

Best Execution Policy

1. Overview

The purpose of this document is to provide users of Wealth.ng, a product of WealthTech Limited, an affiliate of Sankore Securities Limited (“SSEC”), with information in relation to our Best Execution Policy. The Best Execution Policy outlines the reasonable steps taken to ensure the effective and efficient execution of client orders.

In compliance with the regulatory requirements, this Best Execution Policy has been developed to ensure that SSEC, as a Stockbroker, diligently pursues the best possible outcomes when executing orders and/or making transactions on behalf of clients.

This policy outlines the comprehensive measures implemented to achieve optimal execution of orders for all clients, in accordance with the provisions of:

- Section 103, Investment and Securities Act, 2007
- Rules 15.19, 15.23, and 15.37, Rules and Regulations Governing Dealing Members of the NGX.

The policy's objective is to ensure that clients' interests are prioritized, and their orders are executed in a fair, efficient, and transparent manner. SSEC is committed to delivering exceptional execution quality, safeguarding clients' assets, and maintaining the highest standards of professionalism and integrity.

Please note that this policy may be subject to periodic review and updates to reflect changes in regulatory requirements or market conditions.

2. Scope

This policy covers all transactions involving stocks conducted or initiated by SSEC on the Nigerian Exchange (“NGX”) and the NASD OTC Securities Exchange (“NASD”). Both the NGX and NASD are recognized and authorized trading points within the Nigerian capital market, regulated by the Securities and Exchange Commission (“SEC”).

i. Best Execution Principles and Criteria

- a. The core concept of best execution entails securing the most favourable combination of price and commission (where applicable) for a client during a securities transaction, taking into account prevailing market conditions. It is essential that Dealing Members consistently adhere to this principle when representing clients in the purchase or sale of securities/stocks.

When executing client orders, SSEC shall:

- Take reasonable steps to achieve the best available outcome for the client within the shortest feasible time frame.
- Act in accordance with the terms and conditions stipulated in the client's order, ensuring alignment with the client's interests.
- Prioritize the client's interests, exercising due diligence and professionalism in transaction execution.

By upholding the best execution principle, SSEC demonstrates its commitment to fairness, transparency, and client satisfaction, aligning with regulatory requirements and industry standards.

ii. Best Execution Factors

- a. When executing orders on behalf of clients, the following factors shall be considered to achieve best execution, taking into account SSEC's experience, available market information, and the primary objective of prompt, fair, and expeditious trade execution:
 - **Price:** In the context of the stock market, the term "price" denotes the prevailing value at which a security, such as a stock, is transacted on an exchange. This value represents the mutually agreed-upon amount between a buyer and seller for the security in question.

The price of a security on the stock market is influenced by a multitude of factors, including:

1. Supply and Demand Dynamics: The balance between the availability of securities and investor interest.
2. Company Performance: Financial health, growth prospects, and operational success.
3. Economic Indicators: Macroeconomic conditions, inflation rates, and interest rates.
4. Investor Sentiment: Market attitudes, confidence, and expectations.
5. Market Speculation: Anticipated future price movements and market trends.

Due to the dynamic nature of the stock market, security prices undergo constant fluctuations throughout trading hours as a result of buying and selling activities. Consequently, monitoring price movements is imperative for investors and traders to make informed decisions regarding the

purchase, sale, or holding of securities.

Accurate and timely price information enables market participants to:

- i. Assess investment opportunities
- ii. Manage risk exposure.
- iii. Optimize portfolio performance.

Therefore, staying informed about price movements is crucial for navigating the complexities of the stock market effectively.

b. **Cost of transactions:** The term "cost of transactions" in the stock market denotes the aggregate expenses incurred by investors and traders when buying or selling securities/stock. These expenditures encompass a range of fees and charges associated with executing trades, including:

- b. Brokerage Commissions: Fees levied by brokerages for trade facilitation.
- c. Exchange Fees: Charges imposed by stock exchanges for transaction processing.
- d. Clearing and Settlement Fees: Costs related to trade verification, confirmation, and settlement.
- e. Other Transaction-Related Charges: Additional expenses incurred during trade processing.

Transaction costs directly influence the profitability of trading activities and are a crucial consideration for investors and traders when evaluating the overall efficacy of their investment strategies.

c. **Execution capability / speed:** Execution capability/speed" in stock market terminology refers to the ability of a brokerage firm or trading platform to execute trades swiftly and efficiently on behalf of investors. It encompasses the technological infrastructure, trading algorithms, and network connectivity that enable orders to be processed rapidly and accurately. A brokerage's execution capability/speed is crucial for investors and traders, particularly in fast-paced markets, as delays or inefficiencies in execution can result in missed opportunities or unfavorable trade outcomes. Faster execution capability does not only facilitate timely trade execution but also enhances market liquidity and transparency, contributing to a more efficient and competitive trading environment.

d. **The size and nature of the order:** The size and nature of the order" refers to two critical aspects of a trading instruction:

- **Size:** The quantity of securities involved in a single transaction, ranging from small to large orders.
- **Nature:** The specific instructions or conditions attached to the trade, such as market, limit, or stop orders, as well as any complex strategies

or special handling requirements. Considering the size and nature of an order is vital for brokers and traders to execute trades effectively, aligning with the investor's objectives and market conditions.

- e. **Market impact of the transaction:** Market impact of the transaction refers to the effect that a particular trade or transaction has on the prevailing market conditions, particularly on the price of the security being traded. When a sizable order is executed, it can influence supply and demand dynamics, leading to price changes in the security and potentially impacting subsequent trades. The magnitude of the market impact depends on various factors, including the size of the order relative to the market's liquidity, the speed of execution, and the trading volume. Traders and investors closely monitor and manage market impact to minimize adverse price movements and optimize trade execution outcomes.
- f. **The current liquidity for the relevant stocks:** The current liquidity for the relevant stock refers to the degree to which a particular security/stock can be bought or sold in the market without significantly affecting its price. Liquidity is determined by factors such as trading volume, bid-ask spread, and the presence of market makers or institutional investors willing to trade the stock. Securities/Stock with high liquidity are typically easier to buy or sell quickly and at a stable price, while those with low liquidity may experience wider bid-ask spreads and greater price volatility. Assessing the current liquidity for relevant Stock is crucial for investors and traders to gauge the ease and cost of executing trades, particularly for large orders or in fast-moving markets.

The relevance of these factors is for the Retail clients. When dealing in securities/stock on the client's behalf, the Firm shall via the wealth.ng platform exercise its discretion in assessing the criteria for providing a client with the best possible result ("best execution"). The relative importance of these criteria will be judged on an order-by-order basis, in line with the company's commercial experience, with reference to market conditions and regulatory best practices. In executing orders for Retail clients, in the absence of any specific instructions, SSEC shall generally give precedence to the factors that ensures the delivery of best possible result in terms of value (total cost) to the client.

g. Execution Venues

- **X-Gen:** The Firm has access to the X-Gen trading platform which is directly connected to the Nigerian Exchange (NGX) trading server.

- **NGX Trading Floor:** We also execute trades directly from the Nigerian Exchange trading floor where situation demands.

h. Specific Client Instructions

Where a client gives a specific instruction for the execution of a Client Order then the order will be executed in accordance with those instructions. The client should be aware that providing that instruction may prevent the firm from taking some of the aforementioned steps to obtain the best possible result for the execution of such order (to the extent of the instructions). These transactions will be deemed to have achieved the best possible result for the client.

3. Client Order Handling

SSEC shall endeavour to execute Client Orders in an expeditious and fair manner for all clients, and to achieve this, the following processes are followed:

a. Direct Market Access (DMA)

When a client chooses to execute an order using our Direct Market Access (DMA), such client would have control over the trade parameters. Consequently, the client would be required to give specific instructions for executing orders, and these will be sent directly to the market. By so doing, the Firm's best execution obligations shall be deemed to have been met. Please note that all clients' trading activities must comply with relevant laws and regulations, including the rules of the Nigerian Exchange (NGX).

b. Receipt of Order

- Receive client order through various channels (email, online trading platform, or in-person)
- Ensure client is authenticated and authorized to trade.
- Verify order details, including security, quantity, price, and order type (buy/sell).

c. Order Validation

- Check client's account balance and ensure sufficient funds for trade execution.
- Verify security/stock availability and trading hours.
- Validate order against market rules and regulations (e.g., NGX rules).

d. Order Routing

- Route order to the appropriate trading desk or execution platform (e.g., NGX, NASD OTC Securities Exchange).
- Ensure best execution practices are applied (e.g., optimal price, speed, and likelihood of execution).

e. Trade Execution

- Execute trade at the best available price, subject to market conditions.
- Confirm trade execution with a client via SMS, email, or online platform notification.

f. Trade Capture and Confirmation

- Capture trade details in the firm's back-office system.
- Generate trade confirmation slips or contract notes for clients.
- Send confirmation to clients via email, SMS, or physical mail.

g. Settlement and Clearing

- Ensure timely settlement and clearing of trades through the Central Securities Clearing System Plc (CSCS)
- Monitor and resolve any settlement or clearing issues that may arise.

h. Post-Trade Processing

- Update client account records and portfolio positions.
- Generate statements and reports for clients as required.
- Maintain accurate records for regulatory and compliance purposes.

Ensure compliance with relevant regulations, including the Securities and Exchange Commission (SEC) and Nigerian Exchange (NGX) rules.

Continuously monitor and improve the order handling process to ensure efficiency, accuracy, and client satisfaction. Where we are unable to execute the client's order due to liquidity or availability of the stock being traded, we will notify clients explaining the market situations that have not permitted the execution of the order.

4. Monitoring and Review Process

Purpose

- To ensure the stockbroking firm's activities are aligned with regulatory requirements, industry best practices, and the firm's overall objectives.
- To identify and mitigate risks and improve overall performance and client satisfaction.

This best execution policy shall be reviewed annually, and whenever a material

change occurs that affects our ability to continue to obtain the best results for our clients. We shall also continually monitor the effectiveness of our best execution policy and execution arrangements to identify and where appropriate correct any deficiencies observed. We will notify clients of any material changes to our Best Execution Policy when such situations arise. All clients may request a hard copy of our Best Execution Policy at any time by contacting the Firm.

Client Orders may not be received, or may not be executed in accordance with the policy, due to situations beyond our reasonable control, including disaster, abnormal market conditions, regulatory requirements, etc. We will not be bound to provide the best execution in such circumstances.

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Developed by: Legal & Compliance

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Approved by: Board of Directors

Sankore Policy