routing methods. Transactions using a SOR system are subject to the Applicable Laws. Before you engage in transactions using a SOR system, you should carefully review and understand the Applicable Laws.

Risks Associated with System Failure

Trading through a Routing Service exposes you to risks associated with system or component failure. In the event of system or component failure, it is possible that, for a certain time period, you may not be able to enter new orders, execute existing orders, or modify or cancel orders that were previously entered. System or component failure may also result in loss of orders or order priority.

1. GENERAL

- 1.1 You understand, acknowledge and agree (i) that orders entered electronically through (save to the extent that you make use of any Routing Logic Service that GS may make available to you in its sole discretion) the Routing Services may be routed directly to the relevant exchange or Routing Destination without any intervention by GS or any other person (other than through the application of any credit and other electronic filters imposed by GS, which are intended solely for the protection of GS), and (ii) there is no assurance that any such orders will be executed at any particular price or time, or that they will be executed at all.
- 1.2 GS may from time to time implement a number of electronic filters through the Routing Services for the purpose of implementing credit limits, position limits or other limits on your trading activities. As a result, you understand and acknowledge that you may be prevented from executing orders or entering into Transactions at certain times if such actions would cause an applicable filter to reject an order submitted by you. Any such limits imposed by GS are solely for the protection of GS and GS shall have no responsibility for monitoring or ensuring your compliance with any limits imposed on your trading activities by you or by Applicable Laws. You agree that you will not take any actions that will cause you to violate any limits imposed by GS on your trading activities including, without limitation, placing an order for execution of a Transaction

through another broker, to be cleared through GS, if such Transaction would result in the violation of any such limits.

2. USE OF SOR SERVICES

- 2.1 GS will be free to accept or reject any Transaction that you seek to execute through the Routing Services in the sole discretion of GS.
- 2.2 You may receive electronic acknowledgement of the status of each Transaction executed through the Routing Services in addition to the confirmation GS delivers to you. If there is a conflict between (i) these terms and conditions, (ii) status information concerning a Transaction and (iii) the terms of any confirmation, the terms of the confirmation will prevail.

All such Transactions shall be subject to this Letter, Applicable Laws and any other agreement between you and GS applicable to such Transactions, to the same extent as if such Transactions were executed in any other manner.

3. USE OF ROUTING SERVICES

- 3.1 You shall verify and confirm all orders routed through the Routing Services and shall notify GS of any error immediately. It is your responsibility to ensure that any transmission sent through a Routing Service complies with all Applicable Laws.
- 3.2 You will adopt appropriate internal control procedures relating to the use of a Routing Service. Additionally, you shall on the written request of GS furnish a copy of such internal control procedures to GS.

4. TRANSMISSIONS

- 4.1 You are solely responsible for the accuracy and completeness of all orders routed through a Routing Service.
- 4.2 By offering a Routing Service, GS is not responsible for executing orders, pricing orders, ensuring that orders have been received or reviewed, or completing orders in any manner or form, except as provided for herein. Save to the extent that such function is determined by your use of any Routing Logic Service that GS may make available to you, (a) GS's exclusive and sole responsibility is to route orders to the Routing Destination and (b) you are solely responsible for all decisions as to the Routing Destination selected by you for the routing of orders. By agreeing to route your order to a Routing Destination, GS does not recommend or endorse any such Routing Destination, makes no representation or warranty with respect thereto and shall have no liability for any such selection made by you. GS shall have no liability or responsibility for the execution of any orders entered through a Routing Service or for any failure of, or errors with respect to, the execution of any such order. Additionally, GS shall have no liability or responsibility for any reporting requirements arising in connection with any order entered through a Routing Service, regardless of whether such requirements arise under Applicable Laws or your internal procedures.
- 4.3 GS shall not be responsible for any administrative or operational duties or responsibilities imposed upon or assumed by you under Applicable Laws, your internal procedures or otherwise, arising out of or related to the use of a Routing Service, including any record keeping, data file storage or maintenance requirements. To the extent that you are required to or undertake to perform any administrative or operational activities or responsibilities, you will not rely upon GS in connection therewith.
- 4.4 As a result of high internet traffic, transmission problems, system capacity limitations and other factors, you may at times experience difficulty in accessing or communicating with a Routing

Service, which could result in, among other things, (i) delays in the transmission or execution of an order; (ii) trade executions at prices different from quoted prices at the time the order was entered; or (iii) an inability to place an order. In addition, the routing, and consequently the execution, of orders may be adversely affected during volatile, fast or unusual market conditions, which could cause delays or interruptions in routing or access. Under such circumstances, GS might also believe it necessary, and GS reserves the right, to modify, suspend or terminate any or all features, functions or capabilities of any Routing Service.

- 4.5 If GS makes a Routing Logic Service available to you; you acknowledge that (i) any order arising in connection with your use of the Routing Logic Service may be divided into more than one smaller orders, each of which will then be treated as a separate order for the purposes of the Routing Service, and (ii), subject to any express instructions by you as to the Routing Destination(s) of an order, your use of a Routing Logic Service may result in the routing of resulting orders to any one or more of the Routing Destinations agreed with you from time to time in relation to the Routing Service.

5. ROUTING SERVICES INTERNAL CONTROL PROCEDURES

- 5.1 All authorised users must know the specific trading and size limits established by you for customer and proprietary orders.
- 5.2 All authorised users must validate order and trade accuracy.
- 5.3 All authorised users must monitor terminals for messages from any Routing Destination, GS or its affiliates.
- 5.4 All authorised users must monitor orders throughout the day to confirm when orders are filled and to confirm compliance with your established credit and order size limits.
- 5.5 All authorised users must relay any errors, trade discrepancies, potential unauthorised access, and system or execution problems to the appropriate GS or affiliate personnel and/or clearing firm when discovered.
- 5.6 You are responsible for maintaining appropriate procedures in relation to "Know Your Customer" and customer identification.

DEFINITIONS

"Applicable Laws" means: (a) all applicable laws, procedures, practices, rules and regulations, policies or interpretation thereof, of any constitutional, legislative, judicial or administrative authority or organization as may be in force from time to time, including without limitation, SEBI, the exchange(s) and self regulatory organizations, short sale rules under securities laws, terms and conditions of this Letter or of the Routing Service or any Routing Destination relating to the transmissions or any resulting order or Transaction (b) the procedures, practices, rules and regulations, policies or interpretation thereof, of the relevant regulatory authority for the GS entity that provides any services to you and as may be applicable to GS's provision of any services pursuant to this Letter.

"Routing Services" means an electronic service that permits you to route orders for securities, commodities, currencies, derivatives, futures, options and other financial instruments to one or more Routing Destinations. Routing Services may include, at the option of GS, one or more Routing Logic Services.

"Smart Order Routing" or "SOR" is defined by the Securities and Exchange Board of India as use of Routing Services to systematically choose the execution destination based on factors such as price, cost,

speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

"Transaction" means any transaction in securities, commodities, currencies, derivatives, Contracts and other financial instruments executed with or through GS or one of its affiliates pursuant to this Letter.

"Routing Destination" means (a) a broker or a dealer; (b) any other network service providers of GS that route orders to brokers or dealers or (c) an exchange;

"Routing Logic Services" means electronic access to and/or use of one or more order routing logic tools which you apply to your orders, in accordance with parameters established by you, in order to (a) divide your order into more than one smaller orders, and/or (b) direct the distribution of such orders, by timing and/or destination, to Routing Destinations.