

Forte Securities Limited Best Execution and Order Handling Policy

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1) Purpose

The purpose of this Policy is to set out how Forte Securities Limited (“Forte”) takes all sufficient steps to obtain the best possible result for clients when executing or receiving and transmitting orders, in accordance with the FCA’s best-execution requirements under COBS 11.2A.

It also outlines how Forte ensures that client orders are handled in a prompt, fair and expeditious manner relative to other client orders or its own interests, as required under COBS 11.3.

2) Scope

This Policy applies to Forte’s services in the following financial instruments as defined by MiFID 2. Please refer to Annex 1.

Forte executes or receives and transmits orders strictly on an execution-only basis, without providing investment advice or portfolio management.

All instruments are subject to the FCA’s client order-handling rules under COBS 11.3, which govern how Forte receives, executes, and processes client orders.

3) Regulatory Framework

This Policy is established under relevant FCA and MiFID derived regulations, including:

- COBS 11.2A: Best Execution: Firms must take all sufficient steps to obtain the best possible results for clients when executing orders or receiving/transmitting orders.
- COBS 11.3: Client Order Handling: Firms must execute otherwise comparable client orders promptly, fairly and expeditiously, and must have arrangements for aggregation, allocation, and limit-order publication.
- Eligible Counterparties (ECPs): Best execution obligations do not apply to ECPs unless expressly agreed. Forte does not extend best execution to ECPs.
- RTS 27/28 Reporting: UK firms are currently not required to publish RTS 27 or RTS 28 best-execution reports. However, all monitoring and quality-of-execution obligations remain fully in force.

4) Client Categorisation and Best Execution Application

Forte deals exclusively with:

- Professional Clients, and
- Eligible Counterparties (ECPs)

Professional Clients

Best execution does apply to Professional Clients when Forte executes or receives/transmits orders, consistent with COBS 11.2A.

Eligible Counterparties (ECPs)

Forte does not provide best execution to ECPs. Under FCA rules and MiFID II, best execution obligations do not apply to ECP level business unless the firm elects to apply them which Forte does not.

5) Four-Fold Test

The four-fold cumulative test helps Forte determine whether the firm is executing an order on behalf of a client, which is the trigger for best execution obligations under MiFID/COBS.

The FCA confirms that wholesale banks and brokers continue to use this test to assess whether best execution applies, especially in quote-driven markets where firms often deal as principal.

The FCA also reiterates in its 2026 commentary that the four-fold test remains valid and must be applied case-by-case, not assumed away simply because the market is quote-driven.

If all or most of these conditions indicate client reliance, then best execution is owed.

5.1. Who initiates the transaction?

If the client initiates the dealing request, this suggests they may rely on the firm to provide a fair price, If the broker actively “pitches” the trade, the client may be less reliant.

5.2. Market practice and the client’s ability to “shop around”

If it is normal market practice for clients to obtain competing quotes, and they can easily compare prices, the client is less likely to rely on the firm. If liquidity is limited or market transparency is low, client reliance is more likely.

5.3. The level of price transparency in the market

If the market is transparent and clients can readily assess pricing, reliance is reduced. In opaque, illiquid, or OTC environments, clients may depend more heavily on the firm. The FCA confirms transparency is a key factor in the test.

5.4. Information provided by the firm and the nature of the client-firm agreement

If the firm presents itself as acting in the client's interests, or if the client believes the firm is helping them obtain the best price, reliance is greater. If the firm clearly signals it is trading on a "risk-price" basis as principal with no obligation to improve price, reliance may be lower.

6) Execution Factors and Prioritisation

When executing or transmitting orders, Forte considers the following Execution Factors, as required under COBS 11.2A:

- Price
- Costs
- Speed
- Likelihood of execution
- Likelihood of settlement
- Order size
- Order nature
- Any other relevant considerations

The weighting of these factors may vary depending on market conditions, instrument characteristics, and specific client instructions.

7) Aggregation, Allocation and Fair Treatment

Forte generally does not aggregate client orders.

If, in exceptional circumstances, Forte determines that aggregation is necessary, it will apply standard market practices and adhere to COBS 11.3 requirements:

- Orders may only be aggregated where aggregation is unlikely to disadvantage clients

overall.

- Clients must be informed that aggregation may work to their advantage or disadvantage.
- Aggregated orders must be allocated fairly and promptly, using industry standard allocation methods (e.g., pro-rata, price/time priority), including rules for handling partial fills and de-minimis allocations.

Forte will maintain full and accurate allocation records whenever aggregation is used.

8) Client Limit Orders

Where a client limit order in a share admitted to trading on a regulated market is not immediately executed, Forte will make the order public without delay unless the client has expressly opted out or a permitted waiver applies (e.g., large-in-scale).

9) Execution Venues and Brokers

Forte may execute or transmit orders through:

- Regulated Markets (RMs)
- Multilateral Trading Facilities (MTFs)
- Organised Trading Facilities (OTFs)
- Systematic Internalisers (SIs)
- Market makers and liquidity providers
- OTC counterparties where appropriate
- Third-party executing brokers
- Forte maintains an internal list of approved venues and brokers and reviews them regularly.

10) OTC Transactions and Fair Pricing

For OTC instruments, Forte assesses price fairness using relevant market data and

model-based valuation checks consistent with MiFID obligations for OTC price validation.

11) Conflicts of Interest

Forte maintains a Conflicts of Interest Policy under SYSC 10 and MiFID II Article 23, requiring identification, prevention and management of conflicts. Where conflicts cannot be fully mitigated, specific disclosures will be provided in a durable medium.

12) Monitoring and Demonstrating Best Execution

Forte monitors the effectiveness of its execution arrangements on an ongoing basis, including post-trade reviews and comparative analysis, in accordance with COBS 11.2A expectations.

Although RTS 27/28 reports are no longer required in the UK, monitoring remains mandatory.

13) Consent to Execute Outside a Trading Venue

By agreeing to this Policy, clients provide express prior consent for Forte to execute orders outside a trading venue (i.e., OTC), unless the client instructs otherwise.

14) Policy Review and Updates

Forte reviews this Policy at least annually or when a material change occurs that may affect our ability to consistently achieve best execution.

ANNEX 1. Financial Instruments as defined by MiFID II

- Transferable securities.
- Money-market instruments.
- Units in collective investment undertakings.
- Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash.
- Options, futures, swaps, forwards and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event.
- Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market, a MTF, or an OTF, except for wholesale energy products traded on an OTF that must be physically settled.
- Options, futures, swaps, forwards and any other derivative contracts relating to commodities that can be physically settled not otherwise mentioned in 6 and not for commercial purposes, which have the characteristics of other derivative financial instruments.
- Derivative instruments for the transfer of credit risk.
- Financial contracts for differences.
- Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of a default or other termination event, as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Section, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market, OTF, or an MTF; and
- Emission allowances consisting of any units recognised for compliance with the requirements of Directive 2003/87/EC (Emissions Trading Scheme).

ANNEX 2. Use of Discretion by Forte in relation to Forte OTF

Pursuant to Article 20(6) of MiFID II, execution of orders in an OTF will be carried out on a discretionary basis by the operator of the OTF. When carrying on OTF business, Forte uses a combination of order level and execution level discretion; namely:

- When deciding to place an order into or retract an order from the OTF (Order Level Discretion); and/or
- When deciding not to match a specific client order with other opposite orders available on the systems at a given time (Execution Level Discretion).

The discretion exercised in respect of OTF business will be conducted in accordance with the best execution requirements under MiFID II, when they apply, and as set out in the Execution and Order Handling Policy.

The OTF supports various trading systems through which orders or indications of interest (Trading Interests) can be submitted by venue users or brokers on behalf of venue users and where they can interact with other Trading Interests (as part of the matching and execution process).

The nature of the discretion exercised will depend on the combination of trading systems used for a particular market segment (or sub -segment). In particular, each of the specific trading systems will enable the relevant broker to exercise discretion in different ways.

Order Level Discretion

Order Level Discretion may be exercised by brokers that sit within the OTF (Executing Brokers). The operator of the OTF will have exercised Order Level Discretion in respect of Trading Interests whenever they have been placed in the OTF by an Executing Broker or removed from the OTF by an Executing Broker.

The operator of the OTF may establish parameters for trading by users of the OTF, which take account of the characteristics of the users and the market segment, which may be applied by the systems of the OTF to accept or reject Trading Interests. Trading Interests that are rejected will be reviewed by an Executing Broker or a person acting under their supervision.

If an Executing Broker determines at any time that a Trading Interest that has already been placed in the OTF (through any of the trading systems) should be removed, having regard to any applicable best execution requirements under MiFID II and as set out in this Execution and Order Handling Policy, the Executing Broker will have discretion to reject that Trading

Interest entirely or to remove the Trading Interest and, where applicable, to send it to another execution venue. The availability of other execution venues will vary according to the product being traded and the extent of external liquidity, as well as any applicable best execution requirements under MiFID II and as set out in this Execution and Order Handling Policy.

An Executing Broker may remove a Trading Interest from the OTF if, for example, the Executing Broker is aware that the venue user does not wish to be exposed to particular positions under certain market conditions. If such market conditions occur, the Executing Broker may remove that venue user's Trading Interests from the OTF.

As another example, if the speed of execution is a priority for a Trading Interest and there is greater liquidity at another venue available to the Executing Broker, the Executing Broker may remove a venue user's Trading Interest from the OTF and submit it to that other execution venue, improving the likelihood of execution.

If an Executing Broker rejects or removes a Trading Interest from the OTF, then it may be executed in accordance with any of the methods set out in this Execution and Order Handling Policy.

Execution Level Discretion

Execution Level Discretion may be exercised by Executing Brokers by determining that an order submitted to the OTF and matched with an opposing order in the OTF should not be executed against that other order. The Executing Broker will have regard to any applicable best execution requirements under MiFID II and as set out in this Execution and Order Handling Policy. The factors that are relevant are those derived from any applicable best execution requirements under MiFID II and as set out in this Execution and Order Handling Policy.

An example of the exercise of Execution Level Discretion in the OTF may include the determination that an order could be executed at a better price if it were to be broken into child orders.