



# ORDER PROCESSING AND EXECUTION POLICY

HPC SA and entities

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## Table of Contents

<b>1</b>	<b>Introduction .....</b>	<b>5</b>
1.1	Purpose of the policy .....	5
1.2	What is best execution?.....	5
1.3	Application of the policy .....	5
<b>2</b>	<b>Scope of the policy .....</b>	<b>6</b>
2.1	Clients .....	6
2.1.1	Professional Clients .....	6
2.1.2	Eligible counterparties.....	6
2.2	Products .....	6
2.3	Activities .....	6
<b>3</b>	<b>Execution Policy .....</b>	<b>7</b>
3.1	General application of the selection factors.....	7
3.2	Examples of application.....	7
3.3	Execution Strategy .....	7
3.3.1	Act as an agent or in the context of a matched trade that include dealing on own account ....	7
3.3.2	Transactions for our own account or as principal .....	7
3.3.3	Execution strategy when acting as an OTF .....	8
3.3.3.1	Orders executed both at the level of the investment firm and at the level of the OTF .....	8
3.3.3.2	Exercise of discretion at each stage of the execution process.....	8
3.4	Exceptions to the general application .....	9
3.4.1	Markets directed by prices / Request for Quote (RFQ) .....	9
3.4.2	Specific Instructions .....	10
3.5	Execution venues and counterparties.....	10
3.5.1	Methods for execution.....	10
3.5.2	Consent to execute away of a RM, MTF or OTF .....	11
3.6	Regular monitoring and review of the best execution.....	11
3.6.1	Control of the execution system .....	11
3.6.2	Review of the policy .....	11
<b>4</b>	<b>Selection Policy.....</b>	<b>13</b>
4.1	Selection strategy.....	13



<b>4.2</b>	<b>Criteria for the selection of intermediaries and brokers</b>	<b>13</b>
4.2.1	General application of the selection factors	13
4.2.2	Specific selection for distribution of structured products	13
<b>4.3</b>	<b>Regular monitoring and review of the best selection</b>	<b>14</b>
4.3.1	Control of the execution quality of the third-party firms	14
4.3.2	Review of the policy	14
<b>5</b>	<b>Order handling</b>	<b>15</b>
<b>5.1</b>	<b>Terms and Conditions of Business</b>	<b>15</b>
<b>5.2</b>	<b>Aggregation and Allocation of orders</b>	<b>15</b>
<b>5.3</b>	<b>Execution and publication of limit order (unexecuted)</b>	<b>15</b>
<b>6</b>	<b>Governance and monitoring</b>	<b>16</b>
<b>7</b>	<b>Acceptance</b>	<b>17</b>
<b>8</b>	<b>Appendix I</b>	<b>18</b>
<b>A.</b>	<b>Equities</b>	<b>19</b>
A.1	Introduction	19
A.2	Application of Best Execution for In-Scope Products	19
A.3	Prioritization of Execution Factors	19
A.4	Execution Venues	19
<b>B.</b>	<b>Listed Derivatives on Equities and Rates</b>	<b>27</b>
B.1	Introduction	27
B.2	Application of best execution for the products concerned	27
B.3	Prioritization of Execution Factors	27
B.4	Execution Venues	27
<b>C.</b>	<b>OTC Derivatives on Equity and Rates</b>	<b>28</b>
C.1	Introduction	28
C.2	Application of Best Execution for In-Scope Products	28
C.3	Prioritization of Execution Factors	28
C.4	Execution Venues	28
<b>D.</b>	<b>Bonds</b>	<b>29</b>



<b>D.1 Introduction</b> .....	<b>29</b>
<b>D.2 Application of Best Execution for In-Scope Products</b> .....	<b>29</b>
<b>D.3 Prioritization of Execution Factors</b> .....	<b>29</b>
<b>Execution Venues</b> .....	<b>29</b>
<b>E. Commodities</b> .....	<b>30</b>
<b>E.1 Introduction</b> .....	<b>30</b>
<b>E.2 Application of Best Execution for In-Scope Products</b> .....	<b>30</b>
<b>E.3 Prioritization of Execution Factors</b> .....	<b>30</b>
<b>Execution Venues</b> .....	<b>30</b>
<b>F. Structured Products</b> .....	<b>31</b>
<b>F.1 Introduction</b> .....	<b>31</b>
<b>F.2 Application of Best Execution for In-Scope Products</b> .....	<b>31</b>
<b>F.3 Prioritization of Execution Factors</b> .....	<b>31</b>
<b>Execution Venues</b> .....	<b>31</b>
<b>G. Repos</b> .....	<b>32</b>
<b>G.1 Introduction</b> .....	<b>32</b>
<b>G.2 Application of Best Execution for In-Scope Products</b> .....	<b>32</b>
<b>G.3 Prioritization of Execution Factors</b> .....	<b>32</b>
<b>G.4 Execution Venues</b> .....	<b>32</b>
<b>9 Appendix II</b> .....	<b>33</b>



## 1 Introduction

### 1.1 Purpose of the policy

This Client Order Handling and Execution Policy (the “Policy”) sets forth information relating to how HPC SA and all its affiliate entities operating in the European Economic Area (together “HPC”, “we” or “us”) seek to provide best execution as required by the Markets in Financial Instruments Directive 2014/65/EU and implementing measures as transposed into national laws and regulations (“MiFID II”), to the extent applicable.

This Policy provides general information as to how HPC will handle client orders and request for quotes in a context of providing best execution. This policy is supplemented by appendices which provide further details to our considerations as they relate to differing asset classes. The appendices should be read in conjunction with this Policy and cover the following products:

- Equities
- Equity derivatives
- Derivatives on rates
- Bonds
- Commodities
- Structured products

### 1.2 What is best execution?

Best execution is the obligation to take all necessary measures to obtain the best possible result when executing transactions on your behalf, or through other subsidiaries or intermediaries responsible for executing transactions on your behalf, taking into account the following execution factors: Price, Costs, Speed, Likelihood of Execution and Settlement, Size and Nature of the transaction or any other consideration relevant to the execution.

### 1.3 Application of the policy

The obligation to provide best execution will always apply in cases where we act as **agent** or **principal** (“matched trades that include dealing on own account”) or where we have a contractual obligation to do so.

- By acting as agent we will act on behalf of the client and, as such, best execution will be mandatory.
- “Matched trades that include dealing on own account” refers to the execution of a transaction in which we interpose ourselves between the buyer and seller in such a way that there is no exposure to market risk throughout the execution of the transaction, both sides being executed simultaneously, and the transaction being concluded at a price that does not result in any loss or gain to us, other than a commission, fee or compensation for the transaction that has been disclosed in advance.
- Examples of the relevant types of orders that are applicable in these circumstances can be found in the asset class specific policies contained as appendices to this Policy.

When acting as an **OTF**, either on name give up (agency) or matched principal trading, we will owe best execution to our Professional Clients participating to the OTF platform.

When acting as a **Principal**, we will owe best execution when circumstances demonstrate that the client is legitimately relying on us in relation to the execution of the transaction. The way to assess whether the client is relying on us is performed by HPC through an assessment which is described in section 3.4.1. of this Policy.



## 2 Scope of the policy

### 2.1 Clients

This Policy is available to all existing and new HPC customers, according to the corresponding MIFID II category (Eligible Counterparty or Professional Customer, HPC not dealing with non-professional Clients).

#### 2.1.1 Professional Clients

When dealing with professional clients, we have an obligation to provide the best execution:

- In all cases where we are bound by contractual or intermediary obligations towards the client; and
- When dealing on Principal basis, when circumstances demonstrate that the client is legitimately relying on us in relation to the execution of the transaction.

#### 2.1.2 Eligible counterparties

In accordance with the provisions of MIFID II and Article L. 533-20 of the Monetary and Financial Code (MFC), this Policy does not apply to transactions with eligible Counterparties.

### 2.2 Products

The products falling within the scope of the best execution rules are "Financial Instruments", as defined by MIFID II. This includes securities, such as shares, bonds, units in funds and structured products, as well as financial contracts, such as options, forwards, futures and swaps, whether publicly listed or not (i.e. all "financial instruments" as defined by MiFID II in Annex I Section C "Financial Instrument").

Please note that, whether or not this policy applies to the relevant product, we are committed to acting honestly, fairly and professionally in accordance with the best interests of our clients in relation to all the business we conduct.

### 2.3 Activities

This Policy will apply in respect of the above described "Financial instruments" when HPC:

- receives and transmits client orders for execution
- executes orders and requests for quotes on behalf of client
- provides execution services through its OTF activity



## 3 Execution Policy

### 3.1 General application of the selection factors

In order to achieve the best possible result for you, our client, HPC will give consideration to a range of **execution factors** when determining the best outcome for you. Some of the below factors are considered to be more important than others; however, there are situations where the relative importance of these factors may change in accordance with instructions that you provide or broader market conditions.

The execution factors that HPC will consider are:

- Price - the price at which a financial instrument is executed
- Costs - this includes implicit costs such as the possible market impact, explicit external costs, e.g. exchange or clearing fees and explicit internal costs which represents HPC's own remuneration through commission or spread
- Speed - time it takes to execute a client transaction
- Likelihood of execution and settlement - the likelihood that we will be able to complete a client transaction
- Size - this is the size of the transaction executed for a client accounting for how this affects the price of execution
- Nature of the transaction or any other consideration that has an impact on the execution of the transaction - for example, the particular characteristics of a transaction for a client may affect the way best execution is received.

We are providing detailed **asset class specific policies** as appendices to this Policy, which contains further information on how execution factors are considered for achieving best execution per asset class. Whilst they set out the order of relative priority, a variety of criteria are taken into account in assessing this and appropriate consideration will be made based on a transaction by transaction basis. The list of execution factors above shows the importance of having the ability to apply relevant judgement in order to best serve the client's interests, given the diversity of needs and requirements of each of our clients' transactions and the market in general.

If, in a broader sense, the **price**, the **likelihood** and the **speed** of execution are the main factors taken into account in order to obtain the best result possible, HPC can nevertheless review, if needed, the relative importance of the factors in accordance with the following criteria:

- the client's characteristics
- the order's characteristics
- the concerned financial instruments' characteristics
- the characteristics of the execution venues towards which the order may be transferred

### 3.2 Examples of application

Examples of the application of this Policy are provided in Appendix I per instrument asset class.

### 3.3 Execution Strategy

#### 3.3.1 Act as an agent or in the context of a matched trade that include dealing on own account

When we act as an agent or in a matched trade that include dealing on own account or an OTF with discretionary power on how to execute an order, the **best execution obligation applies**. This will normally include order types commonly used on execution venues as defined by MiFID II. We will apply the execution factors to all orders over which we exercise our discretion.

#### 3.3.2 Transactions for our own account or as principal

The best execution obligation is also applicable when we are acting in a principal capacity and you are placing a legitimate reliance on us to protect your interest in relation to the execution of a transaction.

When executing on a principal basis, in order to determine whether clients are placing legitimate reliance on HPC, we will go through four considerations set out in a letter from the European Commission which should be applied. These four considerations are described in section 3.4.1. of this Policy.



### 3.3.3 Execution strategy when acting as an OTF

When HPC is the operator of an OTF. The HPC order execution policy thus applies to the various desks of the institution but also to orders executed in the HPC OTF. This will ensure that we achieve the best possible result when executing client orders, taking into account the different execution mechanisms.

The OTF Operator continuously analyses all available information concerning client interests or orders and facilitates their matching. In accordance with the provisions of Article 24 of MIFID II, the OTF Operator shall act **honestly, fairly and professionally** in the best interests of his clients.

#### 3.3.3.1 Orders executed both at the level of the investment firm and at the level of the OTF

The types of instruments allowed to be traded into the OTF as referred in the “OTF Products instruction” can be traded over the counter in the following cases:

- The HPC client issuing the order is not an OTF client and therefore only deals over the counter with HPC;
- The ordering HPC Client is Client of the OTF and:
  - o he formally requested that his order be processed by mutual agreement; or
  - o he has accepted under the conditions laid down in the section 3.5.2 of the present policy that HPC can execute his orders over the counter.

Hence, the execution of orders received by the OTF clients will take place into the OTF excepted:

- in the event that the client gives specific instructions not to do so; or
- in the event that best execution could be obtained on another platform or through an OTC transaction.

In any case, instruments that are required to be traded on a platform will never be traded over-the-counter by an HPC Operator.

#### 3.3.3.2 Exercise of discretion at each stage of the execution process

The OTF Operator is entitled to **exercise discretion** in placing, withdrawing or matching client orders. Nevertheless, the OTF Operator's exercise of discretion is subject to specific instructions from the client or best execution obligations.

The exercise of discretion could take place with the following situations:

- When deciding to place an order on the OTF. The OTF Operator may decide to place an order on the OTF when the following main scenario occurs:
  - A Client expresses a buy (or sell) interest on an “I” instrument.
  - There are on the OTF at least two other clients that express interest that could be matching with the buy (or sell) interest of the initial Client
  - The OTF Operator may take steps to integrate into the OTF at least two other interests that may coincide with the initial client's buying (or selling) interest

In this case, the OTF Operator places the order on behalf of its clients in order to interact to achieve a matching point for the orders placed in the system.

- When deciding not to place or retract an order on the OTF. The OTF Operator may decide not to place or to withdraw an order with no counterparty on the OTF when the following main scenario occurs:
  - the interest (or order) price on an instrument is widely outside market price applying to this instrument or has a limit price which level is not noticed in the system
  - the quantity does not correspond to the usual volume for the instrument in question and does not comply with the minimum size required and set on the OTF
  - the evolution of the market or a related financial instrument drives the price of the placed order inadequate (for example, price of a bond that would become too aggressive given the evolution of a related future contract)
  - when the number of clients or interests available in the system does not allow to qualify as an OTF
  - closure of a session opened by an OTF Operator

In these situations, the OTF Operator may exercise discretion not to place the order or to withdraw it from the OTF. The Client is kept informed without delay of any progress in the processing of the order.





- When deciding whether or not to match a specific client order with other orders available on the systems at any given time. The OTF Operator may decide to match or not to match an order on the OTF when the following main scenario occurs:

- **Scenario 1**

- Client “A” gives a buy (or sell) order on an “I” instrument.
- Client “B” proposes a sell (or buy) order on an “I” instrument to Client “A” requiring a nominal minimum to accept the order of Client “A”
- Client “C” proposes a sell (or buy) order on an “I” instrument to Client “A” requiring a nominal minimum to accept the order of Client “A” order.

- Three possibilities may occur:

- 1st possibility: Client “A” agrees to reduce or increase the desired size or Client “B” agrees to align with the Client “A” nominal in order to carry out successfully the operation.

In this situation, the OTF Operator matches and confirms the transaction to both clients.

- 2nd possibility: Client “B” does not agree and does not accept to adjust his sell (or buy) order to arrive at the matching level of order “A”. Client “A” agrees to reduce or increase the desired size or Client “C” agrees to align with the Client “A” nominal in order to carry out successfully the operation.

In this situation, the OTF Operator matches and confirms the transaction to both clients.

- 3rd possibility: neither Client “A” nor Client “B” or Client “C” wishes to change the necessary nominal amount and the transaction does not take place.

In this situation, no matching is possible for the transaction and the OTF Operator will attempt to find other buyers or suppliers to converge several interests and allow the transaction to proceed.

- **Scenario 2**

- Client “A” gives a buy (or sell) order on an “I” instrument.
- Then Client “B” gives a buy (or sell) order on an “I” instrument.
- Client “C” gives a sell (or buy) order matching with Client “B” order.

In this situation, the OTF Operator will propose to Client “A” to align his order with that of Client “B” in order to facilitate the transaction and to satisfy the first interest expressed (Client “A”’s interest). If not, the order will be matched with Client “B” and be entirely executed with Client “B” only.

### 3.4 Exceptions to the general application

#### 3.4.1 Markets directed by prices / Request for Quote (RFQ)

As stated in the previous section 3.3.2 it is necessary that we determine whether or not the client legitimately relies on HPC to protect its interests when it comes to the execution of its order, particularly with regard to the determination of the price.

The “four criteria test” plans on relying on the following elements to determine whether or not the client legitimately relies on HPC to protect its interests:

- Who initiated the transaction – if the client initiated the transaction, it is unlikely that the client is relying on HPC to protect its interests;
- Market practices - in OTC markets, clients generally ask several counterparties to offer them a price. In that case, the client makes a deliberate choice to deal with HPC on the basis of the proposed price, meaning that it is unlikely that the client is relying on HPC to protect its interests;
- The transparency level regarding prices on those markets – when the client has the same access as HPC to market prices, it is unlikely that the client is relying on HPC to protect its interests;
- The information provided by the company / Any agreements reached – when agreements reached with the client or when the information provided state that HPC owes a best execution obligation, it is likely that the client is relying on HPC to protect its interests.

Once the analysis based on these four criteria has been completed, HPC will determine whether or not the best execution obligation applies and apply the execution factors as described in section 3.1.



### 3.4.2 Specific Instructions

When you give HPC specific instructions regarding one or more parts of the order's characteristics, HPC must execute the order while taking these instructions into account. HPC will follow that instruction so far as it is reasonably possible when executing the trade and consequently, the execution policy will not apply to those specific instructions. By following your specific instructions, we will have met the obligation to provide you with the best execution for this transaction.

Examples of such instructions may include but are not limited to requests to execute on a particular venue or to execute an order over a particular timeframe.

However, HPC still has a best execution obligation to its clients for any part of the order that is not affected by these specific instructions.

### 3.5 Execution venues and counterparties

In accordance with MiFID II regulation, 'execution venue' refers to a regulated market ('RM'), a multilateral trading facility ('MTF'), an Organised Trading Facility ('OTF'), a Systematic Internaliser, a market maker, another liquidity provider or an entity that performs similar tasks in a country that is not party to the European Economic Area agreement.

HPC must make the necessary arrangements to be able to access the execution venues that seem the most relevant, in accordance with the chosen execution criteria. The list of execution venues to which HPC places significant reliance and has access is presented in Appendix II. HPC retains the right to punctually use other venues, should it deem it necessary in order to respect the execution policy (this punctual use can for instance be explained by the temporary existence of an increased liquidity on said third-party execution venue, or by execution conditions deemed more advantageous for the client with regard to the price).

In the case where the company does not have access to an execution venue deemed essential for the execution of an order, the company can transfer said order to a third-party investment firm with which it has a specific agreement. In such cases, HPC will retain the obligation to act in the best interests of its clients and will therefore have to implement the necessary means to comply with its "best selection" obligation (see Chapter 4: Selection policy). In accordance with the regulations, the client will be informed of the use of a third company through the execution report that he will receive as soon as possible.

In the case where HPC would access a systematic internalization hub, or any other execution venue not formally defined by MiFID, a specific agreement from the client shall be required (as stated in part 3.5.2 of this policy).

#### 3.5.1 Methods for execution

When executing your transactions or when placing your orders with (or transmitting your orders to) other entities (including affiliates) to execute, HPC will take all reasonable steps in order to obtain on a consistent basis the best possible result.

Typically, HPC may use one or more of the following venue types when executing your order:

- Regulated Markets
- Other exchanges that are not Regulated Markets
- Multilateral Trading Facilities (MTFs)
- Organized Trading Facilities (OTFs)
- Systematic Internalisers (SI)
- HPC desks that operate as principal (proprietary positions of HPC or when acting as a liquidity provider, by intervening in an execution)
- Third party investment firms, brokers, and/or affiliates acting as a Market Maker or other liquidity providers
- Other internal sources of liquidity

HPC will not unfairly discriminate between execution venues or types (i.e. Brokers) but will make a decision on an execution venue based on a consideration of the execution factors. The asset class specific appendices will provide more information on the main execution venues on which HPC executes (see



section 4.2 for 'Criteria for the selection of intermediaries and brokers').

### 3.5.2 Consent to execute away of a RM, MTF or OTF

HPC may execute all or part of your order outside of a Regulated Market, MTF or OTF.

In accordance with the regulatory requirements, HPC will request your consent to execute such orders in this manner. The request to provide such consent is included in our onboarding pack documentation. In the absence of an explicit negative response from you regarding this information, if you place an order with us, we will consider you to have given your consent to trade outside regulated markets, MTFs or OTFs when we believe it is in your best interest to do so (giving us the flexibility to choose from a wider range of execution venues) and you accept that your orders be directly executed by HPC in the fixed income markets without waiting for us to redirect your trades to a regulated market or MTF.

Whilst this may provide the advantage of an improved execution price and faster execution, additional risks may be incurred which are detailed below:

- Transactions will not be subject to the rules of trading platforms that are designed to ensure fair and orderly processing of orders
- Transactions will not benefit from any additional but unpublished liquidity, such as hidden limit orders that may be available on Trading Venues
- Executions will not benefit from additional pre and post trade transparency in respect of pricing and liquidity that is required to be published by Trading Venues
- Transactions executed outside trading platforms may be subject to a settlement risk as they will be exposed to counterparty risk and will not be covered by the corresponding clearing and settlement rules of the trading platform and the corresponding central counterparty clearing house

## 3.6 Regular monitoring and review of the best execution

### 3.6.1 Control of the execution system

The control teams ensure the proper application of the Execution Policy and guarantee the effectiveness of the execution system and protocols. This monitoring is designed to check the following elements:

- Timeliness of order processing (i.e. the time elapsed between receipt and introduction on the market or, if applicable, to counterparties)
- The respect of the client's instructions
- The quality of the price given to the client, with respect to a benchmark (VWAP period for instruments traded on a regulated market; analysis of price proposals for instruments traded on an over-the-counter market ('Volume-weighted average price'))

Compliance controls, at least annually, part of the samples controlled by the Internal Control team and tests a sample of trades different from the 1<sup>st</sup> control. This control aims at analysing the following elements:

- The speed of order processing (i.e. the time elapsed between receipt and introduction on the market or, if applicable, to counterparties)
- The respect of the client's instructions
- The relevance of the selected market(s), or of the potential counterparties contacted to execute the order
- The quality of the price given to the client, with respect to a benchmark (VWAP period for instruments traded on a regulated market; analysis of price proposals for instruments traded on an over-the-counter market), and with respect to similar trades completed on the same execution venue, or transferred to the same firm, or completed on different execution or transferred to different firms selected among the ones listed in the policy
- Compliance with the margin thresholds established as part of internal processes

The Compliance Department will be responsible for strengthening the analysis in cases where the result obtained is not optimal, and for implementing corrective measures if necessary.

### 3.6.2 Review of the policy

HPC's Execution Policy is reviewed annually, or whenever a significant event may affect HPC's ability to consistently achieve the best possible result when executing client orders. Such events include:



- A significant market incident
- A significant modification of costs incurred by HPC on market platforms
- A modification of the scope of financial instruments or assets traded on a platform
- A modification of HPC's execution system

This formalized review aims at ensuring that the existing execution policy enables HPC to deliver the best result possible to its clients. If anomalies are identified, they will be rectified within the framework of this review. Any update of this process shall be approved by HPC's Executive Committee.

In the event of a change, the updated version of the Execution Policy will be available directly on <http://www.otcexgroup.com>. The publication of this document is equivalent to a notification from HPC to its clients.



## 4 Selection Policy

In accordance with the current regulation, HPC must act in its clients' best interests when it transfers their orders to a third-party for execution. In this regard, HPC will take all necessary measures to achieve the best possible result while taking into account all the factors and criteria mentioned above (see section 3.1).

In order to comply with its legal obligations in accordance with Article 314-75 of the General Regulation of the French regulator, Autorité des Marchés Financiers (Financial Markets Authority), HPC has established and implemented a Selection Policy of its brokers and intermediaries.

The objective of this Policy is to select Brokers and intermediaries whose execution policy will ensure the best possible result when executing HPC client orders.

### 4.1 Selection strategy

When executing your order, HPC may choose to use affiliated or non-affiliated Brokers to assist it in executing client transactions. HPC undertakes periodic reviews to determine that any affiliate or non-affiliate brokers used are able to provide the appropriate level of experience and expertise when executing in that market. Furthermore, on a periodic basis HPC also ensures that whilst taking into account all relevant execution factors affiliate and non-affiliate broker executions are monitored, so that HPC may satisfy our self that best execution is being met on a consistent basis and any conflict of interests are managed appropriately.

The use of affiliates provides specific benefits to client executions, these factors include but are not limited to governance, oversight and transparency of an order, consistency of order handling and front to back trade processing. Whilst aware of potential conflicts of interest in using affiliates to execute your transactions, HPC will seek to mitigate such conflicts through our monitoring and review programme.

### 4.2 Criteria for the selection of intermediaries and brokers

#### 4.2.1 General application of the selection factors

To meet its obligation to act in the best interests of its clients, in the case where HPC would not be a member of the most relevant markets, the company has selected other investment firms according to several factors:

- Access and significant experience on a wide range of markets
- Coherence between their execution policy and the best execution factors and criteria chosen by HPC
- Their chosen Brokerage level
- Quality of payment / delivery of operations

On the basis of those elements, HPC selected several firms for the execution of its clients' orders (see Appendix II). Each one of those firms has agreed to respect the obligations of best execution, and to respect the clients' instructions, transmitted by HPC, if need be.

#### 4.2.2 Specific selection for distribution of structured products

HPC may act as a distributor of structured products, so as to meet its clients' requests. In that capacity, HPC meets the obligations of distributors as such:

- Identification of target market – HPC identifies and evaluates the situation and the needs of its clients, so as to offer products that meet their objectives
- Selection of producers – HPC selects firms whose products are likely to meet at least one of the identified target markets

HPC checks the appropriateness of the costs and fees incurred by the client during the completion of the operation, so as to provide the best result possible.



### 4.3 Regular monitoring and review of the best selection

#### 4.3.1 Control of the execution quality of the third-party firms

At least once a year, the HPC Compliance Department carries out an audit on a sample of orders transferred to the selected investment companies. An execution report for those orders shall be required from the firms, and an analysis of the entire execution process shall be completed according to the following criteria:

- The quality of the quotation
- The quality of the execution
- The quality of the servicing
- The speed of the handling of the order
- The respect of the instructions transmitted by HPC, if need be
- The relevance of the selected market(s)

#### 4.3.2 Review of the policy

HPC's selection policy is reviewed at least **annually**, or every time there is a significant change to the offer of the selected investment firms likely to affect HPC's ability to constantly obtain the best result possible for the handling of its clients' orders. Such changes include:

- A significant modification of the pricing
- A reduction of the scope of securities handled
- Giving-up access to a market
- Restructuring likely to result in significant operational risks

In the case where a selected investment firm does not seem able to provide a service in accordance with HPC's criteria anymore, the relevance of the continued relationship with said firm shall be reviewed. The decisions taken within the scope of this review shall be formalized, and this policy shall be updated if need be. Any update of this policy shall be approved by HPC's Executive Committee and Compliance department.

In the event of a change, the updated version of the Selection Policy will be available directly on <http://www.otcexgroup.com>. The publication of this document is equivalent to a notification from HPC to its clients.



## 5 Order handling

The section below provides further detailed information on how orders are handled, with the objective being to ensure that orders are executed promptly, fairly and in due turn.

### 5.1 Terms and Conditions of Business

When carrying out an order on behalf of a client, HPC SA will ensure that orders are promptly and accurately recorded and allocated.

HPC will also execute otherwise comparable client orders in a sequential and timely manner, unless the characteristics of the order or prevailing market conditions make this impossible, or your interests require otherwise.

### 5.2 Aggregation and Allocation of orders

HPC general practice is not to aggregate any client orders with other client orders or any transactions for its own account.

However, if that was the case, HPC will never allocate the related trades in a way that is detrimental to our client as stated in articles 68 and 69 of MiFID II Commission Delegated Regulation of 25.4.2016.

### 5.3 Execution and publication of limit order (unexecuted)

When the client places a limit order with us for shares admitted to trading on a regulated market, MTF or OTF on which it trades, HPC is required to publish it to the extent that it will not be executed immediately under prevailing market conditions, unless the client consents to the exercise of our discretion not to publish any non-executed limit orders, if we believe it is in your interest to do so.



## 6 Governance and monitoring

HPC has implemented a governance framework and control process through which it monitors the effectiveness of our order execution arrangements (including this Policy), to identify and, where appropriate, correct any deficiencies. Through this governance framework and controls process HPC will assess whether the execution venues included in this Policy provide the best possible result for you or whether we need to make changes to our execution arrangements.

We will review our order execution arrangements and Policy **at least annually** or whenever a material change occurs that affects our ability to obtain the best result for handling and executing your orders on a consistent basis.

Any material changes to this Policy will be published via the HPC internet portal.





## **7 Acceptance**

You are deemed to have understood this Policy and to accept our position on order processing and best execution.

Please contact your Account Executive if you have any queries.



## 8 Appendix I

In Appendix I we provide detailed information on when and how we will ensure the best execution of transactions executed for different activities and asset classes as well as potential exceptions to the general execution rules.

A sum up table of the different methods used by HPC for handling orders by instrument type is also provided.

Best execution and selection details are provided for the following instruments:

- Equities
- Equity derivatives
- Derivatives on rates
- Bonds
- Commodities
- Structured products
- Repos



## A. Equities

### A.1 Introduction

The specific policy for this asset class provides additional information on the application of best execution in equity products and ETFs listed on regulated markets, multilateral trading facilities, systematic internalisers or over-the-counter. This policy is an appendix to the overarching HPC Client Order Handling and Execution Policy and should be read in conjunction with that document.

### A.2 Application of Best Execution for In-Scope Products

The origins of orders placed with each desk can be either:

- transmitted in DMA through the selected intermediaries for execution (see selection policy)
- or several competing counterparties (RFQs) when the size of the order does not allow for satisfactory execution on a market

HPC is bound by the best execution obligation when executing client orders on your behalf. We consider an order to be received when execution instructions giving rise to contractual obligations or intermediary obligations towards you have been given to us.

### A.3 Prioritization of Execution Factors

When executing transactions to which the best execution obligation applies, HPC will take into account the execution factors of the HPC Best Execution and Best Selection Policy.

Whilst we have provided these in order of relative priority below, a variety of criteria will be taken into account in assessing the prioritisation of execution factors. Criteria for consideration includes the characteristics of each individual order such as client preferences, market conditions, when the order is received and the size of order. It is important to note that, in certain circumstances, such as high volatility or lack of liquidity in the market, the probability of execution may become the main execution factor.

Outside of any Specific Instructions provided by the client, the most important execution factor when handling orders will be the price of the relevant financial instrument. Subject to any Specific Instruction, the following provides an example of the execution factors prioritisation that may be applied:

1. **Price**
2. **Liquidity**
3. **Speed**
4. **Total cost**

### A.4 Execution Venues

Main execution venue	Member	3-rd Party
		Broker / Affiliate
Abu Dhabi Securities Exchange		X
Alpha (Canada)		X
Aquis		X
Athens Derivatives Exchange (A.D.E.X.)		X
Athens Stock Exchange		X
Australia ASX 24		X
Australian Stock Exchange		X
Barclays LX		X
BATS Europe		X



<b>Main execution venue</b>	<b>Member</b>	<b>3-rd Party Broker / Affiliate</b>
BATS Europe Trade Reporting		X
BATS Exchange		X
BATS Y Exchange		X
Belgrade Stock Exchange		X
Bern Stock Exchange		X
BIDS A.T.S.		X
BM&F Bovespa		X
BM&F BOVESPA		X
BoA ML Instinct X A.T.S.		X
BOAT Services		X
Boerse Berlin		X
Boerse Dusseldorf		X
Boerse Frankfurt (Floor)		X
Boerse Hamburg		X
Boerse Hannover		X
Boerse Munich		X
Boerse Stuttgart		X
Boerse Stuttgart EUWAX		X
Bombay Stock Exchange		X
Bourse De Valeurs Casablanca		X
Bratislava Stock Exchange		X
BrokerTec US		X
Bucharest Stock Exchange		X
Budapest Stock Exchange		X
Buenos Aires Stock Exchange		X
Bulgarian Stock Exchange		X
Burgundy Exchange		X
Bursa Malaysia Derivatives Exchange		X
Bursa Malaysia Stock Exchange		X
Cairo and Alexandria Stock Exchange		X
Canada National Stock Exchange		X
Canadian Derivatives Exchange		X
Caracas Stock Exchange		X



Main execution venue	Member	3-rd Party Broker / Affiliate
CBOE Futures		X
CBOT (Chicago Board of Trade)		X
CBOT Clearport		X
Chicago Mercantile Exchange (CME)		X
Chicago Stock Exchange		X
Chi-East Stock Exchange		X
Chinese National Stock Exchange		X
Chi-X Australia Stock Exchange		X
Chi-X Canada 2 Stock Exchange		X
Chi-X Canada Stock Exchange		X
Chi-X Stock Exchange		X
Citadel Connect		X
Ci-X Japan		X
CME Clearport		X
CME Europe		X
Colombia Stock Exchange		X
Colombo Stock Exchange		X
ConvergEx Millenium A.T.S.		X
Copenhagen Stock Exchange		X
Cyprus Stock Exchange		X
Dalian Commodity Exchange		X
Deutsche Bank SuperX A.T.S.		X
Dhaka Stock Exchange		X
Direct Edge EDGA Exchange		X
Direct Edge EDGX Exchange		X
DME ClearPort		X
Doha Securities Market		X
Dubai Financial Market		X
Dubai Gold & Commodities		X
Dubai Mercantile Exchange (DME)		X
Equiduct Exchange		X
eSpeed Nasdaq OMX		X
Eurex		X



Main execution venue	Member	3-rd Party
		Broker / Affiliate
Euronext - Amsterdam	x	
Euronext - Brussels	x	
Euronext - Centralised Lending Market	x	
Euronext - Lisbon	x	
Euronext - NYSE Arca Europe	x	
Euronext - NYSE BondMatch	x	
Euronext - Paris	x	
Euronext - SmartPool	x	
Euronext Non Listed OTC Exchange	x	
European Energy Exchange		X
Fidelity Capital Markets CrossStream		X
Fidessa Internal Market		X
Fukuoka Stock Exchange		X
German exchange (Xetra)		X
Ghana Stock Exchange		X
Goldman Sachs SIGMA X2 US		X
Hanoi Securities Trading Center		X
Helsinki Stock Exchange		X
HoChiMinh Stock Exchange		X
Hong Kong Futures Exchange		X
Hong Kong Stock Exchange		X
ICE Endex		X
ICE Futures (Canada)		X
ICE Futures (Europe)		X
ICE Futures (Europe) S2F		X
ICE Futures (London)		X
ICE Futures (Singapore)		X
ICE Futures (US)		X
ICE Futures (US) S2F		X
Iceland Stock Exchange		X
Indonesia Stock Exchange		X
Instinet Canada Cross		X
Instinet CBX		X



<b>Main execution venue</b>	<b>Member</b>	<b>3-rd Party Broker / Affiliate</b>
Irish exchange (Xetra)		X
Istanbul Derivatives		X
Istanbul Stock Exchange		X
Italian Derivatives Market		X
ITG Posit		X
JASDAQ Stock Exchange		X
Johannesburg Stock Exchange		X
JP Morgan X Trading		X
Kansas City Board of Trade (KBT)		X
Karachi Stock Exchange		X
Kazakhstan Stock Exchange		X
Knight Link		X
Knight Match		X
Korea Futures Stock Exchange		X
Korea Stock Exchange		X
KOSDAQ Stock Market		X
KOSPI 200 Futures Exchange		X
Kuwait Stock Exchange		X
Lagos Stock Exchange		X
Level A.T.S.		X
Liffe Amsterdam		X
Liffe Brussels		X
Liffe Lisbon		X
Liffe London		X
Liffe Paris		X
Lima Stock Exchange		X
Liquidnet Canada		X
Ljubljana Stock Exchange		X
London Derivatives Exchange		X
London Metal Exchange		X
London Stock Exchange		X
LSE TRADEcho		X
Lusaka Stock Exchange		X



<b>Main execution venue</b>	<b>Member</b>	<b>3-rd Party Broker / Affiliate</b>
Luxembourg Stock Exchange		X
Malta Stock Exchange		X
Mauritius Stock Exchange		X
Meff Derivatives		X
Mexican Derivatives Exchange		X
Mexican Stock Exchange		X
Milan Stock Exchange		X
Milan Stock Exchange		X
Minneapolis Grain Exchange (MGE)		X
Morgan Stanley Pool		X
Moscow (MICEX)		X
Nagoya Stock Exchange		X
Nairobi Stock Exchange		X
Namibian Stock Exchange		X
NASDAQ		X
NASDAQ BX		X
NASDAQ Dubai		X
Nasdaq Futures		X
NASDAQ OMX PSX		X
Nasdaq NLX Exchange		X
National Stock Exchange of India		X
National Stock Exchange of India Futures and Options		X
New York Cotton Exchange (NYCE)		X
New York Mercantile Exchange (NYMEX)		X
New Zealand Stock Exchange		X
Nordic Growth Market Exchange		X
NYSE (Equities)		X
NYSE Amex Equities		X
NYSE Arca		X
NYSE Liffe US		X
Omega (Canada)		X
OMX Non-Listed OTC Exchange		X
OMX Nordic Commodities		X





<b>Main execution venue</b>	<b>Member</b>	<b>3-rd Party Broker / Affiliate</b>
OMX Nordic Derivatives		X
OneChicago Futures Exchange		X
Osaka Stock Exchange		X
Oslo Derivatives market		X
Oslo Non-Listed OTC Exchange		X
Oslo Stock Exchange		X
PDQ A.T.S.		X
Philippine Stock Exchange		X
PLUS Markets		X
Prague Stock Exchange		X
Pure Trading (Canada)		X
R.O.C Over-The-Counter Securities Exchange		X
Riga Stock Exchange		X
Russian Trading System (RTS)		X
Santiago Stock Exchange		X
Sapporo Stock Exchange		X
Saudi Stock Exchange (Tadawul)		X
SBI Japan Next		X
SCOACH Europe exchange (Xetra)		X
Shanghai Stock Exchange		X
Shanghai-Hong Kong Stock Connect		X
Shenzhen Stock Exchange		X
Shenzhen-Hong Kong Stock Connect		X
Singapore Future and Option Stock Exchange		X
Singapore Stock Exchange		X
Sistema De Interconexion Bursatil Espanol		X
South African Futures Exchange		X
Stockholm Stock Exchange		X
Swiss Exchange		X
SWX Europe		X
Taiwan Futures Exchange		X
Taiwan Stock Exchange		X
Tallinn Stock Exchange		X



Main execution venue	Member	3-rd Party
		Broker / Affiliate
Tel Aviv Stock Exchange		X
Thailand Futures Exchange		X
The Investors Exchange		X
The Stock Exchange of Thailand		X
TMX Select		X
Tokyo Commodity Exchange for Industry		X
Tokyo Financial Exchange		X
Tokyo Stock Exchange		X
Toronto Stock Exchange		X
TriAct MATCH Now (Canada)		X
TSX Venture Exchange		X
Turquoise Derivatives Market		X
Turquoise Exchange		X
UBS A.T.S.		X
Ukraine Stock Exchange		X
US Over the Counter		X
Vienna Exchange (Xetra)		X
Vilnius Stock Exchange		X
Warsaw Stock Exchange		X
Zagreb Stock Exchange		X
Zimbabwe Stock Exchange		X



## B. Listed Derivatives on Equities and Rates

### B.1 Introduction

This asset class specific policy provides further details with regards to the application of best execution in relation to equity and rates derivatives, in particular equity futures and equity options, traded on Regulated Markets. This policy is an appendix to the overarching HPC Client Order Handling and Execution Policy and should be read in conjunction with that document.

### B.2 Application of best execution for the products concerned

The origins of orders placed with each desk for equity futures and equity options can be either:

- either transmitted on a regulated market
- or several competing counterparties (RFQs) when the size of the order does not allow for satisfactory execution on a market

HPC is bound by the best execution obligation when executing client orders on your behalf. We consider an order to be received when execution instructions giving rise to contractual obligations or intermediary obligations towards you have been given to us.

### B.3 Prioritization of Execution Factors

Whilst we have provided these in order of relative priority below, a variety of criteria will be taken into account in assessing the prioritisation of execution factors.

Outside of any Specific Instructions provided by the client, the most important execution factor when handling orders will be the price of the relevant financial instrument. Subject to any Specific Instruction, the following provides an example of the execution factors prioritisation that may be applied:

1. **Price**
2. **Liquidity**
3. **Speed**
4. **Total cost**

### B.4 Execution Venues

Main execution venue	Member	3-rd Party Broker / Affiliate
Eurex	X	
ICE Futures US	X	
ICE Futures Europe	X	
Euronext	X	
SFE		X
CME		X
CBOT		X



## C. OTC Derivatives on Equity and Rates

### C.1 Introduction

The specific policy for this asset class provides additional information on the application of best execution for equity and OTC interest rate derivatives, and in particular for options and swaps traded under an organised trading or over-the-counter system. This policy is an appendix to the overarching HPC Client Order Handling and Execution Policy and should be read in conjunction with that document.

### C.2 Application of Best Execution for In-Scope Products

HPC orders for Equity or OTC Rate Derivatives are placed when several counterparties are put into competition (RFQ) in order to obtain the best price for the equity and OTC rate derivative.

The best execution obligation is unlikely to apply when you have requested a price from us (RFQ) since we generally consider that, according to the four criteria of the European Commission, no legitimate expectations are placed on us to meet the regulatory requirements. In addition, when you provide us with specific instructions, such as the time at which an order must be placed or specifications on the use of an algorithm, as long as we follow these instructions, we have met all best execution requirements regarding this aspect of the order.

### C.3 Prioritization of Execution Factors

Whilst we have provided these in order of relative priority below, a variety of criteria will be taken into account in assessing the prioritisation of execution factors.

Outside of any Specific Instructions provided by the client, the most important execution factor when handling orders will be the price of the relevant financial instrument. Subject to any Specific Instruction, the following provides an example of the execution factors prioritisation that may be applied:

1. Price
2. Liquidity
3. Speed

### C.4 Execution Venues

Main execution venue	Member	3-rd Party Broker / Affiliate
HPC OTF	X	
OTC transactions		X



## D. Bonds

### D.1 Introduction

This asset class specific policy provides further details with regards to the application of best execution in relation to government, covered and corporate bonds, high yields and TCN, traded Over-the-Counter or on Organised Trading Facilities. This policy is an annex to HPC's General Policy on the Processing and Execution of Client Orders and should be read in conjunction with this document.

### D.2 Application of Best Execution for In-Scope Products

HPC orders for bonds are placed when several counterparties are put into competition (RFQ) in order to obtain the best price for the bond.

### D.3 Prioritization of Execution Factors

Whilst we have provided these in order of relative priority below, a variety of criteria will be taken into account in assessing the prioritisation of execution factors.

Outside of any Specific Instructions provided by the client, the most important execution factor when handling orders will be the price of the relevant financial instrument. Subject to any Specific Instruction, the following provides an example of the execution factors prioritisation that may be applied:

1. **Price**
2. **Liquidity**
3. **Probability of execution and payment**

### Execution Venues

Main execution venue	Member	3-rd Party Broker / Affiliate
HPC OTF	X	
OTC transactions		X



## E. Commodities

### E.1 Introduction

The specific policy for this asset class provides additional information on the application of best execution for commodities traded on regulated markets, over-the-counter or under an Organised Trading Facility. This policy is an appendix to the overarching HPC Client Order Handling and Execution Policy and should be read in conjunction with that document.

### E.2 Application of Best Execution for In-Scope Products

The origins of orders related to commodities placed with each desk can be either:

- either transmitted on a regulated market.
- or several competing counterparties (RFQs) when the size of the order does not allow for satisfactory execution on a market

HPC is bound by the best execution obligation when executing client orders on your behalf. We consider ourselves to be in receipt of an order where an execution instruction is given to us that gives rise to contractual or agency obligations to you.

### E.3 Prioritization of Execution Factors

Whilst we have provided these in order of relative priority below, a variety of criteria will be taken into account in assessing the prioritisation of execution factors.

Outside of any Specific Instructions provided by the client, the most important execution factor when handling orders will be the price of the relevant financial instrument. Subject to any Specific Instruction, the following provides an example of the execution factors prioritisation that may be applied:

1. **Price**
2. **Liquidity**
3. **Speed**
4. **Total cost**

### Execution Venues

Main execution venue	Member	3-rd Party Broker / Affiliate
PEGAS	X	
ICE ENDEX	X	
HPC OTF	X	
Iberian Gas Hub	X	
PXE	X	
OTC transactions		X



## F. Structured Products

### F.1 Introduction

This asset class specific policy provides further details with regards to the application of best execution in relation to structured products traded on Regulated Markets, Over-the-Counter or on an Organised Trading Facility. This policy is an annex to HPC's General Policy on the Processing and Execution of Client Orders and should be read in conjunction with this document.

### F.2 Application of Best Execution for In-Scope Products

The client's needs are registered, and a producer offering adequate products is searched for. The trade is completed with the third-party broker or affiliate offering and adequate product at the best price.

### F.3 Prioritization of Execution Factors

Whilst we have provided these in order of relative priority below, a variety of criteria will be taken into account in assessing the prioritisation of execution factors.

Outside of any Specific Instructions provided by the client, the most important execution factor when handling orders will be the price of the relevant financial instrument. Subject to any Specific Instruction, the following provides an example of the execution factors prioritisation that may be applied:

1. **Price**
2. **Total cost**

### Execution Venues

Main execution venue	3-rd Party Broker / Affiliate
Only OTC transactions	



## G. Repos

### G.1 Introduction

This asset class specific policy provides further details with regards to the application of best execution in relation to Repo products traded Over-the-Counter. This policy is an annex to HPC's General Policy on the Processing and Execution of Client Orders and should be read in conjunction with this document.

### G.2 Application of Best Execution for In-Scope Products

HPC orders for repos are placed when several counterparties are put into competition (RFQ) in order to obtain the best price for the repo.

### G.3 Prioritization of Execution Factors

Whilst we have provided these in order of relative priority below, a variety of criteria will be taken into account in assessing the prioritisation of execution factors.

Outside of any Specific Instructions provided by the client, the most important execution factor when handling orders will be the price of the relevant financial instrument. Subject to any Specific Instruction, the following provides an example of the execution factors prioritisation that may be applied:

1. **Price**
2. **Liquidity**
3. **Speed**
4. **Total cost**

### G.4 Execution Venues

Main execution venue	3-rd Party Broker / Affiliate
Only OTC transactions	





## 9 Appendix II

- **List of Execution venues directly accessible by HPC**

<b>Name</b>	<b>Trading ID</b>	<b>Supervisory authority</b>	<b>MIC Code</b>
Eurex	PAFPA	BaFin	XEUR
Euronext Equities and Index Derivatives	4052	FMA	XEUE
Nasdaq OMX	OTC	-	-
Hong-Kong Futures Exchange	OTX	SFC	XHKF
ICE Futures US	-	CFTC	IFUS
ICE Futures Europe	HPC	FCA	IFEU
HPC OTF	tbd	AMF	HPCX



Execution venues accessible through third-party firms.

- **Equities – through ITG**

Copenhagen Stock Exchange	Netherlands
Euronext - Amsterdam	Norway
Euronext - Brussels	Poland
Euronext - Lisbon	Portugal
Euronext - Paris	Russia
Frankfurt Stock Exchange	South Africa
Helsinki Stock Exchange	Spain
London Stock Exchange	Sweden
Madrid Stock Exchange	Switzerland
Milan Stock Exchange	Turkey
Oslo Stock Exchange	United Kingdom (Inc. IOB)
Stockholm Stock Exchange	Australia
SWX Swiss Exchange	China
Vienna Stock Exchange	Hong-Kong
Virt-x Swiss Exchange	India
Austria	Indonesia
Belgium	Japan
Cyprus	Malaysia
Czech Republic	New Zealand
Denmark	Pakistan
Egypt	Philippines
Estonia	Singapore
Finland	South Korea
France	Sri Lanka
Germany	Taiwan
Greece	Thailand
Hungary	Vietnam
Ireland	USA
Israel	Brazil
Italy	Canada
Latvia	Chile
Lithuania	Colombia
	Mexico
	Peru



- **Shares - via Société Générale**

**Europe**

Austria  
Belgium  
Denmark  
Finland  
France  
Germany  
Italy  
Luxembourg  
Ireland  
Netherlands  
Norway  
Portugal  
Spain  
Switzerland  
Great Britain  
Others  
Czech Republic  
Dubai  
Egypt  
Greece  
Hungary  
Israel  
Morocco  
Poland  
Qatar  
South Africa  
Turkey

**America**

USA  
Canada  
Mexico  
Brazil  
Chile  
Colombia  
Peru

**Asia-Pacific**

Australia  
China  
Hong-Kong  
India  
Indonesia  
Japan  
Malaysia  
New Zealand  
Pakistan  
Philippines  
Singapore  
South Korea  
Sri Lanka  
Taiwan  
Thailand  
Vietnam



- **Equities / Equity derivatives – through ABN AMRO**

Shares, warrants and structured products	Euronext Amsterdam
	Euronext Brussels
	Euronext Lisbon
	Euronext Paris
	XETRA
	Swiss Exchange
	Madrid Stock Exchange
	Borsa Italiana
	OMX Copenhagen
	OMX Helsinki
	Oslo Stock Exchange
	OMX Stockholm
	Wiener Börse
	Athens Stock Exchange
	AMEX
	NASDAQ
	NYSE
	Toronto Stock Exchange
	London Stock Exchange
	Irish Exchange
	Australian Stock Exchange
	Hong Kong Stock Exchange
	Tokyo Stock Exchange
	Singapore Exchange Ltd

