



PILOT SECURITIES LIMITED

BEST EXECUTION POLICY

NOVEMBER 2021

INTRODUCTION

This document sets out the summary of policies and methods used to ensure best execution of trade mandates.

The business of Pilot Securities Limited (hereinafter referred to as “Pilot”) is built on trust and integrity as perceived by our stakeholders, especially our clients, shareholders and regulators.

The Best Execution Policy outlines the reasonable steps taken by Pilot to ensure that it obtains the best possible results, for its clients, when executing their orders.

Pilot has a fiduciary responsibility to ensure and take reasonable actions necessary to achieve optimal result for its clients; subject to specific instructions or mandate, price, trade size, costs, market conditions, product concerned and any other relevant order considerations.

SCOPE

Pilot’s Best Execution Policy is designed to comply with the Nigerian Exchange Limited’s (NGX) Rules on Order Handling and Best Execution as well as other applicable statutory and regulatory obligations, ensuring that:

- a) best execution is sought at all times when purchasing or selling securities on behalf of Pilot’s clients.
- b) reasonable steps are taken to achieve the best available result for Pilot’s clients within the shortest time frame, provided that Pilot does not deviate from the client’s mandate
- c) this ‘best execution’ applies to all clients’ mandates on all types of securities.

When there are no specific instructions from the clients, this policy shall apply on all trades executed on behalf of all clients. In relation to this policy, “mandate” or “order” shall be understood as client instruction to buy or sell a security.

BEST EXECUTION

When executing orders, Pilot has a general duty to act fairly, honestly and professionally under all circumstances considering the client’s best interest.

Pilot shall take reasonable steps to obtain the best possible results under the circumstances whilst taking into consideration the following execution factors.

These include: price, costs, speed, likelihood of execution and settlement, size, nature, fill rate, price improvement, market impact or any other consideration relevant to the execution of a client's mandate.

Pilot shall apply this Policy in a manner that recognises the different circumstances associated with the execution of mandates related to particular types of securities.

Pilot shall establish and implement this Policy to each client's mandate.

PRICE

Price is a major factor in achieving best execution. For securities that are publicly traded like equities or whose prices are market determined, the best available price will be sought as at the time of receiving the mandate.

For unlisted securities or such securities whose prices are not market determined, best execution will also be achieved by comparing prices across different counterparties. Trades will only be consummated with the counterparty that offers the best price. Where price has varied across several transactions, average price will be considered.

Prices quoted for Exchange traded instruments will be based on the prices received from these sources at the time of the transaction.

COST OF EXECUTION

Commissions charged will be limited to authorized commissions or any other agreed by the Parties. All commissions, published by Pilot are considered competitive, industry practice and in line with regulatory requirements and prevailing market practice.

Pilot's online platform provides one of the fastest execution services among the available channels in the market. Based on your stable internet connection of suitable speed to channel your mandates, automated trading is immediate and efficient. Pilot undertakes to provide immediate pricing, subject to the status of the underlying market.

Pilot will ensure its best efforts in executing orders provided the market has sufficient liquidity and there is a price available against which It can execute client trades.

Likewise, implicit costs from delayed or missed execution, are associated cost in determining best execution. Best Execution will be achieved by factoring the impact of all these costs on mandates to obtain the best possible result. This policy maximizes the likelihood of best execution.

SPEED, LIKELIHOOD OF EXECUTION AND SETTLEMENT

Pilot's 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. *and cannot be bettered with any competitor.*

Speed, likelihood of execution and settlement may take precedence over price if they are crucial to delivering Best Execution and if permitted by the specific nature of the mandate.

NATURE OF MANDATE

The uniqueness of clients' mandate determines the execution strategy and hence Best Execution.

For market orders, mandates may be executed promptly without regards to price movement, hence timeliness of execution take priority.

Where securities are offered less frequently, mandates may be delayed until such securities are available.

For price limit orders, execution price is paramount. Mandates may be executed in tranches as permitted by the order book to achieve Best Execution. However, for price limit orders in a trending high volatility market, client will always be advised.

MANDATE/ORDER HANDLING

Pilot shall implement processes and procedures which provide for the prompt, fair and expeditious execution of clients' mandates.

Pilot shall whilst executing clients' mandates, ensure that mandates executed on behalf of clients are promptly and accurately recorded and allocated.

Pilot shall not execute client's mandates in aggregation with other client's mandate.

Pilot shall not aggregate client's mandate with transactions for its proprietary account.

Pilot shall not misuse information relating to pending client orders and shall take all reasonable steps to prevent the misuse of such information.

EXECUTION VENUES

A list of the execution venues Pilot may use include; NGX and the NASD OTC Securities Exchange, or with an external entity such as a third-party broker authorized to handle the order on Securities and Exchange Commission's approval and authorized by NGX.

LIMIT ORDERS

For client directed instruction sent on all or any aspect of trades, Best Execution is benchmarked against client instructions only. In this circumstance, instructions are executed in line with client's specified instruction within the confines of the Capital Markets Law and Regulations.

However, where instruction is only an aspect of the trade and where this does not create a constraint on execution of the mandate, Best Execution will apply to the other aspects of the trade.

EXEMPTED MANDATES

Electronic Trading Platform: Where clients are granted access to trading platform and other electronic exchange system, clients shall be solely responsible for achieving Best Execution of the mandate.

Contractual Right to Trade: Where Pilot is under a contractual right to liquidate investment to fulfil a client's financial obligation toward Pilot, Best Execution may not apply.

Single Counterparty: Where there is only a single counterparty or venue available to execute the instrument.

Force Majeure: The obligation of Pilot to perform Best Execution under the terms and conditions of this Policy may be delayed or excused by an event that is beyond the control of Pilot. The Terms of Business "Force Majeure" provisions apply in such circumstances.

MONITORING AND REVIEW

Pilot is fully committed to this policy. Hence, compliance check is conducted regularly on all mandate generated and executed.

The policy's effectiveness and all other connected third-party arrangements are checked and reviewed on a going concern basis.

Pilot will actively monitor compliance with this policy. Pilot will notify clients of any material changes to its Best Execution Policy as outlined in its terms and conditions with the Client.

All clients may request hard copies of Pilot's Order Execution Policy at any time by contacting Pilot.

Any review to this policy shall be updated and published on Pilot's website at ***<http://pilot-securities.com>***

GENERAL

By signing the declaration in the account opening form, you (or your authorized intermediary) consent to our Best Execution Policy.

Please note that if you do not provide your consent to our Best Execution Policy, by giving Pilot specific instructions/limit orders, you may be limiting Pilot's ability to execute your orders on the most advantageous terms for you.

Should you require further information or assistance in relation to the Best Execution Policy, please contact:

Pilot Securities Limited –

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