TARGET MARKET INFORMATION & PRODUCT GOVERNANCE

Background

Bank of China Paris Branch (hereinafter referred as “BOC PARIS BRANCH”) has implemented a proportionate framework for compliance with the product governance requirements set out by Directive 2014/65/EU (Markets in financial instruments), together with the MiFID II Delegated Directive dated 7 April 2016 and respective implementing measures (“MiFID II”). In so doing, BOC PARIS BRANCH has taken into account in particular the sophistication of BOC PARIS BRANCH’s clients in relation to the complexity of the products it manufactures or distributes.

BOC PARIS BRANCH may act as distributor for different products and will identify a target market in accordance with the obligations applicable to our role in the specific transaction. Where BOC PARIS BRANCH acts as a distributor on an execution only basis we will not provide any investment advice nor conduct an appropriateness assessment for clients categorized as Eligible Counterparties or Professional Clients.

Accordingly, this document discloses the target market for certain products BOC PARIS BRANCH distributes under execution-only services. Such disclosure represents BOC PARIS BRANCH’s reasonable view of the target market for the products listed below and is made to enable investors, clients and counterparties who act as distributors to assess for themselves whether a product matches their or their end client’s objectives, needs and characteristics. The disclosure has been prepared solely for informational purposes and is not an offer to buy or sell or a solicitation of an offer to buy or sell the products listed below.

BOC PARIS BRANCH only recognizes its direct clients as clients for purposes of MIFID2 Product Governance requirements.

Unless otherwise agreed with the client, BOC PARIS BRANCH does not consider its clients to act as distributors for BOC PARIS BRANCH. If any client or counterparty is acting as a distributor where it has not been agreed with BOC PARIS BRANCH (i.e. is not the final investor in the chain and is instead offering, recommending or selling the product to another investor), then such entity is responsible for defining its own target market for the instrument given its more detailed knowledge of the onward end client base.

Should an investor have any questions or concerns about which category below a particular product fall into or whether a product matches the investor's own objectives, needs and characteristics, it should contact a BOC PARIS BRANCH Sales representative.

Product List and Target Market Disclosure

This document may not purport to cover all products distributed by BOC PARIS BRANCH, and some products may have trade-by-trade disclosures which will prevail over the general disclosures herein to the extent of any inconsistency. Should an investor have any question about the target market for a product not listed herein, they should contact a BOC PARIS BRANCH representative.

Product List

1. FX OTC Derivatives
    1.1. Deliverable FX Forward
    1.2. Non deliverable FX Forward
    1.3. FX Swap
    1.4. FX Option
2. Interest Rate and Commodity OTC Derivatives
    2.1. Interest rate Swap
    2.2. Cross Currency Swap
    2.3. Commodities swap

Target Market Disclosure

1) FX OTC Derivatives

<table>
<tr><td colspan="2">1. Products</td><td>FX Forwards (Deliverable/Non deliverable)
FX Swap
FX Option</td></tr>
<tr><td rowspan="4">2.Target market definition</td><td>2.1 Type of Clients</td><td>Eligible Counterparties
Professional Clients</td></tr>
<tr><td>2.2 Distribution strategy</td><td>Execution only: we will not provide any investment advice nor conduct an appropriateness assessment for clients categorised as Eligible Counterparties or Professional Clients</td></tr>
<tr><td>2.3 Knowledge, experience and complexity</td><td>High: Clients who have knowledge and experience of the relevant category of financial instruments or sufficient knowledge of the product features and risks of the relevant financial instrument.
Complexity: Complex</td></tr>
<tr><td>2.4 Financial Situation with a focus on the ability to bear losses</td><td>The investor can tolerate losses exceeding the investment or initial amount</td></tr>
</table>

	2.5 Risk tolerance and compatibility of risk reward profile of the product with the target market.	The investor risk profile is compatible with: High Risk Investment: investor is willing to accept the risk of losses exceeding the investment or initial amount
	2.6 Client's objectives and needs	Investment Tenor: Short, Medium and Long Return Profile: Hedging, Speculation, Portfolio diversification Liquidity: Are willing to hold the investment until its maturity or require the possibility to exit the investment early
3. Negative Target Market		Non-professional client, Retail client

2) Interest Rate and Commodity OTC Derivatives

1. Products		➢ Interest rate swap ➢ Cross Currency Swap ➢ Commodities swap
2.Target market definition	2.1 Type of Clients	➢ Eligible Counterparties ➢ Professional Clients
	2.2 Distribution strategy	Execution only: we will not provide any investment advice nor conduct an appropriateness assessment for clients categorised as Eligible Counterparties or Professional Clients
	2.3 Knowledge, experience and complexity	➢ High: Clients who have knowledge and experience of the relevant category of Financial Instruments or sufficient knowledge of the product features and risks of the relevant Financial Instrument. ➢ Complexity: Complex
	2.4 Financial Situation with a focus on the ability to bear losses	➢ The investor can tolerate losses exceeding the investment or initial amount
	2.5 Risk tolerance and compatibility of risk reward profile of the product with the target market.	The investor risk profile is compatible with: ➢ High Risk Investment: investor is willing to accept the risk of losses exceeding the investment or initial amount
	2.6 Client's objectives and needs	➢ Investment Tenor: Short, Medium and Long ➢ Return Profile: Hedging, Speculation, Portfolio diversification ➢ Liquidity: Are willing to hold the investment until its maturity or require the possibility to exit the investment early
3. Negative Target Market		Non-professional client, Retail client