

BNP PARIBAS DEALING SERVICES

Selection and Order Execution Policy



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BNP PARIBAS
ASSET MANAGEMENT

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PURPOSE AND BACKGROUND

The financial regulations set out good practice rules aiming at serving clients' best interests when executing their orders. The purpose of these rules is to guarantee the fast and fair execution of orders, inter alia.

This execution policy (hereinafter the Policy) sets out the major principles that BNP Paribas Dealing Services (hereinafter Dealing Services) must comply with where its clients (hereinafter the Client(s)) are concerned, together with the operational procedures that enable their application.

This Policy is composed of principles that comply with the current regulations, especially in accordance with the requirements set out in section 5 of Commission Delegated Regulation (EU) 2017/565, and does not exclude the possibility of specific contractual provisions between Dealing Services and its Client, if those provisions are not in contradiction with the regulations.

This Policy, which has been published on a durable medium, must be approved by the Client. The transmission of an order to Dealing Services by the Client supposes acceptance of the Policy. Dealing Services will send its Client all the information justifying the choices made for executing the orders, on request, or in accordance with the contractual provisions.

Dealing Services is an investment firm regulated by the ACPR (Autorité de Contrôle Prudentiel et de Régulation) and the AMF (Autorité des Marchés Financiers).

It has to be noted that following the acquisition of AXA Investment Managers (hereinafter AXA IM) by BNP Paribas Cardif on July 1st, 2025, the legal entities of the two asset management groups BNP Paribas Asset Management (hereinafter BNPP AM) and AXA IM have merged. In particular, Dealing Services and AXA Investment Managers IF (hereinafter "AXA IM IF"), the legal entities in which the respective trading desks of BNPP AM and AXA IM in France were housed, have merged, with Dealing Services absorbing AXA IM IF.

However, two separate operational perimeters remain, referred to as "ex-Dealing Services" and "ex-AXA IM IF". As a general approach and unless advised otherwise, the Policy applies to both perimeters, i.e. Dealing Services. Where a process or an activity is not applicable to both perimeters, it will be specified hereafter. Any major discrepancy in the way both perimeters process orders will also be specified as the case may be.

1. SCOPE OF THE POLICY

1.1. SERVICES PROVIDED (HEREINAFTER THE "SERVICES")

Dealing Services' activity consists in receiving Clients' orders, selecting a provider within the Authorised Providers' list (as defined in §2.4 Authorised Providers) and transmitting for execution or negotiating on Clients' behalf the conditions of order execution with the selected Authorised Provider.

Dealing Services is authorised to perform the following investment services (together referred to as RTOE):

- the reception and transmission of orders
- the execution of orders on behalf of third parties.

Where Dealing Services receives and transmits an order to an Authorised Provider for execution, Dealing Services provides the service of "**reception and transmission of orders**". The order is executed in accordance with the Authorised Provider's execution policy.

Where Dealing Services acts on behalf of its Client on over-the-counter markets, Dealing Services conducts the dealing process until completion and selects the Authorised Provider offering the best execution conditions. Dealing Services considers that when it accepts the execution conditions, i.e. the price offered by an Authorised Provider, the service may be considered as "**execution of orders on behalf of third parties**".

Dealing Services is never a party to a transaction. Its role consists in facilitating the conclusion of transaction(s) between its Client and an Authorised Provider.

It is specified that Dealing Services does not provide any investment advisory services, and that the services or information provided by Dealing Services cannot be construed as an investment advisory service under any circumstances.

With respect to obligations of transaction reporting to regulatory authorities, each Client is responsible for ensuring that its own reporting obligations are properly complied with (by itself or by its Authorised Providers).

1.2. GEOGRAPHICAL SCOPE

The Policy applies to Dealing Services and to any BNPP AM entity to which Dealing Services may delegate the RTOE processing of the Client's order.

1.3. INSTRUMENTS

The Policy applies to every type of financial instrument negotiated by Dealing Services and to Securities Financing transactions (e.g. repo/reverse repo and securities lending ¹) covered in annex I.

1.4. DEALING SERVICES' CLIENTS

Dealing Services deals exclusively with Clients who are categorized as professional clients.

Acceptance of this classification is formally set down in the agreement signed by Dealing Services and its Clients. Accordingly, Dealing Services reminds them that the rules relating to the suitability and appropriateness tests do not apply under these conditions.

2. PRINCIPLES OF THE POLICY

2.1. OBLIGATIONS OF BEST SELECTION AND BEST EXECUTION

In the frame of the provision of RTOE services, Dealing Services is subject to best selection and best execution obligations.

In practice, for asset classes where the Authorised Provider executes the order on behalf of a Client (e.g.: equity, listed derivatives), Dealing Services is under the obligation of delivering best selection and the Authorised Provider is responsible for the best execution and the final place of execution. For Forex, Fixed Income and all other OTC (Over The Counter) asset classes, Dealing Services is responsible for the best execution and takes all the measures that enable optimal and fair execution, including selecting the best counterparties.

2.2. CONFLICTS OF INTEREST

In line with its Conflicts of Interest Policy, Dealing Services is committed to identifying and understanding where in its business conflicts of interest might occur, thereby taking all reasonable steps designed to prevent these conflicts of interest from adversely affecting the interests of its clients. This Policy and our Conflicts of Interest Policy are designed to identify and to prevent or manage the potential conflicts of interest when providing RTOE services.

Dealing Services doesn't receive any remuneration, discount or non-monetary benefit for routing orders to a particular trading venue. Dealing services may receive minor non-monetary benefit from Authorised Providers or trading venues when it is designed to enhance the quality of the relevant service to the Client and does not impair compliance with Dealing Services' duty to act honestly, fairly and professionally in the best interests of its clients.

¹ Securities Lending activities is only applicable to ex AXA IM IF perimeter.

BNPP DS may transmit orders to or execute orders with its affiliated companies within BNP Paribas Group, provided this is compliant with the Policy. Where internal procedures don't allow to monitor the conflicts of interests, Dealing Services informs the Client.

2.3. EXECUTION OF ORDERS OUTSIDE A TRADING VENUE

Before the provision of services, the Client has provided Dealing Services with its consent on this Selection and order Execution Policy. By doing so the Client expressly authorises Dealing Services to execute an order outside a regulated market (RM), a multilateral trading facility (MTF) or an organised trading facility (OTF).

However, the Client may withdraw this authorisation at any time, on an occasional or definitive basis. Whilst this may provide the advantage of an improved execution price and faster execution, the risks are as follows:

- the execution will not be subject to the rules of execution venues, which are designed to provide a fair and orderly treatment of orders
- the execution might be subject to additional operational risk (human error in the order characteristics, etc.).

Additional information regarding the consequences arising from this execution mode may be provided upon request.

2.4. AUTHORISED PROVIDERS

In transacting an order, Dealing Services only uses a broker or counterparty that has been approved beforehand (so called "Authorised Providers"). The Clients - that may act on behalf of the portfolio facing the Authorised Provider - are considered as the Authorised Provider's clients. Therefore, they are entitled to determine the list of Authorised Providers that can be used by Dealing Services to transmit or execute orders. Regarding the ex-AXA IM IF perimeter, Dealing Services is in charge of determining and monitoring the Authorised Providers' list, on behalf of the Clients.

For both perimeters, before any authorisation is granted, relevant controls are performed and processes are followed, especially in relation with support functions including Compliance (Financial Security due diligence), Legal (documentation in place), Operations (SSI set-up) and Risks (Credit lines approval).

Dealing Services never involves its proprietary account when executing the Clients' orders and always negotiates the conditions for order execution with Authorised Providers.

Although Dealing Services is not a party to the contractual relationship between a Client and its Authorised Provider and does not exchange any cash flows with the Authorised Providers, Dealing Services may refuse to select one or several Authorised Providers pre-selected by a Client on justified grounds.

2.5. SPECIFIC INSTRUCTIONS

Where the Client gives a specific instruction, Dealing Services will handle the order or the specific aspect of the order in accordance with the Client's instruction and may therefore be exempted from its best selection and best execution obligations within the limit of the restrictions included in that specific instruction.

Specific instruction cases may include the following:

- the Client directs the order to one of the Authorised Providers
- the Client excludes one of the Authorised Providers on a one-off basis

In particular, for OTC derivatives (including FX), cleared derivatives and repo/reverse repo transactions, the best selection and best execution obligations will be subject to the Client's authorized counterparties and legal contracts in place. Our best selection and best execution obligation might be constrained by the limited list of authorised counterparties of our Client and/or Risk Department restrictions.

In certain situations, it may transpire that it is not possible to execute an order following the specific instruction. In that case, the Client will be contacted.

2.6. EXECUTION VENUES

Although this does not amount to a comprehensive list (for details refer to annex I), The venues where the Clients' orders may be executed are:

- execution venues ²: regulated markets, multilateral trading facilities, organized trading facilities, systematic internalisers (SI) or any other execution venues, as set out in the Authorised Provider's execution policy
- over-the-counter markets (seeking and selecting the Authorised Provider in order to enable the execution of the order between this Authorised Provider and the portfolio(s))

It should be noted that Dealing Services never acts as a member of a regulated market and is not directly involved in filling the order book of a regulated market (no Direct Market Access). However, in order to transfer the order to a regulated market or a multi-lateral trading system, Dealing Services may use the market access tools made available by the Authorised Providers. Dealing Services may also use an automatic processing system that is made available by Authorised Providers on behalf of the Clients.

Onboarding of a new execution venue directly chosen by Dealing Services for order execution follows a formal internal validation process. On a regular basis, Dealing Services requires authorised traders to read and acknowledge rules for each venue they personally are allowed to trade in.

2.7. BEST SELECTION AND BEST EXECUTION CRITERIA

An integral part of the best selection and execution process is choosing the right venue of execution, when it is applicable. In cases where Dealing Services chooses the execution venue, it follows a waterfall logic pre-determined by financial instrument asset type, selecting the venue that overall gives the best execution result taking into consideration the MIFID Criteria:

- order type: capacity of the venue to clearly identify and execute specific Client's instruction
- price: capacity of the venue to attract liquidity providers that foster a healthy competition to provide best price for end client
- size: overall volumes traded on specific asset type in the venue as indicator of liquidity found
- swiftness of execution: connectivity to Order management system and ease of use by Dealing Services and by Authorised Providers
- cost: overall cost of execution including fees charged by the venue to Dealing Services if any and to Authorised Providers
- likelihood of execution: venue volumes on specific asset type as indicator of probability of finding liquidity in the venue
- settlement process: ease in post trade treatment that facilitates settlement process

Dealing Services does not structure or charge commissions in such a way as to discriminate unfairly between execution venues ³. Dealing Services will not take systematically into account any potential ancillary costs relating to a specific request made by the Client as part of its selection process: e.g. deferring the settlement & delivery date.

Dealing Services takes all the sufficient measures that enable the fast and fair execution of an order transmitted by the Client and assesses the Authorised Providers' ability to comply with the Client interests as closely as possible according to the following criteria:

- the execution price, by requesting for quotes, if necessary, and taking only into account the implicit and explicit transaction costs ⁴
- the swiftness and likelihood of execution depending on the size and nature of the order
- any other consideration deemed necessary

As part of its best selection process, Dealing Services reviews the Authorised Provider on a regular basis taking into account relevant performance indicators, to provide best execution on a consistent basis. *In fine*, the Authorised Provider who is the best match for the criteria will ultimately be selected by Dealing Services

For each asset class, Dealing Services has identified the ranking of criteria to be considered to best serve the interest of its Clients. Obtaining best price will be a key consideration for each transaction but may not always be paramount since other factors (e.g. size of an order, complexity and ease

² As defined in Annex I – List of financial instruments and execution venues in the « Venues definition » sheet

³ Article 64 (3) of Commission Delegated Regulation (EU) 2017/565 of 25 April 2016, regarding Best execution criteria.

⁴ Execution cost means the portion of the Authorised Provider's expenses that are related to the execution process, without taking into account research costs. Implicit costs taken into account are associated with Trading Cost Analysis measuring execution price vs arrival price as per full PRIIPs methodology. Explicit transaction costs refer exclusively to brokerage commissions if applicable for asset type and trading mode.

As it deals with professional clients, Dealing Services does not take into account neither the costs relating to settlement & delivery, nor clearing.

of execution) viewed by Dealing Services as critical to the success of providing the best execution will also be decisive in determining the relative significance of the execution criteria.

Where possible, Dealing Services usually selects based on price from a shortlist of counterparties it identified to be the most competitive in the market. Furthermore, Dealing Services takes into account in its best selection process the reactivity of counterparties and its ability to deliver high quality services.

If only one counterparty offers a quote e.g. in less liquid markets or where Dealing Services believes the size of the order may have an adverse effect on the market and inadvertently compromise its ability to obtain the best price available, it will make a judgement on whether the price is fair and achieves best execution for the Client.

2.8. BEST EXECUTION CRITERIA RANKING BY INSTRUMENT CLASS

Equities and Exchange Traded Funds (ETFs)

The priority of the execution factors when transacting equities is typically:

	Price	Direct execution costs	Speed of execution	Likelihood of execution and settlement	Size of the order	Nature of the order
Equity	1	2	2	2	2	1
ETFs	1	2	2	2	2	1

Government bonds, corporate bonds (Credit), convertible bonds and Money market instruments

The priority of the execution factors when transacting bonds and Money Market Instruments is typically:

	Price	Direct execution costs	Speed of execution	Likelihood of execution and settlement	Size of the order	Nature of the order
Bonds (Govies & Credit)	1	Included in the price	2	2	1	1
Convertible bonds	1	Included in the price	2	2	1	1
Money Market instruments	1	Included in the price	2	2	1	1

An exception is existing for Switzerland bonds where the priority of the execution factors is typically:

	Price	Direct execution costs	Speed of execution	Likelihood of execution and settlement	Size of the order	Nature of the order
Swiss Bonds (Govies & Credit)	1	2	2	2	1	1

Exchange traded derivatives (ETDs)

The priority of the execution factors for ETDs is typically:

	Price	Direct execution costs	Speed of execution	Likelihood of execution and settlement	Size of the order	Nature of the order
ETDs	1	2	2	2	1	1

OTC instruments (FX, derivatives and packaged products)

For an OTC instrument ⁵, the obligation of best execution may be limited in practice as a result of the documentation requirements, credit exposure, complex, customised or structured nature of the transaction. We usually place orders either on an MTF (typically for cleared and more standardised OTC derivatives) or with an SI (for more bespoke transactions), but we may as well trade with counterparties that do not qualify as SIs.

We also set diversification requirements for use of counterparties. We may not select a counterparty if the conclusion of an order with that counterparty would cause a breach of counterparty exposure limit.

The priority of the execution factors when transacting OTC instruments is typically:

	Price	Direct execution costs	Speed of execution	Likelihood of execution and settlement	Size of the order	Nature of the order
OTC instruments	1	Included in the price	2	2	1	1

Securities Financing (e.g. repo/reverse repo and securities lending)

Repo / Reverse Repo

The repurchase agreement (Repo) is an OTC instrument. Please refer to the 'OTC instruments' part to see how we manage Repo / Reverse Repo from a best execution and best selection perspective. The priority of the execution factors for repo /reverse repo is typically:

	Price	Direct execution costs	Speed of execution	Likelihood of execution and settlement	Size of the order	Nature of the order
Bonds (and equity on an ad hoc basis)	1	Included in the price	3	1	1	2

Securities Lending ⁶

The priority of the execution factors for securities lending is typically:

	Price	Direct Execution costs	Speed of execution	Likelihood of execution and settlement	Size of the order	Nature of the order
All assets type (fixed-income and equity assets)	1	3	2	2	1	1

During the life of the Securities Lending transactions, there is a possibility to re-rate the transactions. The re-rate process is maintained to ensure that we will obtain the best possible result for our Clients on a consistent basis. The re-rate process applies to assets already on loan where we will agree with the borrower to revise the previously agreed lending fee.

⁵ Whether under MIFID II SI regime or not, i.e. including some cleared derivatives tradable on execution venues.

⁶ ex AXA IM IF perimeter

2.9. GENERAL PRINCIPLE OF PROCESSING ORDERS IN THEIR ORDER OF ARRIVAL

Dealing Services applies the two rules hereafter unless the nature of the order or prevailing market conditions make this impossible, or the portfolio(s)' interests require Dealing Services to proceed otherwise.

- orders are processed in the order in which they are received by Dealing Services
- when received concomitantly via different communication methods, priority will be given to the order that is received directly by Dealing Services' orders management system

2.10. FOLLOW UP AND REVIEW OF THE POLICY

Dealing Services reviews the Policy at minimum on an annual basis and keeps it updated as often as necessary. The updated version is published on the website of BNPP Asset Management.

Dealing Services undertakes systematic monitoring and review of executed orders in order to validate and analyse the delivery of best execution, with a view to appropriately address any deficiencies in best execution identified and to ensure that best execution and selection internal procedures are met.

3. SPECIFIC EXECUTION PROCESSES

3.1. AGGREGATED ORDERS AND ALLOCATION

Where circumstances authorize it (same security, direction, order type...), Dealing Services may aggregate the orders of different portfolios of a same Client or of different Clients.

Where the orders are partially executed, Dealing Services will allocate the amount on a prorata basis to the extent where it isn't against the interest of portfolio(s). In exceptional circumstances where a pro-rata allocation would be done to the detriment of one portfolio, Dealing Services will seek the solution that best balances the interests of all the portfolios involved.

3.2. HANDLING OF FX INSTRUMENTS ORDERS

Where possible, netting orders with different directions on a same instrument represents a cost saving for both orders and should be given privilege as long as there is sufficient common Authorised Providers enabled to trade for the portfolios involved. Therefore, Dealing Services will seek to net FX orders taking into account the minimum common denominator in terms of Authorised Providers' approvals. The following guidelines apply for FX orders (spot, forward, swaps of same currency pairs):

- orders received within a reasonable timeframe
- similar order types
- netting is in the best interest of the portfolio(s) (spread saving, market impact reduction, swiftness of execution)

When there is only one common Authorised Provider onboarded across the trading portfolios, netting with one Authorised Provider is exceptionally allowed as long as the outcome benefits the involved portfolios (typically similar sizes traded with a top liquidity provider for the currency pair...).

Only orders that are expressly tagged by the Client(s) as excluded from netting can be deprived of this opportunity.

3.3. MATCHING / CROSSING ORDERS FROM DIFFERENT PORTFOLIOS

If Dealing Services identifies that two portfolios are interested in buying and selling the same instrument, and considers that these opposing orders are likely to be executed to the detriment of both portfolios, for instance in the event of a lack of liquidity on over-the-counter markets, Dealing Services will make every effort to cross these orders via an Authorised Provider shared by both portfolios, and will accept the average execution price that is most favourable to both portfolios on the basis of the market prices quoted.

Nevertheless, in specific circumstances and with Compliance pre-approval, these transactions may be made directly between portfolios.

3.4. AUTOMATIC ROUTING AND EXECUTION

Where orders meet certain criteria (e.g. size, liquidity, currency, instruction type...), Dealing Services may use automatic routing of orders to specific execution venues with subsequent selection of Authorised Providers and execution of orders without manual intervention of a trader. Any automatic routing of order, selection of Authorised Provider and execution follows the exact same principles of Best Selection and Execution as any other order handled by Dealing Services.

Whenever the conditions for an automatic execution of orders are met, Dealing Services chooses the venue to execute its orders according to the financial instrument type, Client's instruction and order size. The venue's choice is evaluated as part of the regular Best Execution reviews.

The selection of Authorized Providers for automated execution is based on the Authorized Provider evaluation during the Broker Assessment Process which identifies the subset Authorized Providers that are best placed to provide best execution. For Over-the-Counter Products, this selection is supplemented by the Authorized Providers indications of interest / Prices streamed in electronic platforms used for execution. Furthermore, all transactions, whether automated or not, are subject to Best Execution Controls, notably through the Transaction Cost analysis which also serves as basis for assessing Best Selection and Execution.

On a continuous basis, Dealing Services adjusts parameters to determine automation eligibility, keeping always in context the goal of achieving Best Execution for its clients. Dealing Services controls, as part of its Best Execution reviews, the quality of its automated routing, selection and execution and takes adequate corrective measures when and if it identifies any deficiency.

4. CASES WHERE AN EXEMPTION TO THE APPLICATION OF THE POLICY ARISES

4.1. PROBLEMS RELATING TO THE SIZE OF ORDERS

Where the size of an order is larger than the size offered by the Authorised Provider providing the best price following a request for quotes, the optimal approach for achieving the best possible execution may consist in selecting the Authorised Provider who is able to execute the entire order, even though the price obtained may be less favourable than the one that could have been obtained for a portion of the amount desired. The trader will then prioritise the criterion relating to liquidity rather than the sole price criterion.

Moreover, Dealing Services imposes no restriction on the size of the orders but informs the Clients of any problems notified by the Authorised Provider given the size of the Clients orders, or even restrictions related to the order size that this Authorised Provider could impose. In these cases, Dealing Services ensures that it does not distribute any information that would favour one of the Clients or contravene existing rules.

4.2. WHEN CONDUCTING A REQUEST FOR QUOTES IS IMPOSSIBLE

Dealing Services may not be in a position to organise a request for quotes in some cases or may consider that it is inappropriate to do so in the Clients' interests, which provides a *de facto* justification that the price criterion has been adhered to.

Without drawing up a comprehensive list, this may occur in the following circumstances:

- a need to guarantee maximum confidentiality
- the illiquidity of the financial instrument
- any situation where the request for quotes is contrary to the Client's interests
- the portfolio has only one Authorized Provider on the asset class.

Dealing Services will nonetheless act in the Clients' best interests depending on the characteristics of the order received and on market conditions.

4.3. EXCEPTIONAL MARKET CONDITIONS

In the event of severe market disruption and/or the failure of an internal or external system, Dealing Services may find itself in a position where it is unable to transmit or execute orders in compliance with all the Policy's principles, although it will make every effort to do so.

Furthermore, in the event of a malfunction in the order reception system, Dealing Services has a backup procedure, which is described in the agreement signed by the Clients and Dealing Services or can be further detailed upon request.

5. CONTROL FRAMEWORK OF POLICY APPLICATION

Dealing Services implements an ongoing monitoring of the effective application of this Policy and makes sure it gives the necessary guidelines to act in the Clients' best interests. Best Execution control framework covers all transactions carried out by Dealing Services.

Fairness of prices is monitored through:

- Review of Transaction Cost Analysis (TCA) - Dealing Services compares execution price to an external benchmark whenever applicable.
- Control on Request For Quote (RFQ) process is achieved to ensure execution was achieved in the best interest for the Clients
- Usage of other market data (used in the estimation of the price of such products and where possible by comparing with similar or comparable products) that allows to get comfort regarding the price level (especially applicable for OTC instruments)

The objectives of the execution control framework are the following:

- making sure that this Policy is applied
- promptly correcting observed failure
- facilitating the annual review of the Policy and anticipating a review of this Policy if there is a significant change likely to have an impact on the ability to obtain the best possible result for Clients.

In addition to systematic first level control on all orders, Compliance performs a periodic second level review, that might include a review of a sample of trades (on a risk-based approach) as well as an assessment of the effectiveness of this Policy.
