

Euronext Growth Milan

MEMBERSHIP AND TRADING RULES

29 JUNE 2022

The Italian text of these Rules shall prevail over the English version



BORSA ITALIANA

Membership and Trading Rules

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Membership and Trading Rules

Introduction

This document contains the **Membership and Trading Rules** (these rules) which set out the rules regarding the conditions and the procedure for the admission of the intermediaries in the market, the continued eligibility and the rules of conduct of the admitted intermediaries, the relationship between market intermediaries and Borsa Italiana and the trading rules. The document contains also the rules regarding the market surveillance and the procedures relating to disciplinary and appeals matters for intermediaries.

Moreover the **Membership and Trading Rules** contains guidance to rules that supplement these rules, which indicate the provisions for the implementation of the content of the Rules. Rules with supplementary guidance are flagged with the notation "G". Guidance is divided in Section (Sec.) with an identification number. The paragraphs of the guidance are identified by the number of the Section and of the paragraph. Rules that have a reminder to Compliance Procedure are flagged with the notation "C". The rules and responsibilities for issuers of **Euronext Growth Milan Securities** are set out in the "**Rules for Companies**".

For the definition of the terms in bold in these Rules, not contained in the present Glossary, see the Glossary in the **Rules for Companies**

DEFINITIONS

Access Code	means the trading code to which are associated specific configurations for the connection to the market (CompID/traderID)
Algorithmic trader	means the operator using an algorithmic trading technique , as specified in Article 4(1)(39), of Directive 2014/65/EU and in Article 18, of Regulation 2017/565/EU
Algorithmic trading	means the trading technique specified in Article 4(1)(39) of Directive 2014/65/EU and in Article 18 of Regulation 2017/565/EU
CSD	means the legal person authorised to operate a securities settlement system, pursuant to Regulation 2014/909/EU
Direct Electronic Access	means the connection to the market as specified in Article 4(1)(41) of Directive 2014/65/EU, Article 20, of Regulation 2017/565/EU and in Article 2(1)(d)(ii) of Directive 2014/65/EU
Exceptional circumstances	means the exceptional circumstances identified in Article 4, of Regulation 2017/578/E
General Conditions for the supply of services	the terms and conditions regulating the relationship between Borsa Italiana and market intermediaries concerning the participation of the market intermediaries to the market.
Guide to the parameters	the document accompanying the Rules of the regulated markets and relevant Instructions, as well as the Rules of the multilateral trading facilities organized and managed by Borsa Italiana S.p.A., referred to as "Guide to the Parameters" notified in a Notice and available on Borsa Italiana website.
Guidance to the Rules	Indicates the provisions implementing the contents of Euronext Growth Milan Rules (Membership and Trading Rules) and is published jointly with the Rules.
Interconnection	the linking to markets via market intermediaries, of customers of market intermediaries ; the connection of which may take place in " direct electronic access " mode or in another mode; or organisational units of market intermediaries other than units assigned to the activities of trading in the markets and settlement and the control thereof computer-based systems for the automatic generation of orders even if they are installed in an organisational unit of a market intermediary. The connection of customers of the market intermediary, in "direct electronic access" mode (DEA), can take place through the technical structure of

the market intermediary (Direct Market Access or DMA) or directly (Sponsored Access or SA).

Large in scale transaction or Large in scale order	means the transaction or the order that are large in scale with respect to the normal size of the market, according to the definitions in Regulation 2017/287/EU and in Regulation 2017/583/EU
Liquid market for the financial instrument	means the liquid market as specified in Article 2, paragraph 1(17), of Regulation 2014/600/EU
Market making agreement	means the market making agreements that Borsa Italiana must offer, in compliance with Regulation 2017/578/EU, to the Intermediaries pursuing a market making strategy
Negotiated transactions	means the transactions negotiated privately between intermediaries, placed on the market according to the rules specified in Articles 2050
Mifid2 Market Maker	means the intermediary that has underwritten a market making agreement with Borsa Italiana, in accordance with Regulation 2017/578/EU
Market making strategy	means the trading that is carried out on own account by an algorithmic trader on one or more financial instruments and that involves the entering of firm and simultaneous purchase and sale quotes, for comparable size and at competitive prices and is carried out for at least 50% of the duration of the continuous trading session, for at least half of the days in a month, as indicated in Regulation 2016/578/EU
Quote	Quote the type of order that must be used by specialists on the Euronext Growth Milan to perform the obligations established in the Rules. This type of order allows such specialists to update their bid and offer quotations with a single operation.
Specialist	Any member firm that undertakes to support the liquidity of the financial instruments , and performs the functions referred to in Article 4000, and also undertakes to produce or commission the production of research as indicated in the Rules for Companies;
Trading Manual	means the "Guide to the new Trading System" made available on the website of Borsa Italiana
High-frequency trader	means the intermediary using a high-frequency algorithmic trading technique , as specified in Article 4(1)(40), of Directive 2014/65/EU and in Article 19, of Regulation 2017/565/EU
High-frequency algorithmic trading or HFT	means the trading technique specified in Article 4(1)(40), of Directive 2014/65/EU and Article 19, of Regulation 2017/565/EU
Tick	the minimum difference between the prices of orders, established in the Guidance, for each financial instrument traded.

CORE RULES

Member firm

1000	The member firm is an entity that has been admitted to trading by Borsa Italiana in the Euronext Growth Milan as described above.
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Intermediaries admitted to trading and procedure for admission to trading

G	1010	The following may participate in trading in the Euronext Growth Milan: intermediaries authorised under the law or regulations to provide the services and engage in the activity of dealing for own account and/or executing orders on behalf of clients and those that fulfil specific membership requirements established by Borsa Italiana in the guidance.
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Sec. *Guidance to Rule*

100 **Intermediaries admitted to trading**

100.1

The following may participate in trading in the **Euronext Growth Milan**:

- a) persons authorised to provide the services and engage in the activity of dealing for own account and/or executing orders on behalf of clients under the Consolidated Law on Finance, the Consolidated Law on Banking or other special provisions of Italian law;
- b) banks and investment firms authorised to provide the services and engage in the activity of dealing for own account and/or executing orders on behalf of clients under laws of other EU countries;
- c) the firms of non-EU countries entered in the register of third country firms kept by ESMA pursuant to Article 48 of Regulation (EU) No. 2014/600 and the firms authorized to provide investments service, and, where applicable, insurance companies, entities authorized to provide collective asset management services and pension funds in non-EU countries in which Borsa Italiana can operate in compliance with the provisions of article 70 of the Consolidated Law on Finance;
- d) the entities authorised by the competent Authority of an EU country to provide one or more investment services and activities; insurance companies, the entities authorised to provide collective asset management services, and pension funds. These entities must satisfy the requirement indicated at letter e), point 2.
- e) firms set up in the legal form of a società per azioni or a società a responsabilità limitata or equivalent which trade on their own account within the limits imposed in Article 4-terdecies, paragraph 1, letter d), of the Consolidated Law on Finance:
 1. the persons performing administrative, management and supervisory functions and those responsible for trading activity and the internal control function satisfy adequate integrity requirements;
 2. they have established an internal audit function that does not depend hierarchically on any person with operational responsibilities and that makes periodic checks on the activity of trading in **financial instruments**; **Borsa Italiana** may exempt intermediaries from this requirement after evaluating their size (proportionality principle);
 3. they have adequate financial resources to ensure the business continuity of the trading service and which are not

100.2

less than 50,000 euros.

The participation of companies according to Guidance line Sec. 100.1 letter e), established in a non-EU Country is subject to the conclusion of agreements between Consob and the corresponding supervisory authorities in the home country.

G	1011	For the purposes of admission to trading in the Euronext Growth Milan, intermediaries shall send Borsa Italiana a written request conforming with what is provided for in the guidance.
	1012	As of the date on which Borsa Italiana notifies intermediaries of receipt of the intermediary's request with an invitation to complete the participation documentation, intermediaries are required to comply with the General Conditions for the supply of services referred to in rule 1301 and these rules and the accompanying guidance insofar as they are applicable in the meantime.
	1013	Within one month of the day the participation documentation is completed Borsa Italiana shall decide on the intermediary's request. Borsa Italiana may extend the time limit not more than once and for up to a maximum of one month where it is necessary to obtain additional information and shall inform the applicant accordingly.

Guidance to Rule

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Procedure for admission to trading

110.1

*Requests referred to in rule 1011 must be made by signing and sending to **Borsa Italiana** the "Request for Services" available via **Borsa Italiana's** Member Portal, together with a copy of the authorisation issued by the competent Authority, if any.*

110.2

*Subsequent to the notification referred to in rule 1012, market **intermediaries** are required to complete the participation documentation, using the forms and functions available via **Borsa Italiana's** Member Portal with the following data:*

- a) information concerning the participation requirements;*
- b) information concerning the offer of the "**direct electronic access**" service specifying whether it takes place through the technical structure of the market intermediary through a DMA or directly through a sponsored access;*
- c) declaration showing that before use of each trading algorithm, and whenever a substantial update is made to each of them, the operator has run tests as appropriate to avoid creating abnormal trading conditions and indicates the environment in which the tests of these algorithms were run;*
- d) information about "**high frequency algorithmic trading**";*
- e) information concerning the systems for accessing the market, including the identification of any third parties and/or Service Providers including the order for technological infrastructure and the confirmation of the execution of technical-functional tests;*
- f) declaration showing that specific procedures for use of the order cancellation function have been implemented, and which also shows whether the technical procedures for cancelling orders are available on the intermediary's systems or in the market functions (kill functionality);*
- g) in the case of indirect participation in the settlement service, a declaration referred to in rule 1100 communicated by the market **intermediary** and the **intermediary** participating in the settlement service;*
- h) in the case referred to in guidance Sec. 100.1 (e) a declaration of the legal representative of the company that confirms the compliance with the requirements for the good reputation of the parties indicated therein;*
- i) in the case referred to in guidance Sec. 100.1 (e), a declaration of the*

legal representative of the company that confirms that the internal audit function has been assigned to conduct periodic audits on the trading of financial instruments;

- j) in the case referred to in guidance Sec 100.1(c), for recently established companies for which audited annual accounts have not yet been prepared, a declaration of the legal representative of the company containing a statement of the adequacy of the existing shareholders' equity and an undertaking to confirm the satisfaction of the capital requirement and the audit of the annual accounts as soon as they are available.
- k) for the **market intermediaries** that offer the "direct electronic access" service to sponsored customers:
1. request for a specific access code for each sponsored customer;
 2. the declaration by the **intermediary** confirming that it has verified the suitability of the sponsored customers in accordance with Regulation EU 589/2017 and certifying that the sponsored customer complies with the participation requirements for market intermediaries;
 3. the request of activation of appropriate features necessary to suspend the sponsored customer's access, to proceed with the massive cancellation of unexecuted orders entered by the sponsored customer, and to monitor in real time the operation in the sponsored customer's market.
 4. for each access code given to the sponsored customer, a specific list of the trading staff authorised to request the deletion of the orders entered, referring to the access code given to the sponsored customer. This list must comply with the requirements of Guidance 160.3.
 5. the indication of the name of the contact person for the information technology function for the operations of the sponsored customer, available during market hours, if different from the contact person for the information technology function of the market intermediary.

110.3 **Intermediaries** already admitted to trading on a regulated market or a Multilateral Trading Facilities managed by **Borsa Italiana** that intend to request to participate in the **Euronext Growth Milan** shall send **Borsa Italiana** the simplified version of the "Request for Services". Without prejudice to guidance Sec. 100, **Borsa Italiana** reserves the right to consider fulfilled membership requirements referred to in guidance Sec. 120 and not to require the documentation already provided by the **intermediary** in connection with its participation in other regulated markets or Multilateral Trading Facilities that it manages. The procedure referred to in rules 1011, 1012 and 1013 shall apply insofar as it is compatible.

110.4 If **Borsa Italiana's** Member Portal is unavailable, **intermediaries** may transmit the participation documentation to **Borsa Italiana** using one of the other means of communication specified in the **General Conditions for the supply of services**.

1015	Market intermediaries shall ensure continued satisfaction of the authorisation and other requirements referred to in rule 1010 and of the conditions referred to in rule 1020.
1016	Revocation or expiry of the authorisation to trade or cessation of fulfilment of the requirements for unauthorised persons shall result in suspension or exclusion from trading, without prejudice to any measures adopted by the supervisory authorities to ensure the closure of any positions still open and the carrying out of any related transactions required to protect customers' interests. In the event of: <ol style="list-style-type: none"> a) suspension or cancellation of a stockbroker under Article 201 of the Consolidated Law on Finance; b) extraordinary administration; c) compulsory administrative liquidation;

- d) another bankruptcy procedure;
 e) other measures taken by Competent Authority that result in it being impossible, even if only temporarily, for **intermediaries** to enter into undertakings or perform undertakings they have entered into,

Borsa Italiana may suspend or exclude the **intermediary** from trading.

1017 The cessation of direct or indirect participation in the settlement system of transaction in financial instruments must be immediately notified in writing to **Borsa Italiana** by market **intermediaries** and shall result in their being promptly suspended from trading in the market until they are again able to settle trades, directly or indirectly.

1018 After six months have passed without the cessation of the condition that gave rise to the suspension from trading, **Borsa Italiana** may exclude the intermediary.

Condition for admission and continued eligibility

G	1020	The admission of intermediaries to trading shall be subject to verification by Borsa Italiana , in accordance with objective non-discriminatory criteria, of fulfilment of the following conditions on a continuing basis:
	1020.1	adequacy of the technological systems used for trading and associated activities carried on and the number and types of interconnections with the market, and their compatibility with the electronic data processing and telecommunication support systems adopted by Borsa Italiana for the operation of the market;
	1020.2	sufficient staff with adequate professional qualifications in relation to the types of activity carried on and the types of interconnection with the market;
	1020.3	adequate internal procedures and controls for trading activity;
	1020.4	adequate settlement procedures.
	1020.5	Intermediaries may entrust the management of technological systems to third parties, subject to the conditions laid down in the guidance Sec. 130.
	1020.6	The admission of intermediaries shall also be subject to verification of direct or indirect participation in the settlement system through which contracts are settled and participation in their accessory systems (trade-checking systems).
	1020.7	In order to comply with the conditions of this paragraph, intermediaries must satisfy the minimum requirements laid down in the Guidance to Rules.

Sec. *Guidance to Rule*
 120 *Requirements for participation*

- 120.1 *For the purpose of complying with the conditions referred to in rule 1020, market **intermediaries** must attest that:*
- a. *their trading staff know the rules and operating procedures of the market and the technical instruments for trading and have adequate professional qualifications;*
 - b. *persons acting as **specialists** for **Euronext Growth Milan securities**, in addition to satisfy the requirements specified above for traders, must know the rules governing and the manner of performing the activity of **specialists** and the related technical instruments;*
 - c. *the obligations set out in paragraph (a) and (b) apply to the market intermediaries providing trading services in financial instruments,*

including through the use of systems that do not involve human intervention. These systems shall be programmed in accordance with the rules, the operating procedures of the market and the technical instruments used for the activity concerned. The operators assigned to the programming of these systems shall have appropriate professional qualifications;

- d. they have ensured the presence of a compliance officer who must have a good knowledge of the of these **Rules**. The compliance officer shall also be entrusted with relations with **Borsa Italiana's** trading supervision office.

Intermediaries shall send **Borsa Italiana** the name of a compliance officer, who must be on call during trading hours. To ensure the continuity of the function in the absence of the compliance officer, **intermediaries** shall send, in advance or on a case-by-case basis, the name of a deputy using the forms and functionalities available on **Borsa Italiana's** Member Portal;

- e. they have systems, procedures and controls for trading activity including specific procedures for use of the order cancellation function and adequate settlement procedures;

- f. they have an internal IT unit that is adequate in terms of number, experience and specialisation of the staff to guarantee the continuous and prompt functioning of the trading and settlement systems used, taking into account the degree of automation of their internal procedures and any recourse made to outsourcing, and shall send **Borsa Italiana** the name of an IT contact person, who must be on call during trading hours. To ensure the continuity of the function in the absence of the IT contact person, **intermediaries** shall send, in advance or on a case-by-case basis, the name of a deputy using the forms and functionalities available on **Borsa Italiana's** Member Portal.

120.2

Market **intermediaries**, for the purpose of complying with the conditions referred to in Article 1020.6, shall attest that:

i) in case of direct participation in the settlement system, the participation to the X-TRM system service;

ii) in case of indirect participation in the settlement system, the participation to the X-TRM system service on his behalf of the **intermediary** participating in the settlement service.

120.3

When carrying on the trading activity and associated activities, the market **intermediary** shall avail itself of technological systems which are adequate for the interaction with the electronic data processing and telecommunication support systems of the market, for which **Borsa Italiana** has issued the conformance certification (so called conformance test). The conformance certification must be completed before the market access systems are used and before any substantial updating of such access systems or of the market trading system in accordance with the manner indicated in the Trading Service Manual. The conformance certification must also be completed for each direct connection of sponsored costumers (the so-called sponsored access). For the execution of the conformance test the subscription of specific general conditions for the supply of services is requested.

120.4

Traders, market makers and **specialists** may perform their activities for more than one market **intermediary** only when the market intermediaries they are acting for belong to the same group.

120.5

Market **intermediaries** may use a third party and/or a group company to perform the activities referred to in the guidance 120.3 and those of the compliance officer provided they remain fully responsible for compliance with all the obligations of the Rules and control and coordinate the activities

performed by the persons referred to in the preceding guidance. Market **intermediaries** must inform **Borsa Italiana** accordingly. The agreement between the **intermediary** and the third party/group company must provide for the possibility of **Borsa Italiana**, or its appointees, verifying compliance with the requirements laid down in the Rules directly on the premises of the third party and/or the group company the market **intermediary** uses.

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Conditions for outsourcing technological systems

- 130.1 Pursuant to Rule 1020.6, **intermediaries** may use **Borsa Italiana** or third parties:
- a) for connection to the market;
 - b) for the other functions related to the management of technological systems other than connection to the market (e.g. housing and facility management).
- 130.2 The company offering the connection to the market may provide that the single connection is shared among many **intermediaries**, in the respect of specific segregation criteria. In such case, the company offering the connection to the market is known as a Service Provider and shall be specifically accredited. To this purpose the company shall have a contract for the purpose with **Borsa Italiana**, which shall, among other things:
- a) provide for **Borsa Italiana** or its appointees to be able to check the adequacy of the technological systems with respect to the services provided and their compatibility with **Borsa Italiana**'s ICT structures;
 - b) provide for **Borsa Italiana** to be able to limit the number of **intermediaries** that a Service Provider may connect to the market;
 - c) require the Service Provider to have back-up and disaster recovery procedures in place.
 - d) the possibility for the Service Provider to offer also the services referred to in the preceding guidance 130.1 letter b).
- 130.3 **Borsa Italiana** may refrain from requiring the Service Provider contract referred to in Sec. 130.2 to be signed by **intermediaries** that provide the connection to the market to other **intermediaries** belonging to its group.
- 130.4 Market **intermediaries** must inform **Borsa Italiana** of the execution with third parties, including Service Providers. Such contracts must contain a clause permitting **Borsa Italiana** or its appointees to verify compliance with the technological requirements established in these rules, *inter alia* on the premises of the third party used by the market **intermediary**.
- 130.5 Market **intermediaries** must also keep adequate documentation on their premises regarding the architecture, functionalities, operating procedures, service levels, controls and contractual guarantees for the activities entrusted to third parties, including Service Providers.
- 130.6 The contracts between the third parties and market intermediaries must indicate whether in turn the third party subcontracts some of the services outsourced by the market intermediary. If the third party uses in turn subcontractors, provision must be made for **Borsa Italiana** to verify the adequacy of the technological infrastructure on the latter's premises.
- 130.7 The supervision and control of orders sent to the market may not be delegated to third parties.

1021

If in the performance of its surveillance activity **Borsa Italiana** finds situations or conduct likely to entail risks for the integrity of the market, it

		may apply one or more of the following measures against the market intermediaries in question, until the reasons for their application cease to exist:
1021.1		suspension from trading;
1021.2		imposition of specific requirements relating to: the number and professional qualifications of trading staff; trading system procedures and controls; and any other matters relevant to ensuring the continued satisfaction of market intermediaries' admission requirements;
1021.3		restrict access to the market, including access via interconnections , including termination of access for customers of the market intermediary directly connected to the market through sponsored or segregation of specific trading activities;
1021.4		imposition of limits on operations or interconnections ;
1021.5		Where a measure of suspension from trading is adopted, from the time such measure takes effect the market intermediary to which it is applied shall only be permitted, under the surveillance of Borsa Italiana , to close out any positions still open and carry out any related transactions that are necessary to protect customers' interests.
1021.6		Borsa Italiana may modify or revoke the measures referred to in this rule at any time.
1021.7		Borsa Italiana shall promptly inform the market intermediary concerned of the adoption of the measures.

G	1022	Market intermediaries shall notify, in the manner and within the time limits specified in the guidance Sec. 140, every variation with respect to the operating conditions referred to in the information provided at the time of submission of the application for admission, according to rules 1020 and 1050.
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Guidance to Rule:

Sec. 140 *Notification of changes in admission conditions as well as changes resulting from corporate actions*

140.1 **Intermediaries** admitted to trading shall notify **Borsa Italiana**, using the form and functions available via **Borsa Italiana's** Member Portal or in the other manner specified in the **General Conditions for the supply of services**, of any change in the conditions referred to in rules 1010 and 1020, as well as any change resulting from corporate actions, including changes to the company's name.

140.2 **Intermediaries** must notify changes referred to in the previous guidance to **Borsa Italiana** promptly or, in the case of changes in the technological framework or of corporate actions, with due notice with respect to the date on which the changes will become effective, so that **Borsa Italiana** may make the necessary verifications, carry out any technical measures required and inform the market.

140.3 **Borsa Italiana** may request **intermediaries**, with a specific communication, to submit an update of the conditions referred to in rules 1010 and 1020.

	1023	Market intermediaries shall observe these rules, the accompanying guidance, the applicable dealing notices and any other technical and operational documents accompanying these rules and the guidance,
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including Service Manuals. Market intermediaries shall maintain conduct based on principles of correctness, diligence and professionalism in their relations with market counterparties, obligations towards **Borsa Italiana** and use of the trading systems.

Exclusion from trading upon request

1030 **Intermediaries** admitted to trading on the market may request to be excluded from trading in the manner specified in the **General Conditions for the supply of services** referred to in rule 1301.

Appeals and complaints

C 1040 Appeals and complaints shall be conducted in accordance with the procedures set out in in the Compliance Procedures.

Notifications

1050 Market **intermediaries** shall promptly notify **Borsa Italiana** of any circumstances of which they are aware, including technical problems with their systems, that prejudice or might prejudice their compliance with these rules.

Indirect participation in settlement system

1100 In the case of indirect participation in the settlement system, i.e. where a market **intermediary** uses another **intermediary** to settle its contracts, the market **intermediary** and the other **intermediary** must send **Borsa Italiana** a declaration containing:

1100.1 an undertaking by the **intermediary** participating in the settlement system to settle contracts concluded in the market by the market **intermediary** up to the time of withdrawal from the agreement, together with the attestation referred to in guidance 120.2;

1100.2 an authorisation for the market **intermediary** to be suspended by **Borsa Italiana**, at the request and on the responsibility of the **intermediary** participating in the settlement system, without **Borsa Italiana** being required or entitled to verify the appropriateness of such suspension or its conformity with any understandings between the market **intermediary** and the participating **intermediary**.

Compliance and enforcement

Verification activity and co-operation

1210 For the purpose of verifying compliance with these rules, the **Rules for Companies**, and the accompanying guidance, more generally, in order to ensure the performance of its functions of organising and managing the market, **Borsa Italiana** may:

1210.1 request market **intermediaries** and the appointed specialist to provide all the necessary information and documents;

1210.2 convoke the representatives of market **intermediaries** and of the appointed specialist to clarify specific conduct or situations;

1210.3 exclusively for the purpose of verifying compliance with the requirements of rule 1020, carry out examinations on the premises of market **intermediaries**.

1210.4 Market **intermediaries** must guarantee that **Borsa Italiana** can carry out examinations on the premises of third parties entrusted with the management of technological systems under rule 1020.6.

1210.5 Where evidence is found of presumed violations of these Rules, the **Rules for Companies**, or the accompanying guidance, **Borsa Italiana**, after acquiring appropriate substantiating elements, decides whether, in its opinion, a violation has been or has not been objectively completed and, if so, it adopts any of the measures referred to in Article C010, after it started the procedure referred to in Article C020, when applicable.

1212 Market **intermediaries** shall be liable vis-à-vis **Borsa Italiana** for the conduct of their employees and collaborators. Conduct by traders that violates these rules shall be considered as the conduct of the **intermediary**. Market **intermediaries** are also responsible to **Borsa Italiana** for compliance by their customers connected directly to the market through sponsored access with the Directive 2014/65/EU and the Regulations 600/2014/EU and 596/2014, as well as the **Borsa Italiana** Rules.

1213 **Borsa Italiana** may co-operate, also by the sharing of information, with other markets and Multilateral Trading Facilities.

C 1214 Where in the course of market surveillance **Borsa Italiana** acquires evidence suggesting that acts of insider trading or market manipulation may have been committed, it shall immediately inform **Consob**.

Imposition of sanctions

C 1215 Imposition of sanctions shall be conducted in accordance with the procedures set out in the Compliance Procedures.

Charges and fees

General Conditions for the supply of services and fees

1300 Market **intermediaries** are required to pay fees for the services provided in accordance with the amounts, intervals and time limits established by **Borsa Italiana** on the basis of transparent and non-discriminatory criteria and indicated in the Price List attached to the **General Conditions for the supply of services**.

1301 The relationship between **Borsa Italiana** and market **intermediaries** concerning participation in trading on the market are governed by the **General Conditions for the supply of services**, available on **Borsa Italiana**'s Internet site.

1302 **Borsa Italiana** shall announce changes to the **General Conditions for the supply of services** by posting the revised text on its Internet site and in the manner specified in the **General Conditions** themselves.

Rules of conduct

Rules of conduct

G 1400 Market **intermediaries** shall refrain from acts that may prejudice the integrity of the market. *Inter alia* they may not:

1400.1 commit acts that are likely to give a false or misleading impression to other market participants;

- 1400.2 carry out sham transactions, whose objective is not to transfer ownership of the **Euronext Growth Milan securities** traded or to modify their exposure to the market;
- 1400.3 commit acts that may impede **specialists** in fulfilling their commitments;
- 1400.4 carry out, directly or through a nominee, transactions under a prior agreement for the execution and offsetting thereof;
- 1400.5 trade **Euronext Growth Milan securities** that **Borsa Italiana** has suspended from trading with an order specifying that the suspension is for a fixed period, or have such instruments traded. In such cases **Borsa Italiana** may authorise the trading of the suspended **Euronext Growth Milan securities** on the basis of the objective criteria established in the guidance Sec. 150. Authorisation shall be granted for each individual transaction.
- 1400.6 Intermediaries applying market making strategies through **algorithmic trading techniques** on one or more financial instruments, at the occurrence of the conditions indicated in Regulation 2017/578/EU, must inform Borsa Italiana, in accordance to such Regulation, and conclude a **market making agreement**, in the terms indicated in the present Rules from articles 4020 to 4023 and related guidelines. This obligation does not apply to specialists.

1401 Market **intermediaries** must put effective forms of control in place to monitor their contractual positions and avoid situations likely to hinder orderly trading and the regular settlement of contracts in the settlement service. **Intermediaries** must implement strategies to ensure the settlement of contracts within the set deadlines.
To avoid situations likely to hinder the orderly settlement of contracts the intermediaries shall adhere to the provisions of the guidance notes.

Sec. *Guidance to Rule*

145 *The intermediaries must adopt internal procedures that enable:*

- a) *the reconciliation of contracts concluded on the market with the bilateral balances forwarded to the settlement system;*
- b) *identification of unsettled contracts.*

1402 The operators cannot accept any orders, related to instruments issued by reserved AIF, which are not placed by Professional Investors, unless the AIF's regulations or bylaws also allow the categories of investors identified in the rules in Article 39 of the Consolidated Law on Finance to participate in the reserved AIF. The operators undertake to have the same conduct rules observed also by the authorized parties that place the orders.

Without prejudice to the provisions of section 1210 of the Rules, Borsa Italiana does not verify the investors' entitlements to trade the instruments issued by reserved AIF.

1403 Operators cannot accept orders for instruments traded on the **Professional Segment** of the **Euronext Growth Milan market** that do not originate from Professional Investors. Borsa Italiana will not conduct checks on the status of the investors that operate in the Professional Segment of the **Euronext Growth Milan Market**. Operators undertake to also enforce similar rules of conduct on authorised persons from whom orders are received. Exception is made for sell orders originating from shareholders present at the date of admission to the **Professional Segment** of the **Euronext Growth Milan Market**.

1404	Intermediaries cannot accept orders that do not come from professional investors for which Borsa Italiana has established that trading is restricted to achieving the minimum levels of capitalisation set out in the guidelines 202.1. An exception is made for sell orders originating from shareholders at the date of Borsa Italiana's order. Subject to the provisions of Article 1210, Borsa Italiana does not verify the eligibility of investors to operate as professional investors. Intermediaries agree to ensure that a similar rule of conduct is also observed by the authorised persons that the orders originate from.
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Sec. *Guidance to Rule:*
150 Trading in suspended **Euronext Growth Milan securities**

150.1 *Where the suspension from trading lasts longer than one day, pursuant to rule 1400, **Borsa Italiana**, upon receiving a reasoned request from a **intermediary**, shall authorise every transaction aimed at guaranteeing the performance of an obligation to buy or sell **Euronext Growth Milan securities** that has become enforceable where such obligation derives from a contract concluded before the adoption of the suspension decision.*

Order Entry

Transmission of orders to the Euronext Growth Milan

G 1450	Market intermediaries shall be liable for all interactions with the electronic data processing and telecommunication support systems adopted by Borsa Italiana for the operation of the market, including trading orders sent to the market and those sent via Interconnections , and their effects. Market intermediaries must equip themselves on a continuous basis with systems, procedures and controls to prevent the entry of orders that are anomalous in terms of price, quantity, countervalue or number.
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1451	In order to ensure the smooth technical functioning and efficient use of the electronic trading support system, market intermediaries must observe the technical limits for order entry established on a general basis by Borsa Italiana in the Guide to the Parameters. Borsa Italiana may also establish further limits on the entry and modification of orders in terms of daily frequency, total daily number or ratio of orders to contract concluded. Borsa Italiana shall establish such limits and any fees payable by intermediaries where they are exceeded.
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1452	Market intermediaries can request to use more than one code to segregate specific trading activities or to segregate different participations in the settlement system ¹ . For this purpose market intermediaries must take previous contact with Borsa Italiana .
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1453	Intermediaries using trading algorithms must certify, before using them and any time these have undergone substantial changes, that the trading algorithms used were tested, to avoid contributing to or creating disorderly trading conditions, and must indicate the environments used for these tests. To this purpose, they issue to Borsa Italiana a special statement according to the guidelines Sec. 110.2.
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1454	Following the procedures indicated in the guidelines, intermediaries must: <ol style="list-style-type: none"> a. transmit the information needed to allow the association between the content of the orders and the information needed to guarantee to Borsa Italiana the completeness of records requested by Regulation 2017/580/EU;
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¹ The possibility to segregate different participation in the settlement system is temporarily suspended

- b. acquire the appropriate controls to ensure the correctness and completeness of the information entered in the orders and in the systems used to associate the information, according to letter a) above;
- c. make use of a specific access code to identify the activities to support of the liquidity carried out by specialists and **Mifid2 Market Makers**;
- d. provide Borsa Italiana with the information on executed contracts needed to comply with transaction reporting obligations, if such obligations pertain to the market;
- e. use a specific access code to segregate the activities carried out by customers directly connected to the market through sponsored access. This code is assigned by Borsa Italiana following the approval of the sponsored access application by the market intermediary for its customer.

Sec. *Guidance to Rule:*

145 *Transmission of orders to the market*

145.1 *Market **intermediaries** are required to fulfil the participation requirements and shall be liable for the orders sent to the market.*

145.2 *Market **intermediaries** must organise themselves in order to be able to control orders entered, including those entered via **Interconnections**. To this end, attention must be paid to:*

- *the professional qualifications of the persons assigned to trading;*
- *the controls on access to systems that permit the entry of orders via **interconnections**; such controls must make it possible to ensure the fitness and recognition of the persons who operate via **interconnections** and the access controls of the order enter via **interconnections**; In the case of "**direct electronic access**", which consists of a DMA or a sponsored access, the market **intermediary** has to implement procedures enabling it to ensure that the persons who may be guaranteed that access comply with the requirements of Article 22 of Regulation 2017/589/EU; If the market **intermediary** becomes aware that a customer connected to the market through "direct electronic access" does not longer meet the above requirements, it shall suspend the access and promptly notify Borsa Italiana;*
- *the controls on the maximum quantities, on the maximum countervalue and prices of orders entered; The sponsored customer is not allowed to set or modify the parameters that apply to the checks on orders entered through the sponsored access mode;*
- *the controls on the overall trading activity carried out by the different persons who operate via **Interconnections**;*
- *the frequency according to which persons who operate via **Interconnections** enter order which have overridden controls and systems alert in terms of price, size, countervalue or number.*

145.3 *In order to ensure the adequacy of the systems referred to in rule 1450, market **intermediaries** must equip themselves with controls and automatic alarm systems, taking into account the following elements:*

- *the price of the last contract;*
- *the spread present on the book²*
- *price, quantity and countervalue limits, possibly by instrument;*
- *possible price impact caused by the order entered;*
- *minimum order quantity, taking into account the economic significance of the order;*
- *controls on limit orders in the auction phase, so as to prevent the enter of limit orders at a price that differ substantially from the prevailing market conditions.*

² The entry into force will be announced with a subsequent Notice.

- 145.4 *In particular, market **intermediaries** must equip themselves with controls and automatic alarm systems that prevent the entry of anomalous orders, whose price, size, countervalue or number could affect the orderly functioning of the market. To this end market **intermediaries** shall take account of the nature of their activity. In addition the procedures and controls must be adequate to permit the correct entry of orders and the handling of any alarms.*
- 145.5 *As for **Interconnections**, in addition to providing the persons who send orders via **Interconnections** with appropriate professional support, market **intermediaries** shall equip themselves with controls and monitoring systems in order to:*
- *prevent the entry of orders that exceed the maximum variation thresholds;*
 - *instruct such persons regarding the manner of entering orders. With particular regard to the **Interconnections** providing a sponsored access, the market **intermediary** also provides specific training to the subjects included in the list of authorized subject to request the cancellation of the orders submitted, referable to the access code dedicated to the sponsored customer.*

*With regard to the **Interconnections** providing direct electronic access to the market, market intermediaries shall also assess whether additional checks are necessary for the appropriate management of the orders of the sponsored customers, taking into account the nature and complexity of the activity carried out by them.*

- 145.6 *Market **intermediaries** shall ensure that they can delete orders entered via **Interconnections** or, if necessary, restrict the possibility to enter orders via **Interconnections** with or without the prior consent of the subject who entered the order via **Interconnections**. Notwithstanding the provisions of the paragraphs above, with regard to the **Interconnections** that require a sponsored access, the market intermediary must be able, in any case, to manage the suspension of the access to the sponsored customer's market and the massive cancellation of orders entered by the sponsored customer, in the event of suspension or disconnection of the customer, loss of the monitoring of the sponsored customer's market operation or disconnection from the market of the intermediary.*
- 145.7 ***Intermediaries** have to report the following information via the Membership Portal of Borsa Italiana. This information is necessary to complete the content of orders which Borsa Italiana is required to file pursuant to Regulation No. 2017/580:*
- *client identification code*
 - *code used to identify the person or algorithm used internally by the intermediary responsible for the investment decision;*
 - *code used to identify the person or algorithm that is responsible for execution of the order.*
- The intermediaries shall ensure that each these codes (long-code) corresponds, in the trading orders, to a single code (short code), and vice versa, for all Borsa Italiana markets.*
- The communication of the information indicated at sub-indent b) and c) constitute confirmation that the indicated trading algorithms have been tested in advance.*
- 145.8 *The intermediaries that are not subject to Regulation (EU) 2014/600 must report all the additional information that has not already been reported pursuant to guidelines 145.7, so that Borsa Italiana may properly discharge its obligation pursuant to Article 26(5) of that Regulation, in accordance with the terms and conditions indicated in the Manual of transaction reporting of Borsa Italiana.*

Systems and trading

Technical breakdowns of market intermediaries' systems

G	1500	Market intermediaries shall promptly inform Borsa Italiana of any technical breakdowns of the systems they use for trading or of those for accessing the market referred to in rule 1020.1 and rule 1050, including the malfunctions of the technological systems used for trading and for the access to the market of its sponsored customers.
G	1501	In the cases referred to rule 1500 market intermediaries shall follow any instructions received from Borsa Italiana and may request, in the manner laid down in the guidance to this rule, the deletion of orders sent to the market.

Sec. Guidance to Rule

160 Technical breakdowns in market **intermediaries'** systems

- 160.1 For the purpose of rule 1500, market **intermediaries** shall promptly inform **Borsa Italiana** of technical breakdowns in the technological systems they use for trading and their systems for accessing market, in particular if they intend to request the deletion of orders entered or suspension or reduction of the obligations in these rules in case of **specialists**. Market **intermediaries** shall also notify **Borsa Italiana** of the subsequent reactivation of their systems.
- 160.2 Market **intermediaries** must be able to delete orders they enter. In the event that this is impossible, they may request **Borsa Italiana** to delete orders on their behalf, either all the orders entered, or the orders associated with specific **access code**.
- 160.3 Market **intermediaries** shall send **Borsa Italiana**, via the Member Portal of **Borsa Italiana**, the list of persons who may request the deletion of orders. The list may include traders, the compliance officer referred to in Rule 1020.4 and other persons deemed by the market **intermediary** to possess adequate professional qualifications and subject to Rule 1212.
- 160.4 **Borsa Italiana** may delete orders only at the request of persons assigned to trading and included on the list referred to in the previous guidance. **Borsa Italiana** shall notify the names of the persons on the list only to the persons indicated in the list or to the compliance officer of the **intermediary**. Requests for the deletion of orders made by persons not included in the list will not be carried out.
- 160.5 Market **intermediaries** must notify the list referred to in guidance Sec. 160.3 and every change to the list itself via the **Borsa Italiana** Member Portal. Changes to the list will be effective from the effective date indicated in the Membership Portal. Market **intermediaries** that configure their access to the market using more than one **access code** must send the list referred to in guidance Sec. 160.3 for each **access code**.
- 160.6 When requests are made for the deletion of orders, the following information must be given in addition to the market **intermediary's** name and identification code: the **access code** for which the cancellation request has been entered, the name and telephone number of the person requesting the deletion, and the reason for the request. For the deletion of individual orders, it is also necessary to specify the number of the order or the name of the instrument, the sign of the order, and its price, quantity and time of entry. When the request concerns individual orders, the maximum number of orders that **Borsa Italiana** will delete is five.

160.7 **Borsa Italiana** shall promptly carry out deletions of orders for which the request complies with what is set out above. If the orders in question have given rise to the conclusion of contracts, such contracts shall be binding on the market **intermediary**, without prejudice to the application of the procedures referred to in guidance Sec. 610 and 620.

Regulatory suspensions

1510

Borsa Italiana may impose a precautionary suspension as described in the **Rules for Companies**

Market situation suspension

1520

With the aim to ensuring orderly trading, **Borsa Italiana** shall establish specific automatic controls of the trading. Moreover, in particular market conditions, **Borsa Italiana** may, with reference to categories of financial instruments or individual instruments, suspend the trading. The specific provisions are set out in the guidance.

ORDER BOOK TRADING RULES

Trades

Trading methods and phases

G	2010	Trading may be carried on using the auction and continuous trading methods.						
	2011	<p>The trading phases shall be the following:</p> <p>a) opening auction, divided in turn into the phases of determining the theoretical opening-auction price ("pre-auction" phase) and concluding contracts ("opening" phase);</p> <p>b) continuous trading;</p> <p>c) closing auction, divided in turn into the phases of determining the theoretical closing-auction price ("pre-auction" phase) and concluding contracts ("closing" phase).</p>						
	2012	<p>Trading in the Euronext Growth Milan shall be carried on with the following trading hours:</p> <table> <tr> <td>08.00 – 09.00 (9.00.00 – 9.00.59)</td> <td>opening auction (pre-auction, validation and opening phase and conclusion of contracts)</td> </tr> <tr> <td>09.00 – 17.30</td> <td>continuous trading</td> </tr> <tr> <td>17.30 – 17.35 (17.35.00 – 17.35.59)</td> <td>closing auction (pre-auction, validation and closing phase and conclusion of contracts)</td> </tr> </table>	08.00 – 09.00 (9.00.00 – 9.00.59)	opening auction (pre-auction, validation and opening phase and conclusion of contracts)	09.00 – 17.30	continuous trading	17.30 – 17.35 (17.35.00 – 17.35.59)	closing auction (pre-auction, validation and closing phase and conclusion of contracts)
08.00 – 09.00 (9.00.00 – 9.00.59)	opening auction (pre-auction, validation and opening phase and conclusion of contracts)							
09.00 – 17.30	continuous trading							
17.30 – 17.35 (17.35.00 – 17.35.59)	closing auction (pre-auction, validation and closing phase and conclusion of contracts)							
	2013	<p>The pre-auction phases may end at a time within the last minute of such phases.</p> <p>The continuous trading phase shall start at the end of the opening auction phase</p>						
	2014	As an exception to Rules 2010, 2011, 2012 and 2013, trading in the professional segment of the Euronext Growth Milan market shall take place on the basis of a single daily price set during the auction phase from 8.00 to 17.35.						
	2015	<p>The Euronext Growth Milan financial instruments are traded in quantities equal to or multiples of the minimum trading lot specified in the Guidance to Rules Sec. 200. It is not allowed to negotiate for quantities less than the minimum lot (so-called odd lots).</p> <p>Borsa Italiana may specify a different minimum lot for each security where this is necessary for the market to operate effectively, for investors to have easy access to it and for the execution of orders to be cost efficient.</p>						
	2016	Borsa Italiana may divide securities traded in the Euronext Growth Milan into homogeneous segments on the basis of their capitalisation, the procedure for admission to trading, the settlement service utilised, the procedure and trading hours. At the request of the Euronext Growth Milan company, Borsa Italiana allocates the securities in the Professional Segment of the Euronext Growth Milan market.						

2017	In the Notice announcing the start of trading, Borsa Italiana shall identify the trading segment of securities on the basis of the criteria specified in the preceding paragraph.
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Sec. *Guidelines*
200 *Minimum trading lot*

200.1 *The minimum trading lot is the number of financial instruments corresponding to an value of EUR 1,500 (one thousand five hundred). Borsa Italiana may modify for each financial instrument the quantity corresponding to the minimum lot, notifying it by a Notice.*

For companies with a capitalisation of more than EUR 40 million (determined on the basis of the IPO price) and a free float of more than 20% at the time of admission to trading, the minimum lot is a unit amount. Borsa Italiana, at the request of the company, sets a minimum unit trading lot when the company has remained above the set thresholds for a reasonable period of time.

For companies set up for the purpose of acquiring a specific business, the minimum trading lot is the number of financial instruments corresponding to a value of EUR 1,000, until the time of acquisition;

*For companies admitted to the **Professional Segment** the minimum trading lot is € 5,000, calculated based on an initial reference price.*

Sec. *Guidelines*
201 *Trading methods based on minimum levels of capitalisation*

201.1 **Borsa Italiana** may restrict the trading of shares of issuers that reach an average level of capitalisation for a period of 30 consecutive trading days of less than 1 million euro solely to professional investors. If this threshold is reached as a result of an extraordinary capital transaction, the shares shall be restricted to professional investors starting from the effective date of that transaction.

201.2 *An exception is made for sell orders from the parties that are shareholders on the date of the **Borsa Italiana**'s decision ordering the restricted trading. The rules of conduct set out in Article 1403 shall apply.*

201.3 *Trading may be resumed with non-professional investors if the market capitalisation is significantly and stably above the minimum threshold referred to in the paragraph above.*

201.4 *The above provisions will be communicated by means of a Notice issued by **Borsa Italiana**.*

Orders

2020	Approved intermediaries shall express their willingness to trade through anonymous orders. Specialists shall express their willingness to trade through non anonymous orders. Orders shall contain at least the information relative to the securities to be traded, the quantity, the type of transaction, the type of account, the price and the method of execution and include a special indication when originated from an algorithm or entered by a direct electronic access . The orders may also specify different validity parameters based on time and execution of the order and contain the additional information necessary for Borsa Italiana to comply with the Regulation 2017/580/EU. The modalities of entering of such information and the parameters admitted for each order shall be established in the Guide to the Trading System.
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2021	In the pre-auction phases and in continuous trading phases the following types of orders may be entered:
2021.1	with limit price (or limit order), orders that can be executed at an equal or better price compared to their limit price; or
2021.2	without limit price (or market order), orders that can be executed at any price and always have a higher priority than limit orders; these types of orders are not permitted in the Professional Segment ;
2021.3	stop limit order, orders with a limit price that are activated in the continuous phase once they reach a certain level price of the last contract concluded (so called "stop price");
2021.4	stop order, orders without a limit price that are activated in the continuous phase once they reach a certain level price of the last contract concluded (so called "stop price").
2022	In the pre-auction phase, the market to limit orders type can also be entered, orders that participate in the auction phase as market orders and can be executed at the auction price; for the eventual remaining part they can be transferred to the continuous trading phase as limit orders. These types of orders are not permitted in the Professional Segment .
2023	In the continuous phase the following types of orders may also be entered: <ul style="list-style-type: none"> a) iceberg orders, orders entered with a limit price and with a partial quantity displayed. Borsa Italiana sets in the Guide to the Parameters the minimum value of proposals and the minimum value of partly displayed proposals (known as peak size). The execution of the entire peak size shall automatically generate a new order. The new order shall have a partial quantity equal to that of the order already executed, or a different quantity established within the range indicated in the Trading Manual. Such order shall be displayed on the book with the price of the original order and the time priority corresponding to the time the new order was generated. When the peak sizes of multiple iceberg orders displayed in the book all the quantities displayed of the iceberg orders with the same price are executed by the same order, with an opposite sign and quantity exceeding the sum of the peak sizes, the eventual remaining not displayed quantities are executed by the same order in proportion to the remaining not displayed quantity of each iceberg order. b) unpriced limit orders, orders which when entered take on a limit price of a better tick than the prices of the best order present in the corresponding side of the book. Unpriced limit orders shall only be entered in the presence of orders in the corresponding side of the book.
2024	Approved intermediaries may enter, modify and cancel orders both in the pre-auction phases and in continuous trading.
2025	The orders for each security shall be automatically ranked on the book according to price — in order of decreasing price if to buy and increasing price if to sell — and, where the price is the same, according to entry time. Modified orders shall lose their time priority if the modification implies an increase in the quantity or a change in the price.
2026	Stop orders and stop limit orders have temporal priority according to their time of activation. If several orders are activated upon the same stop price being reached, they are displayed on the market with time priority in accordance with the time of entry of the order.
2027	Orders shall be entered in quantity equal to or multiple of the minimum lot

		size. Whenever the minimum trading lot is modified all of the orders, previously entered, are automatically cancelled.
	2028	In order to ensure the regularity of trading in a financial instrument, Borsa Italiana may establish, on a general basis in the Guide to the Parameters communicated in a Notice , the maximum countervalue and quantity of financial instruments that may be the subject of an order, the maximum quantity and countervalue of financial instruments or, the maximum number and countervalue of lots that may be entered "at the opening-auction price" or "at the closing-auction price"
G	2029	Limit orders may not be entered with prices above or below the maximum percentage limits for price variations established by Borsa Italiana in the Guide to the Parameters communicated in a Notice.

Sec
202 *Guidance to Rules
Orders*

202.1 *The maximum duration that may be specified for "good till date" orders shall be 30 days. In the Professional Segment the maximum duration for the orders is 1 day.*

202.2 *The validity parameter "good till cancelled" cannot be used.*

Sec
203 *Prices of the orders*

203.1 *The prices of orders, for shares, warrants and options rights may be multiples of the ticks established for each security and trading session in relation to the prices of the orders entered, and considering the average number of daily trades according to the following table:*

a) shares, warrants and pre-emptive rights:

Price ranges	A	B	C	D	E	F
$0 \leq \text{price} < 0,1$	0,0005	0,0002	0,0001	0,0001	0,0001	0,0001
$0,1 \leq \text{price} < 0,2$	0,001	0,0005	0,0002	0,0001	0,0001	0,0001
$0,2 \leq \text{price} < 0,5$	0,002	0,001	0,0005	0,0002	0,0001	0,0001
$0,5 \leq \text{price} < 1$	0,005	0,002	0,001	0,0005	0,0002	0,0001
$1 \leq \text{price} < 2$	0,01	0,005	0,002	0,001	0,0005	0,0002
$2 \leq \text{price} < 5$	0,02	0,01	0,005	0,002	0,001	0,0005
$5 \leq \text{price} < 10$	0,05	0,02	0,01	0,005	0,002	0,001
$10 \leq \text{price} < 20$	0,1	0,05	0,02	0,01	0,005	0,002
$20 \leq \text{price} < 50$	0,2	0,1	0,05	0,02	0,01	0,005
$50 \leq \text{price} < 100$	0,5	0,2	0,1	0,05	0,02	0,01
$100 \leq \text{price} < 200$	1	0,5	0,2	0,1	0,05	0,02
$200 \leq \text{price} < 500$	2	1	0,5	0,2	0,1	0,05
$500 \leq \text{price} < 1000$	5	2	1	0,5	0,2	0,1
$1000 \leq \text{price} < 2000$	10	5	2	1	0,5	0,2
$2000 \leq \text{price} < 5000$	20	10	5	2	1	0,5
$5000 \leq \text{price} < 10000$	50	20	10	5	2	1
$10000 \leq \text{price} < 20000$	100	50	20	10	5	2
$20000 \leq \text{price} < 50000$	200	100	50	20	10	5
$50000 \leq \text{price}$	500	200	100	50	20	10

203.2 *b) Prices for convertible bonds may be multiple of the value of the tick equal to 0.01.*

With a Notice, Borsa Italiana publishes the list of financial instruments assigned to each of the groups from A to F included in the table shown in preceding point, reflecting the calculations made by the competent authority, pursuant to Regulation (EU) No. 2017/588. For newly issued instruments and for the instruments whose liquidity has changed due to corporate events, the pertinent group is notified by Borsa Italiana with a specific Notice.

Functioning of the auction and phase change rules

2030	In the pre-auction phases, the indicative uncrossing price shall be computed and updated in real time. It shall be determined as follows:
2030.1	the indicative uncrossing price shall be the price at which the largest quantity of securities can be traded;
2030.2	where the quantity referred to in article 2030.1 can be traded at more than one price, the indicative uncrossing price shall be equal to the one which produces the smallest quantity that cannot be traded with reference to the buy and sell orders having prices equal to or better than the price in question;
2030.3	where for more than one price the quantity of securities that cannot be traded referred to in article 2030.2 is also the same, the indicative uncrossing price shall be equal to the highest price if the greater pressure is on the buy side or with the lowest price if the greater pressure is on the sell side;
2030.4	where applying article 2030.3 the market pressure on the buy side is shall be equal to that on the sell side, the indicative uncrossing price shall be equal to the price closest to the static price, referred to in article 2080, where the static price is out of the range individuated by the two prices determined applying the previous article 2030.3 or is equal to the static price itself where it is included between the two prices determined applying the previous article
2030.5	2030.3; where no static price exists, the indicative uncrossing price shall be equal to the lowest price among those referred to in the previous subparagraphs;
2031	The indicative uncrossing price shall be equal to the dynamic price, referred to in article 2081 where only buy and sell orders without a limit price are present.
2032	The pre-auction phase shall end at a time within the last minute of such phase.
G 2033	The last indicative uncrossing price shall be considered valid and adopted as the auction price for the conclusion of contracts if it differs from the static price by less than the maximum percentage variation established by Borsa Italiana and provided the indicative auction price and corresponding volumes remained stable in a predefined period (final validation period). This check is repeated for a limited number of times within the time referred to in article 2032. The final validation period duration and the stability criteria of indicative auction prices and corresponding volumes are established in the Guide to the Parameters.
G 2034	If the difference between the indicative uncrossing price and the static price exceeds the maximum percentage variation referred to in article 2033, the volatility auction phase shall be started for a period established in the guidance Sec. 204.
2035	The conclusion of contracts referred to in article 2033 shall be the result of the automatic matching of buy orders with prices equal to or higher than the auction price with sell orders with prices equal to or lower than such price in

	accordance with the price and time priorities of the individual orders and until the quantities available are exhausted.
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2036	At the end of the opening auction or of the volatility auction, limit orders which are partly or wholly unfilled shall be automatically transferred to continuous trading as limit orders and with the price and time priority of the original order. Unfilled market orders shall be automatically cancelled at the end of the auction. The partially or wholly unfilled market to limit orders shall be transferred to the continuous trading phase as orders with limit price equal to the auction price or in the absence of the latter at the static price and with the time priority of the original order.
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2037	At the end of the closing auction, limit orders which are partly or wholly unfilled shall be automatically transferred to opening pre-auction phase of the following day with the price and time priority of the original order, if the validity parameters specified for the order allow it. Unfilled market orders shall be automatically cancelled at the end of the auction. Partially or wholly unfilled market to limit orders, where the validity parameters specified in the order allow it, are transferred to the opening pre-auction phase of the following day with a limit price equal to the auction price, or in the absence of the latter to the static price, and with the time priority of the original order.
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Continuous trading

2040	During continuous trading, contracts shall be concluded, up to the quantities available, through the automatic matching of orders of the opposite sign displayed on the book and ranked according to the criteria referred to in Article 2025, as follows:
2040.1	the entry of a buy limit order shall result in its being matched with one or more sell orders with a price lower than or equal to that of the order entered; conversely, the entry of a sell limit order shall result in its being matched with one or more buy orders with a price higher than or equal to that of the order entered;
2040.2	the entry of a buy market order shall result in its being matched with one or more sell orders with the most advantageous prices on the book at the moment the market order is entered until the quantities available are exhausted; conversely, the entry of a sell market order shall result in its being matched with one or more buy orders with the most advantageous prices on the book at the moment the market order is entered until the quantities available are exhausted. Market orders may be entered only where there is at least one limit order of the opposite sign on the book.

2041	For each contract concluded via automatic matching in accordance with article 2040, the price shall be equal to that of the order having higher time priority.
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2042	The partial execution of a limit order shall give rise to the creation of an order for the unfilled quantity that shall remain on the book with the price and time priority of the original order.
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2043	Orders that are wholly or partly unfilled at the end of continuous trading shall be automatically transferred to the closing pre-auction phase with the price and time priority in force at the end of continuous trading.
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G 2044	Where, during the continuous trading of a security, the price of a contract that is being concluded exceeds one of the price variation limits referred to in the guidance, the continuous trading of that security shall be automatically suspended and a volatility auction phase begun, which shall be carried out as provided in article 2030 and following.
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- Sec. *Guidance to Rules*
204 *Automatic controls on trading and volatility auction*
- 204.1 *For the purpose of the automatic control of trading, the following types of price variation limits have been established:*
a) the maximum price variation limit of orders with respect to the static price, referred to in Article 2029, activated both in auction phases and in the continuous trading phase;
b) the maximum price variation limit with respect to the static price, referred to in Article 2033 and 2044, activated both in auction phases and in the continuous trading phase;
c) the maximum price variation limit of contracts with respect to the dynamic price referred to in Article 2044, activated only in the continuous trading phase;
- 204.2 **Borsa Italiana** shall establish, on a general basis, in the Guide to the Parameters, the maximum percentage variations referred to above, by communication in a Notice.
- 204.3 The duration of the volatility auction phase, referred to in Articles 2034 and 2044, shall be equal to 5 minutes plus a variable interval of up to one minute, determined automatically on a random basis by the trading system. Such auction phases may be reiterated but nonetheless end at the start of the closing-auction phase.
- 204.4 The duration of the volatility auction phase, referred to in Article 2034 and exclusively for the closing-auction phase, shall be equal to 2 minutes plus a variable interval of up to one minute, determined automatically on a random basis by the trading system. Such auction phases may be activated only once.

Special procedures for the conclusion of contracts

- 2050 It is possible to enter **negotiated transactions** at the price conditions indicated below:
- a) the price must fall within the current volume-weighted spread, inclusive of its extreme values. For shares for which there is no **liquid market** if the current volume-weighted spread cannot be calculated, the price may fall within a percentage deviation with respect to the dynamic price. The maximum percentage deviation and the maximum seniority of the dynamic price are indicated in the **Guide to the Parameters**.
 - b) Without prejudice to the provision of letter a), for **large in scale transactions**, the price may also fall within the percentage deviation with reference to the best prices found on the trading book, indicated in the **Guide to the Parameters**; in absence of prices on the trading book transactions cannot be entered.
- Keeping into account market conditions and after informing Consob, Borsa Italiana may change, in general or with reference to specific categories of financial instruments or specific financial instruments, the percentage deviation referred to in letters a) and b) above, disclosing them to the public in a Notice.

- 2051 Intermediaries may enter **negotiated transactions** according to which they are acting in one of the following capacities:
- a. one acts on own account when the other is acting on behalf of a client;
 - b. both are dealing on own account;

- c. both are acting on behalf of a client;
or one intermediary is either of the following:
d. acting on behalf of both the buyer and the seller;
e. dealing on own account against a client order.

Sec. *Guidance to Rules*
205 *Special procedures for the conclusion of contracts*

- 205.1 *The transactions referred to in article 2050 shall not count toward the dynamic price, the reference price and the average price formation referred to in articles 2060, 2070 and 2081.*
- 205.2 *In consideration of the conditions of the market, Borsa Italiana may modify, on a general basis or taking into account specific categories of financial instruments or particular financial instruments, the order quantities and/or the differences indicated in the **Guide to the Parameters** and inform the public with Notice.*

2060	The reference price shall be
2060.1	the closing-auction price;
2060.2	where it is not possible to determine the closing-auction price, the reference price shall be the weighted average price of the contracts concluded in the last 10 minutes of the continuous trading phase;
2060.3	if it is not possible to determine the closing-auction price and no contracts were concluded during the interval of the continuous trading phase referred to in article 2060.2, the reference price shall be the price of the last contract concluded during the entire trading session;
2060.4	where no contracts have been concluded during the entire trading session, the reference price shall be that of the previous session.

2061	In order to guarantee the regularity of trading and the significance of prices, Borsa Italiana may establish, on a general basis and with reference to specific trading segments or a single security, that the reference price shall be determined in a manner having a different sequence to that laid down in article 2060 and announce the decision in a Notice.
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2062	Borsa Italiana may establish, on a general basis and with reference to specific trading segments or securities, a different interval with respect to that referred to in article 2060 and announce the decision in a Notice.
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2063	Contracts concluded with the methods under article 2050, do not count towards the formation of the reference price.
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Official price

2070	The daily official price of each security shall be the weighted average price of the total quantity of that instrument traded in the market during the session.
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2071	Contracts concluded with the methods under article 2050 do not count towards the formation of the official price.
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Static and dynamic price

2080	The static price shall be: a) the previous day's reference price in the opening auction;
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b) the price at which contracts are concluded in the auction phase, after each auction phase; if an auction price is not determined, the static price shall be the price of the first contract concluded in the continuous trading phase.

2081

The dynamic price shall be:

- a) the price of the last contract concluded in the current session;
- b) the previous day's reference price if no contracts have been concluded in the current session.

2082

Contracts concluded with the methods under article 2050 do not count towards the formation of the dynamic price.

Method of trading unexercised rights

2090

Intermediaries may offer unexercised rights on the market only on behalf of the issuer and may not resell on the market unexercised rights acquired during the offering period.

2091

Unexercised rights shall be offered using the auction method referred to in Article 2011 and in accordance with the operational methods indicated in article 2092. The duration of the auction for the offer of unexercised rights must be at least equal to that for the security deriving from the conversion.

2092

During the offering period, orders with or without a limit price may be entered, except for the last day of the offer in which the intermediaries engaged shall exclusively enter sell orders without a limit price.

2093

The intermediaries engaged must:

- a) enter sell orders at least 30 minutes before the end of the pre-auction phase; during these 30 minutes intermediaries may not reduce the quantity entered;
- b) carry over any quantity unsold at the end of the current market session to the following day.

TRANSPARENCY

Information provided to intermediaries – General Principles

3000	Approved intermediaries shall be provided with the information needed for the proper performance of the trading functions and the settlement of trades. Such information shall be made available via the electronic data processing and telecommunication systems put in place by Borsa Italiana as promptly as possible and with intermediaries on an equal footing insofar as this is compatible with the technological equipment in their possession.
3001	Borsa Italiana shall establish the conditions and procedures for the dissemination of the information referred to the preceding article to interconnected customers.

Information provided to intermediaries - Contents

3010	In the opening pre-auction phase intermediaries shall have access to information updated in real time relative to the theoretical opening prices that are determined and the total quantities tradable at such prices.
3011	Throughout the trading session approved intermediaries shall have access to at least the following information updated in real time:
3011.1	the trading book with all the individual buy and sell orders, the quantities and the prices;
3011.2	a summary of the trading conditions for each security, containing the trading parameters, the market phase, the opening price, the last price, the best buy price, the best sell price and the cumulative volume of trades;
3011.3	the situation regarding the approved intermediary's own orders on the book and trades;
3011.4	a list of the individual trades for each security, showing the time, quantity and execution price.
3012	In the closing pre-auction phase approved intermediaries shall have access to information updated in real time relative to theoretical closing prices that are determined and the total quantities tradable at such prices.

Information available to the public – General principles

3020	In order to facilitate investment and disinvestment decisions and the verification of the conditions at which transactions are executed in the markets, Borsa Italiana shall arrange for the prompt disclosure to the public including via third parties where appropriate, of information on market conditions and the contracts concluded for each financial instrument.
3021	Borsa Italiana shall not disclose information to the public on the identity of the parties to trades.
3022	Borsa Italiana publishes on its website data on the quality of the execution of the transactions, according to the provisions of the Regulation 2017/575/EU.

Information available to the public - Contents

3030	In the opening pre-auction phase the following information shall be available
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	to the public in real time for each security:
3030.1	the theoretical opening price and related tradable quantity;
3030.2	the prices and quantities of at least the five best buy and sell orders;
3030.3	the buy and sell quantities on the book for the five best prices.
3031	During continuous trading the following information shall be available to the public in real time for each security:
3031.1	the prices and quantities of at least the five best buy and sell orders;
3031.2	the buy and sell quantities and number of aggregate orders on the book for at least the five best prices;
3031.3	the price, day and the time of execution and quantity of the last contract concluded and the ID of the financial instrument, within the limits specified in Article 3033;
3031.4	the cumulative quantity and value traded within the limits specified in Article 3033.
3032	In the closing pre-auction phase the following information shall be available to the public in real time for each security:
3032.1	the theoretical closing price and related tradable quantity;
3032.2	the prices and quantities of at least the five best buy and sell orders;
3032.3	the buy and sell quantities on the book for the five best prices
3033	The publication of the information on the contracts concluded with the procedures referred to in Article 2050 takes place at the latest on the second business day after the day of conclusion, in compliance with the conditions referred to in Article 15 of the Regulation 2017/587/EU. ³

³ The entry into force of the amendment shall be communicated with a subsequent Notice

SPECIALIST RULES AND **MIFID2 MARKET MAKERS**

Specialists

4000	Trading in the Euronext Growth Milan shall be carried on with the intervention of at least a specialist that undertakes to support liquidity, of the financial instruments traded therein. The intervention of the specialist is not required for the Professional Segment .
4001	For the financial instruments whose liquidity they undertake to support, specialists are required to deal for own account and to fulfil the quoting obligation established in the guidance. Specialists fulfil their quoting obligations solely through the quote type of orders.
4002	The intention to cease the specialist activity must be promptly notified in writing to Borsa Italiana , which, within 30 days, shall notify the intermediary of the date from which its obligations will terminate and inform the public of this.
4003	The termination of the relationship between the specialist and the Euronext Growth Milan company must be notified to Borsa Italiana in writing.

Mifid2 Market Makers

4020	Mifid2 Market Makers are intermediaries admitted to trading that, pursuant to Article 1400.6, sign with Borsa Italiana a market making agreement .
4021	Mifid2 Market Makers are required to display continuously bids and offers for financial instruments for which they signs an agreement with Borsa Italiana, in compliance with the obligations established by Borsa Italiana in the guidelines.
4022	Borsa Italiana shall publish on its website the list of Mifid2 Market Makers .
4023	The intermediary that intends to cease its market making strategy must promptly notify Borsa Italiana , that communicates to the intermediary , within 30 days, the date from which the obligations terminate.

Sec Guidelines
402 Quotation obligations for specialists and Mifid2 market makers

402.1 **Specialists and Mifid2 market makers** fulfil their quoting obligations by submitting simultaneous bids and offers of comparable quantities. These orders must be made at competitive prices, i.e. the bid and offer prices may differ by the maximum spread indicated in the **Guide to the Parameters** and must comply with the minimum quantity indicated therein.

402.2 **Specialists and Mifid2 Market Makers** must comply with the quoting obligations referred to in guidance 403.1, for each trading day, in accordance with the conditions set out in the following table.

Intermediary	% of the trading day for which the minimum quoting obligations must be met
Specialists	60% (includes opening auction, closing auction and continuous trading) ***** Specialists are required to display bids and offers continuously on the trading book from 10 minutes before the end of the opening pre-auction phase
Mifid2 Market Makers	55% (includes opening auction, closing auction and continuous trading) ***** Mifid2 market makers are required to display bids and offers continuously on the trading book from 10 minutes before the end of the opening pre-auction phase

403.3 In stressed market conditions, which may occur in the cases indicated in Sec. 600:

- a. **Specialists** are required to quote with reduced obligations.
- b. **Mifid2 market makers** may quote with reduced obligations if they have specifically requested this when entering into the market making agreement.

403.4 The reduced obligations are indicated in the Guide to the Parameters.

403.5 **Specialists and Mifid2 market makers** are not required to comply with the quoting obligations upon occurrence of exceptional circumstances communicated by **Borsa Italiana**. In the cases envisaged by Article 3, letter d) of Regulation 2017/578/EU, the intermediaries shall give **Borsa Italiana** written notice of this circumstance, in order to be exempted from these obligations.

403.6 **Borsa Italiana** shall verify compliance with the obligations entered into by the **specialists and the Mifid2 market makers**.

*In evaluating possible violations of the obligations, **Borsa Italiana** shall also take account of compliance, on a monthly basis, with the quoting obligations.*

SETTLEMENT

Settlement

5000	Immediately after the conclusion on the market, the contracts are sent to the daily trade-checking service identified in the guidance notes for submission to the settlement systems identified in the guidance notes. For the submission to the settlement systems, contracts may be aggregated into bilateral balances calculated by the daily trade-checking services based on the criteria set out in the guidance notes.
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Sec
500

Guidance to Rule:

Trade-checking and settlement service

500.1 *X-TRM is the daily trade-checking service.*

*The contracts can be settled at the settlement system managed by Monte Titoli or other **CSDs** using the T2S platform allowing for cross-**CSD** settlement, as defined in the Monte Titoli Settlement Service Regulations⁴.*

500.2 *The contracts concluded on the same trading day are aggregated into bilateral balances for submission to the settlement system managed by Monte Titoli. The criteria for calculating the bilateral balances are set out in the rules of the X-TRM daily trade-checking service.*

Time of settlement

5010	Purchase and sale contracts concluded on the Euronext Growth Milan shall be settled: a) on the third trading day following their conclusion where they refer to securities; b) on the trading day following their conclusion where they refer to unexercised pre-emptive rights.
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5011	The settlement time limits shall be determined according to the calendar defined by Borsa Italiana .
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5012	Borsa Italiana may specify in the admission dealing notice a different settlement time limit, taking into account the features of the reference market settlement system of the issuer.
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Late settlement

5020	The rules concerning late settlement (buy-in and sell-out procedures) are set out in the following guidance.
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Sec.
502

Guidance to Rules

Start of the mandatory execution procedure

⁴ The entry into force will be announced with a subsequent Notice.

- 502.1 Pursuant to Article 5020, in the event that purchase and sale contracts or bilateral balances are not settled within three days of the prescribed settlement date for lack of the securities, the buyer may initiate the mandatory execution (buy-in) procedure referred to in guidance Sec. 503 against the seller who has failed to perform. The request of initiation of the mandatory execution (buy-in) procedure shall take account of the eventual buyer protection and of the features of the financial instrument. In the event that the buyer does not request the start of the buy-in procedure, guideline Sec. 504 applies.
- 502.2 Pursuant to Article 5020, in the event that purchase and sale contracts or bilateral balances are not settled at the prescribed settlement date for lack of cash, the seller may initiate the mandatory execution (sell-out) procedure referred to in guidance Sec. 508 against the buyer who has failed to perform.
- 502.3 The calculation of the days for the buy-in and sell-out procedures shall be based on the market calendar.
- 502.4 The notifications referred to in the following articles shall be made by e-mail to the address ms@borsaitaliana.it.
- 502.5 Pursuant to Article 5020, in the event that purchase and sale contracts on rights are not settled on the prescribed settlement date guideline 510.1 applies.

Sec.
503 Buy-in procedure

- 503.1 The buyer shall initiate the buy-in procedure by appointing an intermediary (the buy-in agent) to execute the buy-in and sending a buy-in notice to the seller. The buyer shall notify **Borsa Italiana** of the start of the procedure using the attached form A. Buy-in notices may be sent from the end of the settlement of the third day subsequent to the original settlement day (by 18.00; if the notice is sent after such time, it shall be deemed to have been sent on the following day).
- 503.2 In the buy-in notice the buyer shall give the name of the buy-in agent, who, except in the case referred to in guidance Sec. 506, shall execute the buy-in according to the time limits and in the manner established in the following guidance.
- 503.3 If the seller fails to deliver the securities by the fourth day subsequent to the day on which the buy-in notice was sent (the expiration day), on the following day (the buy-in execution day) the buy-in agent shall purchase the securities to be delivered to the buyer and notify the same of the details of the transaction concluded. If the buy-in agent is unable to purchase some or all of the securities on the buy-in execution day, they may be purchased on the following days.
- 503.4 The buy-in must be executed on the **Euronext Growth Milan** unless provided for otherwise by **Borsa Italiana**, which shall take account of the features of the security and the ways in which it is traded.
- 503.5 Upon receiving the notification referred to in guidance Sec. 503.3, the buyer shall notify the seller and **Borsa Italiana**, using the attached form B, of the details of the execution of the buy-in and indicate any price differential between the original contract and the buy-in contract or the amount of the bilateral balance, calculated with account taken of any corporate events or dividend distribution that occurred in the period between the original settlement day and the buy-in execution day.

503.6 *If the price of the buy-in is higher than the price of the original contract or the amount of the bilateral balance, the differential shall be payable by the seller.*

503.7 *At the buy-in execution date **Borsa Italiana** shall request Monte Titoli S.p.A. to delete the settlement instructions of the original contract or the bilateral balance from the settlement system. Upon execution of the buy-in the buyer shall send the settlement instructions in favour of the buy-in agent to the settlement system for the settlement with the same value date of the quantity and the value in euro of the buy-in transaction. The buyer shall notify **Borsa Italiana** of the sending of the settlement instructions. In the case referred to in guidance Sec 503.5, the seller shall send the settlement system instructions in favour of the buyer for payment of the differential with the same value date as the settlement of the buy-in transaction. The seller shall notify **Borsa Italiana** accordingly.*

Sec.

504 Cash settlement procedure

504.1 *Whenever within 30 days calculated starting from the settlement date, the original contract is not settled or whenever the buy-in agent is unable to purchase the securities by such time limits, the seller must pay the buyer an amount equal to the differential, if positive, between the valuation of the shares on the end-of-validity day and the original value of the contract (cash settlement) or the bilateral balance.*

Sec.

505 Buy-in agent

505.1 *Pursuant to guidance Sec. 503.1 the buyer shall appoint an intermediary to purchase the securities (the buy-in agent) from among the intermediaries admitted to trading on the markets managed by **Borsa Italiana**.*

505.2 *The buyer may revoke the appointment of a buy-in agent who fails to execute the buy-in and appoint another. The buyer shall give the seller and **Borsa Italiana**, at least one day's notice of the revocation and of the appointment of another buy-in agent.*

Sec.

506 Delivery of the securities during the buy-in procedure

The seller may deliver the securities due up to the fourth day subsequent to the day on which the buy-in notice was sent. The buyer shall inform the buy-in agent accordingly. In such case the buy-in procedure shall be immediately cancelled.

Sec.

507 Pass on

507.1 *Upon receiving a buy-in notice, a seller who has not settled a contract concluded for own account within the prescribed settlement time limits because another participant on the **Euronext Growth Milan** has failed to settle may transfer the effects of the buy-in procedure to such participant by notifying the latter and **Borsa Italiana**, using the attached form referred to in guidance Sec. 503.1, and filling in the pass-on section as well.*

507.2 *The seller shall notify the other participant and **Borsa Italiana** of the details of the execution of the buy-in, using the attached form referred to in guidance Sec. 503.5, and filling in the pass-on section as well. The seller shall also indicate any price differential between the original contract and the buy-in contract. If the differential is negative, it shall be payable by the other participant and in the cases in which the buy-in agent is unable to*

purchase the securities by the end-of-validity date of the original contract, the other participant is required to make the cash settlement referred to in guidance Sec. 503.

Sec. Sell-out procedure
508

- 508.1 *The seller shall initiate the sell-out procedure by appointing an intermediary (the sell-out agent) to execute the sell out and sending a sell-out notice to the buyer. The seller shall notify **Borsa Italiana** of the start of the procedure using the attached form A. Sell-out notices may be sent from the end of the original settlement day (by 18.00; if the notice is sent after such time, it shall be deemed to have been sent on the following day).*
- 508.2 *In the sell-out notice the seller shall give the name of the sell-out agent, who, except in the case referred to in Guidance 510 shall execute the sell out according to the time limits and in the manner established in the following guidance.*
- 508.3 *If the buyer fails to settle the original transaction or the bilateral balance by 10.00 o'clock on the day subsequent to the day on which the sell-out notice was sent (the sell-out execution day), the sell-out agent shall sell the securities in order to deliver the cash amount to the seller and notify the same of the details of the transaction concluded. If the sell-out agent is unable to sell some or all of the securities on the sell-out execution day, they may be sold on the following days.*
- 508.4 *The sell-out must be executed on the **Euronext Growth Milan**, unless provided for otherwise by **Borsa Italiana**, which shall take account of the features of the security and the ways in which it is traded.*
- 508.5 *Upon receiving the notification referred to in guidance 508.3, the seller, using the attached form B, shall notify the buyer and **Borsa Italiana** of the details of the execution of the sell-out and indicate any price differential between the original contract or the amount of the bilateral balance and the sell-out contract, calculated with account taken of any corporate events or dividend distribution that occurred in the period between the original settlement day and the sell-out execution day. If the price of the sell-out contract is lower than the price of the original contract or the amount of the bilateral balance, the differential shall be payable by the buyer.*
- 508.6 *At the sell-out execution date **Borsa Italiana** shall request Monte Titoli S.p.A. to delete the settlement instructions of the original contract or the bilateral balance from the settlement system. Upon execution of the sell out the seller shall send the settlement instructions in favour of the sell-out agent to the settlement system for the settlement with the same value date of the quantity and the value in euro of the sell-out transaction. The seller shall notify **Borsa Italiana** of the sending of the settlement instructions. In the case referred to in guidance 508.5, the buyer shall send the settlement system instructions in favour of the seller for payment of the differential with the same value date as the settlement of the sell-out transaction. The buyer shall notify **Borsa Italiana** accordingly.*

Sec. Sell-out agent
509

- 509.1 *Pursuant to guidance Sec. 508.1 the seller shall appoint an intermediary to sell the securities (the sell-out agent) from among the intermediaries admitted to trading on the markets managed by **Borsa Italiana**.*
- 509.2 *The seller may revoke the appointment of a sell-out agent who fails to execute the sell out and appoint another. The seller shall give the buyer and*

Borsa Italiana at least one day's notice of the revocation and of the appointment of another sell-out agent.

Delivery of cash during the sell-out procedure

Sec.
510

The buyer may settle the original contract or the bilateral balance by delivering the cash due up to 10.00 o'clock on the day subsequent to the date on which the sell-out notice was sent. The seller shall inform the sell-out agent accordingly. In such case the sell-out procedure shall be immediately cancelled.

Management procedure for failed transactions in case of corporate events

G	5100	In the event that purchase, and sale contracts are not settled within the prescribed time limits and a transaction that determines the detachment of a right occurs, Borsa Italiana indicates in the guidance the applicable discipline.
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Sec.
511

Guidance to Rules

Management procedure for failed transactions in case of corporate events

511.1

In cases of corporate events which provides for the in bonis buyer the possibility to notify an intention, such as:

- a) exercise of option rights deriving from a capital increase;*
- b) optional conversion of shares into another class;*
- c) distribution of so-called script dividends;*
- d) and for any other corporate action that determines the notification of an intention;*

the in bonis buyer may request the in malis seller the exercise of the option derived from the corporate action on the purchased instrument (so called buyer protection), notifying it to the market.

For the purpose of buyer protection request, the form available in the website of the settlement system shall be used. Also, the counterparties, directly or through the intermediaries that settle respectively on their behalf, shall insert in the settlement system the settlement instruction on the resulting and possibly cancel the original settlement instruction.

SURVEILLANCE

Controls and measures concerning trading

6000	Borsa Italiana shall control the regularity of trading, verify the compliance with these rules and the accompanying guidance and adopt all the measures necessary for the proper operation of the market. These functions shall be performed by the competent office, which shall be exclusively equipped with the means needed to carry out the related controls and interventions. These rules shall be conducted in accordance with the procedures set out in rule 1210, in Rule for Companies , in Rules for Euronext Growth Advisor ,
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6001	In carrying out its supervisory functions, with the aim of ensuring orderly trading, Borsa Italiana shall, <i>inter alia</i> :
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| 6001.1 | monitor the performance of the market and individual Euronext Growth Milan security , <i>inter alia</i> with reference to related instruments and the information available to the market; |
| 6001.2 | may intervene on the quoting obligations of the intermediaries where needed; |
| 6001.3 | monitor the behaviour of approved intermediaries in the market and compliance with the obligations of specialists and of Mifid2 Market Makers ; |
| 6001.4 | apply to Euronext Growth Milan Companies and approved intermediaries for information deemed necessary in relation to particular market conditions in accordance with rule 1210; |
| 6001.5 | verify the updating of records, including the content of the proposals and information required by Regulation (EU) No. 2017/580, procedures and any other matters necessary to ensure orderly trading; |
| 6001.6 | monitor the operation of the technical equipment and transmission networks of the electronic data processing and telecommunication systems; |
| 6001.7 | regulate trading conditions; |
| 6001.8 | promptly inform the market of the measures it adopts that affect trading in the market or the performance of Euronext Growth Milan securities ; |
| 6001.9 | promptly suspend the intermediary at the request of the intermediary participating in the settlement service referred to in rule 1100 and immediately inform Consob . |

Measures concerning trading parameters, hours and phases

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| 6010 | In particular market conditions, Borsa Italiana may, with reference to categories of Euronext Growth Milan securities or individual Euronext Growth Milan securities : |
| 6010.1 | prolong the duration or delay the start of one or more phases of trading; |
| 6010.2 | interrupt, where possible, continuous trading with the simultaneous reactivation of the auction; |
| 6010.3 | modify the maximum price variation limits, the static price, the dynamic price and the other trading conditions ("parameters"); |
| 6010.4 | suspend or reactivate trading. |

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| 6011 | Borsa Italiana may adopt the measures referred to in the rule 6010: |
| 6011.1 | where the price variation limits are exceeded; |
| 6011.2 | where anomalous trading conditions are observed for Euronext Growth Milan securities in terms of prices or volumes; |
| 6011.3 | where it is necessary to obtain information on particular market situations concerning Euronext Growth Milan securities ; |

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| 6011.4 | where there are technical reasons or other circumstances that do not guarantee the regular operation of the market; |
| 6011.5 | where detailed complaints are submitted by approved intermediaries that consider they have been damaged by irregular behaviour on the part of other approved intermediaries. |

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| 6012 | In adopting the measures referred to in rule 6010, Borsa Italiana shall take account: |
| 6012.1 | of the volumes of the Euronext Growth Milan securities traded and of the prices recorded in the last three months, as well as their variations; |
| 6012.2 | of the liquidity of the instrument and the significance of the trading; |
| 6012.3 | of the dissemination or lack of dissemination of information available to the market |
| 6012.4 | for pre-emptive rights and warrants and other derivatives financial instruments; of the theoretical values with respect to the underlying financial instruments and of the exercise period. |

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| 6013 | Borsa Italiana may cancel orders that hinder orderly trading where the intermediary that entered them, when requested by Borsa Italiana , is unable to confirm, modify or cancel them in a reasonably short time. |
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Sec Guidelines
600 Stressed market conditions

- 600.1 *Borsa Italiana declares in general, pursuant to the present guideline, that stressed market conditions exist on a financial instrument, in the time interval following the resumption of trading following its interruption for volatility, as indicated in the **Guide to the Parameters**.*
- 600.2 **Borsa Italiana** may declare, by means of a notice to intermediaries, that stressed market conditions occur where, changes in the price and volumes of individual financial instruments or groups of financial instruments over a certain period of time exceed specific thresholds as indicated in the **Guide to the Parameters**.
- 600.3 **Borsa Italiana** may also declare, with Notice to the intermediaries, that stressed market conditions occur if the situations related to the trading of the instruments involved required so.
- 600.4 *In the cases referred to in the guidelines 600.2 and 600.3 cases, intermediaries shall be informed when the stressed market condition ceases with reference to the current session, with a free text message.*

Handling of input errors

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| G | 6020 | Borsa Italiana may order or effect: |
| | 6020.1 | the cancellation of contracts concluded in the market upon receipt of a joint explained request from the approved intermediaries concerned; |
| | 6020.2 | the cancellation of transactions erroneously entered in the trade-checking service referred to in the Article 5000 up to the day following that of the conclusion of the contracts upon receipt of an explained request from approved intermediaries. |

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| G | 6021 | In order to reduce or eliminate the effects of entry errors, Borsa Italiana may provide for or take one of the following actions: |
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	6021.1	entry of a transaction of the opposite sign offsetting all or part of the original transaction;
	6021.2	transfer of positions in financial instruments between the approved intermediaries concerned;
	6021.3	transfer of liquidity (cash adjustment) between the approved intermediaries concerned;
	6021.4	correction of the prices of transactions concluded as a result of errors;
	6021.5	cancellation of contracts in the market or in the trade-checking service referred to in the article 5000.
	6022	In order to permit the handling, in the trade-checking service referred to in the article 5000, of contracts deriving from entry errors, Borsa Italiana may inform authorised intermediaries of the identities of counterparties, if they are not displayed.
	6023	The measures referred to in rule 6020 shall normally be adopted where:
	6023.1	the approved intermediary that made the entry error applies promptly;
	6023.2	the applicant made an obvious material error;
	6023.3	the applicant stands, in the event that the contracts concluded as a direct consequence of the error are settled, to lose an amount exceeding the limit established on a general basis by Borsa Italiana in the guidance Sec. 620.2.
G	6024	For the purpose of identifying transactions which may be the subject the measures referred to in rule 6021 and rule 6022, with special reference to those Borsa Italiana may adopt on its own authority, the latter shall establish the procedure for handling them in the guidance Sec. 600 and subsequent, determining on a general basis for each category of Euronext Growth Milan securities :
	6024.1	the theoretical market prices ("reference prices");
	6024.2	the differences between the prices of the contracts concluded and the reference prices.
G	6025	In determining the theoretical prices and the differences referred to in rule 6024 and specified in the guidance Sec. 630 and Sec. 640, Borsa Italiana shall take account of the nature, liquidity and volatility of Euronext Growth Milan securities .
	6026	The promptness of the application for the remedy of an error by its author referred to in rule 6023 shall be assessed inter alia in relation to the emergence of new information or changes in market conditions between the time of the error and the time the application was made.
	6027	Where approved intermediaries conclude contracts by mistake at anomalous prices and agree to annul them, they are required to inform Borsa Italiana , which shall cancel them.
	6028	Borsa Italiana shall give prompt notice to the intermediaries concerned of the operation of the procedure for handling errors and the measures adopted. Where these are affecting contracts that have been concluded, Borsa Italiana shall inform the market and provide the counterparties concerned, at their request, with the documentation relative to the corrections or cancellations effected.

G	6029	For carrying out the error handling procedure referred, Borsa Italiana shall charge the intermediary that made the mistake a fee proportional to the scale of its intervention, in accordance with the what is established in the guidance Sec. 650.
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Sec.
605 *Guidance to the Rule:*
General principles

- 605.1 *An approved intermediary that makes a mistake in entering orders in the market shall promptly inform **Borsa Italiana**, giving the details of any resulting transactions and specifying whether it intends to request activation of the error handling procedure.*
- 605.2 *Such reports, requests for the handling of mistakes by those that made them and the related counterparty authorisations, may be sent after contacting **Borsa Italiana**'s supervision office by telephone, by sending a written request to the following e-mail address: ms@borsaitaliana.it. Requests for the handling of errors must contain the details of the transactions.*
- 605.3 ***Borsa Italiana** shall promptly notify the details of the financial instruments for which the error handling procedure has been requested and activated to the counterparties involved or the entire market in the manner deemed most appropriate.*
- 605.4 *The cost of contacting the counterparties in connection with the adoption of corrective measures shall normally be borne by the approved intermediary that made the mistake. If the identities of the counterparties are not known to market participants, the intermediary that made the mistake shall contact **Borsa Italiana**.*
- 605.5 *The manner of determining the fees for the error handling procedure referred to in rule 6029 is specified in guidance Sec. 650.*

Sec.
610 Ordinary procedure

- 610.1 *The ordinary procedure may be activated where the following conditions are met:*
- a) *the error handling request is submitted to **Borsa Italiana** as promptly as possible;*
 - b) *the transactions to which the request refers derive from an evident mistake.*
- 610.2 ***Borsa Italiana** shall promptly inform the applicant where the request for activation of the ordinary procedure is refused, giving the reasons for the refusal.*
- 610.3 *One or more of the corrective measures referred to in rule 6021 may be adopted directly within the scope of their authority by the parties or by **Borsa Italiana** subject to the agreement of the parties.*

Sec.
620 Extraordinary procedure

- 620.1 ***Borsa Italiana** may arrange or implement one or more of the actions referred to in rule 6021 where, for the different types of errors, the conditions specified respectively in guidance Sec. 620.2, Sec. 620.3 and Sec. 620.4 are met.*
- 620.2 *In the case of mistakes involving the same instrument made as a result of*

the entry of a single order or quote that leads to the conclusion of one or more contracts, the conditions shall be the following:

- a) the error handling request must be submitted to **Borsa Italiana** as promptly as possible;
- b) the transactions to which the request refers must originate from an evident mistake;
- c) the transactions to which the request refers must have prices above or below the levels established on a case-by-case basis by **Borsa Italiana** by calculating the theoretical "reference" prices referred to in guidance Sec. 630 and by applying to those prices the maximum divergence thresholds beyond which prices are to be considered abnormal, referred to in guidance Sec. 640;
- d) the amount of the loss referred to in rule 6023.3 must exceed 12,500 euros in total.

620.3 In the event of errors resulting from the placement of multiple orders or quotes through which multiple contracts were concluded linked by a continuity constraint with the original error, the conditions referred to in guidance Sec. 620.1 — with reference to a single financial instrument — shall be the following:

- a) the error correction request must be submitted to Borsa Italiana as promptly as possible;
- b) the transactions to which the request refers must originate from an evident mistake;
- c) the interval between the conclusion of the first and last contracts to which the request refers must not exceed 60 seconds;
- d) the transactions to which the request refers must have prices above or below the levels established on a case-by-case basis by Borsa Italiana by calculating the theoretical "reference" prices referred to in guidance Sec. 630 and the maximum divergence thresholds beyond which prices are to be considered abnormal referred to in guidance Sec. 640;
- e) the amount referred to in rule 6023.3 must exceed 25,000 euros in total.

For financial instruments traded in currencies other than Euro, the amount of the loss shall be converted into Euro on the basis of the latest available ECB foreign exchange reference rate.

620.4 **Borsa Italiana** shall promptly inform the applicant where the request for activation of the extraordinary procedure is refused, giving the reasons for the refusal.

620.5 The prices obtained by applying the maximum divergence thresholds to the theoretical reference prices are rounded to the trading tick of the same financial instrument.

Sec.
630

Determination of the theoretical "reference" prices

630.1 The theoretical price shall be determined by **Borsa Italiana** on the basis of one of the following prices:

- the arithmetic mean of the prices of a minimum of three and a maximum of ten consecutive contracts concluded on the same day, chosen among those preceding or following the error;
- the opening-auction price of the same session referred to in the article 2031;
- the reference price referred to in article 2060;
- a theoretical value determined on the basis of objective models or reference values available to the market where the error being corrected involves pre-emptive rights, convertible bond and warrant.

Sec.
640

Determination of the maximum divergence thresholds

640.1 Following the determination of the theoretical prices, the prices of the contracts at which the extraordinary error handling procedure may be applied shall be calculated, i.e. all the prices respectively above or below the theoretical reference price reduced or increased by the maximum divergence threshold, as determined in the following guidance.

640.2 The maximum divergence for each instrument shall be equal:

- for mistakes made in the pre-auction phase, to the maximum variation allowed in the prices of contracts with respect to the static price as provided for in the article 2080;
- for mistakes made in the continuous trading phase, to 5% for shares and convertible bonds, to 10% for other financial instruments traded on the market.

Sec. Determination of the fee for handling errors
650

650.1 **Borsa Italiana** shall use the following formula to determine the fee referred to rule 6029:

$$C = 50 \times N_{cp} + 10 \times N_{ct}$$

where:

- C = the fee in euro;
 N_{cp} = the number of counterparties involved in the contracts affected by the procedure;
 N_{ct} = the number of contracts considered in the calculation, set equal to 0 where the number of contracts affected by the procedure is less than or equal to 50 and to the number in excess of 50 where the number of contracts affected by the procedure is more than 50.

The fee may not be less than 250 euro or more than 2,500 euro.

Handling of technical breakdowns

G	6040	<i>Inter alia</i> with the aim of ensuring equal access to the market by approved intermediaries in conditions of adequate transparency, Borsa Italiana :
	6040.1	shall establish in the guidance the procedures for handling technical breakdowns of electronic data processing equipment and transmission networks, and lay down objective criteria for carrying out the procedures, determining the downtime, the time at which trading is to start again and any extension of trading hours;
	6040.2	may order the temporary suspension of trading where technical breakdowns affect a significant number of approved intermediaries
	6040.3	shall inform the market of the measures adopted in accordance with this rule where they impinge on approved intermediaries' operations or the trading of Euronext Growth Milan securities .

Sec. Guidance to Rule:
660 Handling of technical breakdowns

660.1 In monitoring the operation of the technical equipment and transmission networks of the electronic data processing and telecommunication systems referred to in rule 6001.5, **Borsa Italiana** shall continuously verify:

- a) approved intermediaries' operational and informational links to the market;
- b) the working of the electronic data processing equipment and

- telecommunication networks for the provision of trading support services, the dissemination of information and the daily checking and correction of contracts;*
- c) *the regular operation of the different market phases in accordance with the procedures and timetables prescribed.*
- 660.2 *Where the controls referred to in the preceding guidance reveal anomalies involving a significant number of approved intermediaries, **Borsa Italiana** may adopt one of the following measures for an individual **Euronext Growth Milan securities**:*
- a) *prolong or postpone one or more market phases;*
 b) *suspend one or more market phases;*
 c) *prolong the session;*
 d) *close the session early.*
- 660.3 ***Borsa Italiana*** *shall also assess the significance of the number of approved intermediaries affected by technical breakdowns referred to in rule 6040.2 in relation to:*
- a) *the nature of the breakdowns and the operational limitations (access or information) observed;*
 b) *the procedures for connecting the approved intermediaries affected to the market;*
 c) *the fact that the breakdowns concerned all or part of the technical resources available to approved intermediaries;*
 d) *the market share of the approved intermediaries affected.*
- 660.4 *The duration of the suspensions and postponements referred to in guidance Sec. 660.2 shall be fixed in a transparent manner and in a way that allows a significant number of approved intermediaries to assess their contractual positions and re-establish regular connections with the market.*
- 660.5 *Trading may be restarted:*
- a) *with a phase which permits approved intermediaries to annul unexecuted orders they had entered in the market before the suspension.*
 b) *with the auction method;*
 c) *with the continuous trading procedure.*

COMPLIANCE PROCEDURES

Measures against market intermediaries

C010	Without prejudice to rule 1021, where there is a violation of these rules, the Rules for Companies , or the accompanying guidance, including the case of market intermediaries hindering the verification activity referred to in rule 1210, Borsa Italiana may apply one or more of the following measures against the market intermediaries in question:
C010.1	a written warning to observe the Rules, the Rules for Companies , and accompanying guidance;
C010.2	a written censure;
C010.3	a fine of between 5,000 and 500.000;
C010.4	suspension from trading in the market;

C010.5 exclusion from trading in the market.

C011 The measures provided for in the rules, C010.4 and C010.5 may be made public as described in Rule C040. Measures provided in the previous rules C010.1, C010.2 and C010.3 may be made public as described in rule C040, where Borsa Italiana is of the opinion that this is deemed necessary and appropriate for the purpose of market protection. Borsa Italiana may disclose to the public the measure and the description of the violation without specifying the identity of the perpetrator, when this is deemed sufficient in order to ensure market protection. The measure referred to in rule C010.1 could be disclosed only without the name of the intermediary to which such measure applies.

C012 In order to adopt the measures referred to in the rule C010, Borsa Italiana shall take the following criteria into account:

- C012.1 the actual and potential impact on the market and the external importance of the violation;
- C012.2 the size, duration and nature of the violation;
- C012.3 how Borsa Italiana became aware of the violation;
- C012.4 the benefits accrued by the intermediary from the violation;
- C012.5 the market intermediary's reaction to Borsa Italiana's requests and its actual and previous behavior;
- C012.6 magnitude of fraud and negligence;
- C012.7 functioning of system used for internal control and prevention of violations;
- C012.8 numbers and magnitude of violations previously committed by the same market intermediary;
- C012.9 size of the market intermediary and of the group it belongs to;
- C012.10 the cases in which various provisions are breached or the same provision is breached more than once.

C013 Where there is a violation of quotation obligations and the obligations to produce research set out in Rule 35 letter b) of the **Rules for Companies** by **specialists, Borsa Italiana** may initiate the procedure referred to in rule C020.

C014 Where a measure of suspension or exclusion from trading is adopted, from the time such measure takes effect the market intermediary to which it is applied shall only be permitted, under the surveillance of **Borsa Italiana**, to close out any positions still open and carry out any related transactions that are necessary to protect customers' interests.

C015 The use to which fines are put shall be established on a general basis by **Borsa Italiana** in an ad hoc measure communicated to **Consob** and published in a **dealing notice**.

C016 In derogation to the provision at article C010, in the case of breach of the

provisions of articles 1400.6 and 4021, and the obligations contained in the guidelines Sec. 403, Borsa Italiana shall apply the written notice, the communication to the public of the failure to comply with obligations and reporting to the Authorities. Articles from C020 to C050 shall not apply.

Procedure for verifying violations

C020 In order to apply the measures referred to in rule C010, the procedure described in this rule shall be initiated within one year of the presumed violation or of the later date on which **Borsa Italiana** learned of the presumed violation. In the latter case the procedure described in this rule may not be initiated after three years have elapsed from the date of the presumed violation.

C021 For the purpose of applying the measure referred to in rule C010.2, C010.3, C010.4 and C010.5, **Borsa Italiana** sends the market intermediary concerned a notification:

C021.1 containing a description of the alleged violation

C021.2 setting a time limit of not less than 15 days within which a written brief may be submitted and possibly a request for a hearing in which to examine the question jointly.

C022 The notification referred to in rule C021 may indicate the measure **Borsa Italiana** intends to apply. In such case, if the time limit referred to in rule C021.2 expires without the market intermediary having submitted a written brief or requested a hearing, **Borsa Italiana** shall apply the measure indicated in the notification.

C023 If the market intermediary requests a hearing in which to examine the question jointly or if **Borsa Italiana** considers such a hearing to be necessary, **Borsa Italiana** shall establish the date for the hearing and inform the market intermediary accordingly. The market intermediary shall be represented in the meeting either by its legal representative or by a person appointed for the purpose, being allowed to be assisted by a lawyer of its choice. If the market intermediary fails to attend the hearing without due cause, **Borsa Italiana** shall proceed on the basis of the evidence collected up to that time. At the end of the hearing, at the request of the interested party, **Borsa Italiana** may set a new time limit of not less than 10 days for the submission of another written brief.

C024 On the basis of the evidence collected as part of the procedure, **Borsa Italiana** shall decide within 45 days of the hearing or the subsequent expiry of the time limit for the submission of another written brief as provided for rule C023, or if no such hearing is requested or scheduled by **Borsa Italiana**, within 45 days of the expiry of the time limit set pursuant rule C021.2.

C025 Decisions adopted pursuant to the preceding rule C024 shall be promptly notified to the interested party giving the reasons for the decision. If one of the measures referred to in rule C010 is applied, the costs of the procedure and in particular those in relation to the examination of the written briefs submitted and the hearings requested, determined on a flat-rate basis in accordance with the provisions of rule 1300, shall be charged to the market intermediary.

Review of measures

C030	The market intermediary may ask for the review of the measure applied pursuant to rule 1021 and rule C010 within 15 days of the notification referred to in respectively rule 1021.7, and rule C025 by means petition to the Appeals Board established pursuant to C090.
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C031	For the measure referred to in rule C010.1, the 15 days run from the moment in which the decision is notified to the interested party
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Disclosure to the public of measures

C040	Applications of the measures referred to in rule C010 shall be made public in dealing notices or via the electronic trading support systems after 15 days have elapsed from the notification of the measure to the interested party without the question being referred to the Appeals Board or, where it has been so referred, after 10 days have elapsed from the notification of the Appeals Board's decision to the parties.
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C041	At the request of the market intermediary, the complete text of the measure shall be made public, possibly together with all the acts of the proceedings, including the decisions of the Appeals Board.
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Suspension of time limits

C050	The time limits referred to in this Title shall be suspended from 1 August to 31 August of each year.
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Jurisdiction

C060	These rules, the accompanying guidance and any other provisions concerning the operation of market and services and subsequent amendments shall be governed by the laws of Italy.
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Disputes submitted to the courts

C070	Disputes concerning the fees referred to in rule 1300 and 1451, and the amounts contained in the guidance Sec. 650 referring to fees payable by intermediaries where due, shall be heard exclusively by Italian judges and the competent court shall be exclusively the Court of Milan.
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Other disputes

C080	Any dispute other than those referred to in rule C070 caused by or deriving from these rules, the accompanying guidance or any other provisions concerning the operation of market and subsequent amendments shall be settled finally by a Board of Arbitration set up in accordance with rule C100.
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C081	Prior recourse to the Appeals Board procedure referred to in rule C090 shall be a necessary condition for initiating the arbitration procedure
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Appeals Board

C090	The Appeals Board shall be composed of three members appointed by the Board of Directors of Borsa Italiana , which shall also appoint one of the members to be the chairman. The seat of the Appeals Board shall be at Borsa Italiana .
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C091	The members of the Appeals Board shall be chosen from among independent
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	persons of proven expertise in matters concerning financial markets.
C092	The appointment shall be for three years and may be renewed. Where one of the members vacates the position before the termination of the appointment, the Board of Directors of Borsa Italiana shall appoint a substitute; such appointment shall last until the termination of the appointments of the other members of the Appeals Board.
C093	The decisions of the Appeals Board shall be adopted in accordance with law allowing debate within 30 days of the date of the petition for review referred to in rule C030 and C031 and shall be promptly notified to the parties. The language of the proceedings shall be the Italian language.
C094	In agreement with the other members of the Board, the chairman may assign a question to a single member of the Board.
C095	The decisions of the Appeals Board shall not be binding on the parties and where one of the parties initiates arbitration pursuant to rule C100, they shall not be binding on the arbitrators, who shall have the broadest prerogatives and powers to re-examine the entire dispute without any preclusion.
C096	The fees of the members of the Appeals Board shall be borne by the losing party.

Board of Arbitration

C100	The Board of Arbitration shall be composed of three members appointed as follows:
C100.1	the party that initiates the arbitration procedure shall send an instrument to the other party in which it: <ul style="list-style-type: none"> • declares its intention of initiating the arbitration procedure; • indicates the subject of the case; • designates its arbitrator; • invites the other party to designate its arbitrator;
C100.2	the party that receives the invitation referred to in rule C100.1 shall designate its arbitrator within 20 days of receiving the notice; in the event of its omitting to do so, the second paragraph of Article 810 of the Code of Civil Procedure shall apply;
C100.3	the third arbitrator, who shall act as Chairman of the Board of Arbitration, shall be appointed consensually by the arbitrators referred to in rule C100.1 and C100.2; where they fail to agree within 20 days, the third arbitrator shall be appointed by the Chairman of the Milan Court.
C101	The arbitration proceedings thus instituted shall be ritual and shall comply with the provisions of the Italian Code of Civil Procedure. The procedure must be initiated, on pain of debarment from action, within 60 days of the notification referred to in rule C093. The dispute shall be settled in accordance with the provisions of Italian law and the language of the arbitration proceedings shall be the Italian language.
C102	The seat of the Board of Arbitration shall be in Milan in the place designated by its Chairman.



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