

# ORDER HANDLING AND BEST EXECUTION POLICY

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Capital Market Operator of the Securities and Exchange Commission  
Trading License Holder of the Nigerian Exchange Limited  
Participating Institution of NASD PLC

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## KEDARI CAPITAL LIMITED

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## Version Review Tracker

<b>Version</b>	<b>Review Date</b>	<b>Sections Reviewed</b>	<b>Modified By</b>	<b>Approval Date</b>
<b>1.0</b>	<b>2013</b>	<b>Nil</b>		<b>2013</b>
<b>2.0</b>	<b>2020</b>	<b>Nil</b>		<b>2020</b>
<b>3.0</b>	<b>2022</b>	<b>All</b>	<b>Compliance</b>	<b>2022</b>
<b>4.0</b>	<b>2023</b>	<b>Nil</b>	<b>Nil</b>	<b>2023</b>
<b>5.0</b>	<b>2024</b>	<b>All</b>	<b>Risk, Compliance &amp; Management</b>	<b>2024</b>

## **1.0. INTRODUCTION**

This document sets out the Order Handling and Best Execution Policy (“Policy”) and approach to providing Best Execution, as required by the Rulebook of the Nigerian Exchange Limited (Rules on Order Handling and Best Execution) and rules of other relevant regulatory bodies

Kedari Capital Limited (Kedari) has specific regulatory obligations 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 considerations, where Kedari is executing orders on behalf of clients. The requirement to obtain the best possible result for clients is referred to, in this document, as our obligation of best execution.

## **2.0. SCOPE**

2.1. This policy applies to financial instruments:

- That are traded on any stock exchange or other recognized exchanges.
- That are transferred by mutual agreement or outside market hours.
- That are traded on a stock exchange and are transferred by mutual agreement between two parties.

### **2.2. Specific Client Instructions**

Where a client provides specific instructions on how an order should be executed, the order will be executed in accordance with those instructions, subject to compliance with regulations. This may prevent Kedari from taking steps designed and implemented in this policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions.

Where the client’s instruction relates to only part of the order, Kedari will continue to apply its order execution policy to those aspects of the order not covered by the specific instructions. Notwithstanding the client’s specific instructions, Kedari will take all reasonable steps to obtain the best possible result for a client while executing a specific instruction.

## **3.0. BEST EXECUTION OBLIGATION**

Whenever Kedari executes, places or transmits orders for its clients, it will take all reasonable steps to obtain the best possible results, taking into consideration execution criteria, in addition to any other relevant matters. Kedari uses its judgment, experience and any information available at the time to determine the relative importance of the relevant execution criteria and factors.

### **3.1. Execution Criteria**

The following criteria should be considered in the execution of orders but without limitation:

- characteristics of the clients including the categorization of the client as retail or institutional/professional counterparty)
- The nature of the client orders (Good Till Month (GTM), Day Order, Good Till Open (GTO), Fill or Kill (FOK), All or None, Good Till Date.
- The characteristics of the securities/financial instrument that are the subject of that order, including expected return, risk, liquidity, and volatility
- The characteristics of the execution venues to which the order can be directed (including the ability of the venue to manage complex orders, the creditworthiness of the venue and the quality of any related clearing and settlement facilities).

### **3.2. Execution Venues**

There a number of trading facilities that act as a medium for the buying and selling of securities and commodities. These are execution venues that are regulated. Kedari Capital Limited being a Trading License Holder of Nigerian Exchange Limited, Participating Institution of NASD and Dealing Member of Lagos Commodities and Futures Exchange utilizes the following execution venues to execute both client and proprietary trades: The Company places significant reliance on the following Exchange

- The Nigerian Exchange Limited
- NASD
- LCFE
- Any other approved Exchanges

## **4.0. THE ROLE OF PRICE**

Where Kedari executes an order on behalf of a retail client, the best possible result shall be determined in terms of the total consideration, representing:

- the price of the securities;
- the costs related to execution, which shall include all expenses incurred by the client that are directly related to the execution of the order;
- fees for execution, clearing and settlement; and
- any other fees paid to third parties involved in the execution of the order.

When executing a retail client's order for discretionary investor accounts, Kedari shall take into consideration all factors that will allow it to deliver the best possible result in terms of the total consideration, representing:

- the price of the securities and the costs related to execution;
- speed of execution;
- likelihood of execution and settlement;
- the size and nature of the order;

### **Best Execution Policy**

- market impact; and
- that any other implicit transaction costs may be given precedence over the immediate price and cost consideration only, as long as they are instrumental in delivering the best possible result in terms of the total consideration to the retail client.

## **5.0. ORDER HANDLING AND EXECUTION STRATEGY**

When executing orders Kedari must provide fair and equitable treatment to all clients. To achieve this goal, Kedari will, wherever possible:

- Treat orders in a non-preferential manner regardless of size or complexity; i.e. no single portfolio may be systematically favoured over another;
- Promptly and accurately record orders on a recognized system unless the characteristics of the order or prevailing market circumstances make it impracticable; and
- Where applicable, under local laws and regulations, execute client directed limit orders at the earliest possible time by immediately making public the limit order in a manner which is easily accessible to other market participants unless the client expressly instructs otherwise or the orders are large in scale compared with normal market size.

## **6.0. TREATMENT OF CLIENT ORDERS**

- 6.1. At Kedari, we operate the principle of First In First Out (“FIFO”) i.e. trade orders are processed on a “first come first served” basis.
- 6.2. Trades are normally executed within the official market trading hours between 9:30 am and 14:30 pm, Monday to Friday.
- 6.3. Client orders can be taken via email, duly signed mandate and/or telephone. A client must sign an indemnity form opting to issue orders via any of these mediums. In certain instances, the client may physically execute a mandate form.
- 6.4. In order to verify and confirm the authenticity of a client’s mandate, Kedari shall revert to the personal information and other KYC documentation provided by the client at the point of opening the account.
- 6.5. The verification process stated in clause 6.5 does not apply to walk-in clients who physically execute their mandates.
- 6.6. Kedari shall issue Contract Notes to clients upon the execution of an order. Clients are at liberty to request for their Statement of Account in addition to their Contract Notes.

6.7. In addition to the foregoing, we perform the following during the pre and post-order execution:

S/N	Item	Description
Pre-Trade		
i.	Client Authentication	We authenticate clients trading via automated trading mediums.
ii.	Account Verification	We validate trade instructions against client account to ensure funds and stock availability.
iii.	Compliance Checks	We verify trade instructions against client predefined policies to ensure that the Broker's action does not contravene client's intentions and that client's account is sufficiently funded prior to undertaking trades. We also keep a full audit trail of all events relating to any transaction undertaken. We also ensure that the KYC information of the Client is updated and complete.
iv.	Execution Time	We execute client instructions within reasonable pre-defined limits based on submission/instruction mechanism.
v.	Real Time Market Data Feed	We have the capacity to receive real-time trade feed from the Nigerian Stock Exchange via an automated means.
vi.	Real Time Inventory Management	We perform (Mark-to-Market) accounting calculation that tracks the value of an asset based on the market value of the assets in real time.
vii.	Corporate Action Management	We have the capacity to manage Corporate Actions in real time.
viii.	Auto-Quote Submission and Updating	We can handle auto quote mechanisms together with any underlying risk management calculations.
ix.	Auto Stop Trading at Predefined limits	We can auto stop order placements and trading at pre-defined volume / value of execution based on time.
Post- Trade		
x.	Compliance Checks	We check trades against client account to prevent overtrading and for sell mandates whether or not the client is on Direct Cash Settlement.
xi.	Automated Trade Detail Enrichment	We enrich trades and auto produces accurate contract notes.

xii.	Back Office Integration	We have the capability to auto notify and provide clients with electronic access to the portfolio and any transactions undertaken on their account via PC, tablet and smartphone interfaces.
xiii.	Automation of Contract notes	We have an automated contract note dissemination system.

6.8. Kedari may execute a client’s order in aggregation with another client order. It shall however not aggregate a client’s order with its Proprietary account.

6.9. Clients who maintain a discretionary investment account with Kedari Capital Limited do not need to consent to each specific transaction. However, the management of the account on a discretionary basis shall be done in accordance with the client’s stated investment goals. The Client is required to consent to the management of their account on a discretionary basis.

## 7.0. SETTLEMENT

Trade settlement is performed on a T + 3 basis (i.e. trading date plus 3 business days)

## 8.0. CONFIDENTIALITY

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

## 9.0. POLICY REVIEW AND AMENDMENT

To ensure that any change in market conditions is duly reflected in this policy, Kedari will review the policy annually in order to continue to protect clients’ interests.

If there are any changes, the policy will be reviewed and amended as necessary to continue to offer best execution.

Kedari will inform clients through its Customer Service platform, 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 notified to clients by the same means.



## Approval

Chief Oye Balogun	Director	Approved by Board of Directors
Abolaji Nurudeen	Managing Director	Approved by Board of Directors