



RIGHTS & OBLIGATIONS/ MEMBER-CLIENT AGREEMENT / ADDENDUM FOR AVAILING SMART ORDER ROUTING (SOR) FACILITY

This document sets out the terms and conditions between ICICI Securities Limited ('I-Sec' or 'Trading Member' or 'Member') and the Client(s) for availing Smart Order Routing Facility ('SOR').

ICICI Securities Limited is a member of National Stock Exchange of India Ltd and BSE Limited with SEBI Registration No.: INZ000183631 & hereinafter called MEMBER and having its registered office at ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025.

WITNESSTH:

Whereas MEMBER is registered as TRADING MEMBER of National Stock Exchange of India and Bombay Stock Exchange of India.

Whereas the MEMBER is eligible to provide Smart Order Routing facility to clients as per the rules of the Exchanges & SEBI which allows the Trading Members' trading engines to systematically choose the execution destination based on factors viz. price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

Whereas the client is desirous of investing / trading in those securities admitted for dealing on the Exchange as defined in the Bye-Laws of the Exchange and have entered into Member Client Agreement/ Rights and Obligations document with the Trading Member. Further for this purpose, the CLIENT is desirous of using Smart Order Routing facility which allows Member's trading engines to systematically choose the best execution destination based on factors viz. price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

Whereas the Trading member shall establish & implement effective arrangement so as to ensure best execution for its clients taking into account factors viz. price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

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CIN No: U67120MH1995PLC086241

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Basic features of SMART ORDER ROUTING facility

Whereas trading member shall route orders in a neutral manner.

Whereas trading member has explained the best execution policy and its features for SMART ORDER ROUTING facility to the client and the same are attached as Annexure 1 herewith.

Whereas client has understood the features of best execution policy and given their consent for executing orders by using SMART ORDER ROUTING facility.

Whereas trading member shall carry out appropriate validation of all risk parameters before the orders are placed through the SMART ORDER ROUTING system.

Obligations / Rights

- ❖ Whereas trading member & client agrees that all the rights & obligations of both the parties as per model Member Client Agreement/ Rights and Obligations document executed between them and provisions as may be applicable from time to time and shall continue to be binding to them.
- ❖ Trading member has formulated best execution policy in accordance with specifications provided by SEBI/Exchanges from time to time.
- ❖ Trading member agrees to send copy of this SMART ORDER ROUTING Rights and Obligations document / agreement to the client.
- ❖ Trading member has brought the features, possible risks, rights, responsibilities and liabilities associated with the smart order routing facility policy to the notice of client. The client agrees that he has understood the features, possible risks, rights, responsibilities and liabilities associated with the smart order routing facility policy.
- ❖ Trading member has brought the contents of best execution policy to the notice of client and made him aware of the significance of the said document. The client agrees that he has understood the contents of best execution policy.
- ❖ Trading member shall notify to clients of any material changes in its order execution policy. Such change needs to be preceded by a notice of 15 days.
- ❖ Trading member shall demonstrate to their clients at their request, that it had ensured best execution of client orders in accordance with its best execution Policy.

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Trading member and client agrees that in case the client has availed Smart Order Routing facility and does not want to use the same for a particular order, the same shall be well documented by the trading member.

1. Trading member shall ensure that alternative mode of trading system is available in case of failure of Smart Order Routing facility and client understands that in case of failure of Smart Order Routing facility alternative modes are available to him to place orders.

2. Trading member agrees to maintain logs of all activities to facilitate audit trail. Trading member shall maintain record of orders, trades and data points for the basis of decision.

The Member and the Client are aware of the provisions of Bye-Laws, Rules and Regulations of the Exchange relating to resolution of disputes/differences through the mechanism of arbitration provided by the Exchange and agree to abide by the said provisions.

The provisions of this agreement shall always be subject to Government notifications, any rules, regulations, byelaws, circulars and guidelines issued by SEBI and Stock Exchange rules, regulations and Bye-laws that may be in force from time to time.

The agreement/ Rights and Obligations document entered into between the MEMBER and the CLIENT shall stand terminated by mutual consent of the parties by giving at least one month written notice.

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Annexure 1

SMART ORDER ROUTING FACILITY - BEST EXECUTION POLICY, FEATURES AND RISKS

Basic Features:

1. Smart Order Routing is the facility which allows the brokers trading engines to systematically choose the execution destination based on factors viz. price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.
2. The SOR facility provided by I-Sec to its clients routes the order quantity mentioned in the Order by the Client to both the exchanges (NSE and BSE) based on the available quantity and price. SOR will Place the order as an IOC or Limit order with Day validity on both the exchanges.
3. The system has facility to add/ modify so as to enable the client to place SOR orders, wherein SOR tag can be updated using this option.
4. The system provides the facility to maintain logs of all activities to facilitate audit trail for all the record of orders, trades and data points for the basis of decision.
5. The system has facility to generate unique UUID for the orders emanating from the Smart Order Routing system.
6. The various checks which are defined by Exchanges with respect to Algorithms are in place in the system.
7. The appropriate validation of all risk parameters required to carry out before the orders are placed through the SOR system are in place.

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Best Execution Policy:

This Best Execution Policy sets forth policy and execution methodology for client execution on the best terms. Upon acceptance of a client order for securities listed on a securities exchange within India and on specific client instruction regarding execution, trading member shall endeavor to execute that order in accordance with the following policy:

Sec's SOR system will route the order quantity mentioned in the Order by the Client to both the exchanges based on the available quantity and price. SOR will Place the order as an IOC or Limit order with Day validity on both the exchanges.

If the order price and order quantity are available in both the exchanges then the SOR will arrange the consolidated market depth in the most favourable order of prices (ascending for buy and descending for sell) that are within the limit price and place orders accordingly at both the venues.

If the order price and order quantity are available in both the exchanges but are equal at both the venues then the SOR will send the order to the exchange in the ratio of the total traded quantity at both the exchanges for that day for the particular scrip

If the price is available but the order quantity is not completely available at both the venues, SOR will exhaust the quantity available in the market depth at both the exchanges and the remaining quantity will be placed based on the ratio of the total traded quantity at both the exchanges for that day for the particular scrip.

Key Risks:

SOR systems can be complex and difficult to understand. Understanding and configuring SOR systems can be challenging for Clients/ traders especially those who are less experienced. Monitoring the performance of a SOR and ensuring it's functioning as intended can be challenging, especially in complex market environments

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congestion, break down, interruption or failure of transmission of the internet service or any communication equipment or facilities, errors, omissions or delays in the transmission and receipt of orders and other data and information and in the execution and confirmation of orders and/or the execution of orders at prices which may be different from those indicated on the service or prevailing at the time the orders were given. Technical problems or software failures can negatively impact the efficiency and accuracy of SOR systems.

SOR systems are designed to perform well in a stable market environment. However, extreme market volatility may overwhelm SOR systems and negatively impact the efficiency of the same.

The existence of multiple trading venues, while beneficial for finding better prices, can also lead to liquidity fragmentation. This also means that an order might need to be split across several venues, potentially increasing transaction costs and execution time.

The Client agrees that I-Sec shall not be liable / responsible for such matters and resultant losses under any circumstances.

Client acknowledges and accepts that the internet is an inherently unreliable medium of communication and provision of services due to the public nature of the communication and that the accuracy, reliability and soundness of such means of communication and provision of services depends upon, amongst others, the service providers and the telephone, modem, cables, systems, facilities and the like used and operated from time to time by such providers and other participants.

Client acknowledges and further accepts that, as a result of such unreliability, there are risks associated in using such means of communication including the

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