

Interstate Securities Limited

Order Handling & Best Execution Policy

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1. Introduction

Best Execution is the process where a Dealing Member Firm obtains the best possible result for its clients' instructions, taking into account price, costs, speed, likelihood of execution and settlement, size, nature and/or any other relevant order execution consideration. Interstate Securities Limited (ISL) hereby develops and designs this policy to ensure that clients' transactions are executed correctly in accordance with regulatory standard and international best practice.

2. Principle of Best Execution Policy

ISL will adopt the Best Execution Policy always, subject to any specific instruction the client may give. In the absence of specific instructions, ISL will not execute orders at its discretion except signed mandates by clients expressly indicating their request with no ambiguity is provided. This policy takes into account the price, costs, speed and likelihood of execution and settlement, size and nature.

The Price

The price of a stock indicated by clients at the point of purchase or sale of equities must be used to execute the request. Decision for change in price by client must be passed across in writing and same must be adopted accordingly.

The Cost

Services rendered must not be at detriment to our firm but most especially reduce cost and optimize quality customer service taking into cognizance timing and cost effectiveness.

The Speed

The Time used to execute mandates instructed by clients must be with speed and accuracy because speed without control is tantamount to failure or error in execution.

Settlement

KYC documents must be up to date before execution of either sale or purchase mandates. The proceeds from sales of shares mandated by clients are transferred into the clients' respective bank accounts with proper narration of stock sold, indicating the units and price at which the sales was done. Or cheque will be issued in favor of the client.

3. Execution Venue

This refers to the points where transactions are executed. At ISL, execution is carried out on the platforms of the Nigerian Stock Exchange, the NASD (OTC) market, FMDQ Exchange and or on any other Exchange or market that we operate in.

4. Types of Requests

The purpose of this policy is to ensure best execution for standard orders. Accordingly, whenever ISL receives client orders (BUY or SELL) or instructions with specific execution instructions, same will be treated in like manner.

Examples of requests we work upon are;

- Buy Mandates
- Sell Mandates
- Account Opening Requests
- Lodgment of Shares Certificates for Verification and Dematerialization.

5. Execution of Buy Mandates

The client must fill ISL BUY Mandate form, indicating units of shares to be bought and the price.

Where the client requests us to buy at prevailing market price or with a limit, this should be stated in the mandate as either MARKET OR LIMIT.

- ISL does not receive cash and therefore advises clients to pay either by transfer, cash deposits directly into the company's client bank account or make use of Cheque/Bank Drafts.
- A client's account must be funded before any Buy mandate is executed. The policy is strictly 'No Fund, No Purchase'.
- The client must fill a buy mandate form before instructions are executed.
- All cheque deposits must have value before the buy mandates are executed.

6. Execution of Sell Mandates

The client must fill ISL SELL Mandate form, indicating units of shares to be sold and the price.

Where the client requests us to sell at prevailing market price or with a limit, this should be stated in the mandate as either MARKET OR LIMIT.

- Every Sell mandate must be in writing, specifying quantity, price or at best market and with the duration or time-in-force of the mandate.
- Sell mandate by email must be backed with scanned copy of client's mandate duly signed by the client. The hard must be collected or printed out and kept in the mandate file.
- The client must fill or update a KYC form and attach same to the mandate form if he/she has not done so in 6 months.
- The Proceeds from a client's sale of shares must only be credited to the account provided on the KYC form.

7. Policy review and Amendment

To ensure that any change in market conditions is duly reflected in this policy, Interstate Securities Limited will review this policy from time to time in order to continue to protect the interest of the clients. If there are any changes, the policy will be reviewed and amended as necessary to continue to offer best execution.

ISL will inform clients through its website and by any other means it considers appropriate that the Best Execution Policy will be revised at regular intervals, establishing a reasonable time frame for review. Any amendments will be communicated to clients by same means.

8. Conclusion

This policy is a guideline to ensure we attend and treat clients request based on statutory standards and requirement by regulators. The interest of our clients is our main objective and we continue to strive daily to satisfy and execute their request with the Best Execution Policy.