BNP Paribas SA

APAC CIB Global Markets
Order Handling & Execution Policy

BNP PARIBAS SA | APAC CIB GLOBAL MARKETS - MAY 2026

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1 Purpose of the Policy

This BNP Paribas SA CIB APAC Global Markets Order Handling and Execution Policy (the "**Policy**") provides information on the arrangements implemented by BNP Paribas SA CIB (APAC) Global Markets ("**BNP Paribas**", "**us**" or "**we**") to comply with the Best Execution regulatory requirements under Hong Kong Securities and Futures Commission's ("SFC"), Hong Kong Monetary Authority ("HKMA") and the Monetary Authority of Singapore ("MAS")[1]. When BNP Paribas enters into agency or principal transactions with clients (including those which are back-to-back in nature) where clients rely on us to protect their interests, the obligation to deliver best execution remains with BNP Paribas.

The purpose of this Policy is to ensure that BNP Paribas SA Branches in APAC for the purpose of BNP Paribas Global Market activities comply with relevant regulatory requirements in this respect.

BNP Paribas is required to take all sufficient steps to obtain the best possible result for clients when executing orders (or receiving and transmitting orders) on their behalf, taking into account factors such as price, speed and likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order ("**Execution Factors**"; such obligation referred to as our obligation of "**best execution**").

BNP Paribas does not owe any fiduciary responsibilities as a result of the matters set out in this Policy over and above the specific regulatory obligations placed upon BNP Paribas, or as contractually agreed with our clients

2 Scope of the policy

2.1 Geographical and entity scope

This Policy applies to BNP Paribas SA and its branches, to the extent an obligation regarding Order Handling & Execution applies, based on relevant local APAC jurisdictional regulatory requirements. This would imply two nexus:

- Entities Nexus: any Global Markets transactions booked in BNP Paribas SA Hong Kong or Singapore Branches (cf Appendix II) which has been conducted by any Traders or Marketers

  OR
- Staff Location Nexus: any transactions conducted by Global Markets staff licensed in Hong Kong or Singapore

2.2 Activities

This Policy will apply in relation to capital markets activity listed in Appendix I, when BNP Paribas:

- Receives and transmits client orders for execution; and

[1] MAS Securities & Futures Act (Cap. 289), Guidelines to MAS Notice SFA 04-N16 On Execution of Customer Orders SFC / HKMA Circular to Licensed Corporations on Best Execution

- Executes orders arising from requests for quotes ("RFQ")

2.2.1 Receipt and Transmission of Orders

BNP Paribas will owe a duty of best execution in accordance with the criteria in this Policy when it executes a client order. BNP Paribas may place orders on execution venues which BNP Paribas believes they can provide the best overall terms for the clients. Such venues may be affiliated BNP Paribas Group entities or third parties.

2.2.2 Execution of Orders on Behalf of Clients and Requests for Quotes

The application of best execution is limited to where BNP Paribas executes orders "on behalf of clients", where it is deemed the client is relying on BNP Paribas to protect their interests in relation to order execution.

This always applies when dealing as the client's agent or as riskless principal. This includes where a client has placed an actionable instruction to buy or sell a financial instrument and where BNP Paribas has an element of discretion over the execution of the order. By way of illustration, this would apply where BNP Paribas receives an instruction to, amongst other things:

- Work an order for a client;
- Execute an order at "best price"; and
- Execute a limit or stop loss order.

Where a client requests BNP Paribas to provide a quote to trade on a bi-lateral basis (an "**RFQ**"), the application of best execution will depend on the nature and circumstance of the request and whether the client is placing legitimate reliance on BNP Paribas in relation to best execution at the time of the RFQ.

2.2.3 Legitimate reliance

Obligation related to best execution apply to transactions entered into by BNP Paribas to the extent there is deemed to be 'legitimate reliance' placed on BNP Paribas by our clients in relation to executing handling.

BNP Paribas determines whether a client is placing reliance upon it in relation to execution handling by considering the complexity of the product, the transparency of the market and the sophistication of the client by considering (but not limited to) the following factors (the "**four-fold cumulative test**") as further described below[2]:

- **Which party initiates the transaction**: where a client initiates a transaction, this may indicate that the client is less likely to place legitimate reliance on us in relation to execution handling. For example, where BNP Paribas provides advice or a recommendation on a particular transaction it may indicate that a client is placing reliance on us in relation to execution handling. Where a client places an order with us on an unsolicited basis however, it may be an indicator that the client is not placing reliance upon us in relation to execution handling. From time to time we may

[2] Introduced in the Report on the Thematic Review of Best Execution (30 January 2018) by the Hong Kong Securities and Futures Commission.

communicate to clients' trade ideas, indicative prices as part of general business and general marketing materials but we do not consider this to be initiating transactions;

- **Questions of market practice and the existence of a convention to "shop around"**: where there is understood to be an established market practice for clients to obtain multiple quotes and they have the ability to, or indeed do "shop around" it may be regarded as less likely that the client may fairly place legitimate reliance upon BNP Paribas in relation to execution handling;
- **The relative levels of transparency within a market**: If the market for a particular instrument has a relatively good level of price transparency, allowing market participants to have similar price visibility to that of BNP Paribas, it may be regarded as less likely that legitimate reliance can fairly be placed on BNP Paribas in relation to execution handling; and
- **The information provided by BNP Paribas and nature of disclosure/agreement in place:** the extent to which agreements, disclosure, or relevant notice from us to the client have been made, this may contribute to our assessment over whether the client may fairly place legitimate reliance on BNP Paribas in relation to execution handling.

The factors referenced above will be considered holistically on a case-by-case basis when assessing legitimate reliance in relation to execution handling; reliance does not only occur where all four conditions are met. Where applicable, BNP Paribas will check that the price quoted is fair by taking into account of relevant market data and other factors as applicable.

2.2.4 Specific instructions received from clients

Notwithstanding the above, where a client has placed an order with specific instructions that cover each and every aspect of an order, if BNP Paribas executes in accordance with instructions, then Best Execution should only apply within the parameter of the instructions. For example, if a client requests to execute a large order on a less liquid venue, but it may be possible to get better execution on a more liquid venue, then the measurement of best execution should only be on the basis of the instruction parameters set by the client.

Clients should be aware that the provision of specific instructions on orders may in certain circumstances prevent BNP Paribas from taking the steps that have been implemented within this Policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions.

In such circumstances, BNP Paribas may seek to discuss the potential impact of the instruction with the client where the nature of the order permits this to be done, but BNP Paribas is under no obligation to do so.

To the extent that a client places an order with specific instructions that only cover partial aspects of the order, to the extent Best Execution is deemed to be owed based on the placement of legitimate reliance in relation to execution handling, Best Execution is owed on the aspects of the order in respect of those elements not covered by the instructions, for instance where the order does not specify the venue on which the trade should be executed on.

2.3 Direct Market Access

In some circumstances BNP Paribas may agree to provide the client with access to our Direct Market Access ("**DMA**") service. Orders placed through DMA will constitute a specific instruction and BNP Paribas will not owe a duty of best execution.

BNP Paribas reserves the right however to intervene in the routing and execution of DMA orders where the original parameters could result in adverse market impact.

Orders sent to BNP Paribas's electronic trading platform will be executed according to the trading logic of the algorithm specified by the client. Each algorithm is designed to achieve a desired outcome. The choice of trading via an algorithm by a client, along with any specified parameters selected, is considered a specific instruction to BNP Paribas that will be satisfied by the order being traded by the algorithm. Nevertheless, BNP Paribas will monitor and ensure a proper execution of client orders traded by the algorithm on a Best Execution basis given the liquidity available and the prevailing market conditions. Trading restrictions as mentioned in Section 2.4 above will apply whenever applicable.

2.4 Restrictions

BNP Paribas SA Hong Kong or Singapore Branches are subject to internal trading and execution risk management restrictions as required under local regulators and/or internal policies (e.g. trading limits and controls designed to prevent the sending of orders to markets which may interfere with the operation of a fair and orderly market, pose excessive financial risks, or be potentially erroneous). Execution of the orders may be affected if they reach the trading limits, and in certain cases, BNP Paribas SA Hong Kong or Singapore Branches may not be able to accept the order and will notify the client as soon as practical.

3 How we provide Best Execution

3.1 Execution Factors

When executing an order on behalf of a client, BNP Paribas coverage staff are required to take sufficient steps to execute the order in a manner that is intended to achieve the best possible result for the client. BNP Paribas coverage staff will take into account the following relevant Execution Factors:

- Price, aiming to achieve the best possible price for the client;
- Size of the order and the available market liquidity;
- Speed of execution (and settlement where relevant);
- Execution costs, such as exchange execution and clearing fees;
- Likelihood of execution and settlement;
- Nature of the order; and
- Any other consideration relevant to the execution of the order, such as potential market impact.

Where BNP Paribas executes an order for a client, the importance of each of these factors and how they are treated may vary depending on the following:

- The nature of the client's instructions;
- The characteristics of the transaction;

- The characteristics of the financial instrument; and
- The characteristics of the execution venues to which the transaction can be directed.

3.2 Execution Venues

BNP Paribas utilises a number of execution venues. To the extent BNP Paribas has discretion over the choice of one execution venue over another, the selection of the execution venue should be made based on which venue (or venues) provide for the best overall result for the client.

A list of the most significant execution venues used by BNP Paribas in respect each class of financial instrument is maintained in our internal inventory of trading venues.

3.3 Execution Costs

When executing orders on a client's behalf and when providing quotes in response to RFQs, BNP Paribas may charge a fee, commission or apply a mark-up or a spread to the execution price. These additional charges will be made to cover the costs and risks associated with the transaction on a reasonable basis and subject to parameters agreed via BNP Paribas internal governance processes and relevant policies

Where multiple quotes exist, BNP Paribas will act in the interest of clients placing legitimate reliance on BNP Paribas in relation to execution handling. For pricing of OTC Derivatives, BNP Paribas will adhere to internal pricing policies and limits.

4 Order Handling

The section below provides further information on how orders will be handled, with the overriding objective being to ensure that orders are executed promptly and fairly.

4.1 General Considerations

Where we receive an order from a client, we will ensure that the order is executed promptly in accordance with instructions and will be accurately recorded and allocated.

In the event that we receive comparable orders from two or more clients, the orders will be executed promptly and sequentially unless the characteristics of the order or prevailing market conditions make this impracticable, or the interests of the client require otherwise. Orders will not be considered as comparable if they are received via different execution channels (for example by voice versus DMA) or via two different trading desks within BNP Paribas or otherwise where it would not be practicable for them to be treated sequentially.

Where we have a responsibility for arranging the settlement of an executed order, we will take all reasonable steps to ensure that any client financial instruments or client funds received in settlement of that executed order are promptly and correctly delivered to the account of the appropriate client.

Information in respect of executed or pending client orders will be treated as confidential and we will take all reasonable steps to ensure that information of any pending orders will not be misused.

4.2 Aggregation and Allocation of client orders

BNP Paribas' general practice is not to aggregate any client orders with other client orders or any transactions for its own account. However, in certain circumstances aggregation may occur but only when the following conditions are met;

a) 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;
b) In the case of aggregation being potentially disadvantageous, it is disclosed to each client;
c) Upon execution any aggregated orders are fairly allocated taking into account the size of the order and price of the fills received;
d) For client orders aggregated with own account orders that have only 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, to the extent that 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 BNP Paribas own account order; and
e) Should we 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.

5 Restrictions

Where BNP Paribas is subject to internal trading restrictions it may not be possible to accept client orders and clients will be notified of this fact as soon as possible following the receipt of the order.

6 Monitoring and Reporting

6.1 Monitoring

BNP Paribas has suitable monitoring and oversight of the effectiveness of its execution quality in accordance with this Policy and specifically whether the client based on the 4-fold test is likely to be placing such legitimate reliance on BNP Paribas. Periodic analysis will consider the result achieved for clients that are deemed to be placing legitimate reliance on GM in accordance with tools that assess trade execution against the relevant measures.

Monitoring arrangements will be reviewed for continuous improvement over time. Wherever possible and required, we will use market prices, from trading venues, brokers, to compare BNP Paribas price against market prices. Where external data is unavailable or limited in scope or quality, internal reference price data may be used.

6.2 Client Disclosure & Reporting

Upon receiving clients' queries for information in relation to order execution, BNP Paribas will refer to this policy and provide follow-up and/or necessary information in relation to the order execution at our sole discretion.

7 Governance & Training

BNP Paribas has established internal governance processes to assess its execution arrangements, order handling, and appropriate execution monitoring. Relevant Governance Committees meet periodically to assess the effectiveness of these arrangements and to determine any changes or enhancements that may be required. Where this results in a material change to BNP Paribas execution arrangements, which could impact on the execution factors and their relative importance, this will be updated accordingly.

Relevant BNP Paribas staff will undergo training on processes to ensure they are aware of requirements and are accordingly able to act in the best interests of the client based on the placement of legitimate reliance on GM in relation to execution handling. Relevant support functions will also be given appropriate training in order to support the ongoing review of the requirement and execution quality.

Appendix I. List of financial instruments subject to this Policy

With reference to MAS Securities & Futures Act (Cap 289) Guidelines to MAS Notice SFA 04-N16 on Execution of Customer Orders and SFC/HKMA Circular to Licensed Corporations on Best Execution:

1. Securities e.g. equities, bonds, structured notes;
2. Units in collective investment scheme – indexes;
3. Derivatives contacts – both listed derivatives such as future and options, and OTC derivatives.

Appendix II. List of BNPP SA entities in scope of this Policy

1. BNP Paribas SA Hong Kong Branch
2. BNP Paribas SA Singapore Branch