BEST EXECUTION POLICY

DLM SECURITIES LIMITED

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1. Introduction

This policy provides an overview of how DLM Securities Limited ("DLMSL") executes orders on behalf of clients, the criteria for execution and the execution venues for carrying out a trade instruction.

Upon acceptance of a client order and when there is no specific client instruction regarding the execution method, DLMSL will execute in accordance with this Policy. The Portfolio Manager and the Traders must ensure that all confirmed client orders are entered into the Exchange's order books immediately and continue to pursue the execution of the mandate to buy/sell within 5 business days or as detailed in the client's mandate. If after this period, the trade has not been executed, the Portfolio Manager or Trader should seek to revalidate the Client order from the client unless expressly advised otherwise by the client in the initial order.

This policy applies to all trades in financial instruments executed or placed by the firm on the Nigerian Exchange Group (NGX), NASD, FMDQ or any other capital market trade point authorised and recognised by the Securities and Exchange Commission, Nigeria.

2. The Quality of Execution

When executing orders on your behalf in relation to securities, we will take all reasonable steps to achieve is called "best execution" of your orders. This means that we will have in place a policy and procedures which are designed to obtain the best possible execution result, subject to and taking into account the nature of your orders, the priorities you place upon us in filling those orders and the market in question and which provides, in our view, the best balance across a range of sometimes conflicting factors.

We will take into consideration a range of different factors which include not just price, but which may also include such other factors as the need for timely execution, the liquidity of the market (which may make it difficult to even execute an order), the size of the order and the nature of the security.

We will also take into account your understanding and experience of the market in question, your dealing profile, the nature of the dealing service you require of us and the specific and general instructions given to us by you which may prioritise how we are to fill your orders.

In the absence of express instructions from you, we will exercise our own discretion in determining the factors that we need to take into account for the purpose of providing you with "best execution".

Our commitment to provide you with "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.

3. Order Execution Policy

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 based upon the following main criteria:

- **Price**
- **Cost of Execution**
- **Speed**
- **Likelihood of Execution**

- **Size of the order relative to other trades in the same financial instrument**
- **Nature of the order (impact on the market)**
- **Other relevant factors**

Price

Prices shown on our trading platform are based on the prevailing market prices which we receive from our multi-contributor price feed sources. We undertake to provide competitive spreads on these prices at all times but cannot guarantee that the prices we quote via the automated platform will always be more aggressive than those quoted by other firms, since they may choose to quote inside the market or on a loss-leading basis, in special circumstances. 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, based on the size of the requested transaction, the market liquidity and open interest in the underlying security. 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 warn you of the consequences of entering the market, in such circumstances.

Cost of Execution

Commissions charged will be advised to you in advance of your trading. Clearing & settlement fees, all commissions, fees and spreads quoted by us are considered comparable with current market practice and regulation and also reviewed to align with changing regulation and market practice.

Speed

Our platform provides one of the fastest execution services available in the market. Based on a stable internet connection of suitable speed, automated trading is immediate. Under RFQ trading, we undertake to provide immediate pricing, subject to the status of the underlying market.

Likelihood of Execution

We can commit that if the underlying market has sufficient liquidity and there is a price available against which we can cover your trade, we will make a market. This policy maximises the likelihood of execution.

In determining the relative importance of the factors affecting the execution process and thereby formulating our best execution policy, we have, using our judgement and longstanding experience in the market, considered that your own execution priorities when using our services are:

- Speed of execution;
- Transparency of execution, namely that the price quoted is the price at which the trade is executed;
- Transparency of dealing costs, namely that the fee and commission rates are known before you elect to trade and there are no unknown variables that will be revealed only after you have traded;
- Where you wish to execute (for example) 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 ability to execute the trade in any manner which deviates from our normal procedures and how those factors may affect the execution of the trade;
- Re-quote policy: in normal market conditions, we may re-quote you before executing your trade, where the market is moving in your favour and a more favourable price can be offered than the price previously quoted.

Note: 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.

4. Execution Venues

DLMSL is a member of the NGX, the FMDQ OTC and NASD. We will execute your orders in accordance with our Best Execution Policy which we will provide to you.

The Firm assesses the available execution venues to identify those that will enable us, on a consistent basis, to achieve the best possible result when executing or placing orders on behalf of our clients.

The factors listed above are taken into account in the choice of execution venue and methodology for all financial instruments. In particular:

- Where we believe we can trade to the advantage of (or at no disadvantage to) the client in terms of one or more of price, speed of likelihood of execution impact, or any other relevant consideration, we will do so.
- When placing orders on a regulated market through an executing agent, orders will generally be executed on the execution venue assessed to be the most appropriate.

5. Effects on Order Execution

Clients should be aware of the following risks associated with volatile markets, especially at or near the open or close of the standard trading session:

- Execution at a substantially different price from the quoted bid or offer or the last reported sale price at the time of order entry, as well as partial executions or execution of large orders in several transactions at different prices.

- Delays in executing orders for which the client is yet to open a CSCS account.

- Opening prices that may differ substantially from the previous day's close.

- Locked (the bid equals the offer) and crossed (the bid is higher than the offer) markets, which prevent the execution of client trades.

- Price volatility is one factor that can affect order execution. When clients place a high volume of orders, order imbalances and back logs can occur. This implies that more time is needed to execute the pending orders. Such delays are usually caused by the occurrence of different factors: (i) the number and size of orders to be processed, (ii) the speed at which current quotations (or last-sale information) are provided to DL Merrifield; and (iii) the system capacity constraints applicable to the given exchange, as well as to DL Merrifield.

6. Order Handling

- The firm will provide for the prompt, fair and expeditious execution of order, relative to other orders of the trading interests of the firm. This must allow for the execution of otherwise comparable orders in accordance with the time of their reception by the firm.
- When carrying out orders, all areas of the Business Areas must:
  - (i) Ensure that orders are executed as promptly as possible and subject to any client instructions, client orders must be executed within 24 hours of it being received by the Firm. Where orders are not executed within 24 hours, a record of the reason must be made in writing and retained;
  - (ii) Ensure that executed orders are promptly and accurately recorded and allocated;
  - (iii) Ensure all orders are received in writing or taken through recorded telephone lines from the client account holder only; and
  - (iv) Carry out otherwise comparable orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impractical, or the interests of the client require otherwise.
- Order received through multiple and different media will be handled as practically possible with the aim for sequential treatment wherever possible.
- The Firm will not trade on its own account ahead of a client order, unless the Firm immediately executes the customer order at the same or better price than it traded for its own account.
- The Firm will not aggregate a client order with a trade for our own account (Proprietary trade).

7. Equities, Fixed Income and related securities

Achieving best execution for Fixed Income and related securities will depend on the transaction strategy type being entered into. The standard method for establishing the market level is to request three market prices for each asset. If possible at least two of these prices should be executable and the third may be a reference. All prices obtained are recorded on a trade sheet regardless of whether it was obtained by telephone or electronic trading (i.e. trade system). The trade will then be concluded through the venue that provides the best price.

For Equities, the firm will seek the most favourable bid/offer price available in the market at the time of executing the trade. The trader will record the rationale for accepting the market level and make a note in the trade sheet of the trade to capture their assessment.

8. Fair Allocation

Where a clients' order is completed in full i.e. the dealer is able to buy or sell the desired quantity that the client has specified, the order should be allocated in accordance with the clients' mandate.

However, in some instance, the firm may combine the orders of different clients, in the same security and execute it as one trade, this is commonly referred to as aggregating orders.

The Firm will aggregate orders to give its clients the benefits of efficient and cost effective delivery of our services. By aggregating orders, the firm may also obtain more favourable execution and lower broker commissions. The fairness of a given allocation depends on the facts and circumstances involved, including, but not limited to, the client's investment criteria, account size, and the size of the order.

Client Orders will not be carried out in aggregation with another Client Order unless:

- Aggregation of orders and transactions does not disadvantage any client whose orders is to be aggregated;
- The provisions relating to order allocation set out in 8.1 – 8.7 below are complied with.

In aggregating trade orders and allocating available securities (i.e. securities available in the market to fill the order at the time of trade), the firm must provide fair and equitable treatment to all clients.

In respect to Market Orders and Limit Orders, the Firm will not withdraw or withhold client orders for its convenience or any other person.

Order Allocation procedure for aggregated orders:

- Allocation of completely filled order- Where an aggregated order is filled completely i.e. the firm is able to buy the exact quantity desired e.g. the total of the order is 50,000 units and the firm is able to get this, then each client must be allocated the exact amount they requested. An example is provided below:
- Clients A, B and C have requested 10,000, 15, 0000 and 40,000 respectively of security X i.e. a total of 65,000 and the firm is able to buy 65,000, each client must be allocated the exact amount they requested.
- Allocation of part filled aggregated order- Where an aggregated order is part filled i.e. the firm is not able to buy all the quantity required, the firm must have a clear and documented procedure for allocating the order in a fair manner to all the affected clients without favouring one client over another. Please see the example below for guidance:

A Portfolio Manager [PM] looking to purchase different quantities of the same security [company XYZ] for three of his clients [client A, B & C], has aggregated the three orders [Client A needs 50,000 shares, Client B - 20,000 shares and Client C – 30,000 shares] into a single order of 100,000 shares to the trader.

The trader is only able to buy 70,000 shares, the trader will then need to inform the PM of the market availability of company XYZ securities in the market and the PM will need to then carry out a pro rata allocation analysis based on the initial ratio of the aggregated order as detailed below

Since Client A needed 50,000 of the total 100,000 shares, their original allocation was [50,000/100,000 x 100%] 50% of the total initial order, whilst client B [20,000/100,000 x 100%] had a 20% allocation of the total order and Client C [30,000/100,000 x 100%] 30 % of the total initial order. The PM would then need to allocate the 70,000 share available in the market based on these ratios i.e. Client A will get 50% of 70,000 shares [35,000 share]; client B 20% of 70,000 shares [14,000] and client C 30% of 70,000 shares [16,000].

8.1 Potential Conflicts of Interest

No single account may be systematically favoured over another in the allocation of trade orders. Similarly, accounts are to be treated in a non-preferential manner, such that allocations are not based upon the client's account size and/or identity, account performance, fee structure, or the Portfolio Manager.

8.2 Determining the initial Allocation prior to Trade Execution (Pre-trade Allocation)

Initial mandate must be determined prior to executing the trade, clearly indicating the participating client's accounts and allocations for each account.

8.3 Determining the Appropriate Allocation

Pro-Rata Allocation assures fair and equitable treatment. Trades should be allocated on a pro rata basis based on the size of the pending order, however, there are various judgmental and other factors as described below which may support non-pro rata allocations.

8.4 Non Pro-Rata Allocations

Certain factors may affect a Portfolio Manager's decision to allocate on a pro rata basis. Factors such as, the need to sell out an account's entire position before selling out other client's position due to the client's cash flow, exposure to the security/sector, cash flow (accounts liquidity needs, availability of cash) may form the basis of a non-pro rata allocation. In these situations, the Portfolio Manager must use reasonable fiduciary judgement in making a non-pro rata allocation that is in the best interest of all the affected clients. This should also be fully documented to demonstrate the rationale behind the decision and subsequent allocation.

8.5 Filling Orders According to Initial Allocation (Post Trade Allocation)

All orders must be filled in line with the initial mandate as set out in 8.4 above. If the entire order is filled, then every client should have their entire order size met. If the order is partially filled, the executed trade should be allocated pro rata among the clients in the same proportions as the initial order size. Any deviation or reallocation of share from the initial allocation is permitted for up to two hours and thirty minutes (2.30Hrs) from when the trade was executed, however this needs to be fully documented, clearly citing the circumstance and rationale for the deviation.

8.6 IPO offerings allocation (New Issues)

The Firm maintains a strict policy on ensuring fair and equitable treatment of all clients when purchasing and allocating new issues.

For all new issues, the Portfolio Manager will take into account, the necessary factors such as the clients investment objectives, investment guidelines (any advance indications of client interest for new issues), and the risk profile of the client, the security itself and the size of the order. The Portfolio Manager will have the responsibility for ensuring that, no special arrangement or any inducement scheme exists where the firm agrees to trade more with an executing agent as a result of a greater allotment of a new issue from a book runner.

The Portfolio Manager looking to subscribe to the new issue must have a written record indicating the requested volume. Pre trading allocation must also be completed, as above, on a pro rata basis with consideration for the size of the client's account, adjustment for rounding lots, the mandate type, permissibility of the new issue for the client and cash availability. After filling the order, the Portfolio Manager must record on the trade ticket the actual new issue allocation made to each client/strategy. The rationale for any allocation decision other than strictly pro rata and adjustment for round lots must be clearly documented and provided on request to the Compliance Department.

8.7 Cross Trades

Where the Portfolio Manager has two clients with opposite needs in the same security and it is in the interest of both clients to transact with each other instead of both going to the market, the Portfolio

Manager/Trader may cross the trade at the agreed price of the security. However, the Portfolio Manager must ensure that this is not done to the advantage or detriment of either party participating in the cross. The rationale for Crossing should be fully documented and supported with relevant additional information i.e. evidence of Bid/Ask offer obtained from the market, which sufficiently allows compliance have clear oversight of the process.

9. Regular Review of Execution Quality

DLMSL will review this policy annually and whenever a material change occurs that affects DLMSL's ability to obtain the best possible result for the execution of client orders.

DLMSL regularly reviews the overall quality of its order executions, and its order routing practices. We will amend this policy on the basis of such reviews if we consider it to be necessary.

10. Glossary

Market Level:
The bid or ask price range for a security in the market at the time of executing the trade

Market Orders:
Market orders is a buy or sell order to be executed immediately at current market prices. As long as there are willing sellers and buyers, market orders are filled.

Limit Orders:
A Limit Order is a take-profit order placed with the Firm to either buy or sell a set amount of a financial instrument at a specified price or better. The trade may not be executed if the price set by the customer cannot be met during the period of time in which the order is left open.

Revision History

Modify/Check by	Revision Year
Compliance	2019
Compliance	2020
Compliance & Operation units	2022

Signed: