**Annexure V**

**Vendor Confirmation Letter**

(On the letterhead of the vendor)

This is to state that trading member M/s \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ with TM code : \_\_\_\_\_ registered with National Stock Exchange of India Ltd has purchased Algo trading software solution for strategy \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Segments with version no \_\_\_\_\_\_\_\_\_\_\_\_\_from us which has been approved by the Exchange under the category Approved Algo.

We certify that:

1. The software provides for routing of orders through electronic / automated risk management systems of the broker to carry out appropriate validations of all risk parameters before released to the Exchange trading system including Individual Order Level such as Quantity Limits check, Price Range checks, Trade price protection checks, Order value checks and Client Level Checks such as Net position v/s available margins, RBI violation checks for FII restricted stocks, MWPL violation checks, Position limit checks, Trading limit checks, Exposure limit checks at individual client level and at overall level for all clients.
2. The system has facility for generating and maintaining complete Audit Trail.
3. The orders generated by Decision Support Tools / Algorithmic trading products are identified as ‘Algorithm orders’ while releasing to the Exchange.
4. All orders generated by Decision Support Tools / Algorithmic trading products are offered to the market for matching and system does not execute cross trades internally.
5. The system has sufficient security features including password protection for the user ID, automatic expiry of passwords as the end of a reasonable duration and reinitialisation of access on entering fresh passwords.
6. The algorithm software has been approved by the Exchange during the process of Identification of aforementioned Decision Support Tools / Algorithms as ‘Approved Algorithm. We further certify that there are no changes / upgrades to the software post identification of Decision Support Tools / Algorithms as ‘Approved Algorithm by the Exchange.

Thanking you,

Name and Signature of Authorised signatory

Vendor name

Date :