Principles of Incentive Structure for Market Makers

Incentives to market maker will be linked to performance of the market maker in terms of generating liquidity in units of ETFs. Incentives, if any, to MM shall be charged to the scheme within the maximum permissible limit of Total Expense Ratio ("TER").

Factors to be consideration for determination of incentives to Market Makers

1. Incentive structure may be linked to Factors such as bid-ask spread in units of ETFs, inventory maintained, maintenance of minimum unit creation size of ETF available on both bid and ask side of trades by the MM, as may be decided by AMC and MM from time to time; or

2. Based on volume carried out by market maker on the exchange as compared to total volume of respective ETFs on exchange; or

3. Performance-based incentive structure; or

4. Fixed compensation at the discretion of the AMC and is to be decided between the AMC and the Market Maker.

As of now quant Money Managers Limited is not offering any incentive to Market Maker. However, in the future depending upon the business or any other requirement will come out with the Incentive Scheme which would be within the maximum permissible limit of TER.