



BEST EXECUTION POLICY

1.0 POLICY STATEMENT

- 1.1 PIPC Securities Limited (hereinafter called "PIPCSEC") business relationship is hinged on our core beliefs of honesty and full disclosures expected by our teeming clients, the company's shareholders, market regulators and other stakeholders.
- 1.2 Hinged on that paradigm, we strive to ensure our compliance with our core values and all regulations guiding the market and dealing member firms so as to keep to the standards embedded in them.
- 1.3 The essence of the PIPCSEC Best Execution Policy is to bring to fore all reasonable steps to be taken in order to obtain the best possible results for our clients.
- 1.4 It is this overarching obligation to obtain the best possible result for our clients we revered so much that we lay bare our obligation of Best Execution.

2.0 POLICY

- 2.1 This policy applies to all of our clients' mandates/orders on all types of securities and takes into account; price, costs, speed, likelihood of execution and settlement, size, nature and/or any other known consideration in our executing orders on behalf of all clients.

2.2 Setup;

- 2.2.1 PIPCSEC takes into account our clients understanding and experience of the market in question, client's dealing profile, the nature of the dealing service required and the specific and general instructions given to us which may prioritize the mode of execution in filling out the orders.
- 2.2.2 In the absence of express instructions from the clients on the orders handling, we will exercise our own discretion in determining the factors that we need to take into account for the purpose of providing the 'best execution'.
- 2.2.3 Our commitment to provide you with the 'best execution' does not mean that we owe you any fiduciary responsibilities over and above the specific regulatory obligations placed upon us or as may be otherwise contracted between us.
- 2.2.4 We assign a high degree of importance to the factors underpinning the execution process and our policy is based on offering the best possible outcome for you predicated upon the following;

2.2.4.1 Prices;

- 2.2.4.1.1 It is as shown on our trading platform for OTC instruments and are based on the prevailing market prices which we receive from our multi-contributor price feed sources. These prices are filtered to eliminate rogue and stale prices.
- 2.2.4.1.2 We undertake to provide competitive spreads on these prices at all times but cannot guarantee that the prices we quote via the automated platforms will always be more aggressive than those quoted elsewhere since others may choose to quote inside the market or on a loss-leading basis, in special circumstances.



2.2.4.1.3 Prices quoted for exchange traded instruments will be based on the prices we receive from our own brokers.

2.2.4.1.4 Clients who request prices under the 'request for quote' (RFQ) function will receive the best available price we can get from our market counterparties at the time of the request predicated on factors such as the size of the requested transaction, the market liquidity and open interest in the underlying instrument.

2.2.4.1.5 Where we cannot make a competitive price or there is no price available in the market from which to quote, we will tell you this and sensitize you of the consequences of entering the market in such circumstances.

2.2.4.2 Cost of Execution;

2.2.4.2.1 Commissions charged will be advised to you in advance at point of submission of the mandate. However, note that where your account is an inter broker transaction, all previous legal obligation between you and such an introducing broker will be respected but you will be advised of this.

2.2.4.2.2 All commissions, overnight fees and spreads quoted by us are considered comparable with current market practice and reviewed regularly by us.

2.2.4.2.3 We do not offer commission free services, we consider the practice of commission free services has some underlying undertones which sometimes are embedded with widened spreads and less reliable quoting.

2.2.4.3 Speed;

2.2.4.3.1 Our platform provides one of the fastest execution services available in the market. This is achieved on an online real-time connection of suitable speed; automated trading is immediate.

2.2.4.4 Likelihood of execution

2.2.4.4.1 We are obligated that if the underlying market has sufficient liquidity and there is a price available against which can cover the mandate/order, we will execute it accordingly. This policy maximises the likelihood of execution.

2.2.4.4.2 In determining the relative importance of the factors affecting the execution process and thereby formulating our best execution policy, we have, using our judgment and longstanding experience in the market, considered your own execution priorities when using our services which includes;

2.2.4.4.2.1 Speed of execution, namely to see a price, click and trade,

2.2.4.4.2.2 Transparency of execution, namely that the price quoted is the price at which the trade is executed.



- 2.2.4.4.2.3** Transparency of dealing costs, namely that the spread and commission rates are known before you elect to trade and there are no unknown variables that will be revealed only after it is traded.
- 2.2.4.4.2.4** Where your intension is to execute an abnormally large order or an order in an illiquid market, which is not to be closed over the trading platform, you will be advised before the trade is executed of any factors which may affect our inability to execute the trade in any manner which deviates from our normal procedures and how those factors may affect the execution of the trade (e.g 'working an order')
- 2.2.4.4.2.5** The accuracy of pricing is based on our trading software encompassing the most sophisticated price filtering systems available in the market and provides clients with promptly updated prices which can be trusted and relied upon.
- 2.2.4.5 Execution Venue;**
- 2.2.4.5.1** PIPCSEC uses a number of market trading platforms as well as external financial institutions and brokers in the process of receiving and relaying orders or to directly execute financial instruments.
- 2.2.5 Force Majeure;**
- 2.2.5.1** Exceptional circumstances with regard to a financial instrument may require specific measures when executing or transmitting orders. These exceptional circumstances could include;
- a. Where an issuer of the Financial Instrument becomes subject to a downgrade or enters bankruptcy, or there is a suspension of payments or similar proceedings,
 - b. A de-listing affecting the liquidity of the relevant Financial Instrument,
 - c. A temporary suspension of the trading on the relevant Financial Instrument caused by actions of a government, supervisory authority or the Execution Venue.
- 2.2.5.2** In order to obtain the best possible results for its clients under such exceptional circumstances, PIPCSEC may follow execution or transmittance procedures other than those described in this Policy? In such an eventuality, PIPCSEC shall not be in breach of this Policy.
- 2.2.6** In certain circumstances, any specific instructions from you may prevent us from taking the steps that we have designed and implemented in our execution policy to obtain the best possible result for the execution of those orders, in respect of the elements covered by those instructions.



2.2.7 Our obligation to perform Best Execution under the terms and conditions of this Policy may be delayed or excused by an event that is beyond the control of PIPC SEC. The terms of business "Force Majeure" provisions apply in such circumstances.

2.3 **Publication;**

2.3.1 PIPCSEC shall display this Policy on its website at all times.

2.3.2 PIPCSEC shall inform clients of the regulatory provisions of this policy, any changes that occur and its effect to their transaction.

2.3.3 PIPCSEC shall promptly notify the clients of any material difficulty relevant to the proper execution of the mandates upon becoming aware of the difficulty.

2.4 **Audit Trail**

2.4.1 PIPCSEC shall ensure that a system for tracking and monitoring orders is established and maintained.

2.4.2 Evidence of audit trail shall be maintained.

2.5 **Monitoring**

2.5.1 PIPCSEC shall monitor the effectiveness of its order execution arrangements and this Policy on a regular basis in order to identify and, where appropriate, correct any deficiencies.

3.0 **Interpretation**

3.1 **Order/Mandate:**

This is an authorization from a client to PIPCSEC to trade securities in its registered trading account. The client is the beneficial owner of the securities traded.

3.2 **Best Execution:**

The term "Best Execution" refers to the obligation on the firm, when executing or arranging the execution of a client's order to take all reasonable steps to obtain the best possible result for the clients.

3.3 **Direct Market Access**

Implies an electronic trading facility for investors who are PIPCSEC clients and wishes to trade in financial instruments and to interact directly with the order book of the Exchange.

4.0 **Policy Administration**

Contact Person

Title	Chief Compliance Officer
Department	Compliance
Email	picsec.compliance@picsec.com.ng

Approvals:

Approved by: PIPCSEC Board of Directors

Approval date: December, 2020

Implementation date: 1st January, 2021

Next review date: Annual review