

India SOR Disclosure

UBS operates a Smart Order Router ("**SOR**") in India enabled for order routing between the National Stock Exchange of India ("**NSE**") and Bombay Stock Exchange ("**BSE**", together with NSE, the "**Exchanges**"), with the aim to improve execution outcome.

In order to take advantage of the SOR, you will need to be actively enabled to do so. Please contact your UBS sales representative if you wish to do so. Your Order Management System ("**OMS**") must be able to distinguish fills from multiple exchanges in order to participate.

Access to the SOR is subject to the applicable rules, regulations, bylaws, circulars, guidelines and notifications issued by the Exchanges and/or SEBI that may be in force from time to time ("**Applicable Regulations**") and the terms herein. UBS retains discretion in permitting access to the SOR and orders will not be routed to the SOR unless we agree to permit access and reserves the right to suspend or withdraw access at its absolute discretion at any time.

Orders

The SOR may be accessed by cash equities brokerage orders placed with UBS electronically via FIX or other compatible order management systems or manually with a UBS Sales Desk, as well as orders processed by a UBS algorithm. The applicable UBS algorithm will determine the manner in which an order will be submitted to the SOR, including determining the price, quantity and price limit.

The SOR may only be accessed by orders relating to instruments eligible for routing to the SOR. For example, the instruments must be listed and actively traded on both Exchanges. If the instrument is not listed and actively traded on both Exchanges, the SOR will route the order directly to the Exchange on which the instrument is listed and actively traded.. Please contact your UBS sales representative for further information.

The SOR is operational during continuous trading sessions on the days that the Exchanges are open.

Order Routing

The SOR routes orders to the Exchanges in accordance with the UBS India Best Execution Policy (enclosed as Appendix 1 hereto), which may take into account factors including price, speed, likelihood of execution and size. UBS may or may not intervene with the SOR routing.

The SOR has access to market data of both NSE and BSE (sourced through third party vendors) which it makes use of in making routing decision.

For orders being placed into the SOR

- If the limit price on the order is "marketable" (that is, eligible volume exists at the same price or better on an Exchange at the time the order is placed) based on the displayed liquidity across the Exchanges, the SOR will assess the consolidated order book of both Exchanges. It will then, based on the available liquidity, determine the most favourable price and quantity to be used for routing to either Exchange in executing the order.
- If the limit price on the order is not "marketable"(that is, no eligible volume exists at the same price or better on either Exchange at the time the order is placed) based on the displayed liquidity across NSE and BSE, the SOR may post the order quantity across both Exchanges. The quantity to be posted is derived according to the historical trading volume in the two Exchanges. In the event the order is partially executed on one Exchange, the SOR may rebalance the remaining unexecuted quantity and post it across the two Exchanges.

Access to the SOR may be configured, at a client's request, to allow the client to designate particular orders (as opposed to the default setting of routing all orders to the SOR) to bypass the SOR and be routed directly to an Exchange requested by the client.

Fees

You will not be charged additional fees for your access to the SOR.

Risks

You acknowledge that any order you submit is at your sole risk and may be irrevocable. You accept continuing responsibility for order(s) submitted, notwithstanding that such order(s) may have been submitted erroneously or by an unauthorised user, or that its data is inaccurate or incomplete when submitted, or you subsequently determine for whatever reason that the order should not have been submitted. Once an order has been executed, we will notify you the details of including but not limited to the Exchange on which it was executed and you are liable to UBS for such execution. If you are aware that an incorrect order has been sent or if you become aware of any other unauthorized use of UBS' services, you should immediately notify UBS. A request to cancel or amend an order shall not be effective until you receive an acknowledgement from UBS that the order has been cancelled or amended, and you will be responsible for any orders executed prior to your receipt of such acknowledgement.

The SOR sources local market data from the Exchanges through third party vendors. If UBS is notified by the third party vendor or the SOR detects stale data or encounters a latency delay in market data, UBS will take precautionary measures which may include bypassing orders from the SOR and routing such order(s) directly to the Exchange you selected at the time you placed the order (that is, the Exchange that correlates to the instrument symbol you selected), unless otherwise instructed by or agreed with clients. The SOR is configured and operated, taking into account both the desirable capacity and redundancy provisions. In the event of systems delay or capacity issues, UBS will exercise reasonable endeavours to notify affected clients of the system delay or outage where required under applicable regulations.

In the event of an outage, the SOR facility may not be available for a certain period of time. Modification requests of orders that have been routed by the SOR may not be processed during such outage. Orders that have not been processed by SOR will bypass the SOR and be sent directly to the Exchanges in accordance with the UBS India Best Execution Policy, subject to client instruction.

Executions of orders may be impacted in the above events and may result in:

- i) execution at prices different from the prices quoted at the time the order is accepted by us;
- ii) delay in execution;
- iii) inability to place an order on an Exchange; or
- iv) inability to execute an order on an Exchange.

We may change, enhance, suspend or terminate the SOR or features of the SOR at any time and will use reasonable endeavours to notify you where it may have a material adverse effect on our provision of services to you.

Risk Management

Risk parameters, procedures and monitoring processes are designed and put in place to help ensure that the SOR is functioning in an orderly manner and that any system failures are identified promptly and remediated in accordance with established and tested business continuity plans. The risk parameters include quantity limits and price discrepancy checks. If an order breaches one or more of the risk parameters, the order may be sent directly to the primary exchange subject to the UBS India Best Execution Policy and Applicable Regulations.

You must ensure you are fully aware of and will comply with all Applicable Regulations and the terms herein when accessing the SOR. You understand that, notwithstanding any risk parameters, procedures and monitoring process we put in place, you are responsible for your compliance with the Applicable Regulations and the terms herein.

Records

UBS may maintain a record of the data in its systems relating to your use of the SOR for such period as UBS may determine. Such record will be conclusive evidence in the event of dispute, in absence of manifest error.

Disclaimer of Warranties and Limitation of Liability

Neither UBS, its affiliates, nor any of its or their directors, officers, employees, agents and contractors warrant that the SOR will be uninterrupted or error free nor do any of them make any warranty as to the results that may be obtained from the use of the SOR or as to the timeliness, sequence, accuracy, completeness, reliability or content of any service, transaction or information provided through or in relation to the SOR. The SOR is provided on an "as is", "as available" basis without warranties of any kind, either express or implied, including, but not limited to, those of order execution, merchantability and fitness for a particular purpose.

Our offering the SOR and routing client orders to the Exchanges does not constitute recommendation or endorsement by UBS of the Exchanges and UBS makes no representation or warranty with respect to the Exchanges. All warranties, conditions or terms (implied, statutory or otherwise), other than those expressly set out in these terms, are expressly excluded to the fullest extent permitted by law.

**APPENDIX 1
UBS SECURITIES INDIA PRIVATE LIMITED
BEST EXECUTION POLICY**

Regulatory Background

Code of Conduct for Stock Brokers as prescribed in SEBI (Stock Brokers And Sub-Brokers) Regulations, 1992 prescribes that a stock-broker, in his dealings with the clients and the general investing public, shall faithfully execute the orders for buying and selling of securities at the best available market price.

SEBI circular CIR/MRD/DP/26/2010 of August 27, 2010 regarding Smart Order Routing facilities ("SOR") provides that brokers should adhere to their best execution policy while using SOR.

Key Requirements

- UBS Securities India Private Limited ("UBS") is required to take all reasonable steps to obtain, when executing orders on behalf of clients, the best possible result for such clients taking into account the criteria and factors set out in this policy.
- UBS is also required to execute orders in a prompt, fair and expeditious manner.

Best Execution Policy

1. Purpose

- Traders are required to take all reasonable steps to obtain, when executing an order on behalf of clients, the best possible result taking into account Execution Factors set out below.
- UBS is also required to execute orders in a prompt, fair and expeditious manner.

2. Scope

- This policy is applicable to instruments traded on recognized stock exchanges in India.

3. Order Execution

This policy is applicable to all orders that are placed with UBS by clients through DMA, CTCL/IML and/or using algorithmic strategies.

- Obtaining the best possible result

Subject to any specific instructions that may be given by the client, when executing orders on behalf of the client, the relevant trader must take all reasonable steps to obtain the best possible result for the client by using commercial judgment and experience to determine the relative importance of the Execution Factors (set out below) in light of available market information.

- Execution Factors

- (i) price;
- (ii) speed;
- (iii) likelihood of execution;
- (iv) size; or
- (v) any other consideration relevant to the execution of the order.

Price will ordinarily merit a high relative importance in obtaining the best possible result. However, in some circumstances other Execution Factors are more important than price in obtaining the best possible execution result.

Where a client gives specific instructions as to the execution of an order and the trader executes the order in accordance with those specific instructions, such execution may not be in accordance with this Best Execution Policy.

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