

HERITAGE CAPITAL MARKETS LIMITED

BEST EXECUTION POLICY

APPROVED BY THE BOARD OF DIRECTORS

THIS 19TH OF AUGUST, 2021

ALL EMPLOYEES ARE RESPONSIBLE FOR COMPLYING WITH THIS POLICY. FAILURE TO COMPLY WITH THIS POLICY WILL BE CONSIDERED MISCONDUCT AND CAUSE FOR DISCIPLINARY ACTION.

This document sets out the Execution Policy and approach to providing best execution, as required by the Securities & Exchange Commission for **HERITAGE CAPITAL MARKETS LIMITED**. The regulators requires **HERITAGE CAPITAL MARKETS LIMITED** to take all reasonable steps to obtain the best possible result for its clients, taking into account price, costs, speed, likelihood of execution and settlement, size, nature and/or any other relevant order execution consideration, whether we are executing orders on behalf of clients or placing orders with, for execution. This overarching obligation to obtain the best possible result for clients is referred to, in this document, as our obligation or Best Execution.

We will also take into account our client's understanding and experience of the market in question, his dealing profile, the nature of the dealing service he requires of us and the specific and general instructions given to us by him which may prioritize how we are to fill his orders.

In the absence of express instructions from you (our Client), 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.

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

PRICE

Prices shown on our trading platform for OTC instruments are based on the prevailing market prices which we receive from our multi-contributor price feed sources. These prices are filtered to

eliminate rogue and stale prices. We undertake to provide competitive spreads on these 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. We consider that, on a like for like comparison, prices generated for automated trading will be equal if not better than those our competitors.

Prices quoted for Exchange traded instruments will be based on the prices we receive from our own brokers. 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 instrument. 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. Such commissions may be repaid to any Introducing Broker responsible for introducing your account, in which case we will advise you of this. All commissions' overnight fees and spreads quoted by us are considered comparable with current market practice and reviewed regularly by us. Whilst some firms may offer commission-free services, we consider such practice sometimes hides widened spreads and less reliable quoting.

We seek to provide additional services for our charges (market alerts, analysis, accessibility etc.) which other firms may not. On the above basis, we consider that we can Provide you with the best possible overall result on a more consistent basis.

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 and cannot be bettered with any competitor.

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 maximizes 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 judgment and longstanding experience in the market, considered that your own execution priorities when using our services and those of similar firms to ours are:

- ❖ Speed of execution, namely to see a price, click and trade;
- ❖ Transparency of execution, namely that the price quoted is the price at which the trade is executed;
- ❖ Transparency of dealing costs, namely that the spread 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 crossed 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 (e.g. ‘working an order’)
- ❖ Accurate Pricing: our trading software encompasses the most sophisticated price-filtering systems available in the market and provides clients with promptly updated prices which can be trusted and relied upon;

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.

EXECUTION VENUE

HERITAGE CAPITAL MARKETS LIMITED is a member of Nigerian Exchange Group and NASD and additionally uses a number of external financial institutions and brokers in the process of receiving and relaying orders or to directly execute listed financial instruments which are not listed on Nigerian Exchange Group.

FORCE MAJEURE:

Exceptional circumstances with regard to a Financial Instrument may require specific measures when executing or transmitting orders. These exceptional circumstances could include:

- (i) The event that an issuer of the Financial Instrument becomes subject to a downgrade or enters bankruptcy, or there is a suspension of payments or similar proceedings;
- (ii) A de-listing affecting the liquidity of the relevant Financial Instrument;
- (iii) The temporary suspension of the trading of the relevant Financial Instrument caused by actions of a government, supervisory authority or the Execution Venue.

In order to obtain the best possible results for its clients under such exceptional circumstances, **HERITAGE CAPITAL MARKETS LIMITED** 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 **HERITAGE CAPITAL MARKETS LIMITED**. The Terms of Business “force Majeure” provisions apply in such circumstances.