



BEST EXECUTION, SELECTION & ORDER HANDLING POLICY

TP ICAP (Europe) SA

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1. Introduction

Under the rules set down by the Autorité des Marchés Financiers (“AMF”) TP Icap (Europe) S.A. (“TPIE”, “We”, “US”, “Our”) is required to put in place an Order Execution Policy (“this Policy”). The aim of this document is to set out in sufficient detail and in an easy to understand way how we will handle the execution of our clients’ orders. This Policy should be considered alongside our Client Agreement and our Terms and Conditions which are available on our website or on request TPIE.

The content of this document, prepared in accordance with the requirements of Article 27 of the Markets in Financial Instruments Directive 2 2014/65/EU (“MiFID 2”) and AMF General Regulation, and is a formalised statement of our existing approach to execution, reflecting our everyday practice when dealing with clients.

2. Scope

This Execution and Order Handling Policy (the “Policy”) is applicable to execution services provided to you by TP ICAP (Europe) SA and its branches within France or any other member state of the European Union/European Economic Area (“EU/EEA”).

The Policy should be read in conjunction with the TPIE Terms of Business.

Execution Services.

In providing execution services to you in relation to financial instruments (as set out in Annex 1), TPIE may (subject always to applicable law):

- (1) arrange a transaction in the over-the-counter financial or commodities markets, which may be inside or outside of the EU/EEA;
- (2) arrange for the submission of trading interests to a trading venue for execution, which may be inside or outside of the EU/EEA;
- (3) arrange a transaction which is submitted to a trading venue for registration, which may be inside or outside of the EU/EEA;
- (4) within an TPIE-operated organised trading facility (“OTF”), arrange and execute orders placed on that TPIE OTF; or
- (5) transmit an order to another entity (which may be an affiliate of TPIE) for execution in accordance with one of the methods described above.



3. Client Categorisation

According to MIFID II regulation TPIE categorise each of its client. This is reflected in our “Client Agreement” with you. We do not transact business with retail customers and therefore only transact business with those counterparties that fulfil the criteria of Professional Client (“PC”) or Eligible counterparty (“ECP”).

In line with recital 104 MiFID 2, Article 30 (2) and Annex 2 we will treat Public bodies that manage public debt at national or regional level as professional clients. Otherwise, such entities should be treated as retail clients and therefore will be precluded from transacting business with us.

We recognise that the obligation with respect to best execution differs between the categories of clients which is reflected in this policy.

Once a client is classified as an Eligible Counterparty for the purposes of a particular instrument, that client may not then elect to be re-classified for the purposes of one transaction of a type it customarily undertakes.

Exceptional circumstances may be considered at the time but we may decline to provide a service should a re-classification be requested.

4. Business Model and Broking Methodology

TPIE offers investment services of:

1. Reception and transmission of orders on behalf of clients,
2. Execution of orders on behalf of clients,
3. Dealing on own account and warehousing. The aim of warehousing positions is to take-in partial fills of trades for more than 1 day period, due to the size and/or the instructions which make it difficult to complete the order duly formalized by the customer in the course of one session.
4. Investment advice on structured products, investment advice is any recommendation or guidance that attempts to educate, inform, or guide an investor regarding a particular investment product or series of products.
5. Placing of financial instruments without a firm commitment basis,
6. Operation of Multilateral Trading Facilities (MTF),
7. Operation of Organised Trading Facilities (OTF).

TPIE’s execution services are provided through:

- voice broking, where brokers, supported by proprietary screens displaying historical data, analytics and real-time prices, discover price and liquidity for their clients; and
- electronic platforms.

These arrangements can be combined in hybrid broking models, which allow for the interaction of trading interests through both voice and electronic systems.



The business brokers products using three major execution methods:

- Name Passing (where all counterparties to a transaction settle directly with each other or through a settlement agent);
- Matched Principal (where TPIE or an affiliate of it acts as a counterparty to both sides of a matching trade to facilitate the transaction); or
- Exchange Give-Up (where a broker places an order for a client on a trading venue and then “gives up” the resulting trade to the relevant client or its clearer).

5. Best Execution Factors

In accordance with MiFID II, from 3 January 2018, TPIE is required to take all sufficient steps to obtain the best possible result for its clients when executing orders on their behalf.

Under MiFID II we are required to provide clients with our Order Execution Policy that includes how we will handle specific client instructions, as well as the processes to monitor executions and the evidencing of compliance to our policy.

All clients of TPIE will be treated in accordance with their Classifications which will have been communicated to them. MiFID II reiterates the MiFID requirements and specifies that we act in the best interests of clients when providing execution services and that we maintain monitoring arrangements that demonstrate compliance. We must also make disclosures to clients by publishing a report (under RTS 28) on execution venue selection.

TPIE undertakes on-going assessments of the execution venues used to determine whether existing venues continue to provide the best possible result for clients and also to review the suitability of new execution venues. In making this assessment we will utilise information derived from our own internal best execution monitoring tools and processes as well execution quality data reported by execution venues under MiFID II and its implementing measures. This will include the following factors:

- 1 Price;
- 2 Liquidity;
- 3 Execution and clearing costs;
- 4 Clearing arrangements such as settlement reliability;
- 5 Execution venue trading controls; and
- 6 Scheduled actions.

In executing client orders TPIE does not receive any remuneration, discount or nonmonetary benefit for routing client orders to a particular execution venue which would infringe any conflicts of interest or inducement requirements under MiFID II.



6. Exemption from the provision of Best Execution

When Best Execution Is Not Owed

Notwithstanding the intentions expressed above, TPIE does not undertake to provide “best execution” in the following circumstances:

Eligible Counterparties :

- If you are classified as an Eligible Counterparty, you will not be entitled to best execution pursuant to Article L.533-20 of the French Monetary and Financial Code (transposing Article 30 of MiFID II), which disapplies the best execution obligation under Article L.533-18 of the French Monetary and Financial Code (transposing Article 27 of MiFID II) for Eligible Counterparties.

Legitimate reliance :

- In the wholesale OTC derivatives and bond markets (and for the avoidance of doubt this would include derivatives in Equities, Energy and Commodities) in which TPIE operates (and as recognised by the European Commission) it is normal market practice for buyers and sellers to “shop around” by approaching several brokers/dealers for a quote. In these circumstances, there is no expectation between the parties that the broker/dealer chosen will owe best execution. As a sophisticated participant in the wholesale markets, unless you advise us to the contrary we will assume that this is your normal trading behaviour.

When Best Execution is deemed to have been provided

TPIE is deemed to have provided “best execution” in the following circumstances:

Client Instructions :

- Where you provide TPIE with a specific instruction in relation to your entire order, or any particular aspect of your order, including an instruction for your trade to be executed on a particular venue, TPIE will execute the order in accordance with your instructions. In following your instructions, TPIE will be deemed to have taken all sufficient steps to provide the best possible result for you in respect of the order, or aspect of the order, covered by your specific instructions.

Note that when you aggress a resting order or place an order on a TPIE MTF, the best execution provisions of MiFID II will not apply to the operator of the MTF.

7. Execution Venues

This Policy sets out the venues on which TPIE may execute your order. It has identified those venues on which TPIE most regularly seeks to execute your orders and which TPIE believes offer the best prospects for achieving the best possible results for you, taking into account the execution factors detailed below.

TPIE is able to execute trades on your behalf on any of the following execution venues:

- any MTF operated by TPIE;
- any OTF operated by TPIE;



- regulated markets, MTFs and OTFs not operated by TPIE (including those operated by other TP ICAP group entities);
- (in a quasi-venue or non-venue capacity), systematic internalisers, market makers or other liquidity providers; and
- execution venues in non-EU/EEA countries that perform a similar function to any of the foregoing to which TPIE has access and which are listed in Annexes 3 according to the relevant classes of financial instrument. Please note that this list is not intended to be exhaustive and TPIE reserves the right to utilise alternative execution venues.

When selecting the venue on which to transact, TPIE will take sufficient measures to ensure that the selected venue obtains the best possible trading result for its clients, subject to the following general factors:

- In the OTC markets in which TPIE operates, it can only give clients visibility to prices that have been communicated to TPIE by other clients that operate in the same market; accordingly, any “best outcome” will solely be within these limits. However, when executing orders or taking a decision to deal in OTC products, including bespoke products, TPIE will check the fairness of the price proposed to the client by gathering market data used in the estimation of the price of such product and, where possible, by comparing with similar or comparable products;
- TPIE will provide details of all tradable bids and offers (subject to the other matters referred to below);
- Time availability of prices – in many markets, there are lulls and spikes in trading as negotiations align trading interests at different times and different parts of the curve; accordingly, the “last traded” price may not always be available or act as a reliable indicator of current price;
- TPIE cannot allow clients to trade in a market unless it is reasonably satisfied that the client (via an agent or otherwise) is operationally capable of settling the relevant trade;
- TPIE cannot control either the cost of credit (credit premium) or credit acceptance between its clients; and
- where TPIE invites you to choose one execution venue rather than another, we will provide fair, clear and not misleading information to prevent you from choosing one execution venue rather than another on the sole basis of the price policy applied by TPIE

In cases where TPIE applies different fees depending on the execution venue, we will explain these differences to you in sufficient detail to allow you to understand the advantages and disadvantages of the choice of a particular execution venue.⁴ Similarly, TPIE will inform you of any inducements (if any) it receives from an execution venue and of the value of any monetary or non-monetary benefits it receives in circumstances where TPIE charges more than one participant in a transaction.

The execution venues on which TPIE places particular reliance in meeting its best execution obligations, and the relevant factors for selecting a particular execution venue, also vary depending on the class of financial instruments to which your order relates. Please see Annex 3 for more detail on the variation that applies across the various classes of financial instruments. These Annexes also specify in which circumstances TPIE may execute an order outside a trading venue.



TPIE publishes the top five execution venues in terms of trading volumes for all executed client orders per class of financial instruments in accordance with the provisions in RTS 28 of MiFID II. This will be made available on TPIE's website.

Organised Trading Facilities (OTF)

The European regulatory package known as MiFID II introduced OTFs as a new type of multilateral trading venue alongside regulated markets ("RMs") and multilateral trading facilities ("MTFs"). Details of the OTFs operated by TPIE are contained in the official rulebooks, which should be consulted for information on the financial instruments, other products and transaction types that are tradable within them. The operator of an OTF is required to exercise discretion in relation to the execution of orders, either when deciding to place or retract an order on the OTF and/or when deciding not to match potential orders available in the system. The exercise of discretion within TPIE's OTFs is separate from the requirement to provide best execution, which is discussed in more detail in Annex 2.

8. Best selection/Third Party Execution

We will habitually route orders to different venues depending on where the best possible overall result for the client can be achieved. We understand that different venues have different pricing structures, which we will consider when executing orders. We will not accept or receive any remuneration, discount or nonmonetary benefit from a venue that does not comply with our obligations to the regulator and if such a benefit were to be received it will be disclosed to the client.

On occasions, to act in your best interests, we may execute orders using a Direct Market Access ("DMA") mechanism or route an order through a third party for execution. In these circumstances whilst the deal will be with a third party, we retain execution control and will assess whether the third-party broker is achieving the best results in the relevant markets.

We can transact trades on your behalf in any of the execution venues listed. The venues have been selected either on the basis that they are the only venue available for the relevant product or because we consider they enable us to obtain on a consistent basis the best possible result for the execution of each relevant client order.

Where we use automated systems to route and execute client orders, it will be routed to the best execution venue as determined by the criteria above. Certain large orders that require specialist handling (for example to minimise market impact or price distortion) will be managed by our execution staff.

As a general guideline, price will merit a high relative importance in obtaining the best possible result for our clients. However, illiquid and negotiated financial instruments, price is likely to be more closely inter-related with, and dependent on, the size of the order and the available liquidity.



9. Inducement

TP IE does not receive any remuneration or non-monetary benefits for the execution of client transactions on a particular Venue, which would violate any inducement requirements or conflicts of interest under MiFID II.

10. Order Handling

When handling orders, our objective is to:

- ensure that executed client orders are promptly and accurately recorded and allocated; and
- carry out otherwise comparable client orders sequentially and promptly unless: (i) otherwise instructed by the client; (ii) the characteristics of the order or prevailing market conditions make this impracticable; or (iii) the interests of the client require otherwise.

In the case of client limit orders (as defined by MiFID II) in respect of shares admitted to trading on a regulated market or traded on a trading venue which are not immediately executed under prevailing market conditions, TPIE will take measures to facilitate the earliest possible execution of that order by making public immediately that client limit order in a manner which is easily accessible to other market participants (by submitting the order for execution to a regulated market or a MTF or ensuring the order is published by a data reporting services provider located in an EU member state and can be easily executed as soon as market conditions allow) unless:

- express instructions are given by the client not to publish; or
- the order is large in scale compared to normal market size (as defined by MiFID II).

When TPIE accepts an order from you to effect a single transaction or a series of transactions for the purpose of acquiring or disposing of all or part of a portfolio or a large basket of securities, it may undertake other client orders with respect to the constituent securities or any related security which could have an impact on the price of the constituent security.

If you are a non-exempted US client under Section 15a-6 of the Securities Exchange Act of 1934, an appointed US Broker Dealer will act in the capacity of US intermediary broker-dealer for securities transactions. The appointed US Broker Dealer used in each instance will be dependent on the TPIE entity that has undertaken the transaction with you and will be notified to you as necessary.

Settlement of Orders

Where it is responsible for overseeing or arranging the settlement of an executed order, TPIE will take all reasonable steps to ensure that any client financial instruments or client funds received in settlement of that executed order are promptly and correctly delivered to the account of the appropriate client.



Aggregation and Allocation

TPIE may aggregate your orders with its own orders, that of its affiliates and those of other clients, in order to improve the quality of execution.

Whilst TPIE will only aggregate client orders if it is unlikely the aggregation will work overall to the disadvantage of those clients whose orders are aggregated, it is possible that the effect of such aggregation may work to the disadvantage of a client in respect of particular orders. In the unlikely event that TPIE aggregates your order with that of another client, the subsequent execution will be promptly recorded and allocated fairly. TPIE will not give preference to one client over another.

Misuse of Information / Confidentiality

TPIE will take all reasonable steps to prevent the misuse of information relating to pending client orders by any of its relevant persons. For this purpose, TPIE operates barriers which limit the flow of potentially sensitive information between colleagues and different areas of the business. TPIE's internal dealing rules prevent employees in possession of price sensitive information from taking advantage of that information by dealing in that security or arranging for someone else to do so.

Further details in respect of the confidentiality procedures implemented by TPIE are provided in the TPIE Conflicts of Interest Management Policy which is available on the TP ICAP website and which can also be obtained by contacting the client on-boarding department on TPICAPMEAClientonboarding@tpicap.com.

11. Monitoring and Review

TPIE will monitor the effectiveness of its order execution and order handling arrangements as documented in this Policy in order to identify and, where appropriate, incorporate any required amendments to this Policy and any attendant procedures.

TPIE will assess, on a regular basis, whether the execution venues included in this Policy provide for the best possible result for its clients or whether TPIE needs to make changes to its execution arrangements. Such assessments will include, but will not be limited to:

- reviewing the quality of execution reports provided by those execution venues on which it places a significant reliance against other execution venues in the market; and
- when executing orders in OTC products, including bespoke products, checking the fairness of prices proposed to clients by gathering market data used in the estimation of the price of such products and, where possible, by comparing with similar to comparable products.

TPIE will review its order execution arrangements and this Policy at least annually or whenever a material change occurs that affects its ability to continue to obtain the best possible result for the execution of client orders on a consistent basis using the venues included in this Policy. TPIE will notify you of any material changes to its order execution arrangements or this Policy as described above by posting the information on TPIE's website.



TP ICAP Classification: Public

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No Fiduciary Relationship

TPIE's commitment to provide you with "best execution" does not mean that it owes you any fiduciary responsibilities over and above the specific regulatory obligations placed upon it or as may be otherwise contracted between TPIE and yourself. You remain responsible for your own investment decisions and TPIE will not be responsible for any market trading loss you suffer as a result of those decisions.

All Execution Policy and related documentation updates are posted for client information on the TPIE website <https://www.tpicap.com/what-we-do/MiFID-II>. Clients are asked to check any changes to these documents.

12. Contact Details

For any queries in connection with TPIE or LCM execution arrangements or Order Execution Policy please contact: paris-compliance@tpicap.com

13. Annexes :



ANNEX 1: FINANCIAL INSTRUMENTS AS DEFINED BY MIFID II

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 derivatives 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, a 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 6 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 differences;
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 settled in cash or may be settled in cash at the option of one of the parties other than by reason of a 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; and
11. Emission allowances consisting of any units recognised for compliance with the requirements of Directive 2003/87/EC (Emissions Trading Scheme).



ANNEX 2 - USE OF DISCRETION BY TPIE IN RELATION TO OTF BUSINESS

Pursuant to Article 532-2 of the AMF General Regulations (transposing Article 20(6) of MiFID II), execution of orders in an OTF will be carried out on a discretionary basis by the operator of the OTF. When carrying on OTF business, TPIE uses a combination of order level and execution level discretion; namely:

- (a) when deciding to place an order into or retract an order from the OTF (Order Level Discretion); and/or
- (b) when deciding not to match a specific client order with other opposite orders available on the systems at a given time (Execution Level Discretion).

The discretion exercised in respect of OTF business will be conducted in accordance with the best execution requirements under MiFID II, when they apply, and as set out in this Policy.

The OTF supports various trading systems¹¹ through which orders or indications of interest (Trading Interests) can be submitted by venue users or brokers on behalf of venue users and where they can interact with other Trading Interests (as part of the matching and execution process).

The nature of the discretion exercised will depend on the combination of trading systems used for a particular market segment (or sub-segment). In particular, each of the specific trading systems will enable the relevant broker to exercise discretion in different ways.

Order Level Discretion

Order Level Discretion may be exercised by brokers that sit within the OTF (Executing Brokers). The operator of the OTF will have exercised Order Level Discretion in respect of Trading Interests whenever they have been placed in the OTF by an Executing Broker or removed from the OTF by an Executing Broker.

The operator of the OTF may establish parameters for trading by users of the OTF, which take account of the characteristics of the users and the market segment, which may be applied by the systems of the OTF to accept or reject Trading Interests. Trading Interests that are rejected will be reviewed by an Executing Broker or a person acting under their supervision.

If an Executing Broker determines at any time that a Trading Interest that has already been placed in the OTF (through any of the trading systems) should be removed, having regard to any applicable best execution requirements under MiFID II and as set out in this Policy, the Executing Broker will have discretion to reject that Trading Interest entirely or to remove the Trading Interest and, where applicable, to send it to another execution venue. The availability of other execution venues will vary according to the product being traded and the extent of external liquidity, as well as any applicable best execution requirements under MiFID II and as set out in this Policy.

An Executing Broker may remove a Trading Interest from the OTF if, for example, the Executing Broker is aware that the venue user does not wish to be exposed to particular positions under certain market conditions. If such market conditions occur, the Executing Broker may remove that venue user's Trading Interests from the OTF.

As another example, if the speed of execution is a priority for a Trading Interest and there is greater liquidity at another venue available to the Executing Broker, the Executing Broker may remove a venue



user's Trading Interest from the OTF and submit it to that other execution venue, improving the likelihood of execution.

If an Executing Broker rejects or removes a Trading Interest from the OTF, then it may be executed in accordance with any of the methods set out in this Policy.

Execution Level Discretion

Execution Level Discretion may be exercised by Executing Brokers by determining that an order submitted to the OTF and matched with an opposing order in the OTF should not be executed against that other order. The Executing Broker will have regard to any applicable best execution requirements under MiFID II and as set out in this Policy. The factors that are relevant are those derived from any applicable best execution requirements under MiFID II and as set out in this Policy.

An example of the exercise of Execution Level Discretion in the OTF may include the determination that an order could be executed at a better price if it were to be broken into child orders.