

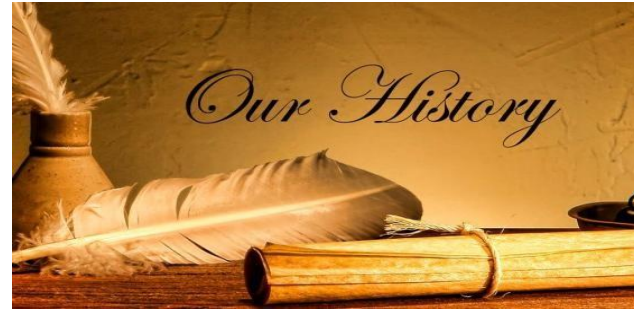


TRADE ERROR POLICY

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Incorporation and History

Nigerian Stockbrokers Limited ('NSL'/ the company) was incorporated as the first stockbroking firm in Nigeria under the Companies Ordinance Cap 38 on 26th September 1960. Prior to the implementation of the Nigerian Enterprise Promotion Act 1972 ('Indigenisation exercise') NSL was wholly owned and managed by Financial Holdings Nigeria Limited ('FHNL'). Following the Indigenisation exercise, the interest of FHNL was transferred to some Nigerian citizens and association. NSL is, therefore, a wholly owned Nigeria company.

The Company obtained a Broker/Dealer license from the Securities and Exchange Commission ("SEC") in 1995 and subsequently became an Authorized Dealer of the Nigerian Stock Exchange ("NSE"). NSL had a composite licence for its business operations from the Securities & Exchange Commission (SEC).

Nigerian Stockbrokers Limited (NSL) is a first class Investment banking Group. The authorized and paid-up share capitals steadily increased over the years to meet both business and regulatory requirements.

Since the Management Buy –Out in 2016, NSL has been modelled after major international investment banking institutions. The Company is ably managed by a team of time-tested and visionary professionals. It has since grown steadily in the various aspect of capital market operation and has NSL Capital Partners Limited as a subsidiary with operations in the Investment Banking and Capital Advisory space of the market.

NSL's Corporate Head Office is located at Knight Frank Building, 6th floor, 24 Campbell Street, in the highbrow of the Central Business District of Lagos Island, Lagos State, which provides a convenient environment for clients away from the busy city centre; thus facilitating personalized and efficient service delivery to its numerous corporate and individual clients.

2. GENERAL UNDERSTANDING

The purpose of this policy is to ensure the proper use of Nigerian Stockbrokers Limited's Trading Platform with The Nigerian Stock Exchange and NASD and indeed other platform in handling efficiently clients' transactions for the purpose of transparency, integrity and in line with the regulatory framework of The NSE.

The policy is designed for the Brokers to make them aware of what NSL deems as unacceptable in handling clients' transactions as regards buying and selling of shares on the floor of The Nigerian Stock Exchange and NASD.

NSL reserves the right to amend this policy at its discretion. In case of amendments, users will be informed appropriately.

3. WHAT IS A TRADE ERROR IN NIGERIAN STOCKBROKERS LIMITED?

The underlisted are events considered trade errors by Nigerian Stockbrokers Limited:

- Trading in the wrong client's account
- Trading in the wrong direction (buy vs. sell)
- Trading at the wrong price (limit orders, e.t.c.)
- Incorrect block trade allocation
- Violation of client's account restriction
- Violation of client account suitability
- Delayed execution of clients' trade instructions
- Duplication of client's mandate

4. HOW TO HANDLE TRADE ERRORS?

Even if the error does not fit into one of these examples mentioned above, once occurred the situation must be reported to the Chief Compliance Officer for proper report in line with regulatory framework. As a policy, no licensed Dealer of NSL is allowed to commit error beyond specified limit.

In an event of trade error, the following procedure would be followed:

- The offender (Broker) will report such error to the Chief Compliance Officer whose responsibility it is to always check clients' mandates.
- The error will be investigated to determine the amount involved by checking the Client's mandate with the trade logs.
- The amount provided it does not exceed the minimum threshold of NSL which is ₦10,000.00 (ten thousand naira only), will be absorbed by the Company upon confirmation of the nature of error whether it is genuine or deliberate for a first offender. The client's account must be normalized within 24 hours of committing the error.
- In the event that the amount exceeds the limit of ₦10,000.00 (ten thousand naira only), it will be equally shared between the Firm and the concerned Dealer, upon confirmation of the genuineness of the error for a first offender.

- For a second offender, the cost of reversing the error within twenty four hours of occurrence will be borne entirely by the Dealer concerned. In addition, a severe disciplinary action will be meted out to the offender. This may range from one week to two weeks suspension without pay, depending on the gravity and circumstances of the offence as determined by the Disciplinary Committee of the Firm.
- The Managing Director gives instruction for immediate buyback in case of erroneous sale from client's account
- The Compliance Officer should determine whether the error is covered under the firm's Fidelity Guarantee Insurance policy and at what stage the relevant insurance company should be informed.
- Adequate communication must be made to the Client concerned and all issues arising resolved to the Client's satisfactions.

5. REPORTING TRADE ERRORS

In compliance with the Rule of the Exchange, the Company shall open an error account in its general ledger.

All transactions executed in error and transactions initiated to clear the error will be duly posted in the General Ledger Error Account, without any loss to the client and must be reported to the client and regulator unless the error is accepted by the customer.

Records as to all errors will be maintained by the firm and such records will include the following audit trail data elements:

Name or identifying symbol of the security;

- 2. Number of shares or quantity of security,
- 3. Transaction price;
- 4. Time the trade was executed;
- 5. Nature and amount of error;
- 6. The aggregate amount of liability the Company has incurred.

An error may be resolved by the customer accepting the error transaction as executed or the Company paying the customer to settle the amount of the error a "difference cheque". The Company will maintain the records of payment of a difference cheque of more than N1, 000,000.00 (One million naira) or a customer's refusal of a difference cheque of any amount.

In line with the Rules of the Exchange, the Company will report to the Exchange all error transactions in its account which result in:

- 1 .A profit or loss of ~~N~~50,000.00 (Fifty thousand naira) for any single transaction, or
- 2. An aggregate profit or loss of more than ~~N~~500,000.00 (Five hundred thousand naira) in any calendar week.

The reports shall be rendered quarterly and shall contain a detailed record of the errors and liquidating transactions as may be determined by the Exchange.

This Manual has been Reviewed and Approved by the Board of Directors of Nigerian Stockbrokers Limited at its meeting held

This 28th Day of March, 2026



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Company Secretary



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Director