ORDER EXECUTION POLICY

1. Purpose of the policy

This Policy of Bank of China Paris Branch (“BOCP”) on Execution and Handling of Orders for Financial Instruments has been prepared to inform clients of the arrangements put in place by BOCP to manage the execution of client orders in accordance with the requirements of the EU Financial Markets Directive 2014/65/EU and the implementing measures as transposed into national laws and regulations (MiFID II), to the extent that they apply.

2. Clients concerned

The policy applies to transactions executed with professional clients, as defined by MiFID II. Clients must have received a formal notification from BOCP advising them of the category to which they belong.

This policy, in accordance with MiFID II, does not apply to transactions executed with clients considered by BOCP to be "eligible counterparties" or non-professional customers.

3. Activities

This policy will apply to the following financial instruments:

Spot, options, deliverable forwards, non-deliverable forward, swaps and all other derivative contracts relating to currencies or interest rates swaps.

4. Execution of orders

Orders placed by clients, RFQ (Request for Quote) mode via telephone calls, email or chatroom are executed outside a Regulated Market ("RM"), a Multilateral Trading Facility ("MTF") and an Organised Trading Facility ("OTF"), collectively, the Trading Venues. Orders are only processed over-the-counter without recourse to other intermediaries or investment service providers.

In accordance with an internal policy of the Bank of China Group, as soon as client orders are received, BOCP asks its head office or internal trading units for the quotation according to the characteristics of the order.

As this is an internal quotation within the BOC Group, the price quoted is not considered as a market price, although it should reflect market levels as closely as possible.

The quotation is negotiated by mutual agreement: the client accepts it if it considers it to be in its interests.

The principle of best execution does not therefore apply here, since BOCP does not put different market price providers in competition with each other but communicates a quotation determined by its group.

5. Client order execution method

Notwithstanding the impossibility of quoting market prices, BOCP will endeavour to offer the client the best possible price.

Considering the current Request for Quote model and intra-group trading units management policy, Bank of China Limited is recognized as the only quotation provider on branch level for OTC product. The quality of execution will be accessed on ex-post basis using its internal calibration model or external data sources.

Client orders in the preceding year and information on the quality of execution obtained on these venues, such details are provided on BOCP's website.

6. Clearing and transaction information notification

Before any FX Spot transaction is carried out, the client will be informed of the value date that will be applied according to the following:

- The dates and times during which BOCP operates,
- The dates and opening hours of the markets of the currency concerned,
- The opening days of clearing services in effect according to the currency and market concerned.

Notification in respect of execution of orders could include information below where applicable:

(a) the reporting firm identification;

(b) the name or other designation of the client;

(c) the trading day;

(d) the trading time;

(e) the type of the order;

(f) the venue identification;

(g) the instrument identification;

(h) the buy/sell indicator;

(i) the nature of the order if other than buy/sell;

(j) the quantity;

(k) the unit price;

(l) the total consideration;

(m) a total sum of the commissions and expenses charged and, where the client so requests, an itemised breakdown including, where relevant, the amount of any mark-up or mark-down imposed where the transaction was executed by an investment firm when dealing on own account, and the investment firm owes a duty of best execution to the client;

(n) the rate of exchange obtained where the transaction involves a conversion of currency;

(o) the client's responsibilities in relation to the settlement of the transaction, including the time limit for payment or delivery as well as the appropriate account details where these details and responsibilities have not previously been notified to the client;

(p) where the client's counterparty was the investment firm itself or any person in the investment firm's group or another client of the investment firm, the fact that this was the case unless the order was executed through a trading system that facilitates anonymous trading.

7. Potential Risks

- Transactions will not be subject to the rules of the trading venues,

- Transactions will not be allowed to benefit from any additional liquidity beyond the unpublished liquidity, such as hidden limit orders that may be available on trading venues;

- Executions will not benefit from the additional pre- and post-trade transparency regarding prices and liquidity, which must be provided by trading venues; and with respect to transactions executed outside a trading venue, settlement risk may be incurred as the transactions will be exposed to counterparty risk and will not be covered by the relevant settlement and clearing rules of the trading venue and the associated clearing house.

8. BOCP execution costs and remuneration

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9. Order processing

When BOCP receives an order from a client, the teams in charge of processing ensure that the order is executed quickly and that it is correctly registered and allocated. Written spot transaction mandates would be timestamped after receiving.

When BOCP teams receive comparable orders from two or more clients, these orders will be executed quickly and in chronological order of receipt.

Orders are not considered comparable if they are received via different execution channels (e.g. voice reception by telephone, chatroom or email).

With regard to settlement, BOCP will take all necessary steps to ensure that the client's financial instruments or funds received from the client in settlement of the said executed order shall be promptly and properly transferred to the account of the client concerned.

Information relating to orders executed or pending or about to be executed will be kept confidential and we will take all reasonable steps to ensure that information relating to orders pending or about to be executed is kept confidential.

BOCP's standard practice is not to bundle another client's orders or transactions for its own account.

10. Management of potential conflicts of interest

The Conflicts of Interest Arrangement is published on BOCP’s Website in a separate document.

11. Client's consent on the Policy

BOCP is required to obtain its client consent to the Policy. The client will be deemed to provide such consent when the client places an order with us following receipt of this document.

This Order Execution Policy will be updated periodically in order to take into account changes in applicable rules and regulations, changes to BOCP's business activities and organization and any conflict of interest that may have arisen.