

Décision du 6 février 2018 relative aux règles de fonctionnement du système organisé de négociation « HPC - OTF »

L'Autorité des marchés financiers,

Vu le règlement général de l'Autorité des marchés financiers en vigueur à compter du 3 janvier 2018, notamment les articles 531-7 et suivants ;

Vu la demande de HPC - OTF ;

Décide :

Article 1^{er}

Sont approuvées les règles de fonctionnement du système organisé de négociation « HPC - OTF » telles qu'annexées à la présente décision.

Elles entreront en vigueur à la date du 21 février 2018.

Article 2

La présente décision sera notifiée à HPC et publiée sur le site Internet de l'Autorité des marchés financiers.

Fait à Paris, le 6 février 2018

Le Président de l'AMF

Robert Ophèle



OTF Rulebook

General Rulebook

HPC SA (OTCex Group)

31/01/2018

Table of contents

CHAPTER 1 - GENERAL PROVISIONS	4
1.1. Definitions and Interpretation.....	4
1.2. Application of the Rules	5
1.3. Amendments.....	6
1.4. The Platform	6
CHAPTER 2 - PARTICIPATION IN THE PLATFORM	7
2.1. Application Procedure.....	7
2.2. Eligibility.....	7
2.3. Clients Obligations.....	8
2.4. Access to the System	9
2.5. Resignation, Suspension and Termination of Participant.....	10
2.6. Dues, Assessments and Fees	11
CHAPTER 3 – OTF SYSTEM USE.....	12
3.1. Eligible Financial Products.....	12
3.2. Suspension and removal of Financial Products from Trading	13
3.3. OTF platform features.....	14
3.4. Pre and Post trade transparency obligations.....	14
3.5. Transaction reporting.....	15
CHAPTER 4 - TRADING RULES.....	16
4.1. Discretionary order execution.....	16
4.2. Voice Trading Protocol	16
4.3. Hybrid Broking Services	17
4.4. Electronic Broking Services	19

4.5. Cancellation of Orders	20
4.6. Matched Principal Trading	21
4.7. Name Give Up	21
4.8. Trading Days and trading hours	21
4.9. Clearing & Settlement.....	21
4.10. Error Trades.....	21
4.11. System-Related Error Trades	22
4.12. Market Surveillance and Service Disruptions	23
CHAPTER 5 – DISCIPLINARY PROCEDURES AND SANCTIONS	24
5.1. Disciplinary action.....	24
5.2. Sanctions	24
5.3. Procedures	24
CHAPTER 6 - OTHER PROVISIONS	26
6.1. Complaints.....	26
6.2. Notice.....	26
6.3. Governing law.....	26
6.4. Technical matters	27
6.5. Kill Switch	27
6.6. Tick Size Regime.....	27



CHAPTER 1 - GENERAL PROVISIONS

1.1. Definitions and Interpretation

1.1.1. In these rules, the following expressions shall have the meanings set out below:

ACPR	means the « Autorité de Contrôle Prudentiel et de Résolution », the French regulator for which objectives are set out, inter alia, in Article L. 612-1 of the Monetary and Financial Code
AMF	means the « Autorité des Marchés Financiers », the French regulator which ensures, inter alia, the protection of savings, investors' information and the proper functioning of financial markets and investments services in France
AMF Rules	means the AMF Handbook, Rules and Guidance, especially the “Règlement Général de l’Autorité des Marchés Financiers” and any other similar items in force from time to time
Board	means the board of directors of HPC SA
Client	means a person who has been admitted to membership pursuant to the rules set out in Chapter 2
Eligibility Criteria	means the criteria for the time being set by HPC SA which determine eligibility to become a Client and participate in the Platform (cf. ‘Eligible’)
Electronic Trading	means the service related to an Order electronically submitted by the OTF clients to the HPC OTF platform
Financial Products	means the instruments, assets and contracts traded on the Platform and as described in more detail in the Products Instruction available on HPC website (even those not deemed financial instruments pursuant to MiFID II such as wholesale energy contracts traded on the Platform)
OTF operator	HPC SA staff member who is a broker and acting on behalf of its clients
HPC SA	means HPC SA
Hybrid Broking Service	means the service related to an Order submitted by OTF operator into the electronic system Akurate/Trayport on behalf of Clients
Insolvency Event	means, in relation to any Client: (a) that an order is made by a court of competent jurisdiction, or a resolution is passed, for the liquidation, bankruptcy or administration of such Client or a notice of appointment of a bankruptcy trustee or administrator of such Client is filed with a court of competent jurisdiction; (b) the appointment of a manager, receiver, administrative receiver, administrator, trustee or other similar officer of such Client or in respect of any part or any of its assets; (c) such Client convenes a meeting of its creditors generally or makes or proposes any arrangement or composition with, or any assignment for the benefit of, its creditors generally (otherwise than in the course of a reorganization or restructuring previously approved in writing by HPC SA); (d) such Client is unable to pay its debts as they become due or admits in writing its inability to pay its debts as they are due or is insolvent; (e) a petition is presented for the winding up of the Client, provided that an Insolvency Event shall not have occurred due to the filing of winding-up petition which is discharged, stayed or dismissed within thirty (30) days of commencement (f) any action occurs in respect of any Client in any jurisdiction which is analogous to any of those set out in sub-paragraphs (a), (b), (c), (d) or (e) immediately above
MiFIR	means the regulation n°600/2014 of the European Parliament and of the Council of 15 May 2014



MiFID II	means the Markets in Financial Instruments Directive n°2014/65/UE (MIFID II) (effective from January 3rd, 2018)
OTF	Organised Trading Facility following the definition pursuant to MiFID II or OTF means 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 Directive.
Operator	means HPC SA authorized as investment firm regulated by ACPR and AMF.
Platform	means the OTF operated by HPC SA using its System(s) and driven by different processes and negotiation protocols (voice, hybrid or electronic way of trading).
The Rules	constitute "Rules of Use" for purpose of HPC OTF service provision and mean the present General Rulebook as the same may be amended, varied, extended, supplemented or replaced from time to time
System	means 1) Trayport, the trading system operated and administered by HPC SA for the purpose of the Platform concerning commodities derivatives, which can be used using either the electronic protocol or the hybrid protocol (MIC: HPCS); 2) Akurates, the trading system operated and administered by HPC SA for the purpose of the Platform concerning swaptions, which can be used using either the electronic protocol or the hybrid protocol (MIC: HPCO). 3) the voice trading system (for all other instrument tradable on the OTF; MIC: HPCV) where the arrangements required to operate an OTF are in place
Trading Day	means a day on which the Platform is open for business other than a day which is a public holiday in the relevant jurisdiction

1.1.2. References to statutes, statutory instruments, rules of a regulatory authority or provisions thereof shall be construed as references to any of the foregoing as they may be amended, extended varied or replaced from time to time.

1.1.3. References to times shall mean those times in Paris (UTC +1) unless stated otherwise.

1.1.4. References to days are to Trading Business Days unless stated otherwise.

1.1.5. To the extent that there is any conflict between the Rules and any other documentation relating to the OTF operated by HPC, the former shall prevail.

1.1.6. Subject to compliance with the Rules, HPC SA may, as the OTF Operator, trade on a Matched Principal basis without being allowed to execute client orders on the OTF against its proprietary capital,

1.1.7. None of HPC Affiliates is allowed to execute client orders on the OTF against its proprietary capital.

1.2. Application of the Rules

1.2.1. These Rules set out the terms and conditions which shall apply to participation in and trading on the OTF Platform for all Clients in order to ensure orderly operation of the relevant system(s) operated by HPC SA.

1.2.2. These Rules and any amendments to these Rules are subject to the approval of the AMF.

1.2.3. The Platform enables Clients to participate in trading Financial Products by means of the System and following the definitions stated in chapter 1.1. of the Rulebook.



1.2.4. Any Person allowed by HPC through the Application procedure (part 2.1. of this Rulebook) expressly acknowledges that it has read and understood the Rules and agrees to be bound by and comply with the Rules in respect of any Order and Indication of Interest submitted to the OTF as well as any resulting transaction executed on or through the OTF.

1.3. Amendments

1.3.1. Subject to the remaining provisions of this Rule 1.3, HPC SA has the right to amend, extend, vary or supplement the Rules from time to time to the extent necessary or desirable in light of prevailing market conditions. Any amendment to these Rules must be approved by the AMF before it enters into force.

1.3.2. Clients shall be notified of any changes at least five Trading Days prior to the effective date thereof, other than those required to be made without delay by law or regulation or unless a short-term action of HPC SA becomes necessary due to particular market conditions.

1.3.3. If any modification of the Rules materially adversely affects the rights or obligations of any Client, that Client may, within five Trading Days of being notified of such modification, resign its participation and cease to be a Client by giving notice in writing to HPC SA.

1.3.4. Any amendments, extensions, variations or supplements to the Rules shall be notified to Clients by way of a circular setting out the announcement of HPC SA sent to Clients electronically via e-mail (to the email address notified by the Client to HPC SA from time to time) and posted on the HPC SA website.

1.4. The Platform

1.4.1. The so called Platform enables HPC Clients admitted to trading to enter into Financial Product transactions by use of the OTF System(s) in the manner provided in the Rules, and through different execution protocols: hybrid, electronic and voice trading.

1.4.2. Voice Trading protocol: voice negotiation through OTF operators and multilateral search of a counterparty within the HPC OTF Client members. A confirmation is sent to the Client by VCon or Bloomberg.

1.4.3. Hybrid protocol: the order negotiation process is partly done by voice (or IB Chat). The transactions are then entered into the OTF Platform by the OTF operators on behalf of their clients.

1.4.4. Electronic protocol: full part of the negotiation is done electronically and the transactions are integrated in an automated way from the entry of orders done by the Client directly, until the transaction is complete thanks to the electronic matching process of two buying and selling interests.

1.4.5. Parties to Financial Product transactions shall remain anonymous to Clients on the System prior to the matching of trade, but immediately following execution of a name give-up trade, the Clients who are party to that trade shall be made known to one another by electronic confirmations from the OTF System to the relevant Clients' systems.



CHAPTER 2 - PARTICIPATION IN THE PLATFORM

2.1. Application Procedure

2.1.1. Applications for admission to participate in the Platform shall be made through the submission to HPC SA of an application form during the onboarding process.

2.1.2. The application must include all supporting information as stipulated in the application form, failing which the application will be returned to the applicant firm and will not be processed until fully completed.

2.1.3. All applications shall be determined by HPC SA and complete applications will, in normal circumstances, be determined within 10 Trading Days of receipt.

2.1.4. HPC SA will notify each successful applicant of the date on which its participation on the OTF becomes effective.

2.1.5. An applicant may appeal a decision made by HPC SA by serving a notice of appeal in writing to the executive committee at HPC SA, 22 Rue des Capucines, 75002 Paris, FRANCE.

2.1.6. The notice of appeal should specify clearly the grounds upon which the applicant is appealing and the reasons why it believes it should be admitted to membership. Upon receipt of such notice, the Board shall consider the grounds of appeal stated in the notice of appeal together with the representations submitted by HPC SA to the Board. The Board shall determine the matter within 30 days of receipt of the notice of appeal and the Board's decision shall be final.

2.2. Eligibility

2.2.1. An application for admission to membership of the Platform will only be considered if the applicant meets the following requirements (see requirements below):

- (a) the applicant:
 - (i) Is a regulated investment firm or an investment services provider or a credit institution (as defined under MiFID II),
 - (ii) Or is licensed and supervised by a financial market supervisory authority in its country of domicile, and pursuant to the applicable laws of that country is granted an equivalent status to banks (authorized to conduct deposit taking business) or an investment services providers,
 - (iii) Or has the suitable background and experience and meets the criteria of being classified as an Eligible Counterparty or a Professional Client at all times.
- (b) the applicant must have technical and organizational facilities sufficient for the orderly settlement of Financial Product transactions to be assured and the technical requirements for connection to the System must be met. HPC SA must be satisfied that the applicant has or will have sufficiently completed conformance testing prior to conducting business on the Platform;
- (c) the applicant must not be subject to an Insolvency Event as defined in chapter 1.1. of this Rulebook;



- (d) the applicant must have accepted HPC SA's standard Terms of Business and entered such agreements with HPC SA as it may specify in relation to the applicant's membership of the Platform.

2.2.2.HPC OTF may grant an application, refuse an application or grant a conditional application subject to any conditions it considers appropriate. However, applicants meeting the same criteria will be subject to the same conditions.

2.2.3.The OTF shall not connect with a Systematic Internaliser (SI) in a way which enables orders in the OTF and orders or quotes in a Systematic Internaliser to interact. The OTF shall not connect with another OTF in a way which enables orders in different OTFs to interact.

2.2.4.HPC may have Clients carrying out market making on its OTF. In that case, HPC does not have any capitalistic relation or close links with these Clients.

2.3. Clients Obligations

2.3.1. Each Client must respect the Rules of the OTF.

2.3.2.Each Client will be responsible for all orders and actions taken on its account by its officers, employees and agents.

2.3.3.A Client must at all times have adequate systems and controls to minimize the risk of error in relation to trades submitted to the OTF, especially electronic ones, and to ensure that its conduct on the OTF complies with these Rules.

2.3.4.All Clients are responsible for ensuring that their staff is adequately trained to use the Platform and negotiate through the different protocols and that they are properly supervised when using the HPC SA OTF.

2.3.5. Clients must not, in respect of any of their business through the OTF:

- (a) commit any act or engage in any course of conduct which creates or is likely to create a false or misleading impression as to the market in, or the price of, any Financial Product; or
- (b) do or engage in any act or course of conduct which is likely to harm the integrity or stability of the System; or
- (c) constitute a market abuse.

2.3.6.A Client must inform HPC SA without delay if:

- (a) it or any of its respective trading employees is unable to comply with the Rules;
- (b) an Insolvency Event occurs in relation to it;
- (c) it commits a material breach of these Rules, upon becoming aware thereof; or
- (d) it ceases to meet any of the Eligibility Criteria.

2.3.7.Clients are responsible for retaining records of all orders and all trades entered via the OTF for a minimum of 5 years.



2.3.8. Clients are responsible for ensuring that, with respect to trading, relevant digital flows are recorded and records are maintained for a minimum of 5 years.

2.3.9. Clients must continue to meet the Eligibility Criteria at all times whilst a Client.

2.3.10. Specific Client obligations in relation to particular Financial Product types shall be set out in the Products Instruction. This Instruction will be made available to the Clients on HPC SA website and sent to the OTF Clients.

2.3.11. Clients will be bound by the Rules, by the Products Instruction and by any decision of HPC SA made pursuant to these Rules.

2.4. Access to the System

2.4.1. Since MiFID II is technology neutral and the OTF definition includes voice trading, 'System' also means management of Clients' orders through voice trading protocol where the arrangements required to operate an OTF are in place. The System will function as follows:

Segment	MIC	Products (1)	Trading Protocol	Trading System
Segment 1	HPCS	Commodities Derivatives	Hybrid/Electronic	Trayport
Segment 2	HPCO	Swaptions	Hybrid/Electronic	Akurates
Segment 3	HPCV	Bonds	Voice	Voice
		Interest Rate Derivatives (excl. Swaptions)		
		Equity Derivatives		

(1) For details on the products traded on the OTF see 3.1 Eligible Financial Products.

2.4.2.A Client of the OTF may designate one or more Responsible Persons in accordance with HPC System access procedures and eligibility criteria as may be established by HPC for such purpose.

2.4.3.A Client Responsible Person(s), if any, shall be responsible for any and all communications between the Client and HPC SA and any and all notices or other communications sent to such Responsible Person(s) by HPC SA will be binding on such Participant.

2.4.4. Clients will be granted access to the System by HPC SA in order to enter into Financial Product transactions available in the OTF (through personal login or short code for voice trading and IB chat).

2.4.5. Every Client is obliged to apply for the issuance of a personal login (user code or short code) for every employee who will be trading through the System and for every other employee who needs access to the System for other reasons (e.g. system management, back-office responsibilities), especially for electronic trading.

2.4.6. Clients are obliged promptly to notify HPC SA of any changes in personnel who have been allocated a personal access code by HPC SA so that access rights can be terminated or new access rights granted where necessary in the case of individual employees.

2.4.7. Personal Client login will be asked by the OTF operators or to enter the System prior to every orders placed on the OTF, even for voice or hybrid systems.



2.4.8. Clients of the OTF are not allowed to provide a Direct Electronic Access (DEA) of the OTF to their clients.

2.4.9. No Client shall allow unauthorized third parties to use the System for any purpose. The personal access code allocated to a specific employee is personal to that individual and may not be used by other persons or clients. Clients must have systems and procedures in place designed to ensure that logons are only used by the employees to whom they have been issued.

2.4.10. Clients have to timestamp the Orders from the moment they place them on the OTF. If a Client receives Orders from an ordering third party, it has to timestamp the Orders from their reception.

2.5. Resignation, Suspension and Termination of Participant

2.5.1. A Client may resign its participation and cease to be a Client of the OTF by giving 10 Trading Days' prior notice in writing to HPC SA. HPC SA may, in addition, at its absolute discretion waive some or all of the notice period.

2.5.2. Clientship to the OTF may be suspended or terminated in accordance with Chapter 5. In addition, HPC SA may immediately suspend a Client's or an individual's access to the System or any part of the System or any Financial Product traded on the System or refuse to accept an order to the System or decline to allocate a personal access code to an individual in the event that HPC SA, in its reasonable opinion, considers such action to be necessary to preserve the security or integrity of the System, to prevent violation of laws or regulations or to protect other users of the System from fraud. HPC SA shall, so far as reasonably practicable and permitted by applicable law, give affected users reasonable advance notice of any such action and the effective time and date of such action. A Client may appeal a decision to suspend a Client or individual pursuant to this Rule in accordance with the provisions set out in Chapter 5 and any such appeal will be heard accordingly (and for the avoidance of doubt the suspension shall remain in place during the determination of any appeal).

2.5.3. Resignation, suspension or termination of a Client's participation shall be without prejudice to the obligations of the Client which shall survive such resignation or termination of the membership and endure through any suspension.

2.5.4. In the event of resignation, suspension or termination of a Client's participation, the Client shall ensure that prior to the effective time and date of the resignation, suspension or termination (as the case may be), any unmatched orders and/or prices which may result in the conclusion of Financial Product transactions by such Client have been cancelled. In the event of failure on the part of the Client promptly to effect such cancellation, HPC SA shall cancel the unmatched orders and/or prices. Following resignation, suspension or termination, the Client shall continue to be liable to perform Financial Product transactions concluded by it prior to the resignation, suspension or termination (as the case may be).

2.5.5. At the time and date that the resignation, suspension or termination of the participation of a Client becomes effective, HPC SA shall be entitled to take all measures necessary to prevent the Client concerned from entering into new Financial Product transactions on the OTF.

2.5.6. When deciding to suspend or terminate a Client's participation to the OTF, HPC SA will apply objective criteria. The same criteria will be applied to the Clients fulfilling the same conditions.



2.5.7.HPC SA shall suspend or terminate a Client access to trading on the OTF due to the Client specific circumstances of the Client (the Client does not anymore fulfill the eligibility criteria to trade on the OTF), to the Client does not comply with the clients obligations.

2.6.Dues, Assessments and Fees

2.6.1.HPC SA has the sole power to set the dates and amounts of any dues, assessments or fees to be levied on Clients of the OTF, which dues, assessments or fees will be paid to HPC when due, without any right of set-off or deduction.

2.6.2.Details of all relevant charges (including any access or installation charges for Electronic Broking Services, if any) will be separately notified to you during your onboarding process on the OTF and will be published on HPC SA website.



CHAPTER 3 – OTF SYSTEM USE

3.1. Eligible Financial Products

3.1.1.HPC SA will determine which Financial Products shall traded on the OTF Platform and the parameters for Financial Product transactions to be entered. The following Financial Products are currently available to be traded through the OTF:

Segment	MIC	Asset class	Sub asset class/ Characteristics	Negotiability criteria	Trading Protocol	Trading System	Trading capacity of HPC
Segment 1	HPCS	Commodities Derivatives	Wholesale Energy Contracts with physical delivery (1)	On demand of clients/ Liquidity of the instrument	Hybrid Electronic	Trayport	Name Give Up
Segment 2	HPCO	Interest Rate Derivatives	Swaptions	On demand of clients/ Liquidity of the instrument	Hybrid /Electronic	Akurate	Name Give Up
Segment 3	HPCV	Interest Rate Derivatives	OIS, IRS, FRA, Other Interest Rate Derivative (CMS Spread, CMS Swaps, FRA CMS)	Trading obligation/ On demand of clients/ Liquidity of the instrument	Voice	Voice	Name Give Up
		Equity Derivatives (2)	Call vs Call (Exotic), Forwards, EFP Indice et Single Stock (Vanille), Forward Indice et Single Stock (Vanille) Forward Quanto (Exotic), Equity Swaps (Vanille), Index Swap (Vanille), Index and Single stocks Total Return swaps (Vanille), Variance swaps, Dividend swaps on single stock and index (Vanilla), Synthetic OTC on single stock and index (Vanilla), OTC Options on index and single stock (Vanilla), Call baskets Exotic and Vanilla Options, Dividend Index Options	On demand of clients/ Liquidity of the instrument	Voice	Voice	Name Give Up
		Bonds	Covered bonds, Corporate bonds, Sovereign bonds (SSC), Other public bonds (Government bonds), Other bonds (TCN, High Yields)	On demand of clients/ Liquidity of the instrument	Voice	Voice	Matched principal trading by default/ Name Give Up on client request

- (1) Wholesale energy products that must be physically settled fulfilling the conditions set out in Article 5 of Delegated Regulation (EU) 2017/565 will be tradeable on HPC OTF but are not considered as MIFID II Financial Instruments pursuant to Directive 2014/65/EU, Annex C (6). As such, the provisions relating to pre and post trade transparency as well as transaction reporting will not be applicable to these products.
- (2) Equity Derivatives traded on the OTF are not listed. **When the Equity Derivative traded on the OTF has a cash equity hedge, the hedge will not be traded on the OTF in any case.**

3.1.2.HPC SA has the discretion to remove or suspend any Financial Products eligible to the OTF which are not complying with the OTF rules anymore, unless such a step would be likely to cause significant damage to investors' interests or the orderly functioning of the market.



3.1.3. This decision of suspension or removal and the complete updated list of Financial Products eligible to the OTF will be published on HPC website following the format set out in Table 2 of the Annex of MiFID II ITS 2.

3.1.4. Full details of Financial Products eligible to the OTF are set out in the Product Instruction.

3.1.5. Changes in the specifications of the Financial Product types available via the System shall be determined by HPC SA and made known to all Clients in accordance with Chapter 1.3.4.

3.1.6. The list of Financial Products eligible to the OTF will be made public and disclosed through HPC website on a daily basis. Any change in the list of Financial Products will also be communicated to the Clients of the OTF.

3.2. Suspension and removal of Financial Products from Trading

3.2.1. HPC SA may at any time immediately suspend trading in whole or in respect of one or more Financial Product types, if we consider such action as necessary to maintain the integrity of the OTF or the fair and orderly respect of the trading rules of the OTF.

3.2.2. HPC SA shall, as soon as practicable, revoke the suspension of trading in whole or in respect of one or more Financial Product types if, in its opinion acting reasonably, the reason for such suspension has ceased to exist.

3.2.3. The decision to suspend or remove a Financial Product from trading on the HPC OTF platform is taken if the Financial Product no longer complies with the rules of the OTF, unless such a step would be likely to cause significant damage to investors' interests or the orderly functioning of the OTF. The following criteria will base HPC decision to suspend or remove a Financial Product from trading:

- A National Competent Authority has published a decision to suspend or forbid the negotiation for that Financial Product:
- HPC settlement agent has informed HPC of his decision to stop offering his clearing services for that Financial Product;
- The level of liquidity of that financial instrument.
- The fact that a Commodities Derivatives traded on the OTF does not comply anymore with the definition of a wholesale energy product that must be physically settled as set out in Article 5 of the Commission Delegated Regulation (EU) 2017/565.



3.2.4. The decision of HPC SA regarding the suspension or removal of trading of a Financial Product type is generally effected after the close of the day's trading on the OTF and will be made public in a timely and efficient manner to all Clients through HPC website or through the address specified in the application pack, or as may have been otherwise notified by a Client to The Operator prior to the commencement of the following Trading Day.

3.2.5. Publication will also be made by electronic means to the address specified in the application pack or as may have been otherwise notified by a Client to HPC SA prior to the commencement of the following Trading Day, but never prior to publication on HPC website.

3.2.6. If trading in specific Financial Product types is suspended in whole or in part, no new orders or prices may be entered in respect of such Financial Product type for the duration of the suspension and all orders which are not matched prior to the time of suspension shall be cancelled.

3.3. OTF platform features

3.3.1. In order to perform all the MiFID II diligences (effective from January 3rd, 2018), the OTF operator will fill into the OTF the orders to match them in a way that:

- centralizes information for HPC Brokers dedicated to the OTF (OTF operators);
- ensures the audit trail;
- guarantees the optimal matching of orders and strategies;
- enables pre and post-trade transparency requirements to all the clients of the OTF;
- preserves the integrity of information during STP (straight to process) processing and transmits them to the ARM system provider for Transaction Reporting purpose.

3.3.2. The OTF can manage simple orders, alternative instruments, strategies and hedges in a logical manner in order to make the best use of available information and guarantee the optimum market. Thus, it will determine in real time the optimal combination of orders and strategies.

3.3.3. It is also parametered to reflect the minimum size matching rules that the Operator deems useful to optimize market liquidity.

3.3.4. In order to optimize the liquidity conditions, the Operator may decide to make the OTF platform available to Clients on an ongoing basis or during one-off sessions, on the whole or on a subset of instruments.

3.3.5. When it is made available to Clients, they can directly post their orders or transmit them to an Operator to take them in their place (see. Chapter 4 – Trading Rules).

3.4. Pre and Post trade transparency obligations

3.4.1. HPC OTF is a platform dealing mostly in large size orders and trades. HPC SA, as an OTF operator, will make use, as per EU regulation No 600/2014, Article 9, of the waivers (subject to regulatory approval) relating to orders that are large in scale compared with normal market size (LIS waiver) for the whole scope of the Financial products tradable on the OTF.



3.4.2.HPC SA as an OTF Operator will make public current bid and offer prices and also the depth of trading interests at those prices which are advertised through its OTF System (pre-trade transparency) as stated above except for orders that shall be waived (i.e. orders that are deemed Large In Scale “LIS” following the thresholds set out in Delegated Regulation (EU) 2017/583 of 14 July 2016 supplementing Regulation (EU) No 600/2014). HPC SA will personally manage the pre-trade disclosure through the publication of its Order Book via an Approved Publication Arrangement (APA) for all orders except the waived ones.

3.4.3.As required by EU regulation No 600/2014, Article 10, as an OTF Operator, HPC SA will be in charge of all post-trade transparency through a dedicated Approved Publication Arrangement (APA). Trades shall be published pursuant to the timeframe set out: all Transactions are to be made public as close to real time as possible. HPC SA may defer publication for transactions matched on HPC OTF under the circumstances described in Delegated Regulation (EU) 2017/583 of 14 July 2016 supplementing Regulation (EU) No 600/2014). Clients do not need to report any additional information following execution in order to have their trades published in accordance with regulatory post-trade transparency obligations.

3.5. Transaction reporting

3.5.1.Where required, the Operator shall ensure that Transaction reports are submitted in accordance with the reporting requirements of the applicable regulatory rules.

3.5.2.Clients remain responsible for fulfilling their own Transaction reporting requirements, except if they are not subject to MiFID II. In that case, the venue, here the OTF, is responsible for providing the Transaction reporting to the NCA on behalf of the Client.

3.5.3.HPC SA has chosen and will use an Approved Reporting Mechanism (ARM) to fulfill its reporting requirements under MiFID II.

3.5.4.Details of the transmitted Transactions will be reported to the OTF Clients on a daily basis (end of the Trading day) to enable the Clients to do their own Transaction Reporting.



CHAPTER 4 - TRADING RULES

4.1. Discretionary order execution

- 4.1.1. The OTF operator will exercise discretion at an order level when, at a given point in time, the OTF operator considers that a more favorable outcome would be obtained by executing the order on another execution venue foreseen in the best execution policy.
- 4.1.2. The exercise of order discretion will always comply with the HPC SA's best execution policy and with client order handling rules. Where clients would be providing HPC SA with a specific instruction, HPC SA would not be considered as exercising order discretion when complying with that specific instruction.
- 4.1.3. The OTF operator will exercise discretion as to if, when, and how much of two matching orders in the system should be matched or not matched. The detailed rules under which two clients' orders are matched depend on the product type and are described in the Product Instruction.
- 4.1.4. HPC SA will exercise discretion when deciding to place an order on the OTF or to retract an order from the OTF.

4.2. Voice Trading Protocol

- 4.2.1. The following Products are operated on the OTF with the Voice Trading Protocol:
- Bonds
 - Interest Rate Derivatives, excluding Swaptions
 - Equity Derivatives
- 4.2.2. HPC voice Broker (the "OTF operator") role: the OTF operator may input, amend or cancel orders on a Client's authorized trader's behalf.
- 4.2.3. HPC SA's operations team will have the authorization to cancel unmatched orders on behalf of a Client.
- 4.2.4. The OTF Operator can receive:
- simple orders specifying the instrument, side (buy or sell), size and price;
 - specific orders detailing precise execution indications.
- 4.2.5. Unless they are waived, orders received are published. The OTF Operator will enter each order on an eligible financial instrument in the Pre-trade screen of the OTF Platform. This screen is connected to a publishing system for Pre-trade transparency compliance obligations. All orders received, exception made of those that are waived are thus made publicly available and shared with the clients through an APA. The waiver will be applied accordingly to the LIS thresholds set out in RTS 2, Annex III.
- 4.2.6. When receiving an initial buying or selling interest, the OTF Operator will reach out to other clients to find a potential match to such initial buying or selling interest.
- 4.2.7. When placing an order into the system, the OTF Operator makes sure that there are always at least two other existing interests that could interact with the order he places.



The OTF Operator will make sure to execute the highest proportion of the order in priority. He can also be engaged in a partial execution if the counterparties agree. The OTF Operator uses its discretion to facilitate the matching of the orders. He may retract the order partially or totally for executing it outside the OTF (as OTC transaction or within another venue) in case of specific instruction of the Client to do so or through an accepted recommendation of the OTF operator in the case that the best execution could be obtained on another venue or through OTC transaction. In the last case, the OTF operator verifies that the client has accepted under the conditions laid down in HPC Order Handling and Execution Policy that HPC can execute his orders over the counter.

- 4.2.8. Retraction (modification of the order or cancellation) of an unmatched order from the OTF is done by the OTF Operator, at the request of the client. The OTF Operator indicates to other existing parties that the order is cancelled within the venue. Retraction of a matched order from the OTF is done with the agreement of both counterparties.
- 4.2.9. The OTF operator matches two clients buying and selling interest at its execution discretion with all necessary conditions to do so are met. To help matching interest, the OTF operator may propose to a client to modify its order in order to make opposite orders meet their matching point.
- 4.2.10. Matching conditions are reached where trade price, volume and terms have been agreed by two clients holding opposite interest. The orders are then executed and the OTF operator discloses the counterparties' names and the OTF Operator steps away from the transaction and the transaction is then legally formalized between the counterparties on the OTF. For such give-up transactions, HPC is not part of the transactions. However, upon request of the counterparties for Bonds, the transaction may be executed as a Matched Principal Trade. As such, the OTF operator is engaged in matched principal trading with the two counterparties.
- 4.2.11. Transactions are further published through an APA with respect to the deferral to which the transaction relates to.

4.3. Hybrid Broking Services

- 4.3.1. The following Products are operated on the OTF with the Hybrid Trading Protocol:
- Swaptions
 - Commodities Derivatives (Wholesale Energy Products that must be physically settled)
- 4.3.2. The Hybrid Broking Services uses an electronic platform ("The Platform" i.e. Akurates for Swaptions and Trayport for Commodities Derivatives) but the Orders are entered on the Platform by the OTF operator. As such, the Hybrid Broking Service is dedicated to clients not able to connect on the Platform.
- 4.3.3. The OTF operator cannot be responsible for delays in carrying out a request by the Client's authorized trader that results in the trade being filled electronically or a trade being missed. The OTF operator will use reasonable endeavors to fill the request in a responsible and timely manner.
- 4.3.4. A voice order from a Client's authorized trader to a OTF operator to hit an electronic bid or take an electronic offer (hybrid order) will not, in itself, be a guarantee to trade. The OTF operators will use reasonable endeavors to get the order filled but the only guarantee to trade on an electronic price is the Client's authorized trader trading direct



("click and trade") which is itself subject to system latency and electronic communications delays.

4.3.5. It is the Client's authorized trader's (and ultimately the Client's) sole responsibility to monitor its own electronic trading flow and execution.

4.3.6. The OTF operator is responsible for reporting the electronic trades that Clients have executed on the Platform, except as otherwise stated in the Rules.

4.3.7. During Trading Days and trading hours Clients directly place their order with the OTF operator by voice through the recorded phone lines or electronically initiated via Bloomberg IB Chat.

4.3.8. Where HPC SA provides Hybrid Broking Services the following sub-clauses will apply unless stated in the Products Instruction:

(a) An OTF operator shall submit Orders to the OTF Order Book on behalf of Clients. In such case, OTF operator shall submit all Orders as soon as reasonably practicable after instructions to place them.

(b) All such Orders and resulting Trades shall be governed by these Rules.

4.3.9. Only an OTF operator may act as agent on behalf of Clients.

4.3.10. An OTF operator is not able to enter Orders on behalf of non-Clients.

4.3.11. An OTF operator may receive fees for its services.

4.3.12. During Trading Days as defined above, the OTF operator can receive:

- simple orders specifying the instrument, side (buy or sell), size and price;
- specific orders detailing precise execution indications;
- or more general orders such as (area of interest which may include several alternative instruments; order defines entirely in terms of risk; order conditioned by an event ; specific modality of execution ; special rules of execution, inter alia).

4.3.13. Unless they are waived, orders received are published. The OTF operator will enter each order on an eligible financial instrument on the OTF Platform. The Platform is connected to an APA for Pre-trade transparency compliance obligations. The waiver will be applied accordingly to the LIS thresholds set out in RTS 2, Annex III.

4.3.14. The OTF operator, in order to fulfill its task of execution in a context of imperfect liquidity, must carry out a fine management of the information. As such the OTF operator will consider the size of the order in its execution: he will make sure to execute the highest proportion of the order in priority and a partial execution will not be done below a certain appropriate threshold. It will therefore be able to realize any type of size arrangement that will optimize the execution (for example: purchasing order against two orders of sale or serving at a minimum size). The OTF operator may also choose to unleg a strategy or not according to the orders available to optimize the liquidity of the market. In addition, from a facilitation point of view, the OTF operator may propose strategies or orders that it considers compatible with the needs of one or more clients, in particular to enable agents to meet around common instruments. The OTF operator is in



charge of organizing bid and offer on eligible financial instruments. This price communication aims at finding counterparts that have opposite interest in the transaction. To do so, the OTF operator performs a voice "blast" to selected Clients. The counterparty selection is made on a discretionary basis in compliance with specific instructions received by a client and relies on the own experience and knowledge of the OTF operator regarding the other Clients usual needs or practices and transaction specificities provided it is in compliance with the OTF operator best execution obligations. The Operator observes that The OTF operator may need to find several counterparties to match a deal. The OTF operator uses its discretion to facilitate the matching of the orders. As such, in the case there are better execution conditions outside the OTF, he may retract partially or totally the order for executing it outside the OTF (as OTC transaction or within another venue).

- 4.3.15. Retraction (modification of the order or cancellation) of an unmatched order from the OTF is done by the OTF operator, at the request of the client.
- 4.3.16. The OTF operator indicates to other existing parties that the order is cancelled within the venue.
- 4.3.17. Retraction of a matched order from the OTF is done with the agreement of both counterparties.
- 4.3.18. On the platform Akurate, the OTF operator may from time to time organise Electronic auction session when there are sufficient interest to match. When the OTF Options operator set up and organises an electronic auction session on the platform, matching orders is completed by the platform automaton. There may be multiple auction sessions within a Trading Day.
- 4.3.19. Executed orders are further published through an APA with respect to the deferral to which the transaction relates to.

4.4. Electronic Broking Services

4.4.1. The following Products are operated on the OTF with the Electronic Trading Protocol:

- Swaptions
- Commodities Derivatives (Wholesale Energy Products that must be physically settled)

4.4.2. Where HPC SA provides Electronic Broking Services the following sub-clauses will apply unless stated in the Products Instruction published on HPC SA website.

- (a) The OTF Client shall submit and cancel himself all his Orders.
- (b) All such Orders and resulting Trades shall be governed by these Rules.



- 4.4.3. If the Order is executed, the OTF confirms the execution to the Client. In addition, the OTF operator may send an informal confirmation to the Client through Ib Chat.
- 4.4.4. Should the Order not be executed, the Client will be informed through the OTF screen.
- 4.4.5. If any technical issue on the Client's side occurs, the OTF operator can act on the Client's behalf. In this case, all the amendments will be recorded by Bloomberg (Ib chat).
- 4.4.6. An OTF operator may receive fees for its services.
- 4.4.7. The Client will enter his order on an eligible financial instrument in the OTF Platform.
- 4.4.8. Unless they are waived, orders entered on the platform are published. The Platform is connected to an APA for Pre-trade transparency compliance obligations. The waiver will be applied accordingly to the LIS thresholds set out in RTS 2, Annex III.
- 4.4.9. For an order to be matched, other counterparts must have entered opposite interests on the platform. Matching conditions are reached where trade price, volume and terms have been agreed by at least two clients holding opposite interests. The orders are matched following their order of entry on the platform. The orders are then executed and the transaction is then legally formalized between the counterparties. Several counterparties may be necessary to match a single order. An order may be only partially executed if there is not sufficient opposite interests entered on the platform.
- 4.4.10. Retraction (modification of the order or cancellation) of an unmatched order from the OTF is done by the client himself.
- 4.4.11. The other existing parties can see that the order is cancelled in the Order Book.
- 4.4.12. On the Akurate platform, the OTF operator may from time to time organise Electronic auction session when there are sufficient interest to match. When the OTF operator set up and organises an electronic auction session on the platform, matching orders is completed by the platform automaton. There may be multiple auction sessions within a Trading Day.
- 4.4.13. Executed orders are further published through an APA with respect to the deferral to which the transaction relates to.

4.5. Cancellation of Orders

- 4.5.1. An order may be cancelled at the client's initiative for unmatched orders.
- 4.5.2. HPC SA as the OTF Operator may cancel an order to ensure its best execution on another platform or over the counter.
- 4.5.3. HPC SA shall inform all the clients on the OTF that the order has been cancelled.



4.6. Matched Principal Trading

4.6.1. For Bonds, only where the client has consented to the process, HPC shall be involved in executing client's orders through matched principal trading whereby HPC acts as buyer to the seller of the OTF Financial Product and as seller to the buyer of the OTF Financial Product.

4.6.2. Execution of an Order shall then result in the creation of two Transactions:

- i) A Transaction between the buyer of Financial Instruments and HPC SA; and
- (ii) A Transaction between the seller of Financial Instruments and HPC SA.

4.7. Name Give Up

4.7.1. Execution of an Order may result in only one transaction between both counterparties. Once the trade is confirmed to both, the parties shall bear the responsibility of settling the transaction between themselves (Name Give Up transactions).

4.7.2. Every Financial Products tradable on the OTF may be executed through Name Give Up.

4.8. Trading Days and trading hours

4.8.1. Trading on the HPC SA OTF shall take place on each Business Day, other than TARGET holidays. The Operator reserves the right to determine additional Trading Days after prior announcement thereof to the Clients. For this purposes, "Business Day" means every weekday that is not a TARGET holiday.

4.8.2. Except under discretionary circumstances, usual trading hours are:

- 8:00-19:00 (Paris Time).
- These trading hours are indicative and may vary according specificities of the Financial Products in order to ensure fair and orderly trading under the conditions laid down in Chapter 4 under 4.12.

4.9. Clearing & Settlement

4.9.1. For Matched principal transactions matched on HPC OTF, HPC takes part to the transaction. Clients do not know each other and deal with HPC simultaneously. Both trading and settlement are called "matched principal". Matched principal transactions are settled by HPC SA through its settlement agent, CACEIS. HPC SA shall provide or make available to each Client the details of the transaction in order to facilitate the prompt settlement of these transactions.

4.9.2. For Name Give Up transactions, HPC SA is not being part of the transaction, clients are settling directly through their settlement agents or entities.

4.9.3. For Name Give Up transactions, the OTF Operator is not responsible or liable for the settlement of the transactions executed by a Client on the OTF.

4.9.4. Each Client is responsible for the settlement of all transactions it executes on the OTF and each Client must ensure that it has the ability, including legal and regulatory capacity, to settle such transactions accordingly.

4.10. Error Trades



4.10.1. Financial Product transactions effected through the OTF Systems by means of the user identification of a Client shall be binding on such Client subject to any other provision of these Rules.

4.10.2. Notwithstanding the foregoing, HPC SA may cancel a Financial Product transaction in accordance with the policy set out in Chapter 4 under 4.11.

4.11. System-Related Error Trades

4.11.1. HPC SA may unilaterally cancel a Financial Product transaction where such transaction constitutes a "System-Related Error Trade".

4.11.2. For the purpose of this Rule, a System-Related Error Trade shall occur where, due to an issue with the System, a Financial Product transaction is entered into:

- (a) in the name of a Client without the knowledge or authority of such a Client;
- (b) by a Client's authorised trader after a notification to disable access to the System in respect of that authorised trader has been received by HPC SA; or
- (c) which is manifestly erroneous.

4.11.3. Any notification relating to a System-Related Error Trade must be made by a Client to HPC SA:

- (a) by email to the HPC SA email address at "otf.support@otcexgroup.com" or, where communicated by phone, then confirmed by email promptly (and in any event no later than ten (10) minutes after the end of such phone communication);
- (b) all communications must be from a suitably authorized personnel of the Client.

4.11.4. All notifications from Clients relating to a System-Related Error Trade must contain:

- (a) Client's primary contact details (name and direct line);
- (b) all specific details of the transaction(s);
- (c) timestamps for each transaction; and
- (d) Client's reason for considering the transaction to be a System-Related Error Trade.

4.11.5. A System-Related Error Trade Cancellation Notice issued by HPC SA shall specify the affected counterparty(ies), transaction details and timestamps.

4.11.6. Within thirty (30) minutes after the issue of a System-Related Error Trade Cancellation Notice by HPC SA, the Clients party to the relevant Financial Product transaction may, jointly, agree that the Financial Product transaction does not constitute a System-Related Error Trade (a "Good Trade"). Good Trades shall not be cancelled but all System-Related Error Trades shall be cancelled by HPC SA in accordance with this Rule.

4.11.7. Where a System-Related Error Trade is to be cancelled, then HPC SA shall notify the counterparty(ies) of the cancellation of the transaction, the transaction shall be



cancelled and a cancellation notice sent out to all Clients in respect of each such cancelled transaction.

4.11.8. No handling charge will be payable in respect of a cancellation caused by a System-Related Error Trade.

4.11.9. If there is insufficient time in the Trading Day for any of the provisions of this Chapter 4 section 4.11 to be carried out, HPC SA and the relevant Clients shall use all reasonable endeavours to ensure that such procedures are completed prior to the commencement of trading on the next Trading Day or, if this is not possible, as soon as practicable after commencement of trading on the next Trading Day after the Trading Day on which the error event occurred.

4.12. Market Surveillance and Service Disruptions

4.12.1. HPC SA shall maintain in place systems to monitor compliance with the Rules, disorderly trading conditions and conduct that may involve Market Abuse. HPC SA shall enforce compliance with these Rules and may take all measures necessary, in accordance with and subject to the provisions of these Rules, to ensure orderly trading and the smooth operation of the System.

4.12.2. In order to ensure an orderly system functionality, the commencement of trading may, at the order of HPC SA, be postponed for the entire System or trading hours may be extended or shortened, provided that HPC SA shall be under an obligation to restore normal trading and normal trading hours as soon as reasonably practicable.

4.12.3. In the event of technical problems that may lead to violation of laws or regulation, error trades or breaches of security, or may materially impact the performance or impact the integrity or stability of the System, HPC SA may, for an individual Client or all Clients, temporarily suspend access to or trading through the System, to the extent required as a result of such technical problems.

4.12.4. In the event of measures being taken which materially affect the operation of the System, the Clients affected thereby shall, to the extent possible, be promptly notified via the System or - in the case of a System failure - by other suitable electronic means.

4.12.5. If participation in trading through the System is not possible for individual Clients due to technical disruptions, the System shall continue to be available to other Clients, but HPC SA shall be obliged to rectify such technical disruptions as soon as reasonably practicable.



CHAPTER 5 – DISCIPLINARY PROCEDURES AND SANCTIONS

5.1. Disciplinary action

HPC SA may:

- (a) take disciplinary action against a Client in respect of any act or omission that amounts to a material breach of these Rules in accordance with the procedures made under part 5.2 below; and
- (b) suspend or restrict a Client's activities on the Platform on an interim basis when a matter is under investigation, provided that such suspension or restriction shall only be put in place where there is a reasonable suspicion that the Client has committed a material breach of these Rules.

5.2. Sanctions

HPC SA may impose sanctions on a Client for a material breach of the Rules constituting of the following:

- (a) written warning;
- (b) temporary suspension;
- (c) submission of a report of the activity in question to the NCA;
- (d) issuing a cease and desist order;
- (e) termination of access to the OTF;
- (f) any other sanction as HPC SA deems reasonably necessary under the circumstances.

HPC SA shall apply objective criteria to impose sanctions on a Client, so that the same sanction will be applied to Clients committing the same breach.

5.3. Procedures

5.3.1. To achieve its overall aim to ensure the fair and orderly trading of Financial Products on the OTF Platform, HPC SA will operate procedures designed to identify breaches of, and ensure Client compliance with, the Rules, including without limitation scrutiny of trading data and reports.

5.3.2. In the event of any alleged breach or suspected breach by a Client of these Rules, HPC SA shall notify the Client of the commencement of an investigation along with reasonably sufficient information to allow the Client to assess the alleged breach, save where such notification is precluded by applicable law or regulation. Where sufficient information exists regarding the cause of the alleged breach or suspected breach, such notification may include a request to the Client to take such remedial action so as to ensure the alleged breach or suspected breach does not recur.

5.3.3. Breaches of the Rules may be, without being limited to: behaviors or acts contrary to the market abuse or the anti-money laundering rules and regulations or any other rules including of good conduct; infringement of timestamp or settlement rules).



5.3.4.HPC SA will investigate the facts of each case and determine whether impose any of the sanctions in Chapter 5.2 in relation to a breach of the Rules. In coming to such a determination, HPC SA shall take into account a number of factors, including without limitation:

- (a) the nature and seriousness of the Rule breach and the duration and frequency of misconduct;
- (b) how the Rule breach came to light;
- (c) the actual or potential market impact of the Rule breach, and any other repercussions;
- (d) the extent to which the Rule breach was deliberate or reckless;
- (e) the compliance history of the Client under investigation, and specific history regarding the Rule breach in question and whether any warning notices have previously been issued to the Client in relation to the Rule;
- (f) consistent and fair application of the Rules (any precedents of similar Rule breaches);
- (g) the responsiveness and conduct of the Client in relation to the matter under investigation.

5.3.5.Upon conclusion of its investigation, HPC SA will decide what action is necessary in each instance and shall communicate such decision promptly to the Client (including if any action is to be taken). In addition, (or in the alternative) to the sanctions described in Chapter 5 Rule 22, HPC SA may, as an initial step, request that the Client concerned takes remedial action so as to ensure the breach does not recur. Alternatively, HPC SA may decide to issue a warning notice to the Client concerned. HPC SA shall ensure that any sanction imposed upon a Client is proportionate to the Rule breach in question and, where the sanction is a temporary suspension, such suspension shall cease when the Client has carried out remedial action to HPC SA's reasonable satisfaction.

5.3.6.During its investigation, HPC SA shall permit the Client reasonable opportunity to submit petitions and/or information in relation to the alleged breach and HPC SA shall take such submissions into account in reaching a conclusion as to any necessary action.

5.3.7.A Client shall cooperate with HPC SA in the investigation of potential breaches by providing reasonable assistance to HPC SA including the provision of information reasonably requested by HPC SA, subject to regulatory and confidentiality restrictions.

5.3.8.For the avoidance of doubt and subject to any other relevant provision of these Rules, any investigation, action or sanction shall remain confidential.

5.3.9.A Client may appeal a decision of HPC SA related to disciplinary action within 10 Trading Days of receiving notice of the decision, specifying the grounds upon which the Client is appealing and the reasons why he believes the decision not to be well founded. Appeals will be heard and decided by the Board of HPC SA.



CHAPTER 6 - OTHER PROVISIONS

6.1. Complaints

6.1.1.HPC SA establish and maintain efficient and effective complaints and redress procedures for the out-of-court settlement of disputes with Clients concerning the provision of investment and ancillary services

6.1.2.Any complaint about the conduct of a Client or any suspicion that any Client has committed or about to commit a breach of these Rules, or any other complaint related to the OTF, should be made in writing and addressed to this address:

HPC SA
Head of Compliance
22, Rue des Capucines
75002, Paris
France

Or by email to: otf.compliance@otcexgroup.com

6.2. Notice

6.2.1.The Operator may at any time supplement or implement new Rules, amend existing Rules, or revoke Rules in whole or in part. Clients shall be informed of any such change by the issuing of a Market Notice. The Rules and any amendment to the Rules are subject to the approval of the AMF.

6.2.2.Such changes will be effective at such time as specified in the relevant Market Notice. Unless otherwise required by a Regulatory Authority or by applicable law, any such change shall not apply retrospectively.

6.2.3.If the change to the Rules is:

- material, the Operator will give Clients reasonable notice before such change comes into effect;
- non-material, the Operator may make such change without issuing notice in advance of the change to Clients.

6.3. Governing law

6.3.1.The Rules will be construed in accordance with and governed by the laws of France.

6.3.2.Except where these Rules provide expressly to the contrary, any dispute between a Client and HPC SA concerning these Rules, any transaction effected pursuant to these Rules, and any non-contractual obligations arising out of or in connection with these Rules, shall be governed by the French law and all such matters and disputes related to the same shall be subject to the exclusive jurisdiction of the French courts, to which all Clients submit.

6.3.3.The parties hereby submit to the non-exclusive jurisdiction of the Courts of France in relation to any legal action or proceeding arising out of or in connection with these Rules.



6.4. Technical matters

6.4.1. The mechanisms provided by the system have to ensure that capacity of the Software and Service is sufficient. The Operator shall

- maintain effective systems, procedures and arrangements to ensure the service is resilient, has capacity to deal with peak order and message volumes and is able to ensure orderly trading under conditions of market stress.
- ensure the Service has sufficient capacity to accommodate at least twice its historical peak of messages expressed as the highest number of messages per second recorded by the Software during the previous five years, as referred in RTS7 11(1).
- ensure that the Software is able to cope with a rising message flow without material degradation of the Software's performance. In particular, the design of the Software shall enable its capacity to be expanded within a reasonable timeframe whenever necessary, as referred in RTS7 11(4).

6.4.2. Relevant messages in respect of orders shall include: (a) any input, including the input of an order, order modification or cancellation of an order, and (b) any output, including the System's response to an input, display of order book data and dissemination of post trade data, as referred in "RTS 11(1) (a)&(b)"

6.5. Kill Switch

6.5.1. The OTF Platform allows a Kill Switch function in order to prevent causing instability or erroneous trading into the OTF for hybrid and electronic execution protocols.

6.5.2. In the event of a potential threat for the integrity of financial markets, the OTF Operator can activate the Kill Switch functionality without the Client's consent. The OTF Operator sends several warnings to the Client beforehand.

6.5.3. When Kill Switch functionality is activated by the permitted OTF Operator member, trading sessions are shut down, all order entries are blocked and all potential matching orders are suspended for either a subset of financial product or for all of the OTF orders.

6.5.4. When Kill Switch functionality is activated by a Client, its selected orders are automatically deleted if they have not yet already been matched electronically.

6.6. Tick Size Regime

6.6.1. Following the provisions of article 18 and 49 of the Directive 2014/65/UE and Recital 2 of the Delegated Regulation 2017/588, due to the nature of the Instruments traded on the OTF (bonds, derivatives, wholesale energy products that must be physically traded), no tick size regime is applicable on the OTF.

