

## OPERATIONAL MANUAL AND STANDARD OPERATIONAL PROCEDURE

### OPERATIONAL PROCEDURE

- A. ACCOUNT OPENING PROCEDURE
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#### A. ACCOUNT OPENING PROCEDURE

Prospective investors to submit the following:

- Self-endorsed passport photograph
- Relevant document/Information recognized by law that confirms the investors signature-Divers' license, international passport, National ID card, Permanent voter's card and BVN
- Submission of copy of utility bills not older than 3 months
- Eurocomm Securities Limited Registration form to be duly completed
- Ensure that in-house account opened is not meant for verification or transfer of stolen stocks. Subsequent transactions via the account must be viewed in relation to the initial deposit.
- Completed Direct Settlement Form.
- If a client is being represented by another person other than himself/herself, the representative must produce:
  - Signed letter from client and self-endorsed passport photograph that must also be endorsed by the client.
  - The representative must also submit a means of identification.
- The Client must bring Bank Confirmation of Signature.

#### **Clients with corporate organization as their representatives:**

In addition to the formal completion of the account opening forms, all the names of such prospective client particulars must be typed on the letter heads of the company and duly signed by the Chief Executive Officer that is known to Eurocomm Securities Limited

Detachments from Eurocomm to custodian Account/ Custodian account to Eurocomm:

- The client must meet the account opening requirements.
- The client must submit fully completed CSCS detachment form with his/her endorsed passport photograph attached to the form.
- The client will be required to do his/her biometric and submit relevant information.



**Estate Accounts:**

- Official letter of engagement to Eurocomm Securities duly signed by all the Administrators with their passport photographs and means of identification attached;
- Eurocomm Securities Limited Registration form/Estate KYC Form to be duly completed
- Submission of copy of utility bills not older than 3 months
  
- Contact addresses of all parties to the estate;
- Will/letter of administration (original copies) to be submitted for verification
- All legal documents must be submitted;
- Newspaper publication (if any)/ Gazette from a High Court showing death of the deceased;
- Death Certificate from National Population Commission;
- Where parties are not present, a registered Power of Attorney signed by the commissioner of Oath.
- Banker’s confirmation of the administrators’ signature to be submitted to Eurocomm Securities Limited

**B. CAPITAL MARKETS.**

- i. Trading procedure (Daily)
- ii. Certificates Depository
- iii. Attend to staff and client complaints

**i. TRADING PROCED.URL (DAILY)**

**1.0 CSCS notification**

Task	Responsibility	Action
1.1	CSCS	Receive account forms sent by the Stock Broker
1.2	CSCS	Generate account numbers for each form submitted furnish the Stock Broker with this account number
1.3	Broker	Furnish account opening staff with same information
1.4	Secretary	Update customer account in firm's software with new CSCS account number

**2.0 Primary Market - Public Offer**

Task	Responsibility	Action
2.1	Eurocomm Securities	Give out offer forms to customers on request.
2.2	Eurocomm Securities	Prepare an excel spreadsheet containing information on the return form. For customers that returned their offer
2.3	Customer	Collect the offer form from Eurocomm Securities or download from website or subscribe online through NGX online platform. Pay money to Eurocomm account if he/she wish to submit the form through Eurocomm.



2.4	Customer	Submit completed offer forms to Eurocomm Securities
2.5	Broker	Open a file for completed forms. Input each customer's information in the return form; update this form as more forms are submitted. File the completed customer application forms in the offer application file
2.6	Broker	At the close of the offer complete a second return form showing totals of number of units subscribed for and amount received.
2.7	Eurocomm Securities /Broker	Issue a single cheque or bank transfer receipt in the name of the receiving bank with the return form attached. Send the cheque/bank transfer receipt and the completed forms to the registrar.
2.8	Registrars/Issuing Houses	Allot shares to the various investors (based on the level of subscription CSCS direct crediting of allotted share.

### 3.0 Primary Market - Right Issue

Under right issue, existing shareholders are allotted new shares in proportion to their existing holding to retain the ownership structure of the company. The Right circulars sent to the existing shareholders shows the number and details of shares allotted to the existing shareholders. The shareholder receiving the circular has the following options open to him with regards to the right issue.

#### 3.1 Right Issue - Take up all rights

Task	Responsibility	Action
3.1.1	Customer	Receive Right Circular from the company registrars or download, indicate interest to buy all on the reverse side of the right circular; issue a cheque or transfer made payable to Eurocomm Securities the amount on the circular
3.1.2	Broker	(At the close of the issue) collate all completed circulars. Raise a single cheque or transfer for all the circulars. Send circulars and cheque to the Registrars or issuing house



## 3.2 Rights Issue - Sell All

Task	Responsibility	Action
3.2.1	Customer	Receive Rights Circular from the company Registrars. Request for share transfer form from Eurocomm Securities or download the form from Eurocomm Securities web site, renounce all shares on the reverse of the circular. Issue a written sell mandate to the broker.
3.2.2	Customer	Sign the transferor portion of the form
3.2.3	Customer	Return both the transfer form and the Rights circular to Eurocomm Securities.
3.2.4	Broker	Receive the duly signed transfer form and the right circular. Attach the circular to the transfer form and pass to Eurocomm Securities Registry officer for verification
3.2.5	Registry Officer	Document the circulars and send to Registrar for verifications.
3.2.6	Registrar	Verify the circular and credit client CSCS account.
3.2.7	Broker	Trade the rights on the floor of the NGX or NASD as applicable

## 3.3 Right Issue- Buy pprrt, sell part

Task	Responsibility	Action
3.3.1	Customer	Receive Rights circular from the company Registrar or download. Request for share transfer form from Eurocomm Securities/or download from Eurocomm Securities website. On the reverse of the rights circular, the shareholder indicates his/her interest to buy part and sell part of his/her rights
3.3.2	Customer	Raise a cheque or transfer for the quantity to buy, complete and sign the transferor part of the transfer form for the quantity to sell. Give the rights circular to the broker with the cheque or transfer receipt for the quantity intended to buy and transfer form for the quantity to sell.
3.3.3	Broker	Receive the circular, transfer form and the cheque or transfer receipt, deposit cheque received in Eurocomm account, update the list of receipts from customer for the right issue, attach the circular to the transfer form and send to the Registry officer for verification.
3.3.4	Registry officer	Document the circulars and send to Registrar for verification.
3.3.5	Registrar	Verify the circular and return to Eurocomm Securities/credit client CSCS account
3.3.6	Broker	Receive the verified circular, File the circular in the Right circular file. Trade the portion for sale on the floor of the NGX or NASD.

**3.4 Right Issue- Buy part, renounce part**

<b>Task</b>	<b>Responsibility</b>	<b>Action</b>
3.4.1	Customer	Receive Rights Circular from the company Registrar. On the reverse of the rights circular, the shareholder indicates his/her interest to buy part renounce part.
3.4.2	Customer	Give a cheque payable to Eurocomm Securities for the number of units to be bought to the Broker or transfer receipt
3.4.3	Broker	Receive cheque or transfer receipt on behalf of Eurocomm Securities Ltd. Deposit cheque in Eurocomm Securities account. File the customer forms in a file created for the right circular forms received.
3.4.4	Broker	Trade Right on the floor of the NGX or NASD

**5.1 Trading on the floor a rights issue**

<b>Task</b>	<b>Responsibility</b>	<b>Action</b>
3.5.1	Broker	Trade the rights by offering the units for sale, buying from the market where there are in-house intending buyers and sellers, the number of units offered for sale would be less by the quantity of such in-house buyer request (cross deal)
3.5.2	Broker	Offer or Buy rights from the floor of the NGX or NASD
3.5.3	CSCS	Settles all trades

<b>Task</b>	<b>Responsibility</b>	<b>Action</b>
3.5.4	Registrars	Credit client CSCS plc account with units bought after allotment has been approved by SEC

#### 4.0 Secondary Market

Request for purchases and sales not received latest by 2.00pm each day will be included in the Jobbing book for execution the following day.

All purchases and sales mandates should always be advised in writing (either by email, fax or hardcopy)

Payment for sales of shares will be done on T+3, in line with the regulatory procedures

Request for payment must be in written form (which will be a crossed cheque or transfer bank in favour of the shareholder)

#### 4.1 Buying and Selling

This market deals with only written mandates received from Eurocomm securities clients. All the trading done in this market are entirely based on the written mandate of clients, documented on the sell or buy mandate form.

Task	Responsibility	Action	Deadline
4.1.1	Broker	Receives written instruction to buy or sell stock from the client. Document customer instructions in a jobbing book. Update the jobbing book as new mandates are received from customers. Retain the client's mandates in the jobbing book until they have been executed or cancelled by the client.	Must be submitted before 2.00pm for same day of transactions else it is processed for next day
4.1.2	Broker	<i>At regular intervals</i> click on monitor on the menu bar and click on <i>open order</i> to see the various offers and bids for the day click on <i>order</i> on the menu bar. Highlight market by price, click on the regular option. The market by price window comes up. Key in the company name and the <i>various prices at which various houses are willing to buy or sell/</i> will come up highlight market by order, click on the regular option. The market by order	

4.1.3	Eurocomm Securities Operations	At the end of trading, trades are downloaded from CSCS plc website and contract notes generated	
4.1.4	Broker	After operations/IT process printed out contract notes generated for each transaction for the day send them to the Finance department, sold contract note for payment	
4.1.5	Corp. Fin Manager	Review contract notes for accuracy. Sign the contract notes keep them in a file for collection by customers. <i>These contract note are collected by the various customers or in some cases sent to them</i>	
		<b>PAYMENT</b>	
4.1.6	Broker	For sales made for clients: receive written request for payment from customer. Process payment for customer in line with Eurocomm payment process. Transfers are made into client bank account registered with Eurocomm Securities Limited ”	To be concluded in T+3

#### 4.2 Secondary Market — Payment

Task	Responsibility	Action
4.2.1	CSCS	Send a soft copy of the day's transaction to all the settlement banks
4.2.2	Settlement Bank	Receive CSCS transaction details,, update the stock brokers bank account with the net settlement position (where the total) purchase/sells for the day are not equal. Send bank statement to the stock broker
4.2.3	Broker	Receive bank statement/check the bank statement on line. Reconcile the entries to the accounts with the details of the day's transactions

ii **CERTIFICATE DEPOSITORY/VERIFICATION**

- Ensure prospective client has a relationship officer
- Collect certificate(s) from clients
- Review certificate-names and other details
- Issue the client a script receipt
- If client already has CSCS account, process the certificate otherwise process an opening account with CSCS
- Authenticate ownership of the certificates brought for verification.
- All transfer forms must bear the investor's mobile phone number.
- Cover the certificate with full dematerialization and transfer form
- Give to authorized signatory
- Take to relevant Registrars/send online to registrars portal
- Return with acknowledgement copies for record purposes.
- All certificates must be dispatched within 5 working days.

**Inter - Member Transfer**

To effect the transfer of investors' account from a suspended/inactive/expelled firm to an active/Target firm

The requirements as prescribed by the CSCS are listed below:

- The Active /Target firm shall be required to avail CSCS of the bank account details of an investor that is desirous of transferring his/her shares from an inactive/suspended /expelled firm to an Active/ Target Stock broking firm.
- The following documents shall be required by CSCS to process the transfer request(s)
- A copy of the know your clients (KYC) documents used in opening the account under the active/Target Stock broking Firm;



- Evidence of ownership of shares from the investors such as Contract Notes; Purchase Receipts; or Dividend warrant stubs
- Identification materials which could be any of the following: National identity Card, Current Driver's license; or current international passport, Voter's card.
- The active /Target firm shall initiate via CSCS Broker Portal after conducted a satisfactory KYC process on the investor in addition to the physical documents submitted to CSCS.
- The shareholder transferring his/her account from a suspended/ inactive/expelled firm is required to visit stockbroking firm with all intermember documents to be submitted via CSCS Broker Portal.

Note: Firms are allowed to take additional steps that can protect their interest and that of investors where necessary.

**C INTERNAL CONTROL/ ADMINISTRATION**

- All Heads of Department to report directly to the Managing Director;
- Marketing officers to report to HOM;
- Registration officers to report to Head of Operations;
- All security items accounted for and kept in the safe- compliance officer;
- The software system to be properly coded with password— compliance officer
- Management meeting (every Monday and Friday); and
- Daily Bank reconciliation

**D COMPLIANCE**

- Ensure that all procedures are fully adhered to;
- Any observation of non compliance be immediately reported to the appropriate authority;
- Maintain internal control/audit;
- Safe custody of company's document and document; and
- Monitor full compliance of the rules guiding company operations.

**E RESEARCH**

- Research officers must be resourceful and dynamic;
- Research products must be qualitative and innovative
- Work on specific stocks and generate report on them;
- Build data base on all stocks quoted;
- Liaise with ICT to frequently update records;
- Maintain library for financial report on quoted companies; and
- Regular stock valuation & investment analysis



**F. INFORMATION TECHNOLOGY /WEBSITE UPDATE**

- Update current price daily and interim result (if any)
- Repairs & maintenance of company's hardware and software
- Update market news
- Take a backup of the primary software
- Extract the following data from the primary software: Customers, portfolio, stock purchases, Stock sold
- Run these queries from the primary software: make sale, make purchase, make customer, make portfolio, account make
- Run the query table using the primary software
- Upload news

**G PROPRIETARY TRADING**

Investment Committee: Four member committee comprising of:

1. Managing Director
2. HOD-Account
3. HOD-Operation
4. HOD-Compliance

Focus:

- Proprietary Trading

**H REPRESENTATIVE OFFICE ADMINISTRATION**

- Representative office Manager to report directly to the MD' office
- Submit monthly reports to the managing Director's office
- All expenditure to be approved by the Managing Director
- Representative office Account reconciliation to be sent to the MD for perusal
- All expenses above NS0, 000 must be approved by the MD
- No employment without the approval of the Managing Director
- Monthly petty cash must be approved by the representative office Managers



**Risk committee:**

Members of this committee shall consist of any four members of staff approved by management

**Responsibilities**

- To identify source of losses and measure value impact on the company if the loss event occurs
- To assess and evaluate the implication of the source
- To determine short term and long term control measure
- To monitor the successful implementation of re-mediation measures (control measures)
- Review the process

**I MANAGING DIRECTOR'S OFFICE**

- Oversee the day to day running of the office
- Ensure that rules and regulations are complied with
- All incoming mails/correspondence are treated promptly
- Correspondence /information duly acknowledged by the confidential secretary before being sent to the MD's office

**INSIDER TRADING, MARKET MANIPULATION AND OTHER UNETHICAL CONDUCTS BY EMPLOYEES**

Eurocomm Securities Limited has zero tolerance for insider trading, market manipulation and any other unethical conducts by employees.

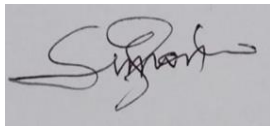
Eurocomm Securities Limited is committed to high standards of integrity and ethical conduct. Her policy on insider abuse and other unethical conducts is tailored to comply with Securities Laws, protect the company's reputation and ensure that employees do not abuse confidential information and material non public information. Employees here include relatives of the employees, directors of the company and their relatives. These persons are not allowed to use the information to buy and sell shares at the Exchange and any trading platforms.

Employees, directors and their relatives are also barred from engaging in activities designed to artificially manipulate the prices of securities in the market with the material non public information. Employees and directors are not allowed to execute their personal trade before that of clients of Eurocomm Securities Limited in a situation where there are demand to buy or sell, clients transactions are given priority over that of employees and directors.

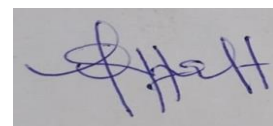
Employees of Eurocomm Securities Limited are barred from engaging in any activity designed to artificially manipulate the price of shares on the trading platforms.

Violations of the policy will result in disciplinary actions including termination of appointment. Insider trading is illegal in Nigeria and can lead to civil and criminal penalties, fines and imprisonment.

**APPROVED BY THE BOARD OF DIRECTORS**



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Managing Director



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Director