

Best Execution and Order Handling Disclosure Statement

(updated April 2026)

Best Execution – General

This document sets out the approach to the Best Execution and Order Handling requirements of KFH UK (the Bank) as required by the European Union Markets in Financial Instruments Directive (MiFID) as implemented in the UK by the FCA. Best Execution is the requirement to take all sufficient steps to obtain the best possible result for clients on a consistent basis, considering the relevant execution factors.

Scope

This document applies to clients that we have classified as Retail Clients.

What is Best Execution?

Best execution applies when:

- the Bank executes an order directly; or
- the Bank places/transmits orders to another entity for execution; and
- The client legitimately relies on KFH to act in their best interests.

Where legitimate reliance does not exist, the Bank will notify the client.

Duty of Best Execution

Where the Bank determines that it owes a duty of Best Execution in relation to a transaction the Bank take all sufficient steps to obtain the best possible result in relation to that transaction.

In the absence of any specific client instructions, the Bank will consider, if relevant, the following Execution Factors when executing a transaction on behalf of a client:

- Price – Usually the most important factor for Retail clients.
- Costs – Including venue fees, settlement costs, and any charges.
- Speed of execution – Important where markets are fast moving or instruments are liquid.
- Likelihood of execution/settlement – Critical for illiquid instruments.
- Order size and nature – Larger or specialist orders may not be executable at the quoted price.
- Characteristics of the financial instrument – e.g., liquidity, redemption rules for funds.
- Execution venue characteristics – Including reliability and ability to deliver best result.

Specific Client Instructions

Where a client gives a specific instruction relating to all or part of an order, the Bank will execute that instruction as provided, provided it does not conflict with the Sharia Supervisory Board.

Specific instructions may prevent the Bank from achieving best execution for elements of the order outside the Bank's control. The client will be informed where this applies.

Execution Venues and Third-Party Use

The Bank selects counterparties and exchanges that support the consistent delivery of the best possible execution outcomes. Counterparties are approved through the established internal due diligence framework, which considers financial stability, market reputation, regulatory status, and execution capability.

Order Handling

Upon receipt of an order, the Bank will ensure the order is executed promptly and will be accurately recorded and allocated.

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Where the Bank receives comparable orders from two or more clients, the orders will be executed promptly and sequentially unless the characteristics of the order or market conditions make this impracticable, or the interests of the client require otherwise.

Where there are any material difficulties that would prevent the Bank from properly carrying out client orders the Bank will, upon becoming aware, promptly inform clients of such difficulties.

Aggregation and Allocation of Client Orders

Where the Bank are dealing on behalf of more than one client in the same security, we may choose to aggregate the order, however aggregation only occurs when the following criteria is met:

- It is unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any client whose order is to be aggregated
- It is disclosed to each client whose order is to be aggregated that the effect of aggregation may work to their disadvantage in relation to a particular order
- Upon execution, any aggregated orders are fairly allocated considering the size of the order and price received
- It is not the Bank's practice to aggregate client orders with any transactions for our own account. If this is to happen, for orders that have been partially executed, priority in allocation will be given to the client order and will be done in a manner that is not detrimental to the client. However, where we can demonstrate on reasonable grounds that without aggregating the order with an own account order, the transaction could not have been executed or executed on such favourable terms, then allocation may be made on a basis proportional to the relative size of the client and our own account order
- Should the Bank determine that an allocation of a transaction for our own account, which was executed in combination with one or more client orders, requires reallocation, this will only occur where it is fair, reasonable and not to the detriment of clients.

Limit Orders

Where a client instructs the Bank to place an order at a specific price limit or better, and for a specific size (a limit order), it may not always be possible to execute the order under the prevailing market conditions. The Bank is required to make the order public (show the order in the market) in such cases, unless the client agrees that we need not do so.

Conflicts of Interest

The Bank maintains a conflicts management framework designed to help prevent conflicts from causing harm to customers.

Where a conflict cannot be effectively managed through organisational and administrative controls, the Bank will disclose the nature and source of the conflict to clients in a clear, fair and not misleading manner prior to providing services.

Client Notification

Clients are provided product specific terms and conditions prior to receiving services. All updates to Best Execution and Order handling arrangements will be made available on the website.