

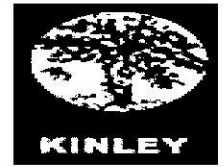


Best Execution Policy Of Kinley Securities Limited (KSL)



Contents

Overview-----	3
Scope-----	3
Best Execution Obligation-----	3
Elements of Best Execution-----	4
Execution of Clients Orders-----	5
Effects on Order Execution-----	5
Types of Orders-----	6
Execution Venues-----	7
Limitations to Best Execution Scope-----	8
Specific Instructions-----	8
Monitoring and Review-----	8
Conclusion-----	9



Overview

This document sets out Kinley Securities Limited (KSL) Execution Policy and approach to providing best execution, as required by the Nigerian Stock Exchange. (NSE) All our clients for the purpose of this policy will be referred to as professional clients. NSE requires KSL to take all reasonable steps to obtain the best possible result for our clients with respect to all relevant order execution consideration, whether we are executing orders directly on behalf of clients ourselves or through a third party.

SCOPE

This document applies only to Capital Market transactions for clients classified by KSL as Professional Clients only.

KSL only owes you a duty of Best Execution when we accept an order to execute a transaction on your behalf or in other circumstances where it has otherwise expressly agreed to accept such Best Execution obligation.

We do not consider that we execute orders on your behalf in the following two situations:

- (i) Where we merely provide prices at which we would be willing to buy or sell;
- (ii) Where you approach us for a 'request for price' i.e. when you contact us and ask us to provide you with a price for a particular security.

We will however still act in your best interests and also to manage any conflicts of interests that we may have.

BEST EXECUTION OBLIGATION

KSL will exercise reasonable care to achieve best execution when executing orders on your behalf in relation to Financial Instruments. Our policies and processes consistently seek to achieve the best balance in the face of conflicting interest which includes:

- Price;
- Timeliness of execution;
- Market Liquidity;
- Size of your order;



- Timeliness of execution;
- Market Liquidity;
- Size of your order;
- Nature of your order;
- Clearing and settlement processes;
- Execution venues;
- Any other consideration relevant to the efficient execution of your order.
- Priorities you place upon KSL executing those orders.

ELEMENTS OF BEST EXECUTION

2.1 The procedure for routing determinations is mainly based on four criteria and is regularly reviewed by KSL. Hence to determine the best way to execute an order for a client the firm takes into consideration:

2.2 **Speed and Likelihood of the Execution:**

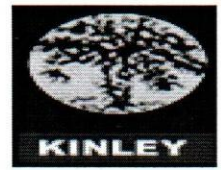
Due to the levels of volatility affecting both price and volume, KSL seeks to provide client orders with the fastest execution reasonably possible although delays may occur.

2.3 Price Improvement and Overall Consideration of Costs: Orders are routed to market makers and/or market centers where opportunities for price improvement exist. The criteria to be used by other market-makers and/or market centers include:

- automatically matching incoming market and limit orders to pending limit orders;
- Crossing transactions where price improvement can be offered to one or both sides of the trade.

2.4 Size Improvement: In routing orders, KSL seeks markets that provide the greatest liquidity and thus potential for execution of large orders. KSL also seeks opportunities for client orders to benefit from order- size commitments offered by third parties.

2.5 Overall Execution Quality: When determining how and where to route or execute an order, KSL traders draw on extensive day-to-day experience with various markets and market makers, focusing on prompt and reliable execution.



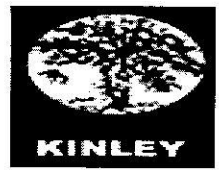
EXECUTIONS OF CLIENT ORDERS

- a) KSL uses automated systems to route and execute client orders. When a client order is received by the firm, it is routed to the execution venue that KSL considers to generally provide the Best Execution or kept in house for products which KSL trades against its own proprietary desk (e.g. some OTC products). KSL may execute orders outside regulated markets and multilateral trading facilities.
- b) For instruments admitted to trading and official listing on a regulated market or stock exchange (i.e. Bonds, Stocks, and ETFs).

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:

- o 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.
- o Delays in executing orders for financial instruments that KSL must send to external market maker and manually routed or manually executed orders.
- o Opening prices that may differ substantially from the previous day's close.
- o Locked (the bid equals the offer) and crossed (the bid is higher than the offer) markets, which prevent the execution of client trades.
- o Price volatility is one factor that can affect order execution. When clients place a high volume of orders with brokers, 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 KSL and other brokerage firms; and



- (iii) The system capacity constraints applicable to the given exchange, as well as to KSL and other firms.

TYPES OF ORDERS

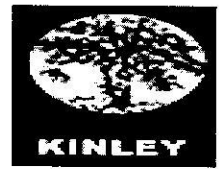
Given the risks that arise when trading in volatile markets, the client may want to consider using different types of orders to limit risk and manage investment strategies. (It should be noted that the following descriptions of order types may apply only to some and not all types of financial instruments).

- A. **Market order:** With a market order the client instructs a financial institution or trading counterparty to execute a trade of a certain size as promptly as possible at the prevailing market price. Financial institutions are required to execute market orders without regard to price changes. Therefore, if the market price moves significantly during the time it takes to fill a client's order, the order will most likely be exposed to the risk of execution at a price substantially different from the price when the order was entered.

Some Exchanges do not support market orders. If the client places a market order in these markets, KSL will automatically translate the order to an aggressive limit order within a certain percentage limit "in the money". It is the clients' own responsibility to check the order is traded in the market after order entry. If the client experiences or suspects any errors with his/her order the client should contact KSL immediately.

Some of KSL's third party execution brokers may choose to translate market orders on various markets into aggressive limit orders 3 – 5 % in the money. This is often a result of Exchange rules applied to protect clients from "bad fills". KSL cannot be held responsible for missing fills due to such translation performed by third party execution brokers.

- B. **Limit order:** With a limit order, the client sets the maximum purchase price, or minimum sale price, at which the trade is to be executed. As a limit order may be entered away from the current market price, it may not be executed immediately. A client that leaves a limit order must be aware that he/she is giving up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future. Limit orders may be routed to an exchange without human intervention.



- C. **Stop order:** Different from a limit order, a stop order allows selling below the current market price or buying above the current market price if the stop price is reached or breached. A stop order is therefore a "sleeping" order until the stop price is reached or breached.
- D. **Trailing stop order:** The trailing stop order is a stop order as described in Section 8.4 but the trailing stop price moves according to parameters set by the client. This way the trailing stop can be used to sell if the price drops more than a specified distance from the highest price traded or to buy if the price trades above a set level from the lowest traded price.
- E. **Stop Limit Order:** A stop limit order is a variation of a stop order as described in Section 8.4 with a lower (higher) limit price to suspend trading if the price falls (rises) too far before the order is filled restricting trading to a predefined price range.

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

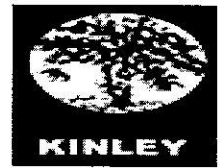
KSL regularly reviews the overall quality of its order executions and its order routing practices, including its order routing vendors and the available exchanges. KSL will amend this policy on the basis of such reviews if it considers it to be necessary. Any new policy will be made available on KSL's websites and will be in force as from publication.

EXECUTION VENUES

Our policy includes a list of venues that will enable us get a best execution for you considering the financial instrument executed on your behalf. These venues include all regulated market and other liquidity providers including KSL and its affiliates acting as principal and or a third party broker where deemed necessary, wherein KSL will either determine the ultimate execution venue ourselves on the basis described above, and instruct the other broker or dealer accordingly, or we will satisfy ourselves that the other broker or dealer has arrangements in place to enable us to comply with our Best Execution obligations to you.

Regardless of execution venues, KSL will ensure that its commissions are fairly priced to avoid venue discrimination.

LIMITATIONS TO BEST EXECUTION SCOPE



The nature of order given by the clients sometimes limits the best execution obligation, especially highly structured off-market transactions wherein the terms of transaction make it incomparable to other transactions. Such terms apply to customized or OTC transactions.

SPECIFIC INSTRUCTIONS

Where specific instructions are given as to the way and manner for executing a specific order or a particular aspect of it, we will execute so far as is reasonably possible in accordance with those instructions, bearing in mind the likelihood of limitations as regards our set processes for achieving best policy in executing the said order.

In the absence of express instructions from you KSL will exercise its own discretion, having regard for the terms of your order in determining the factors that it needs to take into account for the purpose of providing you with Best Execution.

Where you choose to execute an order via the FIX protocol you will select parameters of the trade (such as the price, the timing, the size and nature of interaction with your selected execution venue). In such a case KSL, while acting on your behalf in providing the access, will be treated as having satisfied its duty of Best Execution and you will be treated as having given specific instructions for the entirety of your order by means of the FIX Protocol.

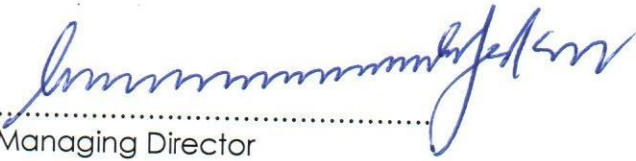
MONITORING AND REVIEW

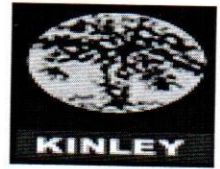
On a periodic basis, KSL will monitor the effectiveness of its execution arrangements and the Execution Policy as well as whether the execution venues it has selected provide for the best possible result for orders it executes on your behalf. KSL will also notify you of any material changes to its order execution process.

CONCLUSION

Before placing orders, the firm encourages you to give careful thought to how the risks described in this document may affect an investment in volatile markets.

This policy document has been reviewed and approved by the Board of Kinley Securities Limited.


.....
Managing Director




.....
Director

KINLEY SECURITIES LIMITED
(MEMBER OF THE NIGERIAN STOCK EXCHANGE)
55, CAMPBELL STREET, LAGOS
P.O. BOX 7212 MARINA, LAGOS