

Natixis order execution and selection policy

Professional and non-professional clients

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INTRODUCTION

The aim of this document is to specify the scope and conditions for the application of the order execution and selection policy (hereinafter the “Policy”) implemented by Natixis SA (hereinafter “Natixis”).

This policy complies with the requirements of European Directive 2014/65/EU on markets in financial instruments (“MiFID II”), which requires investment firms to act honestly, fairly and professionally and in a manner that is in their clients’ best interests.

This policy specifies the manner in which Natixis meets its “best execution” and “best selection” obligations, which require it to take all sufficient steps to obtain, when executing orders or transmitting them for execution, the best possible result for its clients.

This policy is available on the Natixis website (www.natixis.com).

1. SCOPE OF THE POLICY

1.1. TERRITORIAL SCOPE

This policy applies, regardless of the order execution venue, to all Natixis entities

- established within the EEA (Natixis SA, its European branches and its European subsidiaries),
or
- executing or transmitting an order from the EEA using a branch established in the EEA.

1.2. CLIENT SCOPE

This policy applies to professional and non-professional clients (as defined in MiFID II), in accordance with the category in which they are placed by Natixis¹.

This policy does not apply to eligible counterparties.

1.3. SERVICES SCOPE

This policy applies to the provision of the following financial services:

- Execution of orders on behalf of clients;
- Reception-transmission of orders (RTO);
- Dealing on own account, in the following circumstances:
 - ✓ If an own account transaction is executed on behalf of a non-professional or professional client that relies on Natixis;
 - ✓ When Natixis acts for each of two clients involved in back to back trading;
 - ✓ When Natixis, acting as a Systematic internaliser², executes its clients' orders by dealing on its own account.

1.4. PRODUCT SCOPE

The “products” covered by this policy are:

- financial instruments as defined in MiFID II³ and
- securities financing transactions (securities lending or borrowing, repo, etc.⁴).

¹ See Glossary

² See Glossary

³ See Glossary

⁴ See exhaustive list in the glossary

2. ORDER EXECUTION ON TERMS MOST FAVORABLE TO THE CLIENT

2.1. BEST EXECUTION PRINCIPLE

Natixis is required to take all sufficient steps to obtain, when executing orders, the best possible result for its clients, taking into account the following factors (the “execution factors”):

- price;
- cost;
- speed;
- likelihood of execution and settlement;
- size and nature of the order; and
- any other consideration relevant to the execution of the order.

To determine the relative importance of the execution factors, Natixis takes into account the following criteria when it executes client orders:

- the characteristics of the order concerned;
- the characteristics of the financial instruments that are the subject of said order;
- the characteristics of the execution venues to which said order may be routed;
- the characteristics of the client, including whether said client is a professional or non-professional client.

In addition, in the appendices is specified the importance of each execution factor (*price, cost, speed and likelihood of execution, as well as any other relevant factor*) for determining all the sufficient steps for obtaining the best possible result for the client.

ILLUSTRATIONS

Amongst the steps taken to obtain the best possible result, Natixis guarantees, in particular:

- the prompt and fair execution of orders relative to other client orders or its own trading interests;
- the prompt and accurate recording and allocation of orders executed on behalf of clients, unless the nature of the order or the prevailing market conditions make this impossible, or the client’s interests require otherwise;
- that Natixis will notify non-professional clients of any material difficulty relevant to the proper execution of orders promptly upon becoming aware of the difficulty;
- that Natixis verifies the fairness of the price proposed to the client when it executes orders or takes a decision to trade in over-the-counter products, including bespoke products. To do this, it gathers the market data used to estimate the product’s price and, if possible, compares it to similar and comparable products.

Specific feature concerning orders executed on behalf of non-professional clients: Natixis determines the best possible result on the basis of the “total consideration”, representing the price of the financial instrument and the costs relating to the execution (which include all the expenses incurred by the client which are directly relating to the order’s execution, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the order’s execution).

EXCEPTION: SPECIFIC INSTRUCTION FROM THE CLIENT

Any specific request made by you is regarded by Natixis as a specific instruction.

If Natixis agrees to process such an order, it executes it in accordance with your instructions and fulfils its obligation to obtain the best possible result on executing said order by following your instructions relating to the order or to a specific aspect of the order.

However, Natixis draws your attention to the fact that it may not be able to take the steps specified in its execution policy in respect of the elements covered by this instruction.

When a specific instruction covers only a part or aspect of the order, this policy remains applicable to the elements of the order not covered by the instruction.

SPECIFIC CASE OF A “RFQ⁵” FROM A PROFESSIONAL CLIENT

When a Professional Client asks Natixis for a price as part of a transaction in a financial instrument (Request for Quote), the applicability or non-applicability of the Best Execution principle will depend on whether it is possible to consider that the execution of the professional client’s order is actually made for the account of such client, which will depend in turn on whether the professional client legitimately relies on Natixis to protect its interests regarding pricing and other aspects of the contemplated transaction.

Natixis takes into account all of the following four considerations⁶ (the “four-fold test”):

- Party initiating the transaction: did Natixis approach the professional client or did the professional client initiate the transaction? Where Natixis approaches the professional client and proposes a specific transaction, it is more likely that the professional client will rely on Natixis to protect its interests. On the opposite, when the professional client initiates the transaction, it is less likely that it will legitimately place reliance on Natixis.
- Market practices and shopping around: where market practices suggest that the professional client compares prices by approaching several service providers for the same transaction in order to generate competition between them, it is unlikely that the professional client will legitimately place reliance on Natixis to protect its interests.
- Transparency levels within the market: if a professional client does not have direct access to the prices in a market in which Natixis operates, it is more likely that the professional client will rely on Natixis to protect its interests. On the opposite, if Natixis’ access to prices is more or less the same as that of the professional client, it is unlikely that said client will legitimately place reliance on Natixis to protect its interests.

⁵ Request For Quote.

⁶ These considerations are described in the European Commission’s response to the CESR, relating to Best Execution in the context of the MIF I Directive (ESC – 07-2007).

- The information provided by Natixis on its services and conditions of any agreement between the professional client and Natixis: where these conditions and agreements with a professional client (such as the Natixis Terms of Business or this policy) state that Natixis has a “best execution” obligation, it is more likely that the professional client will legitimately rely on Natixis to protect its interests.

When an assessment conducted on the basis of the above considerations determines that the professional client does not rely on Natixis to protect its interests, Natixis does not owe best execution to such a client. In such cases, the transaction is carried out on the basis of prices proposed by Natixis and accepted by its client. All prices proposed by Natixis are based on Natixis’ own market data, valuations and objectives, especially within the field of risk management. Acting as the client’s counterparty, Natixis does not take the place of its client regarding the assessment of the most appropriate way to conduct such a transaction.

By way of illustration: request for bid/ask spread

Requests for prices made by a professional client with no indication of the direction of the intended transaction do not enable its interest to be identified (i.e. whether it is the buyer or seller). “Best execution” does not therefore apply to transactions carried out following an enquiry to Natixis on a bid/ask price spread since the professional client is not relying on Natixis to protect its interests.

2.2. EXECUTION VENUES⁷

When Natixis executes an order on your behalf, it uses one or more execution venues to enable it to obtain the best possible result. Natixis is an execution venue.

A selection of the execution venues on which Natixis places significant reliance in meeting its obligation of taking all reasonable steps to obtain on a consistent basis the best possible results on the execution of its clients’ orders, is provided in Appendix 4 and on the Natixis website.

This list specifies the execution venues used for:

- each category of financial instrument, and
- securities financing transactions.

This list may change and Natixis updates it on its website as and when required.

You may also refer to Appendix 1, which specifies the process used to select execution venues, the execution strategies used, the procedures and processes used to analyze the quality of execution obtained and the way in which Natixis checks that the best possible results have been obtained.

CHOICE OF EXECUTION VENUE

The execution venues are selected on the basis of various factors including qualitative factors such as:

- clearing systems;
- circuit breakers;

⁷ See Glossary

- scheduled actions.

When several competing execution venues are able to execute an order concerning a financial instrument, Natixis:

- assesses and compares the results which would be obtained for you at each of the execution venues selected in accordance with its execution policy, which are able to execute the order;
- takes into account fees specific to it;
- takes into account the costs of execution of the order at each of the eligible execution venues;
- when Natixis applies different fees depending on the execution venue, it provides sufficiently detailed information to enable the client to understand the advantages and disadvantages of the choice of a single execution venue.

When Natixis invites you to choose an execution venue, it must provide you with information that is fair, clear and not misleading.

WARNING

Natixis draws clients' attention to the fact that the execution of orders outside of a trading venue (RM, MTF or OTF: see definitions provided in the glossary) involves notably counterparty risk related to execution outside of a trading venue.

For this reason, Natixis must obtain your express consent prior to carrying out order execution outside of an execution venue.

This consent is obtained in the form of a general agreement. Upon request, Natixis can provide you with additional information on the consequences of this means of execution.

BENEFITS RECEIVED FROM THIRD PARTIES

Natixis does not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular trading venue or execution venue which would infringe the requirements on conflicts of interest or inducements.

Natixis inform clients about the inducements that the firm may receive from the execution venues. The information shall specify the fees charged by the investment firm to all counterparties involved in the transaction, and where the fees vary depending on the client, the information shall indicate the maximum fees or range of the fees that may be payable..

Natixis does not structure or charge commissions in such a way as to discriminate unfairly between execution venues.

When Natixis receives from a party, other than the client or a person acting on the client's behalf, remuneration, a fee or a non-monetary benefit in connection with the transaction, it must clearly inform the client of the existence, nature and amount of the benefit received.

2.3. INTERMEDIARY SELECTION: BEST SELECTION PRINCIPLE

RECEPTION AND TRANSMISSION OF ORDERS FOR EXECUTION: BEST SELECTION PRINCIPLE

Natixis may use the services of third parties within or outside the BPCE Group that it has selected to execute your orders, under the most favorable conditions, in accordance with its obligation to act in your best interests.

Indeed, when Natixis provides a service of reception and transmission of orders for execution, it takes all sufficient steps to obtain the best possible result, taking into account the execution factors defined above (point 2.1), their relative importance and, when the client is a non-professional client, the total consideration.

LIST OF THIRD PARTIES

This policy identifies, for each category of instruments, the entities with which orders are placed or to which Natixis transmits orders for execution. This list is included in Appendix 2.

Natixis regularly checks the effectiveness of the quality of execution of the entities identified in connection with this policy and, where relevant, it corrects the deficiencies ascertained.

3. POST-TRADE TRANSPARENCY

3.1. EVIDENCE OF COMPLIANCE WITH THE ORDER EXECUTION POLICY

Natixis will demonstrate, at your request, that it has executed orders in accordance with its execution policy.

For your information, Natixis will also demonstrate to the competent authority, at said authority's request, that it complies with the provisions applicable to order execution.

In this regard, Natixis sends to the competent authority information concerning you and relating to order execution (see paragraph 4).

3.2. EXECUTION VENUE

Following the execution of a transaction, Natixis will notify you of the venue where the order was executed.

3.3. QUALITY OF EXECUTION

Natixis publishes quarterly data on the quality of its execution:

- in its capacity as a systematic internaliser, in respect of the shares admitted to trading on a regulated market or the shares traded on a trading venue and certain derivative products subject to clearing obligation and considered by the ESMA to be sufficiently liquid; and
- in its capacity as a market maker or liquidity provider, in respect of other financial instruments.

These periodic reports include detailed information on prices, costs, speed and likelihood of execution.

They are available on the Natixis website.

3.4. ANNUAL INFORMATION ON THE TOP FIVE EXECUTION VENUES, THE TOP FIVE THIRD ENTITIES AND THE QUALITY OF EXECUTION

RANKING OF THE TOP FIVE EXECUTION VENUES

For each category of financial instruments, Natixis establishes and publishes, once a year, on its website, a ranking of the top five execution venues on which it has executed client orders during the preceding year. This ranking is established on the basis of the volume and number of orders executed on each venue, expressed as a percentage of the total volume and of the total number of orders executed for each category of financial instruments.

Natixis publishes this information separately for professional clients and for non-professional clients.

In the specific case of securities financing transactions, Natixis publishes, for each category of financial instruments and in accordance with a specific format, the names of the top five execution venues in terms of trading volumes on which it executed its clients' orders.

Natixis also publishes, once a year, for each category of financial instrument, an overview of the quality of execution on the venues on which it executed all client orders in the previous year.

RANKING OF THE TOP FIVE THIRD ENTITIES

When Natixis provides an order reception and transmission service, it establishes and publishes once a year, for each category of financial instruments, a ranking of the top five investment firms in terms of trading volumes where it transmitted or placed client orders for execution during the previous year and summary information on the quality of execution obtained.

At your request, Natixis provides information about entities where the orders are transmitted or placed for execution.

4. RETENTION AND TRANSMISSION OF DATA

Natixis records and retains data relating to its execution and selection policy.

Records are retained for five years on a durable medium and are sent to you upon request. These records may also be sent to the competent authority, at its request (see paragraph 3.1).

In addition, Natixis may need to use data reporting services providers and, in this regard, transmit data relating to transactions. Indeed, Natixis may, for example, transmit such data to an approved reporting mechanism (ARM) to the competent authorities or to the ESMA. Natixis may also use an Approved Publication Arrangement (APA), or a Consolidated Tape Provide (CTP) to collect trade reports on financial instrument.

The client is informed that personal data, relating to order execution that it has provided to Natixis may be sent, for the reasons described above, to the competent authorities, its affiliated entities and, where relevant, to service providers or subcontractors of Natixis or of its affiliated entities, located in a country that is not a member of the European Union, in accordance with the provisions of Law no. 78-17 of January 6, 1978 on information technology, data files and civil liberties.

5. CONSENT REQUIRED FOR THIS EXECUTION POLICY

We are required to obtain your consent to this policy. Such agreement applies to all transactions carried out through Natixis.

Natixis considers such consent to be given when your first order is placed.

6. REVIEW OF THE POLICY

This policy is reviewed at least once a year and also each time a significant change affects Natixis' ability to continue to obtain in most cases the best possible result in the execution of its clients' orders by using the venues specified in its execution policy.

Natixis reserves the right to update this execution policy each time an event it deems to be significant could have an impact on the policy. The updated policy will be published on the Natixis website.

Natixis will provide you with a clear response within a reasonable time to any reasonable and proportionate request from you on its policy and measures taken, including related review procedures.

7. GLOSSARY

Professional client⁸

A professional client is a client who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incurs..

In order to be considered a professional client, the client must comply with the criteria laid down in Annex II of the MiFID II Directive.

Non-professional client⁹

A client who is not a professional client.

Liquidity providers (other)¹⁰

Firms that hold themselves out as being willing to deal on own account, and which provide liquidity as part of their normal business activity, whether or not they have formal agreements in place or commit to providing liquidity on a continuous basis.

Financial instruments¹¹

1. Transferable securities;
2. Money-market instruments;
3. Units in collective investment undertakings;
4. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivative instruments, financial indices or financial measures which may be settled physically or in cash;
5. Options, futures, swaps, forwards and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event;
6. Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market, MTF, or an OTF, except for wholesale energy products traded on an OTF that must be physically settled;
7. Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled, not otherwise mentioned in point 6 of this Section and not being for commercial purposes, which have the characteristics of other derivative financial instruments;
8. Derivative instruments for the transfer of credit risk;
9. Financial contracts for difference;
10. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates or inflation rates or other official economic statistics that must be

⁸ MiFID II Directive, Annex II

⁹ MiFID II Directive, Article 4 (11)

¹⁰ Recital 7 of Delegated Regulation (EU) 2017/575 of June 8, 2016

¹¹ MiFID II Directive, Annex I, Section c.

settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event, as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Section, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market, OTF, or an MTF;

11. Emission allowances consisting of any units recognized for compliance with the requirements of Directive 2003/87/EC (Emissions Trading Scheme).

Systematic internaliser¹²

An investment firm which, on an organized, frequent systematic and substantial basis, deals on own account when executing client orders outside a regulated market, an MTF or an OTF without operating a multilateral system.

The frequent and systematic basis shall be measured by the number of OTC trades in the financial instrument carried out by the investment firm on own account when executing client orders. The substantial basis shall be measured either by the size of the OTC trading carried out by the investment firm in relation to the total trading of the investment firm in a specific financial instrument or by the size of the OTC trading carried out by the investment firm in relation to the total trading in the Union in a specific financial instrument. The definition of a systematic internaliser shall apply only where the pre-set limits for a frequent and systematic basis and for a substantial basis are both crossed or where an investment firm chooses to opt-in under the systematic internaliser regime.

Regulated market¹³

A multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorized and functions regularly and in accordance with Title III of the MIF II Directive.

Securities financing transactions¹⁴

- 1) **“securities or commodities lending” or “securities or commodities borrowing”**
 - ⇒ a transaction by which a counterparty transfers securities or commodities subject to a commitment that the borrower will return equivalent securities or commodities on a future date or when requested to do so by the transferor, that transaction being considered as securities or commodities lending for the counterparty transferring the securities or commodities and being considered as securities or commodities borrowing for the counterparty to which they are transferred.
- 2) **“buy-sell back transaction” or “sell-buy back transaction”**
 - ⇒ a transaction by which a counterparty buys or sells securities, commodities, or guaranteed rights relating to title to securities or commodities, agreeing, respectively, to sell or to buy back securities, commodities or such guaranteed rights of the same description at a specified price on a future date, that transaction being a buy-sell back transaction for the counterparty buying the securities, commodities or guaranteed rights, and a sell-buy back transaction for the counterparty selling them, such buy-sell back transaction or sell-buy back transaction not being governed by a repurchase agreement or by a reverse-repurchase agreement.

¹² MiFID II Directive, Article 4. 21

¹³ MiFID II Directive II, Article 4. 21

¹⁴ Article 3.11 SFT Regulation 2015/2365

3) “repurchase transaction”

⇒ a transaction governed by an agreement by which a counterparty transfers securities, commodities, or guaranteed rights relating to title to securities or commodities where that guarantee is issued by a recognized exchange which holds the rights to the securities or commodities and the agreement does not allow a counterparty to transfer or pledge a particular security or commodity to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities or commodities of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a repurchase agreement for the counterparty selling the securities or commodities and a reverse repurchase agreement for the counterparty buying them.

4) “margin lending transaction”

⇒ a transaction in which a counterparty extends credit in connection with the purchase, sale, carrying or trading of securities, but not including other loans that are secured by collateral in the form of securities.

Trading venue¹⁵

“Trading venue” means:

- a regulated market,
- a MTF or
- an OTF

Execution venue¹⁶

“Execution venue” means:

- a regulated market,
- an MTF,
- an OTF,
- a systematic internaliser,
- a market maker or other liquidity provider, or
- an entity that performs a similar function in a third country to the functions performed by any of the foregoing.

Multilateral Trading Facility (MTF)¹⁷

A multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments – in the system and in accordance with non-discretionary rules – in a way that results in a contract in accordance with Title II of the MIF II Directive.

Organized Trading Facility (OTF)¹⁸

A multilateral system which is not a regulated market or an MTF and in which multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract in accordance with Title II of the MIF Directive.

¹⁵ MiFID II Directive, Article 4. 21

¹⁶ Article 64.2 of Delegated Regulation (EU) 2017/565 of the Commission of April 25, 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organizational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive

¹⁷ MiFID II Directive, Article 4. 22

¹⁸ MiFID II Directive, Article 4. 23

Market maker¹⁹

A person who holds himself out on the financial markets on a continuous basis as being willing to deal on own account by buying and selling financial instruments against that person's proprietary capital at prices defined by that person.

¹⁹ MiFID II Directive, Article 4. 3

8. APPENDICES

APPENDIX 1

MONITORING THE EXECUTION POLICY

Natixis must analyse the quality of execution obtained and check that the best possible results have been obtained for its clients. This analysis is based on IT and data processing tools which will enable appropriate checks to be carried out.

First-level controls are carried out by the operational staff themselves (verification of the scope of application of “best execution”, compliance with the various aspects of the execution policy depending on the products concerned, etc.). Moreover, controls relating to execution quality obtained are performed post trade, based on external data. If these data are not available or appropriate, Natixis uses internal data, which are regularly verified.

Second-level controls are carried out regularly for the purposes of permanent control in order to verify that “best execution” has indeed been obtained and that the execution policy has been complied with.

If this is not the case, the situation will be remedied in accordance with the process applicable within Natixis (management information, determination of possible corrective measure(s), identification of the person(s) responsible for the correction, implementation period, etc.).

Verification of the broker selection policy

The use of external brokers to execute some of Natixis’ client orders is limited to shares and depositary receipts. Natixis chooses its third-party brokers in accordance with a grid of criteria, the main ones being: the quality of the order execution procedures, connectivity, financial strength, the quality of post-trade processing, the documentation provided concerning the execution and/or best selection policy, and the overall quality of the relationship and the service offered. This order transmission to external traders enables Natixis to obtain execution prices and connectivity that are more attractive to its clients. For the purposes of its order reception/transmission activity, Natixis relies on the “best execution” procedures of each of the external traders selected.

A Review Committee meets at least once each year and indicates whether or not the selection of external traders has been confirmed.

Execution venues selection process

The selection of an execution venue is based on qualitative criteria such as the use of a clearing house, the reliability of the circuit breakers, the IT security, the transparency of the price formation process (pre-trade), the simplicity of the execution mechanisms, the diversity of the services offered (extended trading hours and types of orders offered), the financial strength and the possibility of providing clients with comprehensive and intelligible information about the execution mechanisms.

If Natixis is concerned about the reliability and robustness of a venue and/or the long-term survival of its activity, it may take the view that this could have an impact on its ability to provide “best execution” and therefore result in it excluding said venue from its execution policy.

Another possible venue selection criterion can be a connection request from clients wishing the presence of Natixis on the venue.

A list of the main venues used by Natixis for the execution of client orders is posted on its website.

Natixis carries out regular random checks on the quality of execution obtained so as to ascertain whether the venues it uses continue to enable it to provide “best execution”.

APPENDIX 2

Entities with which orders are placed or to which Natixis transmits orders for execution

Natixis propose an agency service for only one of its activities, named Corporate broking. In that context, Natixis provides the service of reception and transmission of orders in respect of shares listed on trading venues. Natixis transmits clients' orders to its partner Oddo BHF.

The other activities of Natixis are proposed through principal trading, acting as Liquidity provider, Systematic internaliser or Market maker.

APPENDIX 3

Operational implementation of the execution policy

Non-professional clients are entitled to “best execution” at all times. With the exception of this aspect of “best execution”, a client’s MiFID category does not have any impact on the manner in which Natixis executes its orders.

When the client is a retail bank

When Natixis is processing a retail bank’s orders from said bank’s end clients, said orders are routed to regulated markets, in the absence of specific instructions to the contrary from the clients concerned,

A breakdown of the execution policy by category of financial instrument is provided below²⁰. Execution factors appear in order of importance.

- (a) Equities — Shares & Depositary Receipts
- (b1) Debt instruments - Bonds
- (b2) Debt instruments - Money markets instruments
- (c1) Interest rates derivatives - Futures and options admitted to trading on a trading venue
- (c2) Interest rates derivatives - Swaps, forwards, and other interest rates derivatives
- (d1) Credit derivatives - Futures and options admitted to trading on a trading venue
- (d2) Credit derivatives - Other credit derivatives
- (e1) Currency derivatives - Futures and options admitted to trading on a trading venue => *Natixis doesn’t propose this type of instrument*
- (e2) Currency derivatives - Swaps, forwards, and other currency derivatives
- (f) Structured finance instruments
- (g1) Equity Derivatives - Options and Futures admitted to trading on a trading venue
- (g2) Equity Derivatives - Swaps and other equity derivatives
- (h1) Securitized Derivatives - Warrants and Certificate Derivatives
- (h2) Securitized Derivatives - Other securitized derivatives
- (i1) Commodities derivatives and emission allowances Derivatives - Options and Futures admitted to trading on a trading venue
- (i2) Commodities derivatives and emission allowances Derivatives - Other commodities derivatives and emission allowances derivatives
- (j) Contracts for difference => *Natixis doesn’t propose this type of instrument*

²⁰ Categories of instruments as specified in Delegated Regulation (EU) 2017/576 of the Commission of June 8, 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution.

(k) Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)]

(l) Emission allowances => *Natixis doesn't propose this type of instrument*

(m) Derivatives relating to climatic variables

(n) Securities financing transactions

(a) Equities — Shares & Depositary Receipts

	Order's characteristics	Transmission orders system	Best execution applicable?	Execution factors	Comments	Execution venue
Agency trading					Natixis doesn't propose agency trading on these instruments	
Agency trading via external brokers (Natixis in this case provides the service of reception/transmission of orders)	Without specific instructions	Electronic systems (Bloomberg), e-mail, phone	Yes	Price, speed of execution, likelihood of execution, transaction security	<p>Natixis applies its selection policy in order to establish a list of external brokers who transmit orders for execution. Natixis takes into account the following criteria when selecting its brokers:</p> <ul style="list-style-type: none"> - the quality of trade execution arrangements - the connectivity - the total price of the transaction (including the settlement costs if required); - financial strength - the quality of Middle Office/Back Office support; - the client/Back Office/Middle Office feedback - the documentation about execution policy and selection policy - global quality of the relationship and services provided. <p>Externals brokers are bound by an obligation of best execution to Natixis.</p>	Regulated markets, Multilateral trading facilities, Systematic internalisers
	With specific instructions	Electronic systems (Bloomberg), e-mail, phone	Yes, to the characteristics of the order that are not covered by the client's specific instructions	Price, speed of execution, likelihood of execution, transaction security	Natixis passes on the specific instructions given by its clients to its external brokers. Externals brokers are bound by an obligation of best execution to Natixis for the characteristics of the order that are not covered by the client's specific instructions.	Regulated markets, Multilateral trading facilities, Systematic internalisers
	Following the provision of investment advice	Bloomberg, e-mails, phone	Yes	Adequacy of the advice to the client's request, likelihood of execution, price	Best execution is due for any transaction following the provision of investment advice.	Regulated markets, Multilateral trading facilities, Systematic internalisers

	Order's characteristics	Transmission orders system	Best execution applicable?	Execution factors	Comments	Execution venue
Principal trading (Facilitation)	Firm price proposed by Natixis	Electronic systems (Bloomberg), phone	Yes, if the client relies on Natixis to protect its interests	Price regarding the order size and the liquidity on the stock, likelihood of execution, transaction security	Professional clients usually do not rely on Natixis to protect their interests, because prices are easily available, and clients ask several counterparties before giving their agreement on the transaction.	Systematic internaliser, Over The Counter
	Following the provision of investment advice	Bloomberg, e-mails, phone	Yes	Adequacy of the advice to the client's request, likelihood of execution, price	Best execution is due for any transaction following the provision of investment advice.	Systematic internaliser, Over The Counter

(b1) Debt instruments - Bonds

	Order's characteristics	Transmission orders system	Best execution applicable?	Execution factors	Comments	Execution venue
Agency or back to back trading					Natixis doesn't propose agency trading on these instruments	
Principal trading	Firm price proposed by Natixis	Système électronique de transmission d'ordre (Bloomberg, Market Access, Trade vision, Tradeweb...), téléphone	Yes, if the client relies on Natixis to protect its interests	Price regarding the order size, then likelihood of execution	<p>Professional clients usually do not rely on Natixis to protect their interests.</p> <p>For liquid instruments, if the order size does not correspond to a usual/standard market size, the likelihood of execution becomes the prime best execution factor, ahead of the price.</p> <p>If Natixis considers that the market volatility is becoming excessive, then the likelihood of execution becomes the prime best execution factor, ahead of the price, including for liquid instruments.</p> <p>For very illiquid instruments (such as so called "non benchmarks", of which the issue amount is less than 500MEUR), the likelihood of execution will be the prime best execution factor, ahead of the price, and even more so if the order size is very large.</p>	Over The Counter, Systematic internalisers
	Products issued by Natixis		Oui	price, speed of the answer then tradable volume		Over The Counter, Systematic internalisers
	Following Investment advice	Bloomberg, e-mails, téléphone	oui	Adequacy of the advice to the client's request, likelihood of execution, price	Best execution is due for any transaction following the provision of investment advice.	Over The Counter, Systematic internaliser

(b2) Debt instruments - Money markets instruments (TCN, BT, BTAN, Commercial Papers...)

	Order's characteristics	Transmission orders system	Best execution applicable?	Execution factors	Comments	Execution venue
Agency or back to back trading					Natixis doesn't propose these services on these instruments	
		Transmission orders system	Best execution applicable?	Execution factors	Comments	Execution venue
Principal trading	Firm proposed price by Natixis	Electronic systems (Bloomberg), phone, e-mails	Yes, if the client relies on Natixis to protect its interests	Price regarding the order size, then likelihood of execution	<p>Professional clients usually do not rely on Natixis to protect their interests.</p> <p>Secondary market is particularly illiquid because the secondary traded issues are quite never increased. An issuer can issue again on the same maturity post trade (so under the same ISIN code) but it occurs very rarely in reality, it's not the usual practice.</p> <p>For Global Structured Credit and Solutions (GSCS) activity, price is always proposed at the client's request.</p>	Over The Counter
	Following the provision of investment advice	Bloomberg, e-mails, phone	Yes	Adequacy of the advice to the client's request, likelihood of execution, price	<p>Best execution is due for any transaction following the provision of investment advice.</p> <p>Global Structured Credit and Solutions (GSCS) activity never provides Investment advice.</p>	Over The Counter

(c1) Interest rates derivatives – Options and Futures admitted to trading on a trading venue

	Order's characteristics	Transmission orders system	Best execution applicable?	Execution factors	Comments	Execution venue
Agency or back to back trading					Natixis doesn't propose these services on these instruments	
Principal trading	Firm proposed price by Natixis	Electronic systems (Bloomberg, ...) phone	Yes, if the client relies on Natixis to protect its interests	Price, speed, likelihood of execution, Size/Liquidity, Nature, Client Counterparty Risk		Over The Counter
	Products issued by Natixis	NA	NA	NA	NA	NA
	Following Investment advice	NA	NA	NA	NA	NA

(c2) Interest rates derivatives other than futures and options admitted to trading on a trading venue: Swaps, forwards, and other interest rates derivatives

	Order's characteristics	Transmission orders system	Best execution applicable?	Execution factors	Comments	Execution venue
Agency or back to back trading					Natixis doesn't propose these services on these instruments	
Principal trading	Firm proposed price by Natixis	Electronic systems (Bloomberg, ...) phone	Yes, if the client relies on Natixis to protect its interests	Price regarding the order size, then speed of execution, then executable volume	Professional clients usually don't rely on Natixis to protect their interests.	Systematic internaliser,, Over the counter
	Products issued by Natixis	Electronic systems (Bloomberg, ...) phone	Yes	Price, Speed of execution		Systematic internaliser, Over The Counter
	Following Investment advice	Bloomberg, e-mails, phone	Yes	Adequacy of the advice to the client's request, likelihood of execution, price	Best execution is due for any transaction following the provision of investment advice.	Systematic internaliser, Over The Counter

(d1) Credit derivatives – Options and Futures admitted to trading on a trading venue

	Order's characteristics	Transmission orders system	Best execution applicable?	Execution factors	Comments	Execution venue
Agency or back to back trading					Natixis doesn't propose these services on these instruments	
Principal trading	Firm price proposed by Natixis	Bloomberg Chat and Phone	Yes, if the client relies on Natixis to protect its interests	Price, size, likelihood of execution, costs	Professional clients usually don't rely on Natixis to protect their interests	Over The Counter
	Products issued by Natixis	Bloomberg Chat and Phone	Yes, if the client relies on Natixis to protect its interests	Price, size, likelihood of execution. cost	Professional clients usually don't rely on Natixis to protect their interests	Over The Counter
	Following Investment advice	NA	NA	NA	NA	NA

(d2) Credit derivatives other than Futures and options admitted to trading on a trading venue (CDS, CLN...)

	Order's characteristics	Transmission orders system	Best execution applicable?	Execution factors	Comments	Execution venue
Agency or back to back trading					Natixis doesn't propose these services on these instruments	
Principal trading	Firm price proposed by Natixis	Electronic systems (Bloomberg, ...) phone	Yes, if the client relies on Natixis to protect its interests	Price regarding the order size, then likelihood of execution		Over The Counter
	Products issued by Natixis	Electronic systems (Bloomberg, ...) phone	Yes	Price, likelihood of execution		Over The Counter
	Following Investment advice	Bloomberg, e-mails, phone	Yes	Adequacy of the advice to the client's request, likelihood of execution, price	Best execution is due for any transaction following the provision of investment advice.	Over The Counter

(e1) Currency derivatives – Options and Futures admitted to trading on a trading venue

	Order's characteristics	Transmission orders system	Best execution applicable?	Execution factors	Comments	Execution venue
Agency or back to back trading					Natixis doesn't propose these services on these instruments	
Principal trading					Natixis doesn't propose these services on these instruments	

(e2) currency derivatives other than Futures and options admitted to trading on a trading venue: Swaps, forwards, and other currency derivatives (NDF, STIR, options...)

	Order's characteristics	Transmission orders system	Best execution applicable?	Execution factors	Comments	Execution venue
Agency or back to back trading					Natixis doesn't propose these services on these instruments	
Principal trading	Firm price proposed by Natixis	Electronic systems (Bloomberg), phone,	Yes	Price regarding the order size	Professional clients usually do not rely on Natixis to protect their interests. Best execution is not due for a request for a two way price. There is a risk transfer for all cases with quotes in two way price or side shown.	Over The Counter, Systematic internaliser

(f) Structured finance instruments

	Order's characteristics	Transmission orders system	Best execution applicable?	Execution factors	Comments	Execution venue
Agency or back to back trading					Natixis doesn't propose these services on these instruments	
Principal trading	Firm price proposed by Natixis	Electronic systems (Bloomberg...), phone	Yes, if the client relies on Natixis to protect its interests	Price regarding the order size, then likelihood of execution	Professional clients usually do not rely on Natixis to protect their interests; market practice involves that the clients query several counterparties (such as market makers or other investment service providers) to obtain prices for financial instruments before trading, so that they have a good knowledge of de price levels.	Over The Counter, Systematic internaliser
	Products issued by Natixis	Electronic systems (Bloomberg...), phone	Yes	Price, speed of execution		Over The Counter, Systematic internaliser
	Following the provision of investment advice	Electronic systems (Bloomberg), e-mail, phone	Yes	Adequacy of the advice to the client's request, likelihood of execution, price	Best execution is due for any transaction following the provision of investment advice.	Over The Counter, Systematic internaliser

(g1) Equity derivatives – Options and Futures admitted to trading on a trading venue

	Order's characteristics	Transmission orders system	Best execution applicable?	Execution factors	Comments	Execution venue
Agency or back to back trading					Natixis doesn't propose these services on these instruments	
Principal trading	Firm price proposed by Natixis	i.e Electronic systems (Bloomberg, phone etc.)	Yes, if the client relies on Natixis to protect its interests	Cost, Price, Speed	Professional clients usually don't rely on Natixis to protect their interests.	Over The Counter
	Following Investment advice	i.e Electronic systems (Bloomberg, phone etc.)	Yes	Adequacy of the investment advice, likelihood of execution, price	Best execution is due for transactions following Investment advice.	Over The Counter

(g2) Equity Derivatives other than Options and Futures admitted to trading on a trading venue (Swaps and other equity derivatives)

	Order's characteristics	Transmission orders system	Best execution applicable?	Execution factors	Comments	Execution venue
Agency or back to back trading					Natixis doesn't propose these services on these instruments	
Principal trading	Firm price proposed by Natixis	Electronic systems (Bloomberg), phone	Yes, if the client relies on Natixis to protect its interests	Price regarding the order size, then likelihood of execution	Best execution depends on swaps' characteristics (early termination clause, rate of repayment on dividends, cash or physical settlement, maturity, product's standard characteristics or not...) La meilleure exécution repose sur l'ensemble des caractéristiques du swap (clauses d'early termination, de taux de reversement sur les dividendes, cash ou physical settlement, maturité, caractère standard ou pas du produit...)	Over The Counter
	Products issued by Natixis	Firm price proposed by Natixis	Electronic systems (Bloomberg), phone	Price, then likelihood of execution	Best execution depends on swaps' characteristics (early termination clause, rate of repayment on dividends, cash or physical settlement, maturity, product's standard characteristics or not...)	Over The Counter
	Following the provision of investment advice	Bloomberg, e-mails, phone	Yes	Adequacy of the advice to the client's request, likelihood of execution, price	Best execution is due for any transaction following the provision of investment advice.	Over The Counter

(h1) Securitized Derivatives — Warrants and Certificate Derivatives

	Order's characteristics	Transmission orders system	Best execution applicable?	Execution factors	Comments	Execution venue
Agency or back to back trading					Natixis doesn't propose these services on these instruments	
	Order's characteristics	Transmission orders system	Best execution applicable?	Execution factors	Comments	Execution venue
Principal trading (Facilitation)	Firm price proposed by Natixis	Electronic systems (Bloomberg), phone	Yes, if the client relies on Natixis to protect its interests	Price regarding the order size, likelihood of execution		Over The Counter
	Products issued by Natixis	Electronic systems (Bloomberg), phone	Yes	Price, likelihood of execution		Over The Counter
	Following the provision of investment advice	Bloomberg, e-mails, phone	Yes	Adequacy of the advice to the client's request, likelihood of execution, price	Best execution is due for any transaction following the provision of investment advice.	Over The Counter

(h2) Securitized Derivatives – Other securitized derivatives (than warrants and Certificate Derivatives)

	Order's characteristics	Transmission orders system	Best execution applicable?	Execution factors	Comments	Execution venue
Agency or back to back trading					Natixis doesn't propose these services on these instruments	
Principal trading	Firm price proposed by Natixis	Electronic systems (Bloomberg, ...) phone	Yes, if the client relies on Natixis to protect its interests	Price regarding the order size, likelihood of execution	<p>Professional clients usually don't rely on Natixis to protect their interests.</p> <p>Market practice involves that the clients query several counterparties (such as market makers or other investment service providers) to obtain prices for financial instruments before trading, so that they have a good knowledge of de price levels.</p> <p>If the client wants to trade outside the market hours, the likelihood of execution becomes the prime best execution factor, ahead of the price.</p>	Over The Counter
	Products issued by Natixis	Electronic systems (Bloomberg, ...) phone	Yes	Price, speed of execution, likelihood of execution	If the client wants to trade outside the market hours, the likelihood of execution becomes the prime best execution factor, ahead of the price.	Over The Counter
	Following Investment advice	Bloomberg, e-mails, phone	Yes	Adequacy of the advice to the client's request, likelihood of execution, price	Best execution is due for any transaction following the provision of investment advice.	Over The Counter

(i1) Commodities and emission allowances derivatives – Options and Futures admitted to trading on a trading venue

	Order's characteristics	Transmission orders system	Best execution applicable?	Execution factors	Comments	Execution venue
Agency or back to back trading					Natixis doesn't propose these services on these instruments	
Principal trading	Firm price proposed by Natixis	Electronic systems (Bloomberg, ...) phone	Yes, if the client relies on Natixis to protect its interests	Price, speed, likelihood of execution, client credit	Professional clients usually don't rely on Natixis to protect their interests	Over The Counter
	Products issued by Natixis	NA	NA	NA	NA	NA
	Following Investment advice	NA	NA	NA	NA	NA

(i2) Commodities and emission allowances derivatives – Other than options and Futures admitted to trading on a trading venue

	Order's characteristics	Transmission orders system	Best execution applicable?	Execution factors	Comments	Execution venue
Agency or back to back trading					Natixis doesn't propose these services on these instruments	
Principal trading	Firm price proposed by Natixis	Electronic systems (Bloomberg, ...) phone	Yes, if the client relies on Natixis to protect its interests	Price, speed, likelihood of execution, client credit	Professional clients usually don't rely on Natixis to protect their interests	Over The Counter
	Products issued by Natixis	NA	NA	NA	NA	NA
	Following Investment advice	NA	NA	NA	NA	NA

(j) Contracts for difference

	Order's characteristics	Transmission orders system	Best execution applicable?	Execution factors	Comments	Execution venue
Agency trading					Natixis doesn't propose this instrument	
	Order's characteristics	Transmission orders system	Best execution applicable?	Execution factors	Comments	Execution venue
Back to back trading					Natixis doesn't propose this instrument	
	Order's characteristics	Transmission orders system	Best execution applicable?	Execution factors	Comments	Execution venue
Principal trading					Natixis doesn't propose this instrument	

(k) Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities) (ETP) (ETF, ETN, ETC)

	Order's characteristics	Transmission orders system	Best execution applicable?	Execution factors	Comments	Execution venue
Agency or back to back trading					Natixis doesn't propose these services on these instruments	
Principal trading	Firm price proposed by Natixis	Electronic systems (Bloomberg), phone	Yes, if the client relies on Natixis to protect its interests	Price, likelihood of execution	Professional clients usually do not rely on Natixis to protect their interests; market practice involves that the clients query several counterparties (such as market makers or other investment service providers) to obtain prices for financial instruments before trading.	Over The Counter, Systematic internaliser
	Following the provision of investment advice	Bloomberg, e-mails, phone	Yes	Adequacy of the advice to the client's request, likelihood of execution, price	Best execution is due for any transaction following the provision of investment advice.	Over The Counter, Systematic internaliser

(I) Emission allowances

	Order's characteristics	Transmission orders system	Best execution applicable?	Execution factors	Comments	Execution venue
Agency or back to back trading					Natixis doesn't propose these services on these instruments	
Principal trading	Firm price proposed by Natixis				Natixis doesn't propose these services on these instruments	
	Products issued by Natixis	NA	NA	NA	NA	NA
	Following Investment advice	NA	NA	NA	NA	NA

(m) Derivative contracts relating to climatic variables

	Order's characteristics	Transmission orders system	Best execution applicable?	Execution factors	Comments	Execution venue
Agency or back to back trading					Natixis doesn't propose these services on these instruments	
	Order's characteristics	Transmission orders system	Best execution applicable?	Execution factors	Comments	Execution venue
Back to back trading	NA	NA	NA	Adequacy of the characteristics of the derivative to the client's needs	Repeated exchanges with the client (for several weeks) lead to adjust more closely the characteristics of the transaction for clients' hedging needs. Then, Natixis looks for counterparty by proposing a term sheet to several eligible counterparties, who propose their price in return. The client chooses the final counterparty. Natixis acts as back to back trader between these counterparties.	Over the Counter
	Order's characteristics	Transmission orders system	Best execution applicable?	Execution factors	Comments	Execution venue
Principal trading	NA	NA	NA	NA	Impossible	NA

(n) Securities financing transactions

	Order's characteristics	Transmission orders system	Best execution applicable?	Execution factors	Comments	Execution venue
Principal trading	Firm price proposed by Natixis	Electronic systems (Bloomberg), phone	Yes, if the client relies on Natixis to protect its interests	Price regarding the order size and the stock liquidity, likelihood of execution, security of the transaction.	Clients usually do not rely on Natixis to protect their interests; market prices are easily available, and clients quite always query several counterparties before their approval for trading.	Over The Counter, Systematic internaliser

ANNEXE 4

Selection of execution venues on which Natixis places significant reliance in meeting its obligation to take all reasonable steps to obtain the best possible result

(a) Equities — Shares & Depositary Receipts

Natixis

(b1) Debt instruments - Bonds

Natixis

(b2) Debt instruments - Money markets instruments

Natixis

(c1) Interest rates derivatives - Futures and options admitted to trading on a trading venue

Natixis

(c2) Interest rates derivatives - Swaps, forwards, and other interest rates derivatives

Natixis

(d1) Credit derivatives - Futures and options admitted to trading on a trading venue

Natixis

(d2) Credit derivatives - Other credit derivatives

Natixis

(e1) Currency derivatives - Futures and options admitted to trading on a trading venue => *Natixis doesn't propose this type of instrument*

(e2) Currency derivatives - Swaps, forwards, and other currency derivatives

Natixis

(f) Structured finance instruments

Natixis

(g1) Equity Derivatives - Options and Futures admitted to trading on a trading venue

Natixis

(g2) Equity Derivatives - Swaps and other equity derivatives

Natixis

(h1) Securitized Derivatives - Warrants and Certificate Derivatives

Natixis

(h2) Securitized Derivatives - Other securitized derivatives

Natixis

(i1) Commodities derivatives and emission allowances Derivatives - Options and Futures admitted to trading on a trading venue and (i2) Commodities derivatives and emission allowances Derivatives - Other commodities derivatives and emission allowances derivatives

Natixis

(j) Contracts for difference => *Natixis doesn't propose this type of instrument*

(k) Exchange traded products (ETP) (Exchange traded funds (ETF), exchange traded notes(ETN) and exchange traded commodities (ETC))

Natixis

(l) Emission allowances => *Natixis doesn't propose this type of instrument*

(m) Derivatives relating to climatic variables

Natixis

Securities financing transactions

Natixis