

Best Execution Policy

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| POLICY ADMINISTRATION | | | |
| Policy Information | | Responsibility | |
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| Approval committee/Date | PACSL Board Enterprise Risk Management Committee (BERMC) |
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| DEFINITIONS AND ABBREVIATIONS | |
|-------------------------------|--|
| NSE | The Nigerian Stock Exchange |
| PACSL | PAC Securities Limited |
| Client Order | Refers to Customers written instructions for the purchase or sale of shares |
| BERMC | Board Enterprise Risk Management Committee |
| Authorized Trader | A person qualified as a stockbroker and approved by the Nigerian Stock Exchange to trade on shares |
| Dealing Member | Refers to firms/companies that are registered with the Nigerian Stock Exchange to deal in shares |
| Securities | Refers to shares of listed companies |

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1. INTRODUCTION

Best Execution refers to the duty of PAC Securities Ltd acting as a broker and dealing member of the Nigerian Stock Exchange to ensure the best execution possible for its clients' orders in line with its understanding and appraisal of market information at the time of executing the order. Brokers are required by the NSE to seek the best execution reasonably available for their clients' orders. To comply with this requirement, PACSL evaluates its clients' order individually and collectively.

2. EXECUTION FACTORS

There are key factors for consideration when executing a client's order(s). They include but are not limited to the following:

- Timely execution
- Market liquidity (which may make it difficult to execute an order)
- Potential price impact of large orders
- The size and nature of the order
- Cost of execution
- Client instruction (if any) regarding price, quantity, buying pattern (volume weighted average, size of traded volume)
- Time order was received
- Available market information when order was received

3. CLIENT ORDERS

Where a client gives specific instructions for the execution of its order, the order must be executed in accordance with those instructions.

Where there are no specific instructions provided, PACSL will work the order in line with the market adopting best execution practice which will be dependent on the features of the order (stock, quantity, price) and understanding of the client's goals. Where possible, PACSL will work towards achieving market average or better in terms of execution price.

Where PACSL adheres to a client's instruction as requested, PACSL has a duty to inform the client of market movements that may affect the expected outcome of the order but will not be liable for the outcome of the trade if the client chooses to continue to execute the order in line with its instruction or otherwise.

4. CLIENT ORDER HANDLING

PACSL will endeavour to execute orders in an expeditious, fair and ethical manner for all clients by adhering to the following principles:

- Every authorized trader of PACSL must obtain written confirmation (or accept orders in line with the method which may include but is not limited to Bloomberg chat, telephone, email, Order Management System (OMS) as agreed in the executed Service Level Agreement (SLA)) of orders from its clients before placement of an order on the system and must keep records of same upon completion or otherwise.
- Every trader of PACSL shall be solely responsible for the accuracy of orders entered into the trading system
- No authorized trader of PACSL shall transact with another Dealing Member whose membership rights have been suspended except as approved by The Exchange
- No authorized trader of PACSL shall participate in any dealings or practices that may mislead or deceive investors or artificially control the price of the securities or the market in general
- No authorized trader of PACSL shall alone or with others enter orders in the trading system with the purpose of creating a misleading or a false appearance of the trading volume or liquidity of any security.
- No authorized trader of PACSL shall enter orders with the purpose of fictitiously affecting the market condition or the prices without any real ownership transfer
- No authorized a trader of PACSL shall alone or with others, make fictitious transactions that may cause the price of a security to rise, fall, or remain steady
- No authorized trader of PACSL shall directly or indirectly carry out or depend on actions or practices that are misleading or meant to deceive or take advantage of clients or anybody else
- Front running or trading ahead of clients' orders is strictly prohibited
- No authorized trader of PACSL shall participate in any insider dealing in relation to any securities traded on The Exchange or knowingly assist any Member or any other person to participate in any such insider dealing

- No Authorized Trader of PACSL shall do or cause to be done any act, matter or thing, which would adversely affect the goodwill or public image of PACSL, The Exchange or its Members.
- Every authorized trader of PACSL shall at all times act in the best interest of PACSL clients
- Clients Mandate shall be given priority over the Company's Mandate
- Authorized traders of PACSL are prohibited from conducting the following:
 - Using or borrowing a client's physical accounts without a contract or their written authorization, and funds may only be placed with PACSL or another designated bank
 - Giving preference to one client over another including the assignment of more favorable transactions thereto without regard to the priority in which the executions were made and or orders were submitted.
 - Establishing fictitious accounts to execute some transactions
 - Providing incomplete, inaccurate or misleading information to a client
 - Giving recommendations or information to clients leading to excessive transactions on a client's account for personal interest or to obtain commissions
 - Making recommendations to a client with the purpose of taking another client out of a position or to exit a proprietary position
 - Disclosing client's information or acting in a way that would create financial loss or distrust between the client and the firm.

5. CLIENT ORDER AGGREGATION

Where appropriate, we may aggregate a client order with an order from another client (subject to confirmation from the clients), where we believe that by doing so it is likely that the aggregation will work to the overall advantage of all the clients concerned.

6. CLIENT DISPUTE RESOLUTION

The PACSL Complaints Management Procedure shall be invoked when there is clients' complaint arising from improper execution of mandates by PACSL.

7. POLICY REVIEW

The Policy shall be reviewed at least biennially and whenever a material change occurs that affects our ability to continue to obtain the best results for our clients.