

Real Time Market Data

Schedule E: Market Data Audit

Annex to the general Terms and
Conditions of the Borsa Italiana
Real Time Market Data Agreement

01 JANUARY 2022– VERSION 5.0



BORSA ITALIANA

1. Audit Purpose

The purpose of this document is to provide guidance on how a market data audit will be conducted. Audits are used to verify compliance with contractual obligations and policies. In particular, the audit examines whether the correct remuneration has been paid.

Borsa Italiana aims to identify potential sources of errors and recommend solutions to reduce any future errors occurring. This involves the verification and assessment of the controls surrounding the release of Data at client sites. The BIT Verifier may examine all means of communication, systems, Devices and applications that use and/or redistribute Data, in addition to the procedures, processes and systems, such as entitlement systems, that control the release of and/or provision of access to the Data solely for the purpose of verifying compliance with this Agreement.

2. Audit Scope

2.1 The BIT Verifier may audit Customers, End Customers, Redistributors, Service Facilitators, and third party recipients of the Data (hereinafter referred to as the "Audited Party").

2.2 The scope of a market data audit covers all Borsa Italiana Data received by a Audited Party including that received directly from the Group and Data received from Redistributors. The audit will also cover any unauthorized as well as erroneous onward dissemination of or provision of access to Data.

2.3 The scope of an audit includes clients, both professionals and Private Investors, to which the Audited Party redistributes Data.

2.4 An audit will examine, by way of demonstrations, all systems and applications that consume Borsa Italiana Data in addition to the processes and systems that control the release of this Data.

2.5 The BIT Verifier may examine all records, procedures, processes and systems relevant to the Audited Party's requirement to submit monthly data declarations including, but not limited to, entitlement records, monthly honesty statements/datafeed access declarations, inventory management records and employee (cost allocation) records for the purpose of verifying compliance with this Agreement.

2.6 The audit period over which the Audited Party is audited may be up to 3 (three) years. However, in case of a delay caused by a lack of preparation and/or cooperation by the Audited Party, the Borsa Italiana will extend the audit period with a period equal to the number of days the audit was delayed.

2.7 The audit period will not reach back more than 3 (three) years from the date the official audit notification was sent.

2.8 The Audited Party is required to maintain the Data usage records at least for the last five years and must be made available for audit purposes in a manageable format.

2.9 Audits will be conducted on a routine basis not more than once within 3 (three) years within the same scope ("Regular Audits").

2.10 If Borsa Italiana reasonably believes the Audited Party is materially breaching the Agreement, Borsa Italiana may also conduct extra audits ("Extraordinary Audit") in addition to the routine-based audits, to be decided in its reasonable discretion. Grounds for an Extraordinary Audit include, but are not limited to, discrepancies in monthly data declarations or incomplete monthly data declarations. In case of Extraordinary Audit Borsa Italiana can shorten the notice period.

3. Audit Planning

3.1 The Audited Party will be contacted and notified of the intention to audit. An official audit notification will then be issued by e-mail stating the audit date and outlining the scope of the audit.

3.2 The BIT Verifier is entitled to audit the Audited Party upon providing 30 (thirty) days' prior written notice (including by e-mail), stating the intention to audit and including an outline of the audit. A shorter notice period can be given where the BIT Verifier has good reasons to suspect breach of the Agreement by the Audited Party.

3.3 The Audited Party may request within 2 (two) weeks of its receipt of the official audit notification in writing (including by email), a deferment of the commencement date of the audit up to a maximum of 90 days, to be granted by Borsa Italiana in its reasonable discretion.

3.3 Both the BIT Verifier and the Audited Party should co-operate in planning the audit (e.g. by exchange of correspondence and/or meetings) to ensure that:

- a) the audit period, timing, product(s), scope and location(s) subject to audit are identified;

- b)** all records necessary for the audit are identified and made available for inspection, including but not limited to:
 - Enablement reports from permissioning systems for the entire audit period.
 - All datafeed access declarations submitted to vendors during the audit period.
 - A list of all users considered to be non chargeable and details of their role.
 - Copies of Private Investor declarations (where applicable).
 - A technical overview of the market data infrastructure.sufficient resources and time are allowed for the audit;
- c)** sufficient resources and time are allowed for the audit;
- d)** the BIT Verifier has sufficient access to relevant staff and any necessary data;
- e)** audit enquiries and pre-audit information requests are promptly addressed by both parties;
- f)** procedures for closing the audit are communicated.

4. Audit Procedures

4.1 As part of an audit, the BIT Verifier will:

- a)** examine all applications that consume Borsa Italiana Data;
- b)** examine any permissioning systems used;
- c)** discuss any discrepancies discovered during the audit preparation work.

4.2 In general the audit takes place at the premises of the BIT Verifier conducting the Audit ("Remote Audit") and the BIT Verifier shall for that purpose be entitled to require from the Audited Party:

- a)** delivery of the relevant (parts of) agreements, records and information for the purpose of a review and analysis at the site of the BIT Verifier conducting the audit; and
- b)** remote demonstrations of systems and applications such as through video conferencing, online meetings, presentations and/or screen sharing and webinars.

4.3 After notifying the Audited Party of the audit, the BIT Verifier may still at any time decide to conduct the audit (in whole or in part) at the premises of the Audited Party without the need for a new official audit notification. The BIT Verifier will provide the Audited Party 2 (two) weeks' notice of such change.

4.4 Both the BIT Verifier and the Audited Party should cooperate to resolve outstanding queries or resulting follow up items as soon as possible after the completion of the site work.

5. Exit Meeting

5.1 Once the work has been completed the following points need to be discussed and agreed:

- a)** preliminary findings and current issues outstanding;
- b)** a preliminary view of audit recommendations;
- c)** establish an approach and time-frame for resolving outstanding issues;
- d)** propose a time-frame in which audit results are communicated.

5.2 The BIT Verifier will set a deadline for the settlement of any outstanding issue. In case of failure to comply with this deadline without valid reason(s) the audit findings report will be prepared on the basis of the information and documents available at the time of the deadline.

6. Audit Findings

6.1 The BIT Verifier will present the audit findings along with:

- a)** supporting documentation;
- b)** feedback from the Audited Party
- c)** preliminary estimation of the audit findings.

6.2 If the Audited Party fails to cooperate or does not provide adequate documentation, the BIT Verifier may:

- a)** request additional information;
- b)** request additional validation tests;
- c)** request additional client site visits; and
- d)** impose further sanctions pursuant to section 16 of the terms and conditions.

6.3 The BIT Verifier and the Audited Party should work together in good faith to resolve any differences in opinion arising from the audit.

7. Audit Results and Reports

7.1 Assuming all issues outstanding at the exit meeting are resolved in a timely fashion, the BIT Verifier will aim to issue a draft audit report within three months of presenting the audit findings. This report will document the following:

- a) audit findings, deliverables, and recommendations;
- b) any deviations from the terms of this Agreement; and
- c) responses or summary responses from the Audited Party.

7.2 The Audited Party will be asked to give feedback on the draft audit report within 30 (thirty) days of the date of issue. Should the Audited Party not provide feedback within the agreed deadline, the results of the audit as set down in the draft audit report will be considered to be undisputed facts.

7.3 A final audit report will be issued and should be signed by both parties to signify agreement with the facts of the audit as set out in the report.

CONTACT

Market Data Team

Piazza degli Affari, 6, 20123 Milano

marketdataBIT@borsaitaliana.it



borsaitaliana.it