

BNP Paribas

BEST SELECTION POLICY

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world

Best Selection Policy

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Introduction

In the context of the implementation of Directive 2014/65/UE of the European Parliament and Council of 15th May 2014 on markets in financial instruments (MiFID II), BNP Paribas Entities **shall take all sufficient steps** to obtain, when executing or transmitting orders, the best possible result for their clients taking into account many factors or any other consideration relevant to the execution of the order.

Requirements apply for BNP Paribas Entities when they receive and transmit and/or execute client's orders.

Other specific requirements apply for BNP Paribas entities when they act as an Execution Venue.

To meet this objective, BNP Paribas acting as the investment service provider (e.g. "ISP") must set up a policy of best execution which requires that all sufficient measures are taken to obtain, during the execution of the orders, the best possible result for the clients.

Various criteria are considered, such as price, cost, speed, likelihood of execution and settlement, size, nature of the order or any other consideration concerning the execution of the order.

The importance of these criteria are defined according to the scope of activity of the "ISP".

In the course of its activities, BNP Paribas offers its clients the service of "receipt and transmission of orders" (below "RTO").

"RTO" consists in receiving orders concerning financial instruments from its clients and transmitting them to another "ISP" for their execution.

As such, BNP Paribas is committed to an obligation of Best Selection of its intermediaries. This is the purpose of the present policy.

1. Scope of application of the Best Selection policy

1.1. Concerned activities

BNP Paribas proposes the "RTO" service:

As the Issuers Agent within its «Corporate Trust Services» activity for the account of the shareholders of its issuing clients, whose shares are registered or will be registered as pure nominative shares,

As an ISP, in its « **Custody and Clearing Services** » activity

1.2. Financial Instruments

The financial instruments covered by this policy are those handled by BNP Paribas in the course of the activities mentioned above.

They are all defined in article L.211-1 section II paragraph 1 of the French Monetary & Financial Code, e.g. shares and other securities giving access directly or indirectly to the capital or to the voting rights, transferable by book entry, and eligible to negotiation on a regulated market.

2. Principles for selecting Intermediaries

The principle of best execution must be modulated according to the service provided by the “ISP” or by the issuer’s agent.

Thus, as mentioned before, it applies in an adapted way to BNP Paribas which transmits for execution to other entities the clients’ orders it has received.

BNP Paribas has established the present policy for selection of its intermediaries.

Pursuant to article 314-75 V of the General Regulation of the French markets regulator, the “AMF”, the purpose of this policy is to select, for the financial instruments mentioned in article 1.2 of this policy, the intermediaries, which will be able to receive the orders for execution.

As the ISP, which transmits the orders, BNP Paribas must ensure that the selected intermediary has a best execution obligation with respect to the ISP:

- **either because it is an entity itself subject to such an obligation and has agreed to treat BNP Paribas as client, professional or non-professional (retail)**
- **or because this entity has undertaken by contract to comply with all or part of its best execution obligations**

Such selected intermediaries must allow BNP Paribas to comply with its obligation to obtain the best possible result for its clients.

The selection of intermediaries focuses in particular on the criteria mentioned below.

2.1. Qualitative criteria

The following qualitative criteria represent a prerequisite in the selection of intermediaries by BNP Paribas :

- Experience
- Reputation
- Financial solvency

2.2. Execution criteria

Intermediaries who meet the qualitative criteria requirements must also prove their capacity to apply the execution criteria listed below. Indeed, BNP Paribas considers that, with regards to its scope of activities (customer features, financial instruments and orders processed), these criteria enable it to obtain the best possible result for its clients.

These criteria are, in decreasing order of importance:

- the global cost ;
- the speed and reliability of execution;
- the likelihood of execution and settlement;
- the size and the volume;
- the type of order or any other consideration relating to the execution of the order.

As mentioned, BNP Paribas considers the global cost as the most important criterion for its best execution duty.

This global cost of execution includes the price of the financial instrument and all the related fees of execution.

BNP Paribas has chosen to apply the execution strategy uniformly, whether the orders come from non-professional or from professional clients.

According to article L. 533-20 of the French Monetary and Financial Code and to the provision of the General Regulation of the French markets regulator, "AMF", the principle of Best Selection of intermediaries applies to client orders belonging to the « non-professional » and « professional » categories.

When opening accounts, BNP Paribas initially considers its clients as belonging:

to the « non-professional » category where Issuers activity is concerned (« Corporate Trust Services »);

to the « professional » category where Custodian activity is concerned (« Custody and Clearing Services »).

However, a client may ask for its category to be changed at any time. To do this, he must send a written request to BNP Paribas. The change is subject to the approval of BNP Paribas.

2.3. Execution venues

The preferred intermediaries must be able to rely for the execution of orders on a significant range of execution venues in order to meet the execution criteria of BNP Paribas, particularly the total cost (including the price of the financial instrument):

- regulated markets like NYSE Euronext (which benefit from a strong reputation in terms of higher liquidity and therefore an assumption of a better result),
- multi-lateral trading facilities (MTF).

3. Preferred intermediaries

As mentioned before, as an "ISP" or an Issuers Agent, BNP Paribas provides the "RTO" service - e.g. receives and transmits client orders to its preferred intermediaries for their execution.

Please report to section "*Appendix – List of selected Brokers*" to access the list of preferred intermediaries selected by each location.

4. Processing of orders

BNP Paribas has committed to transmit the orders according to their chronology of arrival unless the nature of the order, the market conditions or the client's interests require to proceed differently.

Should BNP Paribas encounter a major difficulty in transmitting an order for execution, the client would be informed as soon as possible, by any means that is suitable for BNP Paribas.

In addition, in the event of a major difficulty during the execution of the order in accordance with this policy, once BNPP has been informed by the intermediary in charge of the execution, BNP Paribas informs the client as soon as possible.

After an order has been executed, BNP Paribas sends a confirmation to the client.

The intermediary selected for executing the orders keeps the records of the instructions received and detailed information on the execution of orders process for at least 5 years.

Upon request from BNP Paribas, the intermediary must send to BNP Paribas detailed information on the executed orders, including all the terms and precisions required in particular by the provisions of the General Regulation of the “AMF”.

5. Specific instructions

Every time a client transmits a specific instruction to BNP Paribas, the latter is committed to transmit the received order for execution in accordance with this particular instruction, except when the instruction is not clear enough.

BNP Paribas cannot be held responsible for adverse effects resulting from the execution of specific instructions.

6. Control of the execution of orders

To fulfil its obligation of best execution, BNP Paribas assesses the efficiency of the execution policy of the preferred intermediary, in particular its quality of execution, and, if necessary, requires the intermediary to correct any failures identified.

7. Regular monitoring of the selection policy

According to article 314-75 VI of the “AMF” General Regulation, BNP Paribas performs an annual review of the present policy in order to make any necessary adjustments to ensure the best possible result.

The annual review of the selection policy is summarized in a consolidated document which details the modifications brought to this policy, the reasons for these modifications (or, as the case may be, the continuation of the current policy) as well as the arguments having led to a decision in terms of connection (or non-connection) to new intermediaries.

To meet the objective of re-examination of the present policy, the annual review focuses in particular on:

- The cost: BNP Paribas ensures through a RFP¹ process of the capability of the intermediaries to offer the best total cost to clients,
- The speed of execution,
- The follow-up and analysis of client claims and operational risks.

This update needs to be performed every time a significant change occurs and has an incidence on BNP Paribas capacity to obtain the best possible result for its clients.

¹ Request For Proposal

8. Miscellaneous

8.1. Issuing of the selection policy

The present policy is available on the institutional website of BNP Paribas and on

Planetshares (<https://securities.cib.bnpparibas/regulatory-disclosures-publications/markets-in-financial-instrument-directive-ii-mifid-ii/>)

8.2. Responsibility

In case of 'force majeure', as defined by article 1218 of the French "Civil Code", BNP Paribas cannot be held responsible for non-compliance with the present policy.

8.3. Client acceptance

Within the framework of « Custody and Clearing Services » (custodian activity), clients are deemed to have accepted the terms of the present policy since they open an account with BNP Paribas.

Within the framework of the Issuers activity « Corporate Trust Services » (Issuers Agent activity), clients are deemed to have accepted the terms of the present policy since they open an account with BNP Paribas.

Appendix – List of selected Brokers

For their Best Selection duty, the following BNP Paribas entities has entrusted for a Best Execution.

In Spain, this operative has been carried out with the financial intermediary Banco Sabadell and Exane.

EEA Country	Location	Rationale of service	Brokers
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BNP Paribas, as an "ISP" (Investment Servicers Provider) or an Issuer Agent provides the "RTO" services- e.g. receives and transmits client orders to its preferred intermediaries for their execution. The list of preferred intermediaries is defined by a dedicated Broker Selection Committee.

France	BNP Paribas Paris	<p><i>The intermediaries selected are:</i></p> <p><i>In particular, this organization allows:</i> Access to a wide range of execution venue; Cost Rationalization Higher efficiency in the processing of orders (speed of executions, limitation of operational risks)</p> <p>Allowing BNP Paribas to achieve the best possible result for its client</p>	<p>BNP Paribas Copartis ODDO BHF</p>
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In Spain, this operative has been carried out with the financial intermediary Banco Sabadell and Exane.

SPAIN	BNP Paribas Madrid	<p><i>The 2 intermediaries chosen are:</i></p> <p><i>These 2 entities allows to access to a wide range of execution venues that guarantee to obtain the best possible result for the clients in terms of:</i></p> <ul style="list-style-type: none"> - <i>Liquidity and transparency</i> - <i>Cost rationalization</i> - <i>Efficiency in the processing of orders (speed of execution, limitation of operational risks)</i> 	<p>EXANE S.A. SABADELL</p>
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In Italy, BNP Paribas as an "ISP" or an Issuers agent provides the RTO services, e.g. receives and transmits client orders to its preferred intermediaries for their execution. The list of preferred intermediaries is defined by a dedicated Broker Selection Committee.

ITALY	BP2S Milan	<p>The main intermediaries chosen are</p> <p>This organization allows to access to a wide range of execution venues that guarantee to obtain the best result in terms of:</p> <ul style="list-style-type: none"> ▪ liquidity and transparency ▪ exchange efficiency, given the use of advanced trading platforms, ▪ process of price formation of the financial instruments treated, ▪ fees charged 	<p>EQUITA SIM (main)</p> <p>BANCA AKROS (back-up)</p>
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