EUROTLX MARKET

Organized and managed by Borsa Italiana S.p.A.

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

BORSA ITALIANA

DEFINITIONS 5

TITLE 1 GENERAL PROVISIONS 14

SECTION 1 SUBJECT MATTER OF THE RULE BOOK 14
Article 1.1 Scope 14
Article 1.2 Organisational standards on the EuroTLX Market 14

TITLE 2 ADMISSION OF FINANCIAL INSTRUMENTS TO TRADING 15

SECTION 1 GENERAL CONDITIONS 15
Article 2.1 Scope of Application and Admissible Financial Instruments 15
SECTION 2 FINANCIAL INSTRUMENTS 15
Article 2.2 General Conditions 15
Article 2.3 Bonds and Other Debt Securities 16
Article 2.4 Shares, Certificates and Other Equity Securities 17
Article 2.5 Covered Warrant and Certificates 17
SECTION 3 PROCEDURE FOR ADMISSION 17
Article 2.6 Procedure for admission of financial instruments to trading 17
Article 2.7 Procedure for admission to trading on Bond-X Segment of financial instruments issued under a programme 18

TITLE 3. MARKET INTERMEDIARIES 20

CHAPTER 1 GENERAL PROVISIONS 20
Article 3.1 Market Intermediaries admitted to trading 20
Article 3.2 Procedure for admission and start of operations 21
Article 3.3 Participation requirements 23
Article 3.4 Exclusion from trading upon request 29
Article 3.5 Appeals and complaints 29
Article 3.6 Notifications 29
Article 3.7 Indirect participation in settlement system 29
SECTION 2 COMPLIANCE AND ENFORCEMENT 29
Article 3.8 Verification activity and co-operation 29
Article 3.9 Imposition of sanctions for Market Intermediaries 30
SECTION 3 CHARGES AND FEES 30
Article 3.10 Trading Fees 30
SECTION 4 RULES OF CONDUCT 31
Article 3.11 Rules of conduct for Market Intermediaries 31
c) for the instruments of the international non-guaranteed classes, upon request of Borsa Italiana, enter settlement instructions aimed at maximizing the settlement of contracts concluded, according to the criteria specified by the specific Technical Communication. 32
Article 3.12 Rules of conduct for Intermediaries 32
Article 3.13 Rules of conduct for Market Makers and/or Specialists 32
SECTION 5 TRANSMISSION OF ORDERS 32
Article 3.14 Transmission of orders to the market 32
SECTION 6 SYSTEMS AND TRADING 35
Article 3.15 Technical breakdowns of Market Intermediaries' systems 35

TITLE 4 TRADING RULES 37

SECTION 1 TRADING SEGMENTS 37
Article 4.1 Trading segments 37
SECTION 2 TRADING ON THE BOND-X AND EQUITY SEGMENT 37
Article 4.2 Trading methods and phases 37
Article 4.3 Orders 38
Article 4.4 Continuous trading 40

Article 4.5 - Trading-at-last for the Bond-X and Equity segments ... 41
Article 4.6 - Particular methods of conclusion of contracts. ... 41
Article 4.7 Closing reference price ... 41
Article 4.8 Static and dynamic reference price ... 41
SECTION 3 TRADING IN THE CERT-X SEGMENT ... 42
Article 4.9 Trading methods and phases ... 42
Articolo 4.10 Orders for Cert-X segment ... 43
Article 4.11 Continuous trading ... 45
Article 4.12 Special procedures for the conclusion of contracts in the continuous trading with request for execution ... 48
Articolo 4.13 Closing reference price ... 48
Article 4.14 Valuation price ... 48
Article 4.15 Official price ... 49
SECTION 4 PROVISIONS VALID FOR ALL THE EUROTLX SEGMENT ... 49
Article 4.16 Trading rules ... 49
Article 4.17 Cancellation of Financial Instruments at Maturity ... 49
Article 4.18 Method of collection of acceptances of market takeover bids and exchange offers ... 50

TITLE 5 DISCLOSURE OF INFORMATION ... **51**

Article 5.1 Market data ... 51
Article 5.2 Information provided to the public – General principles ... 51
Article 5.3 Information provided to the public – Contents ... 51
Article 5.4 Disclosure obligation of the issuers admitted to trading in Single Listing EuroTLX ... 52
Article 5.5 Disclosure obligations of the financial instruments admitted to trading on EuroTLX market with the consent of the issuer ... ***Errore. Il segnalibro non è definito.***

TITLE 6 MARKET MAKER AND/OR SPECIALIST ... **54**

SECTION 1 GENERAL CONDITIONS ... 54
Article 6.1 Recording ... 54
Article 6.2 Market Maker and/or Specialist's obligations ... 56
Article 6.3 Market Maker and/or Specialist quotation obligations ... 56
Article 6.4 Single-side quotation obligation ... 58
Article 6.5 Financial instruments on which Market Makers can operate ... 59
Article 6.6 Financial instruments on which Market Intermediaries can operate in the capacity of specialists ... 59
Article 6.7 Information obligations of specialists ... 59

TITLE 7 CLEARING, GUARANTEE AND SETTLEMENT ... **62**

Article 7.1 Settlement ... 62
Article 7.2 Time of settlement ... 63
Article 7.3 Clearing and guarantees ... 63
Article 7.4 Late settlement ... 63
Guidance 7.4 (8) ... 68
Cash settlement procedure ... 68
Article 7.5 Procedures for transactions in fail in the case of corporate events ... 68

TITLE 8. SUPERVISION OF THE MARKET ... **70**

SECTION 1 GENERAL PROVISIONS ... 70
Article 8.1 Controls and measures concerning trading ... 70
Article 8.2 Actions on parameters, hours and on trading ... 71
Article 8.3 Management of errors ... 71
SECTION 2 MANAGEMENT OF TECHNICAL FAILURES ... 76

Article 8.4 General Conditions ... 76
Article 8.5 Intervention by Borsa Italiana ... 77
SECTION 3 SUSPENSION OF FINANCIAL INSTRUMENTS ... 77
Article 8.6 General Conditions ... 77
Article 8.7 Conditions for Suspension ... 77
SECTION 4 TERMINATION OF ADMISSION TO TRADING OF FINANCIAL INSTRUMENTS ... 78
Article 8.8 General Conditions ... 78
Article 8.9 Conditions for Termination ... 78
SECTION 5 NONSTANDARD MARKET SITUATIONS ... 79
Article 8.10 Stressed market conditions ... 79

TITLE 9. PROCEDURE FOR VERIFYING VIOLATIONS ... 80

Article 9.1 Measures taken against Market Intermediaries and issuers ... 80
Article 9.2 Procedures for verifying violations ... 81
Article 9.3 Review of measures ... 82
Article 9.4 Disclosure of measures to the public ... 82
Article 9.5 Suspension of the terms ... 82

TITLE 10. FINAL PROVISIONS ... 83

SECTION 1 MISCELLANEOUS ... 83
Article 10.1 Applicable Law ... 83
Article 10.2 Disputes referred to Judicial Authority ... 83
Article 10.3 - Other Disputes ... 83
Article 10.4 Appeals Board ... 83
Article 10.5 Board of Arbitration ... 84

Definitions

Admission to Trading	admission of a financial instrument to trading on EuroTLX market
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.
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.
Asset-Backed Securities (ABS)	means financial instruments issued against securitization transactions.
Borsa Italiana	means the management company "Borsa Italiana S.p.A."
Business Day	a day on which EuroTLX market is open for trading.
Certificates	a financial instrument, different from a covered warrant, the price of which tracks the price of underlying assets.
Central counterparty	means the legal person authorised to operate a clearing system, pursuant to Regulation 2012/648/EU.
Covered warrant plain vanilla	a financial instrument, which gives the holder a right to buy (call) or sell (put) a certain amount of financial instruments, interest rates, foreign currency, commodities and/or the relative indices, at a predetermined price, or, in case where a cash settlement is provided for, to receive a cash amount defined as a balance of the settlement and the exercise prices.
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
Euronext Market	any Euronext Derivatives market or Euronext Securities market;
Exotic Covered warrant	A financial instrument combining covered warrants plain vanilla or which incorporates an exotic option.
Exceptional circumstances	means the exceptional circumstances identified in Article 3, of Regulation 2017/578/EU.
Financial instruments issued under a programme	bonds, covered warrants and certificates that can be issued under an issue programme using the admission procedure provided for in Article 2.6, paragraph 1;
Green bonds	Bonds and other debt securities the proceeds from–which are exclusively used to finance or refinance projects with specific environmental benefits/impacts; can fall within this category the bonds issued by companies that have defined a transition plan to make their activities more sustainable (so-called Transition Bonds). The presence of the characteristics required to qualify the bonds and the other debt securities as Green Bonds must be certified by a third-party expert that will issue a certification or review when the instruments are admitted to trading. Included in this definition are "European Green Bonds" or "EuGBs" within the meaning of Regulation (EU) 2023/2631 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (the "Green Bond Regulation").
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;
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;
Guaranteed Financial Instruments	the financial instruments for which the relating executed contracts are settled through central counterparty.
Guidance to Rules	provisions implementing the contents of the EuroTLX market Rules and jointly published with the Rulebook.
Guide to the parameters of EuroTLX market	the document accompanying the Rules of EuroTLX, referred to as "Guide to the parameters" notified in a Notice and available on Borsa Italiana's website.
Interconnected	an Intermediary having an indirect linking to EuroTLX market through a Market Intermediary authorized to operate thereon.
Interconnection	the linking to market, via market intermediaries, of customers of Market Intermediaries, the connection of which may take place in "direct electronic access" mode or in another mode; of organizational units of Intermediaries other than units assigned to the activities of trading in the markets and settlement and the control thereof; of automatic generation's system 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)
Intermediary	the Market Intermediary acting on behalf of its clients and on principal basis.
Issuers Disclosure	distribution to the public of issuers' disclosure regarding financial instruments admitted to trading on EuroTLX market pursuant to the present Rule Book; such disclosures being published in the section "Market Communication" of the Borsa Italiana website.

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 2017/587/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.
Logical Access	Means the set-up to connect to trading system containing the technical configuration for the market intermediary connectivity. The logical access corresponds to different trading platform technical segments.
Market Instruction	a settlement instruction sent by X-TRM to Euroclear Bank or Clearstream Banking Luxemburg, corresponding to a bilateral balance settlement instruction; it may exceptionally correspond to a single settlement instruction (to enter a traded quantity or reverse trade).
Market Intermediary	The general category of Intermediaries, Market Makers or Specialists, authorised to operate on EuroTLX market. The Market Intermediary can be admitted in the capacity of Intermediary Market Maker and Specialist.
Market making agreement	means the market making agreements that Borsa Italiana is required to offer, in accordance with Regulation 2017/578/EU, to the Intermediaries pursuing a market making strategy.
Market Maker	means the Intermediary which can support the liquidity regard to equity and debt securities traded on at least one market or MTF at the starting trading date on the EuroTLX market Borsa Italiana, considering the liquidity conditions of the financial instruments, reserves the right to assess possible exceptions to this requirement.
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 2017/578/EU.
Market of an OECD	a market established, organised and governed according to the provision adopted or approved by a competent authority and pursuant to the laws of an OECD State in which it has its seats.
Minimum Negotiable Amount	a minimum denomination at which a financial instrument can be traded.
Minimum Quote Size	a minimum amount of a financial instrument for which, at all times during continuous trading, a Market Maker or a Specialist shall display Quotes, for the Cert-X segment, or order with limit price and validity one day, for the Bond-X and Equity segment.
Notes	A form of debt other than Bonds and other debt securities including Structured Bonds, Cum Warrant Bonds, Covered Bonds, ABS, Commercial Paper, Territorial Bonds and financial instruments issued or guaranteed by a non-EU state which are priced as a percentage of par value, and which may not provide for repayment of principal at par at maturity.
Notice	the publication prepared and disseminated by Borsa Italiana containing information relevant to the operation of the EuroTLX market.
Order	means an order that unequivocally identifies the intention to buy or sell a financial instrument traded on the EuroTLX Market
Other Bonds	"Supranational/Agency" Bonds, within the limits specified in Article 2.3, paragraph 3, "Emerging Markets" Bonds, "Corporate and

	Financials" Bonds, "Covered Bonds" and securities issued by entities including local authorities or companies controlled by them pursuant to article 2359 of the civil code.
Other debt securities	financial instruments different from bonds and representing a loan by a company that do not guarantee the nominal capital on maturity, in case of extraordinary events.
Participation documentation	the documentation, data and information requested to the Operator as part of the admission procedure and start of operations through forms made available on the dedicated portal or by specific requests
Prices	the economic conditions applicable to Market Intermediaries in EuroTLX market, attached to the present Rule Bok, and being its integral part.
Professional Clients	private professional clients which meet the requirements specified in the Annex no. 3, Part I, to the CONSOB Regulation on Intermediaries, adopted by the CONSOB decision no. 16190 of 29Pth October 2007, as amended, and public professional clients which meet the requirements specified in the implementing measure issued by the Ministry of Economy and Finance under the authority of art. 6 sec. 2-*sexies* of TUF.
Professional Investor	means the investor meeting the criteria laid down in Annex II, part 1 and 2, of 2014/65/UE directive.
Promissory notes	means financial instruments issued pursuant Law 13 January 1994, no. 43 and subsequent modifications and similar financial instruments traded on international capital markets (commercial paper).
Quote	Indicates the type of proposal to be used by Specialist operators operating on the Cert-X Segment of the EuroTLX Market in fulfilment of the obligations established by the Regulation. This type of proposal with a single transition allows the updating of

	both the purchase and sale quotes entered by the Specialist and Market Maker operator.
Retail Clients	clients other than Professional Clients and Eligible Counterparties.
Reverse Trade	a Settlement instruction of side opposite to one to be cancelled.
Secondary Liquidity Provider on Cert-X	means an intermediary that undertakes to support the liquidity of financial instruments traded on the Cert-X segment in addition to the Liquidity Provider indicated by the issuer
State	the provisions adopted or approved by a competent authority and pursuant to the laws of an OECD State in which it has its seat.
Share	an instrument representing the ownership rights in a company.
Single Listing	admission of a financial instrument to trading on the regulated market TLX with the issuer's consent without it having been admitted to trading on other multilateral trading facility or regulated market of the European Union with such consent.
Single Listing EuroTLX	issuer who has requested or approved admission of its financial instruments to trading on the EuroTLX market and that does not have any financial instruments traded on other multilateral trading facility or regulated markets of the European Union, with its consent.
Social bonds	Bonds and other debt securities the proceeds from which are exclusively used to finance or refinance projects with specific social benefits/impacts. The presence of the characteristics required to qualify the bonds and the other debt securities as Social Bonds must be certified by a third party expert that will issue a certification when the securities are admitted to trading.

Specialist	means an Intermediary that for the EuroTLX markets, undertakes to support the liquidity of the financial instruments, and performs the functions referred to in Article 6.6. The Liquidity Provider on the Cert-X segment, the secondary Liquidity Provider on the Cert-X segment and the specialist on the Bond-X segment are covered by this definition.
Relevant Euronext Market Undertaking	The Euronext market Undertaking which has approved, or is in the process of reviewing, the application for Euronext Membership of the relevant Member or prospective Member, or the Euronext Market Undertaking which has admitted the relevant Financial Instrument to listing or trading on a Euronext Market or with which the relevant application or admission to trading is pending, as the context requires;
Sustainability Bonds	Bonds and other debt securities that have the required characteristics to qualify as Green Bonds and Social Bonds. The presence of the characteristics required to qualify the bonds and the other debt securities as Sustainability Bonds must be certified by a third party expert that will issue a certification when the securities are admitted to trading.
Sustainability-Linked Bonds	Bonds and other debt securities that have financial and/or structural characteristics that may vary depending on whether the issuer achieves certain predefined sustainability objectives. The presence of the characteristics required to qualify the bonds and the other debt securities as Sustainability-Linked Bonds must be certified by a third party expert that will issue a certification when the securities are admitted to trading.
TCS Trading Manual	the Transaction Confirmation Service (TCS)'s trading manual which describes the transactions benefiting from a pre-trade transparency waiver and executed outside the Euronext central order book, but in the

	Euronext Transaction Confirmation Service (TCS) system and therefore deemed executed on the relevant regulated market or multilateral trading facility as appropriate.
Technical Communication	notices published on Borsa Italiana website http://www.eurotlx.com/, regarding technicalities of operation of EuroTLX and/or of trade support services, issued by Borsa Italiana.
Termination	removal from trading of a financial instrument or of a Market Intermediary by Borsa Italiana *ex officio.*
Trading Venues	regulated markets, multilateral trading facilities and systematic internalizers as per, respectively, articles 1 sec. 1 letter w-*ter*, art. 1 sec. 5-*octies* and art. 1 sec. 5-*ter* of the Consolidated Law on Financial Intermediation.
Trading Code	means the FirmID used to identify the trading member on the market.
Trading Manual	the trading manual of the Optiq trading platform which describes the functionalities of the platform both for the regulated markets and the multilateral trading facilities. The provisions of the trading manual apply to the Borsa Italiana's markets when they have been incorporated by reference or replicated in the Rules of such trading venues.
Tick	means the minimum difference between the prices of orders, established in the guidance to the parameters, for each financial instrument traded in the markets;
X-TRM	means the daily trade-checking service by means of which transactions having financial instruments as their object are sent to the post-trading phases.

Title 1 General Provisions

Section 1 Subject Matter of the Rule Book

Article 1.1 Scope

1. The present Rule Book shall govern the structure and operation of the multilateral trading facility (MTF) under the name of EuroTLX market, operated and managed by Borsa Italiana.

2. The present Rule Book shall lay out in particular:
   a) the conditions and procedures for admission, suspension, withdrawal and termination of admission of financial instruments to and from trading;
   b) the conditions and procedures for authorisation, suspension, withdrawal and termination of authorisation of Market Intermediaries and their obligations;
   c) the conditions for and the manner of transacting businesses on EuroTLX market and the operation of support services;
   d) the manner of verification, publication and dissemination of information.

The provisions specified in the Trading Manual and in the Transaction Confirmation Service (TCS) Manual only apply when explicitly incorporated by reference in this Rule.

Article 1.2 Organisational standards on the EuroTLX Market

1. Borsa Italiana shall perform its functions, in particular the admission, suspension and revocation of Market Intermediaries and the supervision of the EuroTLX Market according to non-discriminatory procedures and in accordance with generally defined procedures.

2. In the management of the EuroTLX Market, Borsa Italiana shall establish and maintain an organisational structure suitable for preventing potential conflicts of interest. In particular, it shall ensure complete preparatory and propositional autonomy to the service managers in charge of the functions indicated in paragraph 1; when exercising those functions, they shall be responsible only to the CEO.

3. Borsa Italiana shall establish and maintain an internal control system that monitors compliance with the laws, the Rule Book and internal procedures.

Title 2 Admission of Financial Instruments to Trading

Section 1 General Conditions

Article 2.1 Scope of Application and Admissible Financial Instruments

1. The present Title of this Rule Book shall govern the admission to trading on EuroTLX market of the following kinds of financial instruments:

a) bonds, other bonds and other debt securities, including structured bonds, bonds with warrant, covered bonds, notes, ABS, promissory notes, territorial bonds and financial instruments issued or guaranteed by a Non-EU country;
b) shares, certificates representing shares;
c) covered warrants;
d) certificates.

Section 2 Financial Instruments

Article 2.2 General Conditions

1. The requisites for admission of financial instruments to trading on EuroTLX market shall concern the nature, type and liquidity of the financial instrument and the stability of trading therein, with a view to ensure fair dealing on Borsa Italiana. To that end, Borsa Italiana shall have recourse to documents, available through the major info-providers or provided by the competent authorities, the trading venues or the Specialists or the issuers.

2. The financial instruments admitted to trading on the EuroTLX market must be:

a) freely negotiable;

b) suitable for settlement, according to the procedures set out in Title 7;

c) subject of an offering or listing document (prospectus, offering circular or other similar documents) available to the public;

d) suitable for trading in a fair and orderly manner;

e) compliant to the additional requirements set out in the following articles.

3. Borsa Italiana may make admission to trading conditional on any particular condition relating to the issuer and the financial instrument, which it deems appropriate and which is explicitly communicated to the applicant, and may exercise discretion in admitting to trading the financial instruments for which it was submitted also by waiving the conditions for admission referred to in the previous articles.

4. Borsa Italiana may refuse the application for admission to trading taking into account, inter alia, the characteristics of the financial instrument, the characteristics of the transaction and the related liquidity conditions of the

market where the financial instrument is traded (where another trading market for the specific financial instrument is present). Borsa Italiana communicates this to the requesting party.

5. The admissibility of a financial instrument to trading on the EuroTLX market shall be contingent upon commitment by a liquidity provider to guarantee liquidity of the financial instrument.

6. Paragraphs 2 and 3 of article 100-bis of the Consolidated Law on Finance do not apply to sell offers made on such market

Article 2.3 Bonds and Other Debt Securities

1. Notes structured or indexed to a value or a financial asset may be admitted to trading in the EuroTLX market provided that the issuer has conferred the task for the quantification of the coupon remuneration and/or of the maturity bonus to an agent for the calculation or operate itself as an agent for the calculation.

2. Bonds and other debt securities may be admitted with the indication of Green Bonds, Social Bonds, Sustainability Bonds or Sustainability-Linked Bonds if a third party verifies the environmental and/or social nature of the projects being financed through the issue of these financial instruments and/or transition plans defined by issuers to make their activities more sustainable or the presence of financial and/or structural characteristics in the bonds that may vary depending on whether the issuer achieves certain pre-defined sustainability objectives.

This third party shall:

a) make its assessments in an independent manner;

b) remunerated according to methods that are such to prevent conflicts of interest deriving from the fee structure; and

c) have the qualifications and professional experience relevant to assessing projects of an environmental and/or social nature, transition plans or achievement by the issuer of certain pre-defined sustainability objectives.

Bonds and other debt securities may also be admitted with the indication of Green Bonds and/or Social Bond if they are admitted to trading on regulated markets with admission and transparency requirements comparable to those laid down in these Rules.

3. Financial instruments issued by a non-EU country may be admitted. No application may be made for the admission of financial instruments issued or guaranteed by a Member State of the European Union or issued by international bodies of a public nature unless they meet the requirements described in the article 6.6.

Article 2.4 Shares, Certificates and Other Equity Securities

1. Shares, certificates representing shares and/or other equity securities may be admitted to trading on EuroTLX market if traded on at least one market established in an OECD State on their EuroTLX market trading commencement date.

Article 2.5 Covered Warrant and Certificates

1. Covered warrants and certificates may be admitted to trading on EuroTLX market if a price or other measure of value, reliable and updated, is available to the public for the underlying asset. Borsa Italiana reserves the right to request from the Specialist the methodology for calculating the value of the underlying.

2. The terms and conditions of the issue of covered warrants and/or of certificates shall provide for an automatic exercise of the holder's right upon maturity of financial instruments "in the money".

3. The terms and conditions of the issue of covered warrants and/or of certificates shall provide for relevant adjustments in case of extraordinary events or corporate transactions which concern the issuer of the underlying assets. Such adjustments shall tend to minimize an adverse effect of the event upon the price of the financial instrument as well as conform to the generally accepted practices of the market.

4. The issuing rules for covered warrants and certificates must provide, when the payment of one or more conditional periodic amounts is envisaged, that the record date of the periodic amount is set in such a way as to ensure that there is at least one cum coupon trading day following the valuation date.

Section 3 Procedure for Admission

Article 2.6 Procedure for admission of financial instruments to trading

1. The requesting party shall submit an application complete with all the required documentation and in the manner set out in the relevant Technical Communication.

2. Borsa Italiana shall confirm the completeness of the documentation.

3. Within 5 open market days from the completeness, Borsa Italiana shall notify the applicant of the refusal of the application or the admission. If the application is accepted, it shall establish with a Notice the date of commencement of trading and the functional information for trading. In cases where there no other financial instruments admitted to trading on the markets organized and managed by Borsa Italiana with the same Issuer and/or in the event that the issue program to which the financial instrument refers has never been included in an application of previous admission, Borsa Italiana may order admission within 20 open market days of completion.

4. The terms referred to in the preceding paragraph may be suspended by Borsa Italiana with a communication of its own if a need arises to acquire new information and documents. In this case, starting from the date of receipt of the relevant documentation, the terms specified therein shall commence again. The terms referred to in paragraph 3 may be suspended at the request of the party referred to in paragraph 1.

5. The request shall be deemed withdrawn if the requesting party fails to correct or complete it as requested within 2 months if it files a new request regarding the same financial instrument.

6. With reference to the instruments traded in the Cert-X segment, the issuer may request Borsa Italiana to admit to trading instruments in a state of inactivity, i.e. uploaded to the market but disabled from trading. The Specialist has the right to activate intraday the start of trading of an inactive product (sending a KIBI message).

7. In the context of the admission procedure, the parties referred to in article 2.6 paragraph 6, may use the Cert-x segment for the distribution of the financial instruments referred to in Article 2.1, paragraph 1, letters c) and d). In this case, Borsa Italiana shall verify the admission requirements of the issuer and of the financial instruments and shall receive the request for admission to trading. Following this, it shall admit the financial instrument and commence trading of purchase and sales contracts on the market. At the end of the sale phase, if successful, and subject to compliance with the requirements laid down in these Rules, the admission shall become final and Borsa Italiana shall establish the date for the start of trading on the EuroTLX market.
If the issue of financial instruments does not take place because the admission requirements laid down in these Rules are not satisfied, the admission decision shall cease to be effective, and the contracts executed shall be null and void.
The procedures for distribution via the EuroTLX market shall be established each time by Borsa Italiana in a Notice. To this end the issuer shall inform Borsa Italiana of the name of the intermediary appointed to display quotes for the sale of the financial instruments that are to be issued if it does not intend to perform this task itself. The issuer shall also notify the days on which the distribution is to take place, the price, the day on which the issuer will decide whether to proceed with the issue, and the single date set for the settlement of the contracts concluded, which normally coincides with the date set for the issue and payment of the financial instruments.
Based on defined and transparent criteria, the issuer has the option to restrict participation to the distribution process to specific intermediaries admitted to trading[1].

Article 2.7 Procedure for admission to trading on Bond-X Segment of financial instruments issued under a programme

[1] *In force as of 10 November 2025*

1. Requesting parties that intend to adopt or adopt a program to issue financial instruments shall request Borsa Italiana to issue a declaration of admissibility on Bond-X Segment of the financial instruments to be issued under the program, according to the procedures in the Technical Communication. The declaration is issued by Borsa Italiana within 20 business days from the day the documentation accompanying the request is completed, if the applicant fulfils the conditions and requirements of this Rule Book and the characteristics of the instruments do not conflict with the provisions of the Rule Book. The declaration of admissibility is made public through a Notice of Borsa Italiana.

2. Requesting parties who intend to integrate an issue program, regarding which Borsa Italiana has issued the declaration of admissibility, with additional information notes shall request the issue of a declaration of admissibility of the financial instruments covered by the information notes. The declaration is issued by the Borsa Italiana within the terms specified in paragraph 1.

3. Requesting parties that modify the characteristics of financial instruments in relation to which Borsa Italiana has issued the declaration of admissibility, shall request confirmation of the said declaration according to the procedures in the special Technical Communication. Borsa Italiana shall approve the application within 10 business days after the submission of the request complete with the required documentation.

4. For the financial instruments issued under the program to be admitted to trading on Bond-X Segment, requesting parties shall submit an application to Borsa Italiana, complete with the required documentation and prepared in the manner prescribed by a special Technical Communication. Within 7 business days from the completeness, Borsa Italiana shall ordain the admission which shall be communicated to the applicant.

5. The start date of trading of the financial instrument on Bond-X Segment shall be established by Borsa Italiana with a notice.

6. The terms referred to in paragraph 1, 3 and 4 may be suspended by Borsa Italiana with a communication of its own if a need arises to acquire new information and documents. In this case, starting from the date of receipt of the relevant documentation, the terms specified therein shall commence again.

Title 3. Market Intermediaries

Chapter 1 General provisions

Article 3.1 Market Intermediaries admitted to trading

1. Borsa Italiana admits the Market Intermediaries to trading in the EuroTLX market as set out below.

2. The following may participate in trading in the EuroTLX market: entities authorised under the law or regulations to provide trading services on own account and/or execute orders on behalf of clients and entities that fulfil specific membership requirements established by Borsa Italiana in the guidance to the Rules 3.1.

3. Market Intermediaries can operate covering one or more of the following roles:

a) Intermediaries;
b) Market Makers;
c) Specialists.

Guidance to Rules 3.1

Market Intermediaries admitted to trading

The following may participate in trading in the EuroTLX market:

a) entities authorised to provide trading services on own account and/or execute 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 trading services on own account and/or execute orders on behalf of clients under the laws of 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 firms authorized to provide investment services and, where applicable, insurance companies, entities authorised to provide collective asset management services, and pension funds, of non-EU Countries in which Borsa Italiana may operate in compliance 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 set up 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);

e) firms that trade on their own account to the extent provided for in Article 4-terdecies, paragraph 1, letter d) of the TUF, at the following conditions provided that:

a. *satisfy adequate integrity requirements;*

b. *have an adequate internal organisation;*

c. *have adequate skills and sufficient experience in trading financial instruments;*

d. *they have adequate financial resources to ensure the business continuity of the trading service and which is, in any case, not less than 50,000 euro.*

The participation of firms referred to in letter e), whose registered office is in a non-EU state is subject to the existence of signed agreements between Consob and the corresponding authorities in the state of origin.

The participation of firms referred to in letter e), whose registered office is in a non-EU state is subject to the existence of signed agreements between Consob and the corresponding authorities in the state of origin.

Natural persons and sole proprietorships are not eligible to become Euronext Securities Members.

Article 3.2 Procedure for admission and start of operations

1. For the purposes of admission to trading in the EuroTLX market, Market Intermediaries shall send Borsa Italiana a written application using the standard form, defined by Borsa Italiana, available via dedicated Portal, specifying the role they intend to play (Intermediary and/or market maker and/or specialist).

2. Following receipt of the application for membership and the participation documentation requested by it in accordance with the provisions of the guidelines, Borsa Italiana approves or rejects such application or approves it subject to the conditions and/or restrictions as it considers appropriate. Borsa Italiana shall notify the applicant of its decision in writing, which in case of approval is admitted to trading.

3. Following the admission of the Intermediary, Borsa Italiana verifies the technical requirements and post-trade configurations and in the event of a positive outcome confirms the date of start of operation.

Guidance to Rules 3.2

1. The application under paragraph 1 must be signed and sent to Borsa Italiana via the Member Portal, together with a copy of the authorisation issued by the competent Authority, if requested by Borsa Italiana. In case of technical unavailability of the portal, the information and documentation will be sent in paper format.

2. The intermediary is required to complete the participation documentation using the forms and functions available via the dedicated portal with the following data:

a) information concerning the participation requirements;

b) information concerning the offer of the "direct electronic access" service;

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) 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);

f) with regards to trading of non-guaranteed class instruments in the case of indirect participation in the CSD, a declaration referred to in Article 3.7, and a declaration of indirect od direct participation to the X-TRM Service;

As part of the procedure for admission, Borsa Italiana may request Market Intermediaries to provide any additional elements necessary for examining the request.

3. In the case of Market Intermediaries already admitted to trading on a market managed by Euronext that intend to apply for participation in the EuroTLX market, managed by Borsa Italiana, the latter without prejudice to Guidance to Rules 3.1, Borsa Italiana reserves the right to consider fulfilled membership requirements under Guidance to Rules 3.3 (1) and not to require the documentation already provided by the Market Intermediary in connection with its participation in other markets managed by Euronext. The procedure under art. 3.2, paragraphs from 1 to 7 of the Rules shall apply insofar as it is compatible.

4. A Firm which is a Euronext Member and who wishes to extend its Membership to other Euronext Markets should submit a written application to the Relevant Euronext Market Undertaking to that effect. The Relevant Euronext Market Undertaking to which the Euronext Member is applying may perform checks to ensure that the Member satisfies its additional Membership requirements (if any).

5. After the admission and in order to start the operation on the market the intermediary will have to provide 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 confirmation of the execution of technical-functional tests, including the conformance test and the signing of the agreement with Euronext for access to the trading platform (TPAA).

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4. Market Intermediaries shall ensure continued satisfaction of the authorisation and other requirements under art. 3.1 and of the conditions under art. 3.1.1.

5. Revocation or expiry of the authorisation to trade 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:

a) suspension or cancellation of a stockbroker under art. 201 of the Consolidated Law on Finance;
b) extraordinary administration;
c) compulsory administrative liquidation;
d) another bankruptcy procedure; or
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 Market Intermediary from trading.

6. The cessation of direct or indirect participation in the settlement system and the clearing and guarantee of transactions 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 markets/segments/class concerned until they are again able to settle trades, directly or indirectly.

7. After six months have passed without the cessation of the condition that gave rise to the suspension from trading, Borsa Italiana may exclude the Market Intermediary.

Article 3.3 Participation requirements

1. The participation of Market 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:

a. the adequacy of the technological systems used for trading and associated activities with respect to the nature of the activities carried out and the number and types of interconnections with the markets, and their compatibility with the electronic data processing and telecommunication support systems adopted by Borsa Italiana for the operation of the

markets;

b. sufficient staff with adequate professional qualifications in relation to the types of activity carried out and the number and types of interconnections with the markets;

c. adequate internal procedures and controls for trading activity, including, inter alia, to ensure compliance with the rules of conduct set out in art. 3.11;

d. adequate clearing and guarantee and settlement procedures, including, *inter alia*, to ensure compliance with the rules of conduct set out in article 3.11, paragraph 2, where applicable.

2. The Market Intermediaries may entrust the management of technological systems to third parties, subject to the conditions laid down in the guidance to Rules 3.3(2).

3. The participation of Market Intermediaries shall also be subject to verification of:

direct participation in the settlement system, as set out in Guidance to Rules 7.1 and direct or indirect participation in their accessory systems (trade-checking systems) for intermediaries who are not participants in the central securities depository, the agreement with a participant in the central securities depository, under which the intermediary joining the settlement service undertakes to settle contracts concluded on the markets by the intermediary until the agreement is terminated;

b) direct participation in the central counterparty referred to in Title 7 or for market intermediaries that are not participant in the central counterparty, appropriate agreement with a general clearing member of the mentioned central counterparty, pursuant to which:

- the general clearing member, at the conclusion of the contract on the market, becomes counterparty of the central counterparty for that contract; and
- the market intermediary, at the same time, becomes counterparty of the general clearing member.

Borsa Italiana reserves the right to request that the Market Intermediaries use different trading codes for the different segments/classes and limit the financial instruments that can be traded depending on how they participate into the clearing and/or settlement systems communicated by the Market Intermediaries.

Guidance to Rules 3.3 (1)

Requirements for participation

1. For the purpose of complying with the conditions referred to in art. 3.3, Market

Intermediaries must attest that:

a. *they have a sufficient number of Responsible Persons for the nature and scale of business being conducted. The Responsible Person shall be responsible for trading activity conducted on EuroTLX and follow all the requirements defined pursuant to the Notice 2-01 "Registration of Authorised Representatives and Responsible Persons". Trading activity may be conducted by Responsible Persons or by other individuals within the Member, at the discretion of the Member, provided all such individuals are suitable and adequately trained in accordance with the Rules. Traders who are not Responsible Persons may only submit orders under the general authority of a Responsible Person. Borsa Italiana may impose requirements, and publish such requirements by Notice, in respect of training and competence of the Responsible Person;*

b. *their trading staff know the rules and operating procedures of the market and the technical instruments for trading and have adequate professional qualifications;*

c. *must know the rules governing and the manner of performing the activity of Market Maker and/or Specialist and the related technical instruments;*

d. *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.*

e. *they have systems, procedures and controls for trading activity, including specific procedures for use of the order cancellation function, and clearing, guarantee and settlement procedures that reflect the characteristics of the firm and activity performed;*

f. *they have an internal IT unit that is adequate in terms of number, experience and specialisation of its staff members 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.*

g. *they have a sufficient number of Authorised Representatives as defined pursuant to the Notice 2-01 "Registration of Authorised Representatives and Responsible Persons"*

2. When carrying out 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 the Intermediary has ~~issued~~ got a 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

3. The employees of the trading and Market Maker and/or Specialist can carry out their activities on behalf of several admitted Market Intermediaries only when the market intermediaries they are acting for belong to the same group.

4. Market Intermediaries may use a third party and/or a group company to perform the activities referred to in these Guidance provided they remain fully accountable for compliance with all the obligations of the Rules and control and coordinate the activities performed by the persons referred to above. Market Intermediaries must inform Borsa Italiana accordingly. The agreement between the Market 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.

Guidance to Rules 3.3 (2)
Conditions for outsourcing technological systems

1. Pursuant to article 3.3, paragraph 2, Market 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).*

2. The company offering the connection to the market may provide that the single connection could be shared among many Market 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 this 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 paragraph 1, letter b).*

3. Borsa Italiana may refrain from requiring the Service Provider contract referred to in paragraph 2 to be signed by Market Intermediaries that provide the connection to the market to other Market Intermediaries belonging to its group.

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.

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.

6. The contracts between the third party 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.

7. The supervision and control of orders sent to the market may not be delegated to a third parties.

Guidance to Rules 3.3 (3)
Accession to settlement, clearing and guarantee services

Intermediaries must adhere, directly or indirectly, to the settlement services indicated in Title 7. In the case of trading of segment / class instruments that provide for different settlement venues, participation in the settlement service can take place in a different manner (direct/indirect) for the different segments and in the case of indirect participation, Intermediaries may use different liquidators.

In the case of trading of guaranteed class instruments, the intermediary must adhere, directly or indirectly, to the clearing and guarantee system managed by Cassa di Compensazione e Garanzia SpA.

In the case of trading of non-guaranteed class instruments, the intermediary must adhere directly or indirectly to the X-TRM service.

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4. If in the performance of its surveillance activity Borsa Italiana finds situations or conduct likely to entail risks for the integrity of the markets, 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:

a. suspension from trading;

b. imposition of specific requirements relating to the number and professional qualifications of trading staff; trading system or Interconnection procedures and controls; any other matters relevant to ensuring the continued satisfaction of Market Intermediaries' admission requirements;

c. restrict access to the market, including access via Interconnections, or segregation of specific trading activities;

d. imposition of limits on operations or interconnections.

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.

6. Borsa Italiana may modify or revoke the measures referred to in this article at any time.

7. Borsa Italiana shall promptly inform the Market Intermediary concerned of the adoption of measures.

8. Market Intermediaries shall notify, in the manner and within the time limits specified in the Guidance to Rules, every variation with respect to the operating conditions referred to in the information provided at the time of submission of the application for admission, in accordance with art. 3.3.1 and 3.6.

Guidance to Rules 3.3 (4):
Notification of changes in the participation requirements as well as changes resulting from corporate actions

1. Market Intermediaries admitted to trading shall notify Borsa Italiana, through the dedicated portal of any change in the conditions referred to in art. 3.1 and 3.3, as well as any change resulting from corporate actions, including changes to the company's name.

2. Market Intermediaries must notify any changes under the paragraph above 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.

3. Borsa Italiana may request Market Intermediaries, by way of a specific communication, to submit an update of the conditions under articles 3.1.2 and 3.3.1.

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9. Market Intermediaries shall observe these rules, the accompanying Guidance to Rules, the applicable Notices and any other technical and operational documents accompanying these Rules, 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. Market Intermediaries require that their Interconnected Intermediaries adopt the same conduct based on the above principles.

Article 3.4 Exclusion from trading upon request

1. Market Intermediaries admitted to trading on the markets may request to be excluded from trading with 10 days prior written notice.
2. Borsa Italiana may postpone the effective date of exclusion if it deems it necessary for the protection of customers or in any case in the interest of the market. In this case, Borsa Italiana may exempt the operator from paying all or part of the fees and charges relating to the period following the date on which the notification of the exclusion would have taken effect.
3. At the time of the request for exclusion by the operator, pursuant to paragraph 1, all amounts due to Borsa Italiana become immediately due. Where required, the operator must return to Borsa Italiana any type of software, equipment, documentation that has been made available.

Article 3.5 Appeals and complaints

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

Article 3.6 Notifications

1. 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.

Article 3.7 Indirect participation in settlement system

1. In the case of indirect participation in the settlement system in the case of trading of instruments belonging to unsecured asset classes the Market Intermediary and the settlement Intermediary authorises Borsa Italiana, at the request and on the responsibility of the Intermediary in the central securities depository to suspend the intermediary, 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.

Section 2 Compliance and enforcement

Article 3.8 Verification activity and co-operation

1. For the purpose of verifying compliance with these rules and the accompanying Guidance to Rules and, more generally, in order to ensure the

performance of its functions of organising and managing the market, Borsa Italiana may:

a. request Market Intermediaries to provide all the necessary information and documents concerning transactions carried out on the market and compliance with reporting obligations. If necessary, the Market Intermediary will obtain the information requested by Borsa Italiana from its Interconnected Intermediary;

b. summon the representatives of the admitted Market Intermediaries to clarify specific conduct or situations;

c. exclusively for the purpose of verifying compliance with the requirements of article 3.3, carry out examinations on the premises of Market Intermediaries.

2. Where evidence is found of presumed violations of these Rules or the accompanying Guidance to Rules, 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 9.4, after it started the procedure under article 9.3, when applicable.

3. 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 Market Intermediary.

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

5. 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 report such evidence to Consob.

Article 3.9 Imposition of sanctions for Market Intermediaries

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

Section 3 Charges and fees

Article 3.10 Trading Fees

1. 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 communicated to the Market Intermediaries.

Section 4 Rules of conduct

Article 3.11 Rules of conduct for Market Intermediaries

1. Market Intermediaries shall refrain from acts that may prejudice the integrity of the markets. *Inter alia* they may not:

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

b. carry out transactions, whose objective is not to transfer ownership of the EuroTLX financial instruments traded or to modify their exposure to the market;

c. commit acts that may prevent the maintenance of the liquidity of the market and/or make it difficult for Market Makers and/or Specialists to fulfil their commitment;

d. carry out, directly or through a nominee, transactions under a prior agreement for the execution and offsetting thereof.

2. Market Intermediaries must adopt effective forms of control in order to monitor the contractual positions taken on the market as specified in Guidance to Rules 3.11 and avoid situations that could hinder the orderly conduct of trading and the regular settlement of contracts with settlement systems. Market intermediaries must implement precise strategies in order to ensure the settlement of contracts within the envisaged deadlines.

In order to comply with the conditions, set out in this article, Market Intermediaries must, furthermore, satisfy the provisions within the Guidelines.

3. The Market Makers and/or Specialists applying a market making strategy through algorithmic trading techniques on one or more financial instruments, other than those for which they have already undertaken the obligations laid down in article 6.43, at the occurrence of the conditions indicated in Regulation 2017/578/EU, must inform Borsa Italiana, and include this financial instrument between what operating in accordance with the provisions of article 6.43, in accordance to such Regulation.

Guidance to Rules 3.11
Monitoring of positions to be settled

1. In order to ensure the monitoring of the contractual positions taken and to ensure the settlement of contracts traded in the unsecured classes, the Market Intermediaries must adopt internal procedures that allow:

a) the reconciliation of the contracts concluded on the market with the bilateral net balances forwarded to the settlement service;
b) the identification of unsettled contracts;
c) for the instruments of the international non-guaranteed classes, upon request of Borsa Italiana, enter settlement instructions aimed at maximizing the settlement of contracts concluded, according to the criteria specified by the specific Technical Communication.

Article 3.12 Rules of conduct for Intermediaries

1. Market Intermediaries acting as Intermediaries may carry out trading activities on behalf of clients and on principal basis in instruments traded in the segments Bond-X, Equity and Cert-X.

Article 3.13 Rules of conduct for Market Makers and/or Specialists

1. Entities operating as Market Makers and/or Specialists may carry out trading activities on their own account solely in instruments in relation to which they have undertaken to comply with liquidity requirements.

2. Market Makers and/or Specialists shall adopt and maintain efficient price-setting processes for the financial instruments of which they are to provide liquidity, in a manner independent and autonomous from the price-setting processes of other Market Makers and/or Specialists dealing in the same financial instrument.

3. Market Makers and/or Specialists shall operate in accordance with the liquidity requirements set out in Title 6.

Section 5 Transmission of orders

Article 3.14 Transmission of orders to the market

1. 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 markets, 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 and number.

2. Market 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 guidance to the Rules 3.14.

3 In order to ensure the smooth technical functioning and efficient use of the electronic trading support systems, 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 the ratio of orders to contracts concluded. Borsa Italiana shall establish such limits and any fees payable by Market Intermediaries where they are exceeded.

4. Intermediaries may provide such interconnection, on a case by case basis, to fund and/or asset management companies by means of interconnection, without prejudice to the overall obligation to observe the conduct rules set up in the present section 4.

5. Market Intermediaries can request to use more than one trading code to segregate specific trading activities or to segregate different participations in the settlement system. For this purpose, Market Intermediaries must take previous contact with Borsa Italiana.

6. Following the procedures indicated in the guidance to the Rules 3.14, intermediaries must:
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;
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) provide Borsa Italiana with the information on executed contracts needed to comply with transaction reporting obligations, if such obligations pertain to the market;
d) make use of a specific logical access to identify the activities to support the liquidity carried out by Specialist and/or Market Makers.

Guidance to Rules 3.14

1. Market Intermediaries are required to fulfil the participation requirements and shall be liable for the orders sent to the markets.

2. 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 Interconnection. In the case of "direct electronic access" the participant is required to put in place procedures to ensure that the subjects that may be guaranteed such access comply with the requirements of Article 22 of Regulation 2017/589/EU;*
- *the controls on the maximum quantities, on the countervalue and prices of orders entered;*
- *the controls on the overall trading activity carried out by the different entities operating via Interconnections;*
- *the frequency according to which the entities operating via Interconnections enter order which have overridden controls and systems alert in terms of price, size, countervalue and number.*

3. In order to ensure the adequacy of the systems referred to in art. 3.14.1, Market Intermediaries must equip themselves with controls and automatic alarm systems, taking into account the following elements:

a) the price of the last contract;
b) price quantity and countervalue limits, possibly by instrument;
c) possible price impact caused by the order entered;
d) minimum order quantity, taking into account the economic significance of the order;

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, procedures and controls must be adequate to permit the correct entry of orders and the handling of any alarms.

5. As for Interconnections, in addition to providing submitters of orders via Interconnections with appropriate professional support, Intermediaries shall equip themselves with controls and monitoring systems in order to:

- *prevent the entry of orders that exceed the maximum variation thresholds;*
- *instruct submitters regarding the manner of entering orders.*

6. 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 submitters of orders via Interconnections.

7. The Intermediaries undertake to inform their Interconnected Intermediaries of the rules of conduct set out in these Rules and, where required by Borsa Italiana, to request their collaboration in identifying and terminating, within an adequate period of time, any breach of the obligations set out in article 3.12.

8. Intermediaries have to report the following information to Borsa Italiana via the dedicated portal. This information is necessary to complete the content of orders which Borsa Italiana is required to file pursuant to Regulation No. 2017/580:
a) client identification code;
b) code used to identify the person or algorithm used internally by the intermediary responsible for the investment decision;
c) 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.
The communication of the information indicated at letter b) and c) constitute confirmation that the indicated trading algorithms have been tested in advance.

9. 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 paragraph 8, so that Borsa Italiana may properly discharge its obligation pursuant to Article 26 paragraph 5 of that Regulation, in accordance with the terms and conditions indicated in the Manual of transaction reporting.

Section 6 Systems and trading

Article 3.15 Technical breakdowns of Market Intermediaries' systems

1. Market Intermediaries shall promptly inform Borsa Italiana of any technical breakdowns of the systems they use for trading or of those for accessing the markets referred to in articles 3.1.3 and 3.6.

2. In the cases referred to above, Market Intermediaries shall follow any instructions received from Borsa Italiana and may request, in the manner laid down in the Guidance to Rules, the deletion of orders sent to the market.

Guidance to Rules 3.15
Technical breakdowns in Market Intermediaries' systems

1. For the purpose of article 3.15 paragraph 1, the Market Intermediaries shall promptly inform Borsa Italiana of any 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. The Market Intermediaries shall also notify the subsequent reactivation of their systems.

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 on their behalf either all of the orders entered or of those associated with specific trading code.

3. Market Intermediaries shall send Borsa Italiana, through the dedicated portal the list of persons who may request the deletion of orders. The list may include

traders, the Responsible Person and other entities deemed by the Market Intermediary to possess adequate professional qualifications and subject to the provisions of article 3.8. paragraph 3.

4. Borsa Italiana may only delete orders at the request of persons assigned to trading and included on the list under paragraph 3. Borsa Italiana shall only notify the names of the persons on the list to the persons indicated in the list. Requests for the deletion of orders made by persons not included in the list will not be carried out.

5. Market Intermediaries must notify the list under paragraph 3, and every change to the list itself, through the dedicated portal of Borsa Italiana. Changes to the list will be effective from the moment in which the receipt is confirmed by Borsa Italiana, Market Intermediaries that configure their access to the market using more than one trading code must send the list under paragraph 3 for each trading code.

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 trading code: 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.

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 under article 8.3.

Title 4 Trading rules

Section 1 Trading segments

Article 4.1 Trading segments

1. Borsa Italiana identifies homogeneous segments or market classes from the point of view of financial instruments, post-trading services.

Guidance to Rules 4.1
Segments of the EuroTLX market

1. The financial instruments admitted to the EuroTLX market are divided according to the characteristics of the instruments and the methods of negotiation in the following segments:

- *Bond-X segment, for trading on financial instruments referred to in article 2.1, paragraph 1, letter a);*
- *Equity segment, for trading on financial instruments referred to in article 2.1, paragraph 1, letter b);*
- *Cert-X segment, for trading on financial instruments referred to in article 2.1, paragraph 1, letters c) and d);*

2. Within the segments, the EuroTLX financial instruments are divided into classes based on the characteristics of the post trading services, distinguishing:

- guaranteed domestic class
- domestic class not guaranteed
- international class guaranteed
- international class not guaranteed

Section 2 Trading on the Bond-X and Equity segment

Article 4.2 Trading methods and phases

1. Trading on the EuroTLX market shall be carried out using the continuous method with the following trading hours:

7.30 a.m. – 09.00 a.m.	call
09.00 a.m. – 5.30 p.m.	continuous trading
17.30 - 17.40	trading-at-last

During the call phase, only Market Makers and/or Specialist can enter, change and eliminate orders. The continuous trading phases and the contract conclusion

shall start at the end of the call phase in accordance with that set out in article 4.4.

The trading at last phase shall start at the end of the continuos trading phase.

Declarations to execute pre-arranged transactions through the Transaction Confirmation System, as indicated in Artt. 4.6 and 4.12, may also be entered outside of these trading hours, according to the time schedule specified in the TCS Trading Manual.

2. Borsa Italiana may set different trading hours for specific trading days, different from those set out in paragraph 1. Borsa Italiana shall communicate such specific trading days and trading hours in advance to the public.

3. Borsa Italiana establishes for each financial instrument a minimum negotiable amount, according to the characteristics of the instrument, in order to ensure the regularity of trading, upon admission of a financial instrument.

4. The minimum negotiable amount of a financial instrument must not be set at below the minimum piece size as determined by the terms and conditions of the issue thereof.

5. The minimum negotiable amount may be subsequently modified and, in such case, shall be promptly made public. The communication to the public shall indicate the date from which the new minimum negotiable amount will apply.

Article 4.3 Orders

1. Market Intermediaries shall express their willingness to trade through anonymous orders. Orders shall contain at least the information relative to the EuroTLX financial instrument 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 outcome of the order and contain the additional information necessary for Borsa Italiana to comply with the Regulation 2017/580/EU. The methods for entering such information and the parameters admitted for each order shall be established in the Trading Manual.

2. In the pre-trading phase as well as in the continuous trading phase the Market Makers and /or Specialist can enter orders with limit price and validity 1 day.

3. In the continuous trading phase, the following types of orders may be entered by the Market Intermediaries:

a) limit order are bid or ask orders that can only be executed at their specified price limit or at a better price as described also in Article 2.1.2 of the Trading Manual. The price limit must be consistent with the tick specified by the Guidance to Rules;

b) market order an order to buy or to sell a stated amount of a security that is to be executed at the best price(s) obtainable when the order reaches the Central Order Book, as describes also in Articles 2.1.1 and 2.1.3 of the Trading Manual

c) requests for quotes (RFQs), that allow RFQ Market Makers and/or Specialist to submit binding quotes as per Article 3.2.4 of Trading Manual. The conclusion of contracts, with the procedures indicated in the Trading Manual, takes place at the price included in a percentage deviation with respect to the static and the dynamic prices, indicated in the Guide to Parameters. The execution of the contract resulting from the matching between the RFQ and the answers to the RFQ shall not contribute to the formation of the closing reference price and of the static and dynamic reference price referred to in Articles 4.7 and 4.8. The RFQ can be entered only in the Bond-X segment;

d)stop orders and stop limit orders, are proposals that are automatically activated when a specific price level is reached during trading. In case of stop orders, a market order is automatically generated and added to the Central Order Book; in the case of a stop limit order, a limit order is automatically generated and added to the Central Order Book. Please refer respectively to articles 2.1.4 and 2.1.5 of the Trading Manual;

e) Iceberg order, orders that may not be less than a size specified, in accordance with the article 8 of Delegated Regulation (EU) 2017/587 and article 4 of Delegated Regulation (EU) 2017/583. Iceberg orders are orders of which only specified tranches are successively entered in the Central Order Book, and disclosed to the market, with the current time stamp following full execution of the preceding tranche. Borsa Italiana sets in the Guide to the Parameters the minimum value and the other limits for the entry of iceberg orders (orders with a limit price and with a partial quantity displayed);

4. The orders for each financial instrument shall be ranked on the Central Order Book. Orders subject to the pre-trade transparency discipline in the Central Order Book must be executed according to price priority. Orders with the same price must be executed according to time priority.

5. Limit orders may not be entered with prices above or below the maximum percentage limits for price variations established in Guidance to Rules 4.4.

6. In order to ensure the regularity of trading in a financial instrument, Borsa Italiana may establish the maximum quantity and countervalue of financial instruments in an order and give notice through its Borsa Italiana's website.

Guidance to Rules 4.3

The maximum duration that may be specified for trading proposals is set at 1 day.
For a specific trading session, starting from its insertion, an order can be valid up to a specific period or for a specific time duration or for subsequent opening auctions or closing auctions.

Prices of orders

Borsa Italiana establishes in the Guide of the Parameters the tick of the instruments traded in the EuroTLX market and communicates it to the public through the Borsa Italiana's website.

Contracts shall be valued on the basis of the currency of denomination of the EuroTLX financial instruments, except as otherwise specified in the admission to trading Notice.

Article 4.4 Continuous trading

Trading takes place in the continuous trading phase, in accordance with Section 1 of the Trading Manual for the Opting Trading Platform.

Specifically, during the continuous trading phase, each new order is immediately matched to orders of the opposite sign present in the order book. Each unexecuted portion of the order is added to the order book for the purpose of executing it.

Guidance to Rules 4.4
Automatic trading controls

1. For the purpose of the automatic control of the regularity of trading, the following types of price variation limits, specified by class of instrument according to the residual life of each instrument, shall be established:

a) order controls upon entry, referred to as price collars, defined as the maximum price variation limits of orders with respect to the static reference price;

b) reservation thresholds respect to the static reference price, defined as the maximum price variation of trades with respect to the static reference price;

c) reservation thresholds respect to the dynamic reference price, defined as the maximum price variation of trades with respect to the dynamic reference price.

The reference values are specified in the Guide of Parameters.

2. Where, during the continuous trading of a financial instrument, the price of a contract exceeds one of the reservation thresholds under paragraph 1, letters b) and c), the continuous trading of that financial instrument shall be automatically suspended and at the same time a reservation period is activated which takes place according to the procedures provided for in Article 3.4.2 of the Trading Manual.

Article 4.5 - Trading-at-last for the Bond-X and Equity segments

The operation of the trading-at-last phase is described in Section 1.3.6 of the Trading Manual for the Optig Trading Platform.

The "Trading at last" trading phase takes place after the continuous trading phase and orders are placed for execution at the last traded price.

Article 4.6 - Particular methods of conclusion of contracts.

In the Equity segment it is possible to enter guaranteed cross and guaranteed principal transactions according to the rules established in the TCS Trading Manual.

In the Equity and Bond-X segments it is possible to enter pre-arranged transactions through the Transaction Confirmation System according to the rules established in the TCS Trading Manual.

Article 4.7 Closing reference price

1. The closing reference price is equal to~~:~~ the VWAP or BBO as described in Article 5.4 of the Trading Manual.

2. In order to guarantee the regularity of trading and, Borsa Italiana may establish different methods to calculate the closing reference price, announcing the decision in a Notice.

Article 4.8 Static and dynamic reference price

1. The static reference price:

   for instruments other than covered warrants and certificates is given by:

   a. the closing reference price of the previous day, during the pre-trading phase

b. the price of the first executed contract updated to the end of each reservation period if a contract is executed, during the continuous trading phase

2. The dynamic reference price:

a) for instruments other than covered warrants and certificates, shall be:

i) the price of the last contract concluded in the current session;

ii) the previous day's reference price if no contracts have been concluded in the current session.

Section 3 Trading in the Cert-X segment

Article 4.9 Trading methods and phases

1. Trading of instruments admitted to the Cert-X segment of the EuroTLX Market shall be carried out by the Market intermediary with the following trading hours:

7:30 a.m.– 9.05 a.m.	Call phase
9.05 a.m. – 5.30 p.m.	Continuous trading

The continuous trading phases and the contract conclusion shall start at the end of the Call phase.

2. Borsa Italiana may set different trading hours for specific trading days, different from those set out in paragraph 1. Borsa Italiana shall communicate such specific trading days and trading hours in advance to the public.

3. Issuers may request to trade securitized derivatives in extended trading hours. At single instrument level, issuers may decide to start the continuous trading at 8:00 or 9:05 and end the continuous trading at either one of the following trading sessions closing times: 17:30, 20:30 or 22:00.

4. Intermediaries may include trading proposals pursuant to Article 4.10 and must indicate the time validity for each trading proposal submitted.

5. Non-Liquidity Provider orders can be assigned the following validity conditions:

- Day
- Immediate or cancel, except for stop-on-quote orders. Immediate or cancel validity conditions are active only in case RFE=0
- 'valid until date'. The maximum duration that may be indicated for trading proposals with the execution mode 'valid until date' is determined according to Article 2.2.2 of the Trading Manual.

6. Negotiation proposal with a time validity shorter than the individual instrument trading session closing time will be automatically cancelled at the end of the session.

7. Trading proposals with a validity period of less than the closing time of the trading session of the individual instrument, of the type 'valid until date' with expiry on one of the trading days following the date of transmission to the

market, will be automatically withdrawn from the order book at the end of the validity session. They will be re-entered at the start of the next trading session maintaining their original time validity.

8. Continuous trading shall be conducted according to the Request for Execution Market Model

9. Upon justified request from the issuer, or the Liquidity Provider and in consideration of the market conditions, Borsa Italiana may identify the instruments for which continuous trading shall be conducted according to bid-only before buy back methods set out in Article 4.12

10. Borsa Italiana reserves the right to establish for each financial instrument a minimum negotiable lot, balancing the needs of market functionality, easy access for clients and cost-effectiveness in the execution of orders.

11. The minimum negotiable lot of a financial instrument must not be set at below the minimum piece size as determined by the terms and conditions of the issue thereof.

12. The minimum lots may be modified after the admission, by giving timely notice to the public. Disclosure to the public must include the date from which the minimum lots shall be effective.

Guidance to the Rules 4.9

Borsa Italiana shall notify with adequate notice and by means of Notice the instruments for which continuous trading is carried out according to the bid-only before buy back procedures referred to in article 4.11.

Article 4.10 Orders for Cert-X segment

1. Approved intermediaries shall express their willingness to trade through anonymous orders. Liquidity Providers shall express their willingness to trade through anonymous limit orders of the Quote type with a day validity. Orders shall contain at least the information relating to the Cert-X financial instrument to be traded, the quantity, the order type, the type of account, the price conditions, and the execution method and include a special indication when originated from an algorithm or entered by 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 Trading Manual. The prices of trading proposals must comply with the Guidelines under 40 (2), otherwise they are rejected.

2. In the continuous trading phase~~s~~, the following type may be entered: limit order, orders that are bid or ask orders that can only be executed at their specified price limit or at a better price as described also in Article 2.1.2 of the Trading Manual.

3. Stop-on-quote limit orders, orders which are triggered (also called stop limit) is reached in trading on the Liquidity Provider's indication of interest. More precisely, the indication of interest on the buy side must move at or below the stop limit to trigger a selling stop order, respectively at or above the stop limit for the indication of interest on the sell side to trigger a buying stop order. When the conditions of triggering a stop-on-quote price limit proposal are met, a limit order shall automatically be generated and added to the Order Book as described in Article 2.1.6 of the Trading Manual.

4. In the call phase and in the continuous trading phase, the trading orders referred to in paragraph 2 of this article may be entered, while the trading orders referred to in paragraph 3 are allowed only during the continuous trading phase.

5. Market intermediaries may enter, modify and cancel orders in the continuous trading, in the call and in the reservation phases and the Request for Execution phases.

6. The orders for each instrument 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.

7. Limit orders may not be entered with prices above or below the maximum price variation limits established by Borsa Italiana in the Guide to the Parameters communicated in Notice by Borsa Italiana. During the first Call Phase of the day, the maximum price variation limits are applied to the previous day Closing Price; after the start of the continuous trading phase, the maximum price variation limits are applied to the latest Valuation Price.

8. 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, the maximum quantity and countervalue of financial instruments that may be the subject of an order.

Guidance to the Rules 4.10 (2)
Price of orders

The prices of orders may be multiples of the ticks established for each financial instrument and Stock Exchange session in relation to the prices of the orders entered, as indicated in the Guide to the parameters.

Borsa Italiana, taking into account the unit value of the financial instruments traded in the Cert-X segment, may establish a different tick from that specified in the Guide to the parameters; it shall announce such ticks in a Notice.

Guidance to the Rules 4.10 (3)
Call, reservation phases and Request for Execution

The call phase is the pre-trade phase that precedes the start of continuous trading in which no trades take place, but market participants can indicate their willingness to trade by entering, modifying and cancelling orders.
The reservation phase is a suspension phase in which no trades take place, and which may occur during continuous trading hours whenever one or both of the Liquidity Provider's quotes are not present in the order book; continuous trading is automatically resumed as soon as the quotes are entered by the Liquidity Provider.
The Request for Execution phase identifies the period, as defined in the Guide to the Parameters, from the time the RFE message is sent to the Liquidity Provider until the Liquidity Provider's quotes are updated in response to the RFE message or until the end of the maximum duration of the RFE period.

Guidance to the Rules 4.10 (4)
Call and reservation phases continuous uncrossing

At the end of the Call and Reservation phase, if the Liquidity Provider is present in the order book and at the end of the RFE period, Borsa Italiana elaborates possible matching according to the Continuous Uncrossing algorithm. The algorithm of Continuous Uncrossing classifies the proposals on the basis of price and temporal priority progressively combining among them the best order in purchase with the best order in sale as long as they remain on the book proposals for matching trading.
Where the combination determines an execution price outside the quotations of the Liquidity Provider, this price will be adjusted to the price of the Liquidity Provider; in the case of bid-only instruments the price limits are represented by the bid share of the Liquidity Provider and the Virtual Offer Price.
The above price adjustments are made in accordance with price limits and the type of proposals.
The Virtual Offer Price is defined in the Guide to Parameter.

Article 4.11 Continuous trading
Continuous trading with Request for Execution or RFE

1. During continuous trading, in the absence of one or both Liquidity Provider's bids and offers, or the Liquidity Provider's bid-only offer, the instruments enter the reservations phase, and the conclusion of contracts is not permitted. The reservation terminates any time the Liquidity Provider resumes their quotes, and the continuous uncrossing happens as described in guidelines to the rules 4.10 (4).

In the presence of both buy and sell orders from the Liquidity Provider contracts may only be concluded at a price that falls within the range of prices of the bids and offers displayed in the market by the Liquidity Provider (including the extremes of such range);in the case of a bid-only Liquidity Provider, contracts are concluded within a price range as defined in the Guide to the Parameters;

Each securitised derivative financial instrument, at the issuer's discretion, may be traded with the Request for Execution model enabled or disabled. Borsa Italiana communicates the model in force for each listed instrument by means of a Notice.

2. If the Request for Execution model is disabled, the Liquidity Provider quotes displayed on the market can be immediately executed with respect to the rest of the order book and the contracts are concluded, for the quantity available, by automatically matching opposite orders displayed on the market and ordered according to the priority criteria referred to in Article 2023.

3. If the Request for Execution model is enabled, the Liquidity Provider's quotes displayed on the market cannot be executed immediately, unless they are matched with orders already present in the order book.

4.When an Intermediary enters an order that can be potentially matched with the Liquidity Provider's passive quote or with another passive order inside the Liquidity Provider bid and offer quotes (i.e. within the range represented by the Liquidity Provider's bid-only bid price and respective Virtual Offer Price), a specific Request For Execution message is sent to the Liquidity Provider informing them that a potential execution could happen. The Request For Execution message sent to the Liquidity Provider does not contain any information about the incoming order which generated the Request For Execution message. The Liquidity Provider can update the quotes until the end of the RFE update period associated to each product. Issuers can choose between the different lengths of the update period as indicated in the Guide to the Parameters. Upon receipt of an answer to the RFE from the Liquidity Provider, the matching algorithm is launched taking into account the RFE answer quote.
If no answer to the RFE is received from the Liquidity Provider before the RFE update period expires, the matching algorithm considers the latest quote received from the Liquidity Provider. A Liquidity Provider quote matching a passive non-Liquidity Provider order will not trigger an RFE. Once the RFE update period has expired, or a Liquidity Provider quote matches with a passive order, and the contracts shall be concluded, up to the quantities available, through the automatic matching of orders of the opposite sign and ranked according to the criteria referred to in Article 4.10(7).

Regardless of the type of Request for Execution model chosen, for each contract concluded through automatic matching, pursuant to Article 4.11, the price is equal to that of the order with time priority within the limits expressed by the orders of the Liquidity Provider, as described in Article 3.2.2 of the Trading Manual.

5. 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.

6. Quotes and Orders that are unfilled at the close of trading shall be automatically cancelled.

Trading in securitised derivatives on individual shares may also be temporarily suspended if the volatility auction on the underlying shares.

Continuous trading bid-only before buy-back

During bid-only before buy back continuous trading, contracts will be concluded according to the rules of the continuous trading with request for execution, up to the quantities available, through automatic matching of buy orders, which may be issued exclusively by the Liquidity Provider, with sell orders, which may be issued by all market intermediaries.
Orders are displayed on the book and ranked according to the priority criteria shown in article 4.10(7).

The entry of a buy limit order by a Liquidity Provider 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. Similarly, the entry of a sell limit order shall result in its being matched with buy orders by the Liquidity Provider with a price higher than or equal to that of the order entered.

In the event of a lack of buy orders from the Liquidity Provider the instrument's reservation phase is triggered, therefore intermediaries are allowed to insert, modify or cancel the orders.

Should a sell order have already been displayed on the book and, subsequently, the Liquidity Provider issues a buy order with a price greater than that of the sell order, the matching will be at the improved price of the order issued by the Liquidity Provider.

The partial execution of a price limit order shall give rise, for the non-executed quantity, to the creation of an order which will remain entered with the price and the time priority of the original order.

Quotes and Orders that have not been executed at the end of the continuous trading will be automatically deleted from the system.

~~Upon the occurrence of the resolutory condition of a product referred to in guideline 4.15 the Liquidity Provider has the faculty to start a PAKO (Payment after knock-out) trading in which the liquidity provider acts in bid-only before buy back mode in order to buy the product at its final value.~~

Trading in securitised derivatives on individual shares may also be temporarily suspended if the volatility auction on the underlying shares is activated.

Guidance to the Rules 4.11
Control on order entry

For the purposes of the automatic control of the regularity of trading on the Cert-X segment the maximum price variation limit of orders with respect to the previous day's Closing Price or to the Valuation Price, as per static price, referred to in Article 4.10(8), of the Rules, defined for instruments classes according to the leverage and the type of underlying of each instrument.

Borsa Italiana *shall establish, in the Guide to the Parameters, the maximum price variations limits referred to above.*

In order to ensure the regularity of trading, Borsa Italiana may modify such trading conditions during the trading day.

Borsa Italiana *may establish by means of a Notice price variation limits which differ from the ones referred to in the guidelines to the rules 4.11, taking into account the historical volatility of the underlying as well as the presumable liquidity level of the financial instruments.*

Article 4.12 Special procedures for the conclusion of contracts in continuous trading with request for execution

In the Cert-X Market it is possible to enter pre-agreed transactions (guaranteed cross) through the Transaction Confirmation System according to the rules established in the TCS Trading Manual.

Article 4.13 Closing reference price

The closing price shall be set equal to the latest among the price of the latest contract, the last Valuation Price referred to in article 4.14, or the closing price of the previous session.

In order to guarantee the regularity of trading and the significance of prices, Borsa Italiana may establish different methods for the calculation of the Closing Price announcing the decision in a Notice

Article 4.14 Valuation price

The Valuation Price is calculated and disseminated with the frequency established by Borsa Italiana in the Guide to parameters. The Valuation Price is computed as follows:
- if the Liquidity Provider is present with both bid and offer quotes, the Valuation Price is equal to the mid-point of the best bid and offer limits of the Central Order Book
- if the Liquidity Provider is quoting with Bid-Only obligations, the Valuation Price is equal to the Liquidity Provider's bid price.

In case of the Liquidity Provider absence, the Valuation Price is not updated.

Article 4.15 Official price

The daily official price of each Cert-X financial instruments shall be the weighted average price of the total quantity of that instrument traded in the market during the session without taking into account the contracts concluded in the manner indicated in Article 4.12.

Guidance to Rules 4.15

Measures concerning the trading on certificates and warrants subject to resolutory conditions

Upon receiving the issuer's notification specifying the time (hour, minute and second) at which the price level causing the resolutive condition to be fulfilled was reached, Borsa Italiana shall suspend trading in the financial instruments subject to such condition and arrange for them to be delisted.

Upon receiving the notification referred to in the preceding guidance, Borsa Italiana shall cancel any contracts involving such financial instruments concluded after the time specified therein, including any concluded in the second in which the resolutive condition was fulfilled.

Section 4 Provisions valid for all the EuroTLX segment

Article 4.16 Trading rules

1. Shares, certificates representing shares, other equity securities, covered warrants and certificates shall be dealt in at their unit price, irrespective of their nominal value.

2. Bonds, covered bonds other debt securities shall be dealt in at their current value, being the percentage of their nominal value, the latter being equal to 100 (trading in percentage).

3. As regards a financial instrument which pays coupons and is traded clean price, upon conclusion of a contract therein, accrued interests shall be calculated according to one of the modes envisaged in Guidance to Rules 7.1 of the present Rule Book and added to the price to be paid.

4. Borsa Italiana shall communicate in a Notice whether a financial instrument which pays coupons is traded clean price or otherwise.

Article 4.17 Cancellation of Financial Instruments at Maturity

1. Upon maturity cancellation of a financial instrument from the Book shall be ordered by Borsa Italiana on the second settlement day preceding the date of

maturity of the financial instrument, taking into account the open days of the relevant settlement system.

2. The cancellation of securitized derivative financial instruments, for which the recognition of the settlement amount at maturity is carried out prior to the cancellation determined in accordance with paragraph 1, shall be ordered by Borsa Italiana:

- for certificates, in cases where the detection of the price of the underlying asset is carried out no later than the fourth day before the maturity date on the business day after the day of the determination of the price of the underlying assets itself, unless a justified request is received from the Issuer.

- for covered warrants, in cases where the detection of the price of the underlying asset is carried out no later than the third day before the maturity date on the business day when the price of the underlying asset itself is determined, unless a justified request is received from the Issuer.

3. As an exemption to the provisions in paragraphs 1 and 2 above, Borsa Italiana, based on the characteristics of the financial instrument and the time to maturity, reserves the option to maintain the trading of securitised derivative financial instruments, promptly informing the market of this by means of Notice.

4. For instruments providing for the payment of one or more periodic amounts, the ex-right-of-payment trade date of each periodic amount starts on the first open calendar day of the relevant settlement system prior to the respective record dates. If such day is a closed market day, the ex-right-of-payment trading date of the periodic amount starts from the relevant record date.

5. The cancellation of bonds and/or other debt securities, including participatory instruments, structured bonds, bonds with warrant, Government Bonds and Covered Bonds, can be ordered by Borsa Italiana ahead of the time indicated in paragraph 1 as a result of similar action taken by the of the relevant market and/or communications or actions by the settlement system.

6. In all cases where the cancellation date does not correspond to a Business Day, the date of cancellation shall run from the first subsequent Business Day.

7. The delisting of securitised derivative financial instruments may be ordered by Borsa Italiana, pursuant to Article 4.17, in the event of the termination of the activity of Liquidity Provider and/or Specialist set out in Article 6.3, paragraph 8. Borsa Italiana will communicate it through a Notice.

Article 4.18 Method of collection of acceptances of market takeover bids and exchange offers

1. The collection of acceptances of purchase and market takeover bids for financial instruments traded on EuroTLX market and the execution of purchase obligations referred to in Article 108 of the Consolidated Law on Finance may be carried out using the trading support system, unless Borsa Italiana deems that the characteristics of the transaction and/or the offeror do not permit the

collection of acceptances using the support system. To this end the issuer and/or the offeror shall contact Borsa Italiana without delay.

2. The collection of acceptances and the execution of purchase obligations referred to in the preceding paragraph shall be at the price established by the offeror or the person obliged to do so and entered into a special book. Acceptances and requests to sell shall be entered into the book as orders without a price limit and with the method of execution specified in the Trading Manual; they may be cancelled by Borsa Italiana upon receipt of a reasoned request from approved intermediaries.

3. The contracts concluded shall be matched by the X-TRM service and settled in the settlement services referred to in Guidance to the Rules 7.1 (1), in the manner established on a case-by-case basis by Borsa Italiana and notified to Consob provided the consideration consists exclusively of cash; if even part of the consideration consists of securities, the acceptances shall not be transmitted to the CSDs referred to in Title 7.

Title 5 Disclosure of information

Article 5.1 Market data

The provision of market data to intermediaries is governed by a separate agreement.

Article 5.2 Information provided to the public – General principles

In order to facilitate investment and disinvestment decisions and the verification of the conditions at which transactions are executed in the markets, EuroTLX 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 EuroTLX financial instrument.

Borsa Italiana shall not disclose information to the public on the identity of the parties to trades.

Article 5.3 Information provided to the public – Contents

1. In the continuous trading phase the public shall have access to the following information for each financial instrument, updated in real time:

a. the prices and quantities of at least the five best buy and sell orders;

b. the aggregate buy and sell quantities and orders for at least the five best prices;

c. the price of the last contract concluded, the day and time of execution, the quantity traded and the ID data of the financial instrument within the limits provided in the following paragraph 2;

d. the cumulative quantity and value traded; within the limits provided in the following paragraph 2;

e. prices and quantity of the responses to RFQs, referred to in Article 4.6 of a smaller size than the specific size of the instrument, on bonds or structured financial instruments for which there is a liquid market, made available when the requiring intermediary confirm its intention to trade;

f. average of the prices of the responses to RFQs, referred to in Article 4.6, made available when the requiring intermediary confirm its intention to trade, on bonds or structured financial instruments for which there is a liquid market, of size equal or greater than the specific size of the instrument and smaller than the size of large in scale transactions;

2. The publication of the information on the contracts concluded with the procedures referred to in Article 4.6 takes place at the latest on the second business day after the day of conclusion, in compliance with the conditions referred to in Article 8 of the Regulation 2017/583/EU[2].

3. Borsa Italiana shall disclose to the public and intermediary of the changes in the list of the intermediaries admitted to trade on Borsa Italiana and on financial instruments traded as a result of admission, and exclusion through IT facilities and/or through Borsa Italiana's website.

4. Borsa Italiana publishes on its website the name of the liquidity provider with the relevant obligations for each financial instrument.

Article 5.4 Disclosure obligations of the financial instruments admitted to trading on EuroTLX market with the consent of the issuer

For all financial instruments admitted to trading in EuroTLX with the consent of the issuer, the issuer, the controlling entity or the person acting on its behalf or for its account, shall communicate without undue delay to Borsa Italiana all information referred to in article 6.7 by e-mail sent to the address eurotlx.notice@euronext.com.

In the case of Green Bonds, Social Bonds and Sustainability Bonds, the use of the proceeds for projects of environmental and/or social nature must be communicated by the issuer at least once a year. This communication and any deviation from the use of the proceeds for projects of environmental and/or social nature must be communicated to Borsa Italiana and to the public respectively, without delay, according to the methods stated above. In the case of failure of the annual communication of this information, Borsa Italiana after checking with the issuer, shall delete the indication of the financial instruments from the relevant section of Borsa Italiana website dedicated to Green Bonds, Social Bonds and Sustainability Bonds. In case of Green Bonds and Sustainability

2 The amendment shall enter into force with a subsequent Notice

Bonds, any significant changes or events to the transition plans aimed at making the issuer's activities more sustainable must be communicated and, in the case of Sustainability-Linked Bonds, any changes to the financial and/or structural characteristics of the issued bond deriving from the failure to achieve the pre-defined sustainability objectives must be communicated. These communications must be communicated without delay to Borsa Italiana and to the public.

The issuer shall give sufficient prior notice to Borsa Italiana, even informally, of the possibility that it will publish inside information during the trading of the financial instruments.

Article 5.5 Publication of news and data on the quality of the market

1. Borsa Italiana shall disseminate, by means of a Notice or messages sent via the electronic trading support systems, information of interest for the proper operation of the market.

2. 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.

Title 6 Market Maker and/or Specialist

Section 1 General conditions

Article 6.1 Recording

1. Trading on the EuroTLX market can be carried out through Market Maker and/or Specialist.

2. Market intermediaries admitted to trading on EuroTLX market intending to act as Market Maker and/or Specialist shall fill in the relevant form available on Borsa Italiana website, indicating the instruments for which they intend to provide liquidity.

3. Market Maker and/or Specialist are required to comply with the rules of conduct set out in articles 3.13 and 6.2 and can operate as:

- Specialists with respect to the instruments set out in article 6.6, undertaking to comply with the quotation obligations set out of article 6.3 and 6.4;
- Market Makers with respect to the instruments set out in article 6.5, undertaking to comply with the quotation obligations of articles 6.3 and 6.4.

4. Borsa Italiana publishes and regularly updates the list of Market Makers and Specialists as well as the relevant information relating to their activities, in line with the provisions of Article 7(1) of Delegated Regulation (EU) 2017/578.

Guidance to Rules 6.1.1
Procedure for authorisation to operate in the capacity of Market Maker and/or Specialist

1. To be entitled to act as Market Maker and/or Specialist*, the procedure referred to in Article 3.2 shall apply*.

2. A Market Maker and/or Specialist *who intends to provide liquidity of financial instruments shall file a request for admission to trading or, if already admitted to trading, shall request an extension to operate on such financial instruments.*

3. For parties other than Intermediaries, the authorisation to operate in the capacity of Market Maker and/or Specialist *is governed by the procedure set out in article 3.2.*

4. Borsa Italiana shall inform the Market Maker and/or Specialist *of the starting date from which it is authorised to operate in the capacity of Market Maker and/or Specialist, along with the date from which it shall provide liquidity of the financial instruments covered by the request. On the day prior to the starting date, Guidance to Rules 6.2 shall apply.*

Guidance to Rules 6.1.2
Procedure for withdrawal

1. The Market Maker and/or Specialist *who intends to cease the activity of providing liquidity shall file with Borsa Italiana a request to withdraw having considered the circumstances as per Guidance to Rules 6.1.3, paragraph 5, Borsa Italiana shall notify on withdrawal and, in the case envisaged by Article 8.10, paragraph 3, shall order the Withdrawal of the financial instruments. Borsa Italiana may request* Market Maker and/or Specialist *to continue its activity, in full or in part, for a period of up to 30 calendar days from the date of the request for withdrawal.*

Guidance to Rules 6.1.3
Extension / Modification/Withdrawal from financial instrument trading

1. The Market Maker and/or Specialist *intending to extend the activity of providing liquidity to other financial instruments shall file a request to Borsa Italiana in the manner set out in the relevant Technical Communication. Because of its similarity, the Procedure for authorisation to operate in the capacity of* Market Maker and/or Specialist *set out in Guidance to Rules 6.1.1 applies.*

2. For Market Maker and/or Specialist *that intend to modify their quotation obligations under Article 6.3 and to quote in accordance with Article 6.4 or vice versa, the methods specified in paragraph 1 shall apply.*

3. The Market Maker and/or Specialist *intending to cease the activity of providing liquidity to one or more financial instruments shall file a request to withdraw in the manner set out in the relevant Technical Communication.*

4. In case of financial instruments admitted to trading on EuroTLX market more than 6 months before and for which no contracts have been executed in the last 6 months, the request of withdrawal shall be granted by the third business day on from the date of the request; until the financial instrument is withdrawn from EuroTLX market, the Market Maker and/or Specialist *shall continue its activity of providing liquidity to the financial instrument.*

5. In its examination of the request for termination, and unless the conditions set out in paragraph 4 are met, Borsa Italiana shall consider:

a) whether the liquidity conditions are such that ensure fair dealing in the financial instruments concerned;
b) whether there are other Market Maker and/or Specialist *to provide liquidity to those financial instruments;*
c) whether it is possible to trade in the financial instruments concerned in other execution venues;
d) the number of contracts executed on EuroTLX market on the specific financial instruments;
e) what specified in the relevant Technical Communication relating to the terms for the withdrawal from EuroTLX market of a financial instrument

6. Borsa Italiana shall notify withdrawal and shall, in the case envisaged by Article 8.10, paragraph 3, order the Withdrawal of the financial instruments. Borsa Italiana may, taking account of the circumstances as per paragraph 5, request the Market Maker and/or Specialist *to continue its activity of support to liquidity for a period of up to three months from the date of the request for withdrawal.*

7. Borsa Italiana shall communicate to the public and the Market Maker and/or Specialist *that, from a specified date, the* Market Maker and/or Specialist *will cease the activity of providing liquidity with regard to the financial instruments subject to the request to withdraw under paragraph 3.*

8. Borsa Italiana may decide to refuse the request if between the trading commencement date in the financial instruments concerned and the date of request to withdraw with regard to the same less than six months have passed.

9. The withdrawal or the refusal of the request shall be notified within the following business day after the date of request under the conditions as per paragraph 4 and within 7 business days in any other case.

Article 6.2 Market Maker and**/o**r **Specialist's obligations**

1. The Market Maker and/or Specialist shall comply with the obligations set out in the article below concerning to the financial instruments listed therein.

2. The Market Maker and/or Specialist is required to specify the instruments on which he intends to operate in compliance with the obligations of articles 6.4 and 6.5.

3. Specialists can independently change intraday their Specialists status from bid & ask to bid-only and vice versa by sending a Specialist command. Specialists can not change their status to offer-only

4. Borsa Italiana checks compliance with Market Maker and/or Specialist's obligations.

5. Borsa Italiana, in evaluating possible violations of the obligations, shall also take account of monthly compliance with the quotation obligations indicated in Article 6.3, paragraph 2 and article 6.4, paragraph 2.

Article 6.3 Market Maker and/or Specialist quotation obligations

For financial instruments for which a commitment has been made to support liquidity, the Market Maker and/or Specialist shall enter bids and offers for comparable quantities, using only quote orders for the Cert-X segment and

orders with price limit and 1 day validity for the Bond-X and Equity segment, according to what reported in the guidelines and in the Guide to the Parameters. Those orders must be made at competitive prices, i.e. the buy and sell prices may deviate by the maximum spread and must comply with the minimum quantities indicated in the Guide to the parameters (quotation obligations).

The maximum spread is defined on the basis of the instrument reference price recorded on the open market day prior to the trading day, according to the values reported in the Guide to the Parameters.

The minimum quantity obligations for:

(i) covered warrants and certificates shall be defined on the basis of the instrument closing reference price recorded on the business day prior to the trading day, in accordance with the calculation procedures set out in the Guide to the Parameters.

(ii) the instruments traded in the Bond-x and Equity segments are indicated in the Guide to the Parameters.

2. Liquidity Providers are required to comply with the obligations referred to in the previous paragraph**,** for each trading day, for at least 50%, except for the Cert-X segment which is required to comply with the obligations referred to in the previous subparagraph by at least 80%:

(i) of the duration of the continuous trading phase for all the financial instruments other than certificates and covered warrants.

(ii) of the duration of the trading session, which is the last two minutes of the pre-trading phase and the continuous trading phase for certificates and covered warrants.

3. The Market Maker and/or Specialist during stress market situations, that may occur in the cases referred to in Article 8.12, may quote with reduced obligations. Such reduced obligations are indicated in the Guide to Parameters of EuroTLX market.

4. Market Maker and/or Specialist are not required to comply with the obligations under the preceding paragraphs in the event of the exceptional circumstances communicate by Borsa Italiana. In the cases provided for in Article 3 (d) of Regulation No 2017/578/EU, Market Intermediaries shall notify Borsa Italiana in writing of this circumstance in order to be exempted from these obligations.

7. In the event of the cessation of the activity of the entity acting as Liquidity Provider, the outgoing Liquidity Provider and/or the issuer must ensure the continuity of the function of Liquidity Provider and inform Borsa Italiana, with adequate notice, of the name of the replacement of the outgoing Liquidity Provider and the effective date of the replacement.

8. The intention to cease to act as Liquidity Provider and/or Specialist, and the date of termination of the activity, in the absence of a replacement, must be promptly communicated to Borsa Italiana with a minimum of three months' notice.

Article 6.4 Single-side quotation obligation

1. The Market Maker and/or Specialist undertakes to place on the market only buy orders, exclusively using the "single side quote" type of orders, in compliance with the minimum quantities indicated in the Guide to the Parameters.

The minimum quantity obligations for covered warrants shall be defined on the basis of the closing reference price of the instrument recorded on the business day prior to the trading day, in accordance with the calculation procedures set out in the Guide to the Parameters.

2. The Market Maker and/or Specialist are required to comply with the obligations of the preceding paragraph, for each trading day, for at least 50% except for the Cert-X segment which is required to comply with the obligations referred to in the previous subparagraph by at least 80%:

(i) of the duration of the continuous trading phase for all the financial instruments other than certificates and covered warrants.

(ii) of the duration of trading session, which is the last two minutes of the call phase and the continuous trading phase for the instruments traded on the Cert-X segment.

3. The Market Maker and/or Specialist during stress market conditions, that may occur in the cases referred to in Article 8.12, may quote with reduced obligations. Such reduced obligations are indicated in the Guide to Parameters.

4. Market Maker and/or Specialist are not required to comply with the obligations under the preceding paragraphs in the event of the exceptional circumstances communicate by EuroTLX. In the cases provided for in Article 3 (d) of Regulation No 2017/578/EU, Market Intermediaries shall notify Borsa Italiana in writing of this circumstance in order to be exempted from these obligations.

Guidance to Rules 6.4

1. One day prior to commencement of trading in the financial instruments that were the subject of a request for admission or an extension to trading on Borsa Italiana, the Market Maker and/or Specialist *shall communicate the reference price at which it intends to begin providing liquidity to the financial instruments concerned to Borsa Italiana following the methods indicated by Borsa Italiana.*

2. With regard to financial instruments characterized by a buyback obligation, the Market Maker and/or Specialist *shall communicate to Borsa Italiana, by electronic mail sent to* MS@euronext.com *all the information that must be made public on an ongoing basis, in compliance with paragraph 3 of Consob Communication No. DEM/DME/9053316 of 8 June 2009 including any subsequent amendments thereof. In case the issuer has chosen EuroTLX Market*

as the channel through which the ongoing information will be published, Borsa Italiana shall communicate it to the public in the Section Market News publicly available on the Borsa Italiana's website. In the same way Borsa Italiana shall make publicly available the ongoing information received.

Article 6.5 Financial instruments on which Market Makers can operate

1. A Market Maker can provide liquidity of shares and debt securities listed on at least one market or MTF on the date of the start of trading on the EuroTLX Market. Borsa Italiana, considering the liquidity conditions of the financial instruments, reserves the right to assess possible exceptions to this requirement.

Article 6.6 Financial instruments on which Market Intermediaries can operate in the capacity of specialists

1. Specialists can provide liquidity to certificates and/or covered warrants and/or financial bonds and/or other bonds and/or other debt securities alternatively:

a) issued by the same or by its controlled, controlling or affiliated company, as per article 2359 of the Italian Civil Code, or by a company being part of the same group, as per article 60 of the Legislative Decree 385/93, or

a) issued by banking entities or entities subject to prudential surveillance or international organisations of a banking nature, among its clients and/or clients of such controlled, controlling or affiliated company as per article 2359 of the Italian Civil Code or such company being part of the same banking group as per article 60 of Legislative Decree 385/93. Alternatively, "control" or "affiliation" shall be defined pursuant to article 22.1, letters (a), (b) and (d) and article 2.12 Directive 2013/34/EU. Companies shall be considered belonging to the same banking group if they have the same parent undertaking with which to be consolidated pursuant to article 22.6 of Directive 2013/34/EU.

Article 6.7 Information obligations of specialists

1. The Specialist shall promptly communicate to Borsa Italiana, by electronic mail sent to eurotlx.notice@euronext.com, the following information regarding the financial instruments for which it provides liquidity:

a) for financial instruments with variable or indexed interest rate which render interest on periodic basis - traded with "clean price", the value of the new coupon according to the calculation procedures established in the issue rule book, as soon as it is determined and nevertheless at least two trading days in advance compared to the first accrual day of the new coupon;

b) for financial instruments with variable or indexed interest rate which render interest on periodic basis, traded with "tel quel" price, the value of the new coupon in payment, as soon as it is determined and nevertheless at least one trading day in advance compared to the first "ex coupon" trading day;

c) if renders a premium at maturity and/or a series of indexed coupons - the amount of the coupons, determined in the manner set in the terms and conditions of the issue;

d) if amortizable from nominal value - the face value or the minimum piece size of the still outstanding financial instruments, as well as their amount to be communicated as soon as determined and nevertheless at least three trading days in advance of the redemption date;

e) if callable the intention to and the dates on which the call may be exercised as soon as the decision is taken and nevertheless at least three trading days before the redemption date;

f) if modification of its characteristics upon occurrence of specific market events or at the option of the issuer allowed – such modification having taken place and the new characteristics of the financial instrument;

g) if indexed to an underlying asset – each adjustment of the underlying assets following an extraordinary event and the date on which said adjustments takes effect. Adjustments must be communicated appropriately in advance and nevertheless, at least, two trading days before the date on which the adjustments will take effect. When extraordinary events occur, for which the adjustment coefficient can be calculated only at the end of a trading session immediately prior to the date it takes effect, the term shall be considered as one day compared to the date on which the adjustments take effect;

h) if early redemption upon occurrence of specific market events (e.g. knock-out clause) allowed – occurrence of such event or exercise of such option which results in redemption of the financial instrument;

i) if financial instruments characterized by a buyback obligation, all the information that must be made public on an ongoing basis, under par. 3 of Consob Communication No. DEM/DME/9053316 of 8 June 2009 including any subsequent amendments thereof. In case the issuer has chosen the EuroTLX Market as the channel through which the ongoing information will be published, Borsa Italiana shall communicate it to the public in the Section Market News on the Borsa Italiana's website. In the same way Borsa Italiana shall make publicly available the ongoing information received.

2. Notwithstanding to the provisions of the preceding paragraph 1, in relation to the technical information for which Borsa Italiana has prepared a specific electronic transmission channel (MyEuronext), such information is transmitted through the use of such channel or, if it malfunctions, by communication to the following e-mail eurotlx.notice@euronext.it.

3. Borsa Italiana reserves the right to exempt the intermediary from the obligation to communicate the information referred to in paragraph 1 if these are available and can be easily found by Borsa Italiana[3].

[3] Amendments subject to process under Article 32(1) of Consob Market Regulation

Title 7 Clearing, guarantee and settlement

Article 7.1 Settlement

1. Right after the conclusion on the market, the contracts are sent to the clearing and daily adjustments services for the purpose of forwarding them to the settlement systems indicated in the guidelines. For the purposes of forwarding to settlement systems, contracts may be aggregated in the cases and on the basis of the criteria defined in the guidelines. In the case of the collection of acceptances of market takeover bids and exchange offers referred to in article 4.18 where the consideration consists, even partially, of securities, the acceptances collected shall not be transmitted to the settlement systems.

2. Market Intermediaries may ask Borsa Italiana to install systems filtering for contracts having the same Market Intermediary as counterparty, whether on bid or ask side, allowing thereby that contracts having certain characteristics are not to be sent to clearing and settlement.

3. Contracts concluded on Borsa Italiana may be corrected or cancelled solely by Borsa Italiana until their effective settlement.

4. In exceptional cases, given the characteristic of the financial instrument, notwithstanding the provisions of paragraph 1 Borsa Italiana may not send the data about these contracts to clearing and daily adjustment services, for their settlement. Borsa Italiana informs the market through a Notice. In such cases, Market Intermediaries are required to enter in the settlement system the appropriate settlement instructions.

Guidance to Rules 7.1 (1)
Matching and Clearing systems

The daily clearing and settlement are X-TRM.

The designed settlement systems are the systems managed by:

-Monte Titoli, or by other CSDs using the T2S platform with which is possible cross-CSD settlement, as defined in the Monte Titoli Settlement Service Regulations, [4] *operating for the financial instruments of the domestic classes;*

-Euroclear and Clearstream Banking Luxembourg, operating for the financial instruments of the international classes.

The contracts concerning:
- the instruments of the Equity and Cert-X Segments, non-guaranteed domestic classes, concluded on the same trading day are aggregated in bilateral net balances;
- the instruments of the international non-guaranteed classes are aggregated

[4] *The entry into force will be announced with a subsequent Notice*

in bilateral balances that separately take into account purchases and sales. The calculation criteria for the balances indicated above are defined in the X-TRM Service Instructions.

Guidance to Rules 7.1 (2)
Accrued interest calculation

1. In the Notice to admit to trading, Borsa Italiana shall specify the calculation methods of accrued interest applied to financial instruments.

Article 7.2 Time of settlement

1. Purchase and sale contracts concluded on the EuroTLX market shall be settled on the second day following their conclusion.

2. The settlement time limits shall be determined according to the calendar defined by Borsa Italiana, as per the relevant Technical Communication.

3. Borsa Italiana may specify in Notice of the admission to trading a different settlement time limit to take account of the characteristics of the reference market of the EuroTLX financial instrument.

Article 7.3 Clearing and guarantees

1. Contracts related to financial instruments belonging to the guaranteed classes, as per article 4.1 are sent to the central counterparty referred to in the guidance to the rules.

2. The central counterparties, as per paragraph 1, act in accordance with these Rules and the conditions set out in the relevant regulations.

Guidance to Rules 7.3
Clearing and guarantee system

The clearing and guarantee system for the financial instruments operating for the EuroTLX market is that managed by Cassa di Compensazione e Garanzia S.p.A..

Article 7.4 Late settlement

1. Where the sale and purchase contracts are not settled within the prescribed time limit:

a) the provisions provided by the rules of the central counterparty referred to in article 7.3 shall apply to the guaranteed classes segments;
b) the provisions laid down in the following articles shall apply to the non-guaranteed classes segments.

Guidance to Rules 7.4 *(1)*
Buy-in procedure

1. The buyer shall initiate the buy-in procedure by appointing an intermediary (the buy-in agent) to execute the buy-in and send a buy-in notice to the seller. The buyer shall notify Borsa Italiana according to the model set out in Annex of the procedure. The right to submit a buy-in notice may be exercised, starting from 10 o'clock on the third day following the date of the original settlement. The request to start the buy-in procedure must take account of any buyer protection and the characteristics of the financial instrument. In the event that the buyer does not request the start of the buy-in procedure, guidance 7.4 (8) applies.

An individual buy-in process may also cover more than one contract (or more than one bilateral balance) provided that they are executed on the same financial instrument with the same Market Intermediary*, and that for each contract, the above period of time has elapsed without non-delivery of securities.*

2. In the buy-in notice, the buyer shall indicate the name of the buy-in agent who, except for the case referred to the Guidance to Rules 7.4 (3), shall execute the buy-in within the terms and in the manner prescribed in these guidelines.

3. If the seller fails to settle the original transaction by the second day following the sending of the buy-in notice (due date), on the following day (the buy- in execution day) the buy-in agent shall purchase the securities to be delivered to the compliant counterparty and notify the buyer of the details of the concluded transaction. If the buy-in agent is unable to purchase the securities on the buy-in execution day or can only partially do so, he/she can complete the purchase on the following days.

4. After receiving the notification, referred to in the paragraph above, the buyer shall notify the seller and Borsa Italiana, using the form in Annex, of the details of the buy-in execution transaction and specify any price differential between the original cum-coupon contract price and the buy-in execution cum-coupon contract price, calculated taking account of any coupon detachments that have occurred. If the differential is negative it is covered by the seller.

5. With regard to contracts to be settled via Monte Titoli or via other CDSs making use of T2S procedure, on the buy execution date Borsa Italiana shall ask Monte Titoli to delete the settlement instructions of the original contract from the settlement system. With regard to contracts to be settled at Euroclear and Clearstream, on the buy-in execution date, the buyer and the seller shall delete the Settlement Instructions of the original contract/s from the settlement system.

6. At the buy-in execution, the buyer shall send the settlement service, the settlement instructions in favour of the buy-in agent for the quantity and countervalue of the buy-in execution transaction and with the same value. The buyer shall notify Borsa Italiana that the settlement instruction has been sent. In the case provided for in paragraph 4 above, the seller shall send the settlement system settlement instructions in favour of the purchaser to cover the differential, with the same value as that of the settlement of the buy-in execution transaction. The seller shall notify Borsa Italiana of this.

7. If the Buy-in Agent does not carry out the buy-in transaction before the securities mature, the buyer shall be paid the cash differential between the redemption value and the cum-coupon price of the original contract, calculated with account taken of any intervening coupon detachments.

Guidance to Rules 7.4 (2)

1. Under Guidance to Rules 7.4 (1) paragraph 1, the buyer mandates an intermediary (the buy agent), who meets the requirements specified in the following paragraph, to proceed with buying the securities.

2. The buy agent is chosen from among the intermediaries admitted to trading on the markets managed by Borsa Italiana.

3. However, a buy-in agent may not belong to the same Group as the buyer and, as the seller.

4. The buyer or Borsa Italiana may withdraw the mandate from the buy agent who fails to execute the buy in and confer a new mandate. The buyer issues a notice of the withdrawal and new mandate to the seller and, except in the case of an official appointment by Borsa Italiana, with at least one day's notice.

Guidance to Rules 7.4 (3)
Delivery of securities during the buy-in procedure

1. The seller may settle the original contract by delivering the due securities up to the second day following the date of the buy-in notice notifying Borsa Italiana and the buyer. The latter shall inform the buy-in agent.

2. In the case referred to in paragraph 1, the buy-in procedure is cancelled immediately.

3. Partial delivery is permitted through prior consent of the buyer; in which case, the seller and the buyer are required to modify via the settlement system the original settlement instructions, notifying Borsa Italiana of this.

4. The seller may settle the original contract by delivering the due securities, even partially, on the third day following the date of the buy-in notice, provided that he/she informs the buyer and Borsa Italiana one day in advance. The purchaser shall notify the buy-in agent of this.

5. Except in cases where the buy-in agent has already executed the buy in, the seller, through prior consent of the buyer and notification to Borsa Italiana, may settle the original contract by delivering the due securities, even partially, on the fourth business day subsequent to the date of the buy-in notice or at a later date. The buyer shall inform the buy-in agent.

6. In the cases referred to in paragraphs 3, 4 and 5 above, if the seller delivers a partial amount of the due securities, the buy-in will be performed for the remaining part. In the event that the seller delivers the full amount due, the buy-in procedure will be immediately cancelled.

Guidance to Rules 7.4 (4)
Pass on

1. A seller, who has not settled a contract concluded on own account within the specified terms of settlement, due to a fail generated by a third-party participant in the Euro TLX market, having received the buy-in notice, may transfer the effects of the buy-in procedure to the third-party participant through a specific notice to the latter, a copy of which to be sent to Borsa Italiana, using the form referred to in Guidance to Rules 7.4 (1) paragraph 1, and also filling in the section called 'pass on'.

2. The seller shall notify the third-party intermediary and with a copy sent to Borsa Italiana, of the details of the buy in execution operation, using the form referred to in Guidance to Rules 7.4 (1) paragraph 4, also filling in the pass-on section, and shall specify any differential between the tel quel price of the original contract and the tel quel price of the buy-in execution contract, calculated by taking account of any coupon detachments that have occurred. If the differential is negative, it is payable by the third-party intermediary, and in cases where the buy-in agent is unable to buy the securities by the end date of validity of the original contract, the third-party intermediary is obliged to make the cash settlement referred to in Guidance to Rules 7.4 (1).

Guidance to Rules 7.4 (5)
Sell-out procedure

1. The Seller shall initiate the sell-out procedure by appointing an intermediary (the sell-out agent) to execute the sell-out and send a sell-out notice to the buyer. The seller shall notify Borsa Italiana, using the form set out in Annex, of the start of the procedure.

2. With regard to contracts to be settled via Monte Titoli or via other CDSs that use the T2S platform, the right to send a sell notice may be exercised from the end of the original settlement day (by 18:00; if the notice is sent later than this time, it will be considered as sent on the following day). If the buyer fails to settle the original transaction by 10.00 am on the day after the sell-out notice is sent (sell-out execution date), the sell-out agent, in order to deliver the cash to the compliant counterparty shall sell the securities and notify the seller of the details of the concluded transaction. If the sell-out agent is unable to sell the

securities on the sell-out execution date or can only partially do so, he/she can complete the sale on the following days.

3. Each sell-out procedure shall cover several contracts, provided that they are executed on the same financial instrument with the same counterparty, and that for each contract the above period of time has elapsed without non-delivery of cash.

4. With regard to contracts to be settled via Euroclear and Clearstream, the right to send a sell-out notice may be exercised from 10.00 am on the third day following the original settlement date (if the notice is sent after that time, it shall be considered as sent on the day following). If the buyer fails to settle the original transaction by the end of the day following the day that the sell-out notice is sent (sell-out execution date), the sell-out agent, in order to deliver the cash to the compliant counterparty shall sell the securities and notify the seller of the details of the concluded transaction. If the sell-out agent is unable to sell the securities on the sell-out execution date or can only partially do so, he/she can complete the sale on the following days.

5. In the sell-out notice, the seller shall indicate the name of the sell-out agent who, except for the case referred to in the Guidance to Rules [•], shall execute the sell-out within the terms and in the manner prescribed in the following guidelines.

6. After receiving the notification, referred to in the paragraphs 2 and 3 above, the seller shall notify the buyer and Borsa Italiana, using the form in Annex, of the details of the sell-out execution transaction and specify any price differential between the tel quel price of the original contract and the tel quel price of the sell-out execution contract, calculated taking account of any coupon detachments that have occurred. If the differential is negative it is covered by the buyer.

7. With regard to contracts to be settled via Monte Titoli or via other CSDs making use of T2S procedure, on the sell-out execution date Borsa Italiana shall ask Monte Titoli to delete the settlement instructions of the original contract from the settlement system.

8. With regard to contracts to be settled via Euroclear and Clearstream, on the sell-out execution date, the buyer and the seller shall delete the settlement instructions of the original contract/s from the settlement system.

9. At the sell-out execution, the seller shall send the settlement system, the settlement instructions in favour of the sell-out agent for the quantity and countervalue of the sell-out execution transaction and with the same value. The seller shall notify Borsa Italiana that the settlement instruction has been sent. In the case indicated in paragraph 5, the buyer shall send the settlement system settlement instructions in favour of the seller to cover the differential, with the same value as that of the settlement of the sell-out execution transaction. The buyer shall notify Borsa Italiana of this.

10. If the sell-out agent does not execute the sell out before the securities mature, the seller shall be paid the cash difference between the tel quel price of the original contract and the redemption value, calculated taking account of any coupon detachments that have occurred.

Guidance to Rules 7.4 (6)
Sell out agent

1. Under Guidance to Rules 7.4 (5) paragraph 1, the seller mandates an intermediary (the sell-out agent), who meets the requirements specified in paragraph 2 below, to proceed with selling the securities.

2. The sell-out agent is chosen from among the intermediaries admitted to trading on the markets managed by Borsa Italiana.

3. However, a Sell-out agent may not belong to the same Group as the compliant Market Intermediary and as the Market Intermediary in Fail.

Guidance to Rules 7.4 (7)
Delivery of the cash during the sell out procedure

1. With regard to contracts to be settled via Monte Titoli or via other CDSs that use the T2S platform, the buyer may settle the original contract by delivering the due cash up to 10:00 o'clock on the day following the date that the sell-out notice is sent, notifying Borsa Italiana and the seller of this. The latter shall inform the sell-out agent. In this case, the sell-out procedure is immediately cancelled.

2. With regard to contracts to be settled via Euroclear and Clearstream, the buyer may settle the original contract by delivering the due cash up to the second day following the date that the sell-out notice is sent, notifying Borsa Italiana and the seller of this. The latter shall inform the sell-out agent. The sell-out procedure is immediately cancelled.

Guidance 7.4 (8)
Cash settlement procedure
1. If, within 30 days of the settlement date the original contract/s is not settled or whenever the Buy-in Agent failed to buy the securities within that term, the seller shall pay the buyer an amount equal to the differential, if positive, between the valorisation of the obligations of the day of end of validity and the original countervalue of the contract (cash settlement).

Article 7.5 Procedures for transactions in fail in the case of corporate events

1. In the event that contracts are not settled within the prescribed time limits and a corporate event occurs in the meantime:

   a) the discipline provided in the rules of the central counterparty referred to in article 7.3 shall apply to the contracts of the guaranteed classes;

   b) The discipline provided in the following Guidance to Rules shall apply to the contracts of the nonguaranteed classes.

Guidance to Rules 7.5

Where the contracts are not settled within the prescribed time limits and a corporate event occurs in the meantime, the procedures provided by the settlement system are applied. If the settlement system does not provide the management of relevant corporate action the Market Intermediaries shall deliver the securities ex coupon or ex repayment to the counterparty based on the original settlement date of each contract executed on the EuroTLX market, adjusted to reflect any financial or tax effect.

In the case of corporate action which provide the possibility to for the in bonis buyer the right to express a choice, the buyer may request the in malis seller to exercise the option derived from the corporate action concerning the instrument purchased (so called buyer protection), notifying it to Borsa Italiana.

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.

Title 8. Supervision of the market

Section 1 General Provisions

Article 8.1 Controls and measures concerning trading

1. Borsa Italiana shall control the regularity of trading, verify compliance with this Rule Book and the guidance to rules and adopt all the measures needed to ensure the proper operation of the market. These functions shall be performed by its own competent office, equipped, exclusively, with the tools required to perform the relevant controls and actions. These functions shall be carried out in accordance with the procedures provided for in Article 3.8.

2. In carrying out its supervisory functions, with the aim of ensuring orderly trading, Borsa Italiana, *inter alia*:

a) shall monitor the performance of the markets and individual financial instruments, *inter alia* with reference to related instruments and the information available to the market and may intervene on the quoting obligations of the Market Maker and/or Specialist where needed;

b) shall monitor the behaviour of approved intermediaries in the market and compliance with the obligations of Market Maker and/or Specialist;

c) shall monitor intermediary compliance with the rules of conduct referred to under Title 3, Section 4 and Title 6; shall ask issuers and intermediaries for the information deemed necessary in relation to particular market conditions;

d) shall verify the updating of records, including the orders' content and information required by Regulation 2017/580/EU, procedures and any other matters necessary to ensure orderly trading;

e) shall monitor the operation of the technical equipment and transmission networks of the electronic data processing and telecommunication systems;

f) shall regulate trading conditions in accordance with the procedures and criteria referred to in Section 2;

g) shall promptly inform the market of the measures it adopts that affect trading in the markets or the performance of financial instruments;

h) shall promptly suspend the intermediary at the request of the intermediary participating in the settlement service referred to in Article 3.3, paragraph 3, and immediately inform Consob;

i) shall promptly suspend the intermediary following the latter's suspension or exclusion by the management company of the clearing and guarantee system identified by Title 7;

j) may suspend intermediaries at the request of the management company of the clearing and guarantee system identified by Title 7.

Article 8.2 Actions on parameters, hours and on trading

1. In view of particular market trends, Borsa Italiana may, with regard to categories of financial instruments or individual instruments:

a) extend the duration or delay the start of one or more phases of trading;

b) interrupt, where possible, the continuous trading;

c) change the maximum price variation limits, the static and dynamic reference price and other trading conditions ("parameters");

d) suspend or resume trading.

2. Borsa Italiana may adopt the actions referred to in the previous paragraph:

a) if the maximum price variation limits are exceeded;

b) where anomalous trading conditions are observed in terms of changes in prices or trading volumes, and the trading of one financial instrument;

c) if it becomes necessary to obtain information on the specific market conditions of a financial instrument;

d) if there are technical reasons or other circumstances that do not guarantee the smooth operation of the market;

e) in the event of detailed reports from market intermediaries who consider themselves harmed by the unlawful conduct of other intermediaries.

3. In the actions referred to in paragraph 1 Borsa Italiana shall take into account:

a) volumes traded and prices recorded on the financial instrument in the previous quarter, as well as their variations;

b) the degree of liquidity of the instrument and the significance of its trading;

c) dissemination or lack of dissemination of information available to the market;

d) for bonds and government securities, the prices and yields of other listed instruments with similar characteristics.

4. Borsa Italiana may proceed with the cancellation of orders that are such as to prevent the orderly conduct of trading, if the intermediary who has entered them on the market, is unable, on Borsa Italiana's request, to confirm, amend or delete them within a reasonable period of time.

Article 8.3 Management of errors

1. Borsa Italiana may decide to:

a) cancel contracts concluded on the market, upon motivated joint request from Market Intermediaries;

b) cancel transactions erroneously entered in the X-TRM service, upon motivated request from a Market Intermediary who has entered an Order incorrectly and that has generated one or more contracts, and who has given Borsa Italiana immediate notice thereof;

2. In order to facilitate the error management procedure Borsa Italiana may reveal to the Market Intermediaries involved in the process the identity of the counterparty, with regard to contracts for which this is not displayed, with prior approval from the counterparties.

3. In order to reduce or remove the effects of possible errors in the entry of orders, Borsa Italiana may arrange or perform one or more of the following actions:

a) insertion of transactions of opposite sign to partial or total netting of the original operations;
b) transfer of positions in financial instruments between the intermediaries involved;
c) transfer of liquidity (cash adjustment) between the intermediaries involved;
d) adjustment of the prices of transactions concluded as a result of errors;
e) cancellation of contracts in the market or in the X-TRM service.

4. The measures provided for in Art. 8.3, paragraph 1, letter b) shall normally be adopted if:

a) the Market Intermediary who has made an error with placement, makes a prompt request;
b) the applicant has made an obvious material error;
c) the applicant would suffer, in case of settlement of the contracts concluded as a direct result of the error, a loss not less than a threshold established in the Guidance to Rules.

5. In order to identify the transactions that may be the subject of the operations referred to in Art. 8.3, paragraph 1, letter b), Borsa Italiana establishes in the Guidance to Rules the management procedure, determining for each class of financial instrument:

a) the theoretical market prices (the "reference prices")
b) differences in the prices of the concluded contracts with respect to the reference prices.

6. In determining the theoretical prices and deviations referred to in the previous paragraph, Borsa Italiana shall take into account the nature, liquidity and volatility of the financial instruments.

7. The promptness of the error solution request from the actor, referred to in paragraph 3, is also evaluated by reference to the possible existence of news or changes in market conditions that have occurred between the time of the error and that of the request .

8. If Market Intermediaries conclude contracts by error at anomalous prices and agree to their resolution, they are required to inform Borsa Italiana, which shall cancel them.

9. Borsa Italiana shall give prompt notice to the Market Intermediaries involved of the conduct of the error management procedure and the measures adopted. Borsa Italiana shall inform the market and provide the counterparties involved, upon specific request, the documentation on the adjustments or any cancellations performed.

Guidance to Rules 8.3 (1)
General Principles

1. The Market Intermediary who has made an error in placing orders in the EuroTLX market is required to promptly inform Borsa Italiana, giving the details of any concluded transactions and specifying whether it intends to request activation of the management procedure.

2. The notices, requests for error handling from Market Intermediaries who have committed them, and the related counterparty authorisations can be made, with prior telephone contact with the supervisory office of Borsa Italiana, by sending an appropriate written request to the following address email: ms@euronext.it. The error correction requests must contain the details of the transactions.

3. Borsa Italiana shall, promptly and in the manner deemed most appropriate, notify the counterparties involved or the entire market of the details of the financial instruments for which a request has been made and the error management procedure has been activated.

4. The responsibility for contacting the counterparties in connection with the application of corrective measures normally lies with the Market Intermediary who made the error. If the contractual counterparties are not known to the Market Intermediaries, the Market Intermediary who made the error must contact Borsa Italiana.

5. As regards any request for cancellation referred to in Art. 8.3, paragraph 1, the applicant shall pay Borsa Italiana the amount established in the Guide to the Parameters.

Guidance to Rules 8.3 (2)
Ordinary procedure

1. The procedure referred to in Article 8.3, paragraph 1, letter a), so-called ordinary procedure, may be activated if the following conditions are met:

> *a) the error handling request has been submitted to Borsa Italiana with maximum promptness;*

b) the transactions that are the subject of the request are the result of an obvious error.

2. Borsa Italiana shall promptly inform the applicant if the request for activation of the ordinary procedure has been refused, giving reasons for such rejection.

3. The application of one or more of the corrective actions referred to in Art. 8.3, paragraph 3, can be carried out, to the extent applicable, directly by the parties or by Borsa Italiana, only if there is agreement of the parties.

Guidance to Rules 8.3 (3)
Extraordinary procedure

1. Borsa Italiana may arrange or implement one or more of the actions referred to in Art. 8.3, paragraph 1, letter b), so-called extraordinary procedure, if the conditions laid down in the following paragraphs are met, for the different types of errors.

2. In the event of errors on a financial instrument resulting from the placement of a single order through which one or more contracts have been concluded:

a) the error handling request must be made with maximum promptness;
b) the transactions that are the subject of the request must be the result of an obvious error;
c) the transactions that are the subject of the request must have prices above or below the levels set for individual cases Borsa Italiana by means of determining the "theoretical reference prices" and applying to these prices the "maximum thresholds of deviation" determined in accordance with the methods set out in the following Table;
d) the amount of the loss referred to in Art. 8.3, paragraph 3, letter c) must exceed the thresholds indicated in Table 1.

3. For Cert-X Segment, in the event of errors resulting from the placement of multiple orders through which multiple contracts were concluded linked by a continuity constraint with the original error, with reference to a single financial instrument, in addition to the existence of the conditions referred to in paragraph 2, the interval between the conclusion of the first and last contracts to which the request refers must not exceed 5 minutes.

4. Borsa Italiana shall promptly inform the applicant if the request for activation of the extraordinary procedure has been refused, giving reasons for such rejection.

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

6. The other market intermediaries consulted by the Borsa Italiana for determining the theoretical reference prices will be selected from among those not directly or indirectly involved in the error that is being corrected.

TABLE determining the minimum loss; theoretical reference prices and the maximum deviation thresholds

For financial instruments traded in foreign currencies, the amount of the loss is converted using the latest available exchange rate fixing of the ECB.

For financial instruments traded in currencies other than the Euro in the Cert-X segment, the "theoretical reference price" and the amount of the loss are converted into Euro using the latest available exchange rate fixing of the ECB.

Table 1

SEGMENT	MINIMUM LOSS in euro	DETERMINATION OF "THEORETICAL REFERENCE PRICES" based on one of the following criteria		DETERMINATION OF THE "MAXIMUM DEVIATION THRESHOLDS"
Bond-X		Bond-X	(A), (B), (C)	- Errors occurred during the continuous trading phase: dinamic collars - Errors occurred during the uncrossing at the end of the auctions: static collar
Equity		Equity	(A) (B) (C)	Static collar
Cert-X	2.000	Cert-X	(A), (B), (C) (D)	Table 2

Minimum Loss (in Euro): Any amendments to the price characteristics or quantity of an order shall be considered equivalent to the submission of a new order.

"*theoretical reference prices"*

A: arithmetic average of the prices of a minimum of three and a maximum of ten consecutive contracts concluded on the same day, chosen from among those prior or subsequent to the error;
B: closing reference price as referred to in Art. 4.7 (Bond-X and Equity segments) and 4.12 (Cert-X segment) of the Rule Book;
C: objective reference values available to the market;
D: average letter cash prices of the Market Maker and/or Specialist placed on the same day, chosen from among those prior or subsequent to the error, if not affected by the error itself.

"Maximum deviation thresholds"

Static collars: the reservation thresholds with respsect to the static reference price, as referred to in Guideline 4.4 (1) letter b);

Dynamic collars: the reservation thresholds with respect to the dynamic reference price, as referred to in Guideline 4.4 (1) letter c);

Table 2

Theoretical reference price in euro (FMV = Fair Market Value)	Maximum divergence threshold
FMV < 0,01	75%
0,01 ≤ FMV < 0,1	50%
0,1 ≤ FMV < 0,25	25%
0,25 ≤ FMV < 0,75	17,50%
0,75 ≤ FMV < 1	15%
1 ≤ FMV < 2	10%
2 ≤ FMV < 5	7,5%
5 ≤ FMV < 15	5,0%
15 ≤ FMV < 100	3,5%
100 ≤ FMV	2,5%

Section 2 Management of Technical Failures

Article 8.4 General Conditions

1. Borsa Italiana shall examine the maintenance of an adequate and efficient IT infrastructure by implementing exact and continued controls of the IT systems:
   a) of the market, with particular reference to the trading and matching of orders;
   b) Market Intermediaries' connection to the market;
   c) employed to disseminate trading–relevant information;
   d) related to monitoring of bilateral net balances and consequent processes;
   e) related to post-trading.

2. Borsa Italiana shall establish such time and manner of the IT system failure management that would permit to promptly remedy a failure and to continue, in a correct and timely manner, regular trading on EuroTLX market.

3. Borsa Italiana shall immediately notify the public of the remedies implemented, if the latter can significantly affect trading on EuroTLX market. It shall likewise promptly notify CONSOB of any IT and other technology system failure that distorts regular trading on EuroTLX market, as well as the remedies implemented in the case.

4. Borsa Italiana shall in any case notify Market Intermediaries of the remedies implemented, if the latter can affect or have affected their operation.

Article 8.5 Intervention by Borsa Italiana

1. Having found an IT system failure, Borsa Italiana shall intervene in the process of trading in order to contain the effects of the failure and to ensure a continued fair and orderly dealing and the integrity of the market. In particular it may:
   a) decide a temporary suspension of a Market Intermediary from trading giving a prompt notice thereof to the public;
   b) decide a temporary suspension of trading on EuroTLX market giving a prompt notice thereof to the public.

2. Following a decision as per sec. 1 Borsa Italiana shall consider whether to cancel all orders displayed on the Book.

3. The remedies as per sec. 1 may be implemented with regard to certain financial instruments.

4. Should it be technically impossible to duly announce the decision to temporary suspend trading on Borsa Italiana as per sec. 1 letter b) by the usual publication channel, Borsa Italiana shall post a relevant notice on Borsa Italiana's website to indicate the time of suspension. Contracts concluded thereafter shall be considered null and void.

Section 3 Suspension of Financial Instruments

Article 8.6 General Conditions

1. Borsa Italiana shall suspend a financial instrument from trading on EuroTLX market in order to preserve fair dealing therein on EuroTLX market or if continued dealing can prejudice the interests of investors or to ensure proper settlement of transaction and containment of the risk of contagion.

2. While suspended, orders with regard to the financial instrument entered into by the Market Intermediaries on the financial instrument shall be rejected. The Market Makers and/or Specialists' liquidity requirements shall be suspended.

3. Suspension of a financial instrument from trading must not extend beyond a period of 6 months. Upon expiration thereof, and in the absence of circumstances for re-admission, Borsa Italiana shall commence the proceedings to terminate admission to trading.

Article 8.7 Conditions for Suspension

1. In considering the suspension of a financial instrument from trading, Borsa Italiana shall take account primarily of:
   a) the dissolution of the issuer;
   b) the insolvency of the issuer;
   c) an injunctive or emergency decision served by a competent authority;

d) pending suspension of the financial instrument by a regulated market on which the financial instrument is admitted to listing;
e) dissemination of or a failure to disseminate information on the financial instrument by the issuer;
f) a change in the characteristics of the financial instrument;
g) with regard to guaranteed financial instruments, a communication sent by central counterparty referred to in Article 7.3 concerning with the guarantee of such instruments through the Central Counterparty Guarantee's System;
h) a loss of a requisite for admission to trading.

2. Borsa Italiana shall immediately notify the public of the suspension and/or the re-admission the financial instrument to trading by publication on Borsa Italiana's website.

Section 4 Termination of Admission to Trading of Financial Instruments

Article 8.8 General Conditions

1. Borsa Italiana shall terminate admission of a financial instrument to trading on EuroTLX market in case of a continued lack of trading therein, or if the conditions for its suspension from trading continue to exist or upon a duly substantiated request by the Market Maker and/or Specialist concerned.

2. In the event of acceptance of the request for exclusion of the liquidity support activity presented, in accordance with the guidance to the Rules 6.1 (2) and (3), by the only Market Maker and/or Specialist remaining on the financial instrument, Borsa Italiana shall order the suspension of the instrument from trading, establishing the start date based on effective timing of the removal of the Market Maker and/or Specialist.

Article 8.9 Conditions for Termination

1. In considering the termination of admission of a financial instrument to trading, Borsa Italiana shall take account primarily of:
a) the dissolution of the issuer and/or the guarantor;
b) the insolvency of the issuer and/or the guarantor;
c) an injunctive or emergency decision served by a competent authority regarding the issuer and/or the guarantor;
d) a pending termination of admission by a regulated market on which the financial instrument is admitted to listing;
e) dissemination of or a failure to disseminate information by the issuer on the financial instrument traded;
f) the counter value and quantity traded on EuroTLX market in the last 6 months;
g) the frequency and continuity of trading on EuroTLX market in the last 6 months;

h) circulation of the financial instrument among the public;
i) negotiability of the financial instrument in other execution venues;
j) with regard to guaranteed securities, a communication sent by central counterparty referred to in Article 7.3 concerning with the guarantee of such instruments;
k) a loss of a requisite for admission of the financial instrument.

2. If a financial instrument is admitted to listing on a regulated market of the European Union, Borsa Italiana shall decide to terminate admission of the financial instrument to trading on EuroTLX market.

Section 5 Nonstandard Market situations

Article 8.10 Stressed market conditions

1. Borsa Italiana declares in general, pursuant to the present Article, that market stress market situations exist on a financial instruments and on the financial instruments of which it is the underlying, during the period after resumption of trading following its interruption for volatility, as indicated in guidance to the Rules 4.4, paragraph 2, for each category of financial instruments in the Guide to Parameters.

2. Borsa Italiana may declare, through a communication to the market intermediaries, that a stressed market condition exists when, on single financial instruments, groups of financial instruments, index of derivatives financial instruments, the change of prices and of the volumes in a specific time interval exceeds specific thresholds as indicated in the Guide to Parameters.

Title 9. Procedure for verifying violations

Article 9.1 Measures taken against Market Intermediaries and issuers

1. In the event of any violation of the provisions in this Rule Book, the related Guidance to Rules, or Technical Communications, including cases of Market Intermediaries obstructing the verification activities referred to in Art. 3.8, Borsa Italiana shall apply one or more of the following measures to the Market Intermediaries and issuers:

a) written invitation to accurately comply with the EuroTLX Rule Book and related Guidance to Rules;
b) written warning;
c) fine of 5,000 Euros to 500,000 Euros;
d) suspension from trading in the market;
e) exclusion from trading in the market.

2. The measures set out in paragraph 1, letters d) and e) shall be disclosed to the public in the form referred to in Art. 9.4. The measures provided for in paragraph 1, letter a), b) and c) may be disclosed to the public pursuant to Art. 9.4 below if, in the opinion of the Borsa Italiana, this is necessary or appropriate for the protection of the market. Borsa Italiana may disclose to the public the measure adopted and a description of the violation, without indicating the issuer or the Market Intermediary mentioned in the measure, if that is deemed sufficient for the purposes of market protection. The measures referred to in paragraph 1, letter a) may be disclosed to the public only without indicating the Market Intermediary or the issuer mentioned in the measure.

3. For the adoption of the measures referred to in paragraph 1, Borsa Italiana shall evaluate the severity of the violation taking into account the following factors, as applicable:

a) actual and potential impacts on the market and external relevance and their impact on the economic and financial situation of the issuer;
b) extent, duration and nature of the violation;
c) way in which the Borsa Italiana became aware of the violation;
d) benefits achieved by the issuer or by the Market Intermediary as a result of the violation;
e) reaction of the issuer or the Market Intermediary to the requests made by Borsa Italiana and also its previous behavior;
f) intensity of the fraudulent intention or negligence;
g) actual effective operation of the internal control system and its ability to prevent violations;
h) number and severity of violations previously committed by the issuer or by the Market Intermediary;
i) size of the issuer or Market Intermediary and the relevant group;
j) violations of various provisions or multiple violations of the same provision.

4. In the event of violation of listing requirements by Specialists, Borsa Italiana may initiate the procedure referred to in Article 9.2.

5. In the event that suspension or exclusion from trading measures are adopted, the Market Intermediary who is the recipient thereof, under the control of Borsa Italiana, is authorised exclusively to close any transactions that are still open and to perform any related transactions, required to protect the interests of customers, from the date of validity of the suspension or exclusion from trading.

6. The recipients of any fines are established in general terms by Borsa Italiana with an appropriate measure notified to Consob and disclosed to the public in a Notice.

7. As an exception to the provisions of paragraph 1, in the event of violation of the provisions referred to in Article 3.11, paragraph 2 and Article 6.3, Borsa Italiana shall apply the measure of a written warning, disclosure to the public of the failure to comply with obligations and a report to the Authority. Articles 9.2 to 9.5 shall not apply.

Article 9.2 Procedures for verifying violations

1. For the purposes of applying the measures referred to in Article 9.1, paragraph 1, the procedure referred to in this article is activated within one year of the alleged violation, or from the subsequent date when Borsa Italiana became aware of the alleged violation. In the latter case, the procedure referred to in this article cannot be activated after three years from the alleged violation.

2. For the purposes of applying the measures referred to in Art. 9.1, paragraph 1, letters b) c) d) and e) Borsa Italiana shall send the relevant issuer or Market Intermediary a notice containing:

a) a description of the alleged violation;

b) the fixing of a period of not less than 15 days within which a memorial may be submitted and a request (if required) for a hearing for a joint examination of the issue.

3. The notice pursuant to paragraph 2 may include an indication of the measure that Borsa Italiana intends to apply. In this case, if after the period referred to in paragraph 2 letter b) of this Article, the issuer or the Market Intermediary has failed to submit a written memorial or request for a hearing, Borsa Italiana shall apply the measure indicated in the notice.

4. If the issuer or the Market Intermediary requests the convening of a hearing for the joint examination of the issue, or if Borsa Italiana deems such a hearing necessary, Borsa Italiana shall fix a date and notify the issuer or the Market Intermediary thereof. The issuer or Market Intermediary shall take part in the hearing through its legal representative or through a person delegated by him/her and may be assisted by a legal advisor. In the event of a failure to attend the hearing not due to justified reasons, Borsa Italiana shall proceed on the basis of the elements hitherto acquired. At the end of the hearing, Borsa

Italiana may set a new term, at the request of the interested party, of not less than 10 days for the submission of a further written memorial.

5. On the basis of information acquired in the procedure, Borsa Italiana shall take a decision within 45 days of the hearing or the subsequent term for the filing of a further written memory as provided for in paragraph 4 or, in the event that such a hearing is not requested or fixed by Borsa Italiana, within 45 days from the term set pursuant to paragraph 2, letter b) of this Article.

6. Any decisions taken in accordance with paragraph 5 above shall be promptly notified to the interested party in a measure with justified reasons.

Article 9.3 Review of measures

1. The issuer or Market Intermediary may request a review of the decision taken pursuant to Article 3.3, paragraph 4 and Article 9.1, within 15 days, respectively, from the notice referred to in Article 3.3, paragraph 8 and Article 9.2 paragraph 6 by recourse to the Appeals Board, established pursuant to Article 10.4.

2. For the measures referred to in paragraph 1 letter a) of Art. 9.1, the 15 days shall run from the notice to the interested party of the decision taken.

Article 9.4 Disclosure of measures to the public

1. The application of the measures under Art. 9.1 shall be notified with a Notice or through the IT structures that support trading, after 15 days have elapsed from the notice of the measure to the interested party and no referral has been made to the Appeals Board, or, in the event or referral, 10 days after the notice to the parties of the decisions of the Appeals Board.

2 At the request of the issuer or the Market Intermediary the full text of the measure shall be disclosed to the public and also, where appropriate, all the records of the procedure including the decisions of the Appeals Board.

Article 9.5 Suspension of the terms

1. The terms provided for in this Title shall be suspended from 1 August to 31 August each year.

Title 10. Final Provisions

Section 1 Miscellaneous

Article 10.1 Applicable Law

1. This Rule Book, Guidance to Rules and other provisions concerning the operation of the markets and services and any subsequent amendments or additions shall be governed by Italian law. With reference to the discipline on market intermediaries (articles 1000 and following) these Rules will be applied according to the Italian Law.

Article 10.2 Disputes referred to Judicial Authority

Any disputes concerning the fees referred to in Articles 3.10 and 3.14, paragraph 3 as well as the amounts contained in the guidance to rules 8.3 (1) are referred exclusively to the jurisdiction of the Italian courts and the Court of Milan shall have exclusive jurisdiction.

Article 10.3 - Other Disputes

1. Any dispute other than those indicated in the preceding Article 10.2, occasioned by or arising from the Rule Book, the guidance to rules or other provisions concerning the operation of the market, as well as any subsequent amendments and additions, shall be definitively settled by a Board of Arbitrators, to be set up pursuant to Article 10.4.

2. A necessary condition for proceeding with the activation of the arbitration procedure is the prior completion of the procedure before the Appeals Board referred to in Article 10.4.

Article 10.4 Appeals Board

1. The Appeals Board is composed of 3 (three) members appointed by the Board of Directors of Borsa Italiana, which shall also elect the Chairperson from among these members. The Appeals Board is based at Borsa Italiana.

2. The members of the Appeals Board are selected from among independent parties with proven expertise in financial markets.

3. Their term of office is three years and can be renewed. Should one of the members terminate the appointment before expiry, the Board of Directors of Borsa Italiana shall appoint a substitute; this appointment shall last until the expiry of the Board currently in office.

4. The decisions of the Appeals Board are made according to the law, with respect for the principle of the right to a fair hearing, within 30 days from the date on which the request for a review referred to in Art. 9.3 is received by Borsa Italiana and are promptly notified to the parties. The language of the proceedings is Italian.

5. The Chairperson of the Appeals Board has the right to assign the matter to a single member of the Board, in agreement with the other members of the Board.

6. The decisions of the Appeals Board are not binding on the parties and, if one of the parties initiates arbitration proceedings pursuant to Article 10.5, they are not binding on the arbitrators, who have all powers and authority for a total review of the entire dispute without any preclusion.

7. The fees of the members of the Appeals Board shall be borne by the losing party.

Article 10.5 Board of Arbitration

1. The Board of Arbitration consists of three members appointed as follows:

a) the party that initiates the arbitration proceedings shall notify the other party with a deed in which it:
   - declares its intention to initiate the arbitration proceedings;
   - indicates the subject-matter of the dispute;
   - appoints its own arbitrator;
   - invites the other party to appoint its arbitrator.

b) the party which is served the notice referred to in paragraph 1, letter a) shall appoint its arbitrator within 20 days of receiving the deed; if it fails to do so, the provisions of Article 810, paragraph 2, of the Italian Code of Civil Procedure shall apply;

c) the third arbitrator who shall act as Chairperson of the Board of Arbitration, shall be appointed by joint agreement of the arbitrators referred to in paragraph 1, letters a) and b); in the absence of agreement within 20 days, the third arbitrator shall be appointed by the Chief Judge of the Court of Milan.

3. The arbitration proceedings established in this manner shall be formal and carried out in compliance with the provisions of the Italian Code of Civil Procedure. These proceedings must be initiated, under penalty of forfeiture, within 60 days from the notice referred to in Article 10.4. The dispute is decided in accordance with the provisions of Italian law and the language of the arbitration shall be Italian.

4. The Board of Arbitration shall be based in Milan, at the venue established by its Chairperson.


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