

Order Handling and Best Execution Policy

Capital Express Securities Limited

INTRODUCTION

The requirement is to provide our clients with this Disclosure Statement which forms an essential part of the structural changes being made to the marketplace by the Nigerian Stock Exchange. It is also a key component in Capital Express Securities Limited to provide transparency to our clients on our business practices.

Best execution policy is described as the requirement expected of a dealing member to take all reasonable steps to obtain the best possible result considering the price, costs, speed, settlement of the transactions, size, nature or any other requirements relating to the execution of an order. It is also a legal mandate that places an obligation on Capital Express Securities Limited on behalf of its clients to execute their mandate in a way that is most advantageous to the client on their behalf.

PURPOSE

Our primary objective in handling clients order will be to deliver the highest quality executions reasonably available under the circumstances and within the context of applicable markets, seeking to balance often conflicting considerations with a view to providing clients with the best possible result on a consistent basis.

Information about the order execution policy that applies to Capital Express Securities Limited is set out below.

THE QUALITY OF EXECUTION

When executing orders on behalf of clients in relation to capital markets instruments, we will take all reasonable steps to achieve what is called "**best execution**" of orders. This means that we have in place a policy and procedures that are designed to obtain the best possible result for order, subject to and

- taking into account any specific instructions from you,
- the nature of order and
- To put into consideration the price of the securities either discretionary or retail client
- Consider the costs related to the execution
- The size and nature of the order
- Speed
- To also consider all related transaction costs
- Markets impact and products concerned.

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While we will take all reasonable steps based on the resources available to us to satisfy ourselves that we have processes in place that can reasonably be expected to lead to the delivery of the best possible result for our clients, we cannot guarantee that we will always be able to provide best execution of every order executed on your behalf, particularly where you give us specific instructions as to all or part of your orders.

ORDER

We owe a duty of **best execution** when we execute both buy and sales mandate on behalf of our clients. We consider ourselves to be typically in receipt of an order and acting on client's behalf where an execution instruction is given to us that gives rise to contractual or agency obligations owed by us to all our clients.

We consider price as an essential tools on any client's mandate for both buy or sell instructions. It also plays a major role in the best execution processes. Regarding the price, we expect our clients to state the following on their mandates which the Broker must adhere to;

- Price limit
- Best Market Price where there is no proposed price limit by the client

In view of the above stated situations, where the Company is unable to meet up with the client's instruction based on the price limit stated by the client, we owe the client an obligation to notify him/her of the situation in the market so as to adjust the mandates accordingly.

SPECIFIC INSTRUCTION

Where you provide us with a specific instruction in relation to your entire order of the clients, or any particular aspect of the order, including selecting to execute on a particular venue, we will execute the order in accordance with instructions.

In following the instructions, we will be deemed to have taken all reasonable steps to provide the best possible result in respect of the order or aspect of the order covered by your specific instructions.

EXECUTION FACTORS

In the absence of specific instructions from the client, we may consider the following factors to determine the manner in which your order will be executed:

- Price of the securities
- Cost related to the execution
- Speed;
- Fees for execution
- Clearing and settlement
- Size of the order;
- Nature of the order;
- Market impact or any other consideration relevant to the efficient execution of the order

We will determine the relative importance of each factor using the following criteria:

- Your characteristics (including your regulatory client categorisation);
- The characteristics and nature of your order, including whether any specific instructions are given;
- The characteristics of the equity that are the subject of the order;

Ordinarily, price will merit a high relative importance in obtaining the best possible result for clients. In our experience, the next most important factor after price is typically liquidity of the market.

CLIENT ORDER HANDLING

All clients orders will be executed swiftly and expeditiously, in every instance, we will ensure that the clients' orders take precedence over firm orders and that the clients' orders will be handle equitably to the client's best advantages. We will also ensure that the client's order is executed promptly and accurately. Clients will also be informed in terms of difficulty or challenges that are relevant to proper execution of their orders.

No individual client order will be aggregated with the transaction of the proprietary account or another client.

SALES MANDATE ON ACCOUNT

- Walk in clients submit mandate to front desk officers.

- Client service unit also receive mandates via the following e-mails; info@capitalexpresssecurities.com
capex@capitalexpresssecurities.com or
clientservices@capitalexpresssecurities.com from a valid and registered e-mail address
- Client services representative time stamped the mandate
- Receipt of SMS mandates is allowed but subject to strict validation of the client's contact phone number and back up on the online account for record purpose
- All mandates are then forwarded to stockbroking operations unit for further processing.
- The officer in charge of Jobbing book jobbed all the sales mandate via Cloud Integra software and then forward to Compliance Officer for verification
- Contract Notes must be issued not later than end of next trading day after execution of trade
- The bank account of Client's without CSCS direct settlement mandate will be credited upon T + 3days settlement circle
- Clients with direct settlement will be credited directly by CSCS upon the maturity of T+3 days settlement circle.

CONTROL OBJECTIVE

- Customers' mandates are dully confirmed and approved for execution by Compliance Officer before execution by the broker
- Verify that all the mandates are in line with the best execution principle i.e execution of client's instruction as specified
- To ensure that client's order are separated from dealing members order
- All sales from Estate account/Legacy account must be confirmed by Compliance Officer and authorized by the Managing Director or Executive Director before execution

OTHER REQUIRED CONTROL

SALES MANDATE

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- The stocks for sales should be readily available in the Customer's CSCS account
- Daily reconciliation of trade listing with Jobbing book
- Jobbing book must show date, security name, customers name with CSCS account number, quantity and price limit or best market price.

PURCHASE MANDATE

- Verification of the mandate and CSCS account number quoted on the mandate via CSCS online
- Jobbing book must show date, security name, customers name with CSCS account number, quantity and price limit or best market price.

DOCUMENTATION

- Buy/Sell Mandate form
- Client's valid e-mail

CLIENTS RESPONSIBILITY

- Forward completed sell/buy mandate form or send mandate via identifiable e-mail address/Telephone numbers

CLIENT SERVICE/FRONT OFFICE RESPONSIBILITIES

- Receive mandates from clients
- Verify clients' authentication (Identity, signatory mandates, adequate shares for sales mandate and adequate fund for purchase mandate
- Time stamped the mandate
- Forward the mandates to Operations for preparation of Jobbing book
- Forward the Jobbing book to Compliance Officer for verification before execution by the Broker

JOBGING OFFICER RESPONSIBILITIES

- Receive the time stamped mandates from client service
- Re-confirm from CSCS site that the clients stock is available in the account for sales mandate
- Print daily Jobbing mandates via Cloud Integra software
- Forward the Jobbing book to Compliance Officer for verification and approval
- Forward the Jobbing book to Equity Dealer for execution
- Print the contract note where applicable and send to various clients

SUBSTANCIAL MODIFICATIONS TO THE ORDER EXECUTION POLICY

Before processing an order, Capital Express Securities Limited assumes that the Client has accepted this "Client Order handling and Execution Policy". CESL regularly reviews its "Order Execution Policy" annually with a view to improving it and correcting any faults, so as to guarantee best execution for clients based on the resources at the company's disposal.

Any significant change in the policy by the regulators will be effected and displayed through the corporate web site, where the policy will be publicly available to all potential clients.

CONCLUSION

Before placing orders, the firm encourages the client to give careful thought to all the information described in this document may affect an investment in a volatile market.

REVIEWED IN 2020	
BY THE BOARD	<i>Macaulay</i>
HEAD OF REVIEW TEAM	MRS ABIOLA MACAULAY FEB. 2020