



BORSA ITALIANA®

**RULES OF THE MARKETS ORGANISED AND
MANAGED BY BORSA ITALIANA S.P.A**

*Adopted by the ordinary Shareholders' Meeting of Borsa Italiana S.p.A.
held on 21 December 2006
and approved by Consob in Resolution 15786 of 27 February 2007*

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

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PART 1

GENERAL PROVISIONS

Article 1.1

(Scope of the Rules)

1. These Rules shall govern the organisation and management of the following regulated markets (hereinafter “markets”):
 - a) the Stock Exchange, divided into the following markets:
 - Electronic share market (MTA);
 - Electronic securitised derivatives market (SEDEX)
 - After-Hours Market (TAH)
 - Electronic bond market (MOT);
 - Electronic open-end funds and ETCs market (ETFplus);
 - b) MTAX market, divided into the following markets:
 - MTAX
 - After-Hours MTAX market (TAHX)
 - c) the Expandi market
 - d) the stock exchange market for the trading of the financial instruments referred to in Articles 1(2)(f) and 1(2)(i) of the Consolidated Law on Finance (Derivatives market - IDEM).
2. These Rules shall establish the conditions and organisational and operational arrangements for the foregoing regulated markets, in particular:
 - a) the conditions and procedures for the admission of financial instruments to trading and their exclusion and suspension therefrom;
 - b) the conditions and procedures for the admission of intermediaries to trading and their exclusion and suspension therefrom;
 - c) trading and the operation of support services;
 - d) the obligations of intermediaries and issuers;
 - e) the procedures for the acquisition, publication and dissemination of prices and information.
3. The Board of Directors of Borsa Italiana shall issue the Instructions accompanying these Rules.

Article 1.2

(Powers and organisational principles)

1. Borsa Italiana shall carry out its functions — in particular, the admission, exclusion and suspension of financial instruments and intermediaries to and from trading and the

surveillance of the markets — without discrimination and by means of procedures defined on a general basis.

2. Borsa Italiana shall establish and maintain organisational arrangements likely to prevent conflicts of interest. In particular, it shall ensure that the persons responsible for the departments performing the functions referred to in the preceding paragraph have complete autonomy in carrying out examinations and putting forward proposals. In performing these functions they shall be responsible exclusively to the Managing Director, who shall be entrusted with the related decision-making powers.
3. Borsa Italiana shall also establish and maintain an internal control system to verify compliance with the law, rules and internal procedures.
4. The Board of Directors shall issue directives to the aforesaid departments that are exclusively of a general nature and, in exceptional circumstances and then only in writing, on particular matters.
5. The functions of admitting, suspending and excluding financial instruments issued by Borsa Italiana shall be performed by Consob in accordance with the provisions of these Rules and the accompanying Instructions insofar as they are applicable. In such case Consob shall ensure that Borsa Italiana complies with the provisions of these Rules.
6. Borsa Italiana shall create and maintain operational and organisational mechanisms for the management of the potential conflicts of interest deriving from the admission to trading of its financial instruments, with special reference to the procedures for accessing information on trading in its financial instruments.

Article 1.3 ***(Definitions)***

“Admission to listing”	means admission to official listing and admission to trading on a regulated market”
“Admission to official listing”	means admission to official stock exchange listing;
“Admission to trading on a regulated market”	means admission to trading on a regulated market in accordance with Directive 93/22/EEC, at the request of the issuer;
“Admission to trading under an exemption from the obligation to publish a prospectus”	means admission to trading referred to in Article 57 of Consob Regulation 11971/1999;
“After-Hours Market” (TAH)	means the market for the trading of listed shares that satisfy the liquidity requirements established by Borsa Italiana, covered warrants and certificates at the request of the issuer at different times from those established for the MTA and SEDEX markets;
“After-Hours MTAX Market” (TAHX)	means the market for the trading of listed shares that satisfy the liquidity requirements established by Borsa Italiana, at different times from those established for the MTAX market;

“Approved intermediaries” or “market intermediaries” or “Intermediaries”	means the an intermediaries referred to in Article 3.1.1 admitted by Borsa Italiana, pursuant to Article 64 of the Consolidated Law on Finance to trading in the markets it organises and manages;
“Auditing firm”	means an auditing firm entered in the special register referred to in Article 161 of the Consolidated Law on Finance, or under the corresponding rules of applicable foreign law;
“Average price”	means, in the TAH market and in the TAHX market, the weighted average price of the total quantity traded;
“Better prices” (orders at)	means, with reference to the price of a given order: a) any higher price if the order is an order to buy; b) any lower price if the order is an order to sell; Analogously, worse prices are lower prices if the order is an order to buy and higher prices if it is an order to sell. In the case of financial instruments whose prices refer to interest rates, the meanings of better and worse prices are the opposite of those just defined;
“Black and Scholes pricing model”	means the model with which the trading system determines the price of a call or put option, on the basis of the value of the implied volatility attributed by market makers;
“Borsa Italiana”	means the market management company “Borsa Italiana S.p.A.”;
“Cassa di Compensazione e Garanzia” or “CC&G”	means the company that operates the guarantee systems
“Closed-end funds”	means securities or real-estate investment funds of the closed-end type whose distribution in Italy has been authorised;
“Closing auction”	means, on the electronic share market (MTA), MTAX market, Expandi market, the Electronic open-end funds and ETCs market (ETFplus), the electronic securitised derivatives market (SEDEX) and the electronic bond market (MOT), the method of trading that provides for the entry, modification and deletion of orders in a given interval (pre-auction) for the purpose of concluding contracts at a single given future moment (the closing) and at a single price (the closing-auction price or closing price);
“Closing-auction price”	means, on the electronic share market (MTA), MTAX market, Expandi market, the Electronic open-end funds and ETCs market (ETFplus), the electronic securitised derivatives market (SEDEX) and the electronic bond market (MOT), the price at which contracts are concluded in the closing auction;
“Code of Corporate Governance”	means the Code of Conduct of Italian listed companies promoted by Borsa Italiana and published in March 2006
“Collective investment undertakings” or	means closed-end funds and open-end collective investment undertakings;

“CIUs”	
“Consob Regulation 11768”	means the «Regulation implementing the provisions on markets of Legislative Decrees 58 of 24 February 1998 and 213 of 24 June 1998» approved by Consob resolution 11768 of 23 December 1998;
“Consob Regulation 11971/1999”	means the “Regulation implementing the provisions on issuers of Legislative Decree 58 of 24 February 1998” approved by Consob resolution no. 11971 of 14 May 1999;
“Consob”	means the Commissione Nazionale per le Società e la Borsa;
“Consolidated Law on Finance”	means Legislative Decree 58 of 24 February 1998 “Consolidated Law on Finance pursuant to Articles 8 and 21 of Law 52 of 6 February 1996”;
“Consolidated Law on Banking”	means Legislative Decree 385 of 1 September 1993 “Consolidated Law on Banking and Credit”;
“Continuous trading”	means, with reference to the electronic share market (MTA), MTAX market, Expandi market (if envisaged), the electronic securitised derivatives market (SEDEX), the after-hours market (TAH), the after-hours MTAX market (TAHX), the electronic bond market (MOT) the Electronic open-end funds and ETCs market (ETFplus) and the derivatives market (IDEM), the method of trading that provides for the entry, modification and deletion of orders for the purpose of concluding contracts, immediately or in the future;
“Control price”	means, on the electronic share market (MTA), MTAX market, Expandi market, the Electronic open-end funds and ETCs market (ETFplus), the electronic securitised derivatives market (SEDEX) and the electronic bond market (MOT), the price used for the automatic control of the regularity of trading, determined in the manner laid down in these Rules;
“Delta”	means the ratio, calculated using the Black & Scholes valuation model, between the change in the price of an option corresponding to a change in the value of the underlying index or financial instrument;
“Derivatives market” or “IDEM”	means the stock exchange market for the trading of futures and options contracts whose underlying assets are financial instruments, interest rates, foreign currencies, goods or related indexes;
“Double quotation”	means the technical function that allows a specialist on the SEDEX and ETFplus markets to update bid and offer quotations with a single operation;
“Electronic bond market” (MOT)	means the market for the trading of bonds other than convertible bonds, government securities, Eurobonds, foreign bonds, asset-backed securities (ABS) and other debt securities;
“Electronic open-end funds and ETCs market (ETFplus)”	means the market for trading units/shares of open-end funds and exchange traded commodities;
“ Electronic securitised derivatives market ” (SEDEX)	means the market for the trading of covered warrants and certificates;

“Electronic share market” (MTA)	means the market for the trading of shares, convertible bonds, warrants, pre-emptive rights or units/shares of CIUs listed on the Stock Exchange;
“ <i>Expandi</i> market”	means the regulated market entered in the register referred to in Article 63.2 of the Consolidated Law on Finance organised and managed by Borsa Italiana for the trading of shares, convertible bonds, warrants and pre-emptive rights not admitted to official listing on the Stock Exchange;
“Financial instruments issued under a programme”	means bonds, covered warrants and certificates that can be issued under an issue programme using the admission procedure provided for in Article 2.4.6 of the Rules;
“Group”	means, according to the circumstances: <ul style="list-style-type: none"> - the companies included in the consolidated annual accounts of a parent undertaking in conformity with Article 25 of Legislative Decree 127 of 9 April 1991; - the Italian and foreign persons belonging to an investment services group as defined in Article 11 of the Consolidated Law on Finance; - the Italian and foreign persons belonging to a banking group as defined in Article 60 of the Consolidated Law on Banking”;
“Insider trading”	means the unauthorised use of inside information referred to in Article 180 of the Consolidated Law on Finance;
“Instructions”	means the provisions implementing these Rules pursuant to Article 1.1, paragraph 4;
“Interconnection”	means the indirect linking to markets, via approved intermediaries, of the persons not admitted to trading referred to in Article 3.2.4;
“Investment Companies”	means companies whose exclusive corporate purpose is to invest in majority and minority holdings in listed and unlisted companies or in financial instruments and to perform the instrumental activities having the characteristics specified in these Rules;
“Local authorities”	means the regions, provinces, municipalities, unions of municipalities, metropolitan cities and the municipalities referred to in Article 17 et seq. of Law 142 of 8 June 1990, mountain communities and consortia of local authorities;
“Locals”	means intermediaries that engage exclusively in dealing for own account in markets for financial instruments and that participate indirectly in the settlement service and the clearing and guarantee system;
“Management company”	means the management company of an open- or closed-end CIU;
“MTAX Market”	means the regulated market entered in the register referred to in Article 63.2 of the Consolidated Law on Finance organised and managed by Borsa Italiana for the trading of shares, convertible bonds, warrants and pre-emptive rights of Italian and foreign issuers;
“Market makers”	means the authorised intermediaries entered in the register referred to in Article 4.7.10;
“Markets”	means the regulated markets organised and managed by Borsa Italiana S.p.A.;
“Market segment”	means the division of the financial instruments traded in the electronic share market

(MTA), the MTAX market, Electronic open-end funds and ETCs market (ETFplus), the electronic securitised derivatives market (SEDEX), the electronic bond market (MOT) into homogeneous groups in terms of trading methods and hours;

“Minimum trading lot” or “minimum lot”

means, for each financial instrument, is specified:

- a) the minimum number of shares, warrants, pre-emptive rights that may be traded in the electronic share market (MTA), MTAX market and Expandi market or units of closed-end fund that may be traded in the electronic share market (MTA);
- b) the minimum number of covered warrants or certificates that may be traded in the electronic securitised derivatives market (SEDEX);
- c) the minimum number of shares, covered warrants and certificates that may be traded in the TAH market or in the TAHX market;
- d) the minimum number of units/shares of open-end funds or ETCs in the ETFplus market;
- e) the minimum face value of convertible bonds that may be traded in the electronic share market (MTA), MTAX market and Expandi market or of bonds, government securities, Eurobonds or asset-backed securities that may be traded in the electronic bond market (MOT);

if a minimum lot is specified, only multiples thereof may be traded in the respective markets;

“Monte Titoli S.p.A.”

means the central securities depository referred to in Article 80 of the Consolidated Law on Finance and the company authorised to operate the settlement services referred to in Article 69 of the Consolidated Law on Finance;

“Notice”

means the publication prepared and distributed daily by Borsa Italiana S.p.A. containing information relevant to the operation of the market;

“Official price”

means:

- a) in the electronic share market (MTA), MTAX market, Expandi market the quantity-weighted average price of the entire quantity traded in the session, excluding contracts executed with the cross-order function;
- b) in the electronic securitised derivatives market (SEDEX), the quantity-weighted average price of the last 10% of the quantity traded in the session, excluding contracts executed with the cross-order function;
- c) in the Electronic bond market (MOT), the quantity-weighted average price of all the contracts concluded during the session, excluding the quantities traded using the method referred to in Article 4.4.7, paragraph 8;
- d) in the Electronic open-end funds and ETCs market (ETFplus) the quantity-weighted average price of all the contracts concluded during the session, excluding contracts executed with the cross-order function;
- e) in the derivatives market (IDEM), the daily closing price calculated by the management body of the clearing and guarantee system referred to in the provisions implementing Article 70 of the Consolidated Law on Finance;

“Open-end collective investment undertakings” or “open-end CIUs”

means investment funds of the open-end type and SICAVs established under Italian or foreign law whose distribution in Italy has been authorised and open-end index and structured funds;

“Opening auction”	means, in the electronic share market (MTA), MTAX market, Expandi, the Electronic open-end funds and ETCs market (ETFplus) the electronic securitised derivatives market (SEDEX) and the electronic bond market (MOT), the method of trading that provides for the entry, modification and deletion of orders in a given interval (pre-auction) for the purpose of concluding contracts at a single given future moment (the opening) and at a single price (the opening-auction price or opening price);
“Opening-auction price” or “opening price”	means, on the electronic share market (MTA), MTAX market, Expandi market, the Electronic open-end funds and ETCs market (ETFplus), the electronic securitised derivatives market (SEDEX) and the electronic bond market (MOT), the price at which contracts are concluded in the opening phase; where more than one auction is held for a financial instrument during a stock exchange session, the opening-auction price shall be the price determined at the end of the first auction phase;
“Order”	means an order to buy or sell, for own or customer account, entered by approved intermediaries in the electronic share market (MTA), MTAX market, Expandi Market, the Electronic open-end funds and ETCs market (ETFplus), the electronic securitised derivatives market (SEDEX), the after-hours market (TAH); the after-hours MTAX market (TAHX), the Electronic bond market (MOT), or the derivatives market (IDEM), containing the data and information necessary for its display and execution;
“Parameters”	means, for the purpose of the market surveillance referred to in Title 4.9: <ul style="list-style-type: none"> a) special conditions for the entry and execution of orders in terms of their price, timing and quantity characteristics; b) limits to the maximum changes in the prices of contracts that can be concluded, calculated with reference to other contracts or orders present on the book; c) start, end and duration of trading and the suspension thereof in the different phases;
“Parity/multiple”	the number of underlying assets for each covered warrant or certificate;
“Professional investors”	means the persons referred to in the provisions implementing Article 100(1)(b) of the Consolidated Law on Finance;
“Program trading”	means systems for the automatic generation and input of orders on the basis of predetermined parameters related to the performance of markets;
“Prudential supervision”	means supervision by a public or private body of compliance with rules, issued by the same body or however established, concerning capital adequacy, the limitation of risk in its various forms, permissible holdings, administrative and accounting procedures, and mechanisms of internal control and verification of compliance with such rules;
“Reference European regulated market”	means the market, as defined in Article 2(1)(j) of Directive 2003/71/EC, on which the financial instruments were first listed or, if they were listed contemporaneously on more than one market, the most liquid of those markets;
“Reference price”	means: on the electronic share market (MTA), MTAX market, Expandi market the Electronic open-end funds and ETCs market (ETFplus) and the electronic securitised derivatives market (SEDEX) the closing-auction price or, in the circumstances specified in these Rules, the quantity-weighted average price of the last 10% of the

quantity traded, excluding the quantity traded using the cross-order function; on the electronic bond market (MOT), the quantity-weighted average price of the last 10% of the quantity traded, excluding the quantity traded using the cross-order function;

“Regulated market” means the markets entered in the register referred to in Article 63.2 of the Consolidated Law on Finance and the markets entered in the special section of such register referred to in Article 67.1 of the Consolidated Law on Finance;

The date of the entry into force of this definition will be announced in a subsequent Notice

“Reverse mergers” means mergers referred to in Article 117-bis of the Consolidated Law on Finance;

“RRG” means the daily trade-checking service by means of which transactions having financial instruments as their subject are sent to the settlement service operated by Monte Titoli S.p.A.;

“Series” means, with reference to the derivatives market (IDEM) and covered warrants and certificates, the financial instruments based on the same asset (instrument) which have the same maturity and, in the case of options, confer the same right and have the same exercise price;

“Settlement service” means the clearing and settlement service on multilateral bases and the gross settlement service referred to in Article 69.1 of the Consolidated Law on Finance;

“Specialist for units/shares of open-end funds and ETCs” or “Specialist in the ETFplus market” means an approved intermediary that undertakes to support the liquidity of open-end funds and of exchange traded commodities and performs the functions referred to in Articles 2.3.17 and 4.5.13;

“Specialist in closed-end funds” means an approved intermediary that undertakes to support the liquidity of closed-end funds and performs the functions referred to in Articles 2.3.17 and 4.1.17;

“Specialist in index CIUs” means an intermediary that undertakes to support the liquidity of the units/shares of index CIUs and performs the functions referred to in Articles 2.3.17 and 4.1.17;

“Specialist in the after-hours market” or “TAH specialist” means an approved intermediary that undertakes to support the liquidity of financial instruments traded in the after-hours market for which it has signed up whose liquidity is less than that established by Borsa Italiana;

“Specialist in the after-hours MTAX market” or “TAHX specialist” means an approved intermediary that undertakes to support the liquidity of shares traded in the after-hours MTAX market for which it has signed up whose liquidity is less than that established by Borsa Italiana;

“Specialist in the bond market (MOT)” or “MOT specialist” means an approved intermediary that undertakes to support the liquidity of the financial instruments traded in the MOT market;

“Specialist in the electronic securitised derivatives market (SEDEX)” or means an issuer that undertakes to support the liquidity of the financial instruments traded in the SEDEX market or a third party specifically appointed to perform that function;

“SEDEX specialist”	
“Specialist in the IDEM market” or “IDEM specialist”	means an approved intermediary, other than the market maker, referred to in Article 4.7.11 that undertakes to support the liquidity of financial instruments traded in the IDEM market;
“Specialist in the MTA market” or “MTA specialist”	means an approved intermediary referred to in Article 4.1.18 that, appointed by the issuer, undertakes to support the liquidity of financial instruments traded in segments of the MTA market other than the Star segment and an approved intermediary that, even without being appointed by the issuer, undertakes to support the liquidity of shares of issuers established under foreign law admitted pursuant to Article 2.1.2, paragraph 7(a), and traded in a specific segment;
“Specialist in the MTAX market” or “MTAX specialist”	means an approved intermediary referred to in Article 4.5.5bis that, appointed by the issuer, undertakes to support the liquidity of financial instruments traded in segments of the MTAX market other than the Star segment;
“Specialist in the Star segment” or “Star specialist” or “specialist”	means for the MTA e MTAX markets, an approved intermediary that performs the functions referred to in articles 2.3.5 and 4.1.16.
“Stock Exchange”	means a stock exchange on which financial instruments are officially listed pursuant to Directive 2001/34/EC or, in the case of non-EU countries, a regularly operating regulated market overseen by bodies recognised by the authorities that is directly or indirectly accessible by the public and defined by the local legislation with a term equivalent to “stock exchange”;
“Tick”	means the minimum difference between the prices of orders, established in the Instructions, for each financial instrument traded in the markets;
“Trader”	means, depending on the circumstances, either: <ul style="list-style-type: none"> a) a person appointed to trade directly in the market; or b) a person appointed to control orders sent by customers via interconnection systems;
“Trading book” or “book”	means the video display showing, in the various market phases, orders and their characteristics;
“Venture capital institutional investors”	means persons who engage on a stable and professional basis in the activity of investing in equity capital by acquiring, managing and disposing of participating interests in unlisted companies

PART 2

ADMISSION TO TRADING

TITLE 2.1

GENERAL PROVISIONS

Article 2.1.1 *(Scope)*

1. This part of the Rules shall govern admission to listing at the request of the issuer of the following financial instruments issued by Italian or foreign companies or entities, governments or international organisations:
 - a) shares, certificates representing shares and other equity securities;
 - b) bonds, Eurobonds and other debt securities;
 - c) warrants and comparable securities;
 - d) units of closed-end funds;
 - e) covered warrants and certificates;
 - f) structured bonds;
 - g) government securities;
 - h) asset-backed securities;
 - i) units/shares of open-end funds;
 - j) exchange traded commodities.
2. This part of the Rules shall also govern the admission to trading referred to in Article 2.1.2, paragraph 7.

Article 2.1.2 *(Powers in relation to admission)*

1. The financial instruments referred to in the preceding article may be admitted to listing by Borsa Italiana upon application by the issuer, provided all the conditions referred to in Titles 2.1, 2.2, 2.3 and 2.4 are satisfied.
2. Borsa Italiana may reject an application for admission to listing in a reasoned decision promptly notified to the interested party:
 - a) where the features of the financial instrument make it appear unlikely that a regular market will develop;
 - b) where the issuer has other financial instruments already admitted to listing and fails to fulfil the obligations deriving from such listing;
 - c) where, for a financial instrument already admitted to stock exchange listing in another country, the issuer fails to fulfil the obligations deriving therefrom;

- d) where the situation of the issuer makes admission contrary to the interest of investors. To this end Borsa Italiana shall give consideration primarily to the following elements: the presence of serious disequilibria in the issuer's financial structure, a critical competitive position in its main sectors of activity, evidence of serious incongruences in its business plan and the absence of elements substantiating the assumptions made therein.
3. Borsa Italiana may reject an application for admission to listing of financial instruments referred to in Article 2.1.1, paragraph 1(d) or shares of Investment Companies in a reasoned decision promptly notified to the interested party, if the requirements referred to in paragraphs 2(a), 2(b) and 2(c) are not satisfied.
 4. In the case of admission to listing of shares referred to in Article 2.3.4, paragraph 6, in evaluating the elements referred to in paragraph 2(d) of this article, Borsa Italiana shall give consideration primarily to the presence of serious disequilibria in the issuer's financial structure.
 5. In the case of admission to listing of shares referred to in Articles 2.3.4, paragraph 7, and 2.3.1, paragraph 3, Borsa Italiana may reject an application for admission to trading in a reasoned decision promptly notified to the interested party, if the conditions referred to in paragraphs 2(a), 2(b) and 2(c) are not satisfied.
 6. Borsa Italiana may, exclusively for the purpose of protecting investors, make admission to listing subject to any special condition that it deems appropriate and that is explicitly notified to the applicant.
 7. The following may be admitted to trading at the request of the issuer or a market intermediary or at the initiative of Borsa Italiana:
 - a) financial instruments referred to in Article 2.1.1, subparagraphs a), b), f), h) and j), already admitted to trading on another regulated market, pursuant to Article 57 of Consob Regulation 11971/1999;
 - b) financial instruments issued or guaranteed by an EU member state or an international organisation of a public nature of which one or more EU member states are part;Borsa Italiana may reject an application for admission to trading in a reasoned decision promptly notified to the interested party if the conditions referred to in paragraphs 2(a) and 2(b) are not satisfied and, with reference to financial instruments referred to in Article 2.1.2, paragraph 7(a), the additional conditions laid down in Article 2.2.38.
 8. For financial instruments issued by Borsa Italiana, the functions referred to in this article shall be performed by Consob, insofar as applicable.

Article 2.1.3
(General conditions for admission)

1. Issuing companies and entities must be regularly established and their articles of incorporation and bylaws must conform with the laws and the regulations to which the companies and entities are subject.
2. Financial instruments must be:
 - a) issued in compliance with the laws, regulations and any other provisions that apply;

- b) in conformity with the laws and regulations to which they are subject;
- c) freely transferable;
- d) suitable for settlement using the settlement service referred to in Article 69 of the Consolidated Law on Finance or, where established by the provisions applicable to individual market segments, via comparable foreign services subject to supervision by the competent home-country authorities.

Article 2.1.4

(Additional conditions for foreign issuers)

1. Issuers established under foreign law must demonstrate that there are no impediments to their substantial compliance with the provisions, contained in these Rules and the Instructions or in laws or other regulations that apply to them, concerning information to be made available to the public, Consob or Borsa Italiana.
Borsa Italiana shall make the admission of the financial instruments of issuers established under foreign law subject to the favourable opinion of Consob concerning the ability of the issuer to comply with the information requirements deriving from listing.
Borsa Italiana may establish, for individual issuers, in consideration of the rules to which they are subject, different procedures and time limits from those provided for on a general basis for compliance with the provisions of these Rules.
2. Issuers established under foreign law must demonstrate that there are no impediments of any kind to the exercise of all the rights attaching to their financial instruments admitted to stock exchange listing.
3. In the case of issuers established under foreign law, Borsa Italiana shall make satisfaction of the auditing of annual accounts requirement subject to a declaration of equivalence issued by Consob.
4. For the admission of financial instruments issued by companies or entities subject to the national legislation of an EU member state and existing in the form of paper certificates, the certificates must conform with the provisions in force in such member state. In the event that the certificates do not conform with the provisions in force in Italy, this fact must be disclosed to the public.
5. Borsa Italiana shall verify that, in the case of financial instruments issued by companies or entities subject to the national legislation of non-EU countries, the paper certificates representing such instruments offer sufficient guarantees for the protection of investors.
6. Where the financial instruments issued by a company or an entity subject to the national legislation of a non-EU country are not listed in the home country or the country in which they are most widely distributed, they may be admitted only after it has been ascertained that the absence of listing in the home country or the country in which they are most widely distributed is not due to the need to protect investors.

Article 2.1.5

(Additional conditions for issues made by Italian issuers and subject to foreign law)

1. Financial instruments issued by Italian issuers subject to the laws of a foreign country must demonstrate that there are no impediments of any kind to the exercise of all the rights attaching to their financial instruments admitted to stock exchange listing.

2. For the admission of financial instruments referred to in paragraph 1 that are represented physically by paper certificates, such certificates must comply with the rules in force in the issuing country. Where such certificates do not comply with the rules in force in Italy, this circumstance must be made known to the public.

TITLE 2.2

CONDITIONS FOR ADMISSION

Chapter 1 — Shares

Article 2.2.1

(Requirements for issuers of shares)

1. Shares may be admitted to listing where they represent the capital of issuers who have published and filed, in compliance with national law, the consolidated annual accounts for the last three financial years, of which at least the latest must be accompanied by an auditor's opinion drawn up in accordance with Article 156 of the Consolidated Law on Finance or the corresponding applicable provisions of foreign law. Admission to listing may not be granted where the auditing firm has rendered an adverse opinion or a disclaimer.
2. Companies resulting from extraordinary corporate actions or whose assets and liabilities underwent material changes in the financial year preceding that of the submittal of the application or subsequently must produce, in addition to what is provided for in paragraph 1:
 - a pro forma income statement and a pro forma cash flow statement for at least one financial year ended prior to the date of submittal of the application;
 - a pro forma balance sheet referring to the closing date of the financial year preceding the application where the extraordinary corporate actions or the material changes occurred after that date;
 - the other pro forma interim documents specified in the Instructions.

Where it emerges during the preparation of the pro forma documents referred to in this paragraph that the accounting data they contain are objectively unreliable, Borsa Italiana may accept different historical accounting reconstructions upon receiving a reasoned request from the issuer.

3. The accounting documents referred to in paragraph 2 must be accompanied by the report of the auditing firm containing its opinion on the reasonableness of the basic assumptions made in preparing the pro-forma data, the correct application of the methods used and the correctness of the accounting policies applied.

A similar report must be issued by the auditing firm on historical accounting reconstructions different from pro forma data; the reasons must be given for any limitations or impediments to rendering the opinion.

4. The annual financial statements on a solo and a consolidated basis and the annual accounting documents that provide the basis for the pro forma documents referred to in paragraph 2 must be fully audited to a preponderant extent. Where this is objectively impossible, Borsa Italiana may accept that only the bulk of the data are fully audited upon receiving a reasoned request from the issuer.
5. In exceptional circumstances, by way of derogation from paragraph 1, a smaller number of annual accounts may be accepted, possibly supplemented by the documentation referred to in

paragraph 2 accompanied by that provided for in paragraphs 3 and 4, or where issuers have never published and filed an annual report, the documentation referred to in paragraphs 2, 3 and 4. Such derogation must be in the interests of the issuer and of investors and the latter must have all the information needed to evaluate the issuer and the instruments whose admission to listing is being applied for.

6. The issuer must carry on, directly or through its subsidiaries and in conditions of management autonomy, an activity capable of generating revenues.
Borsa Italiana, in assessing the existence of conditions of management autonomy, shall verify that there are no impediments to the maximisation of the issuer's economic and financial objectives. Where Borsa Italiana finds circumstances potentially able to impede the achievement of management autonomy, it shall require the public to be adequately informed at the time of admission to listing and on a continuous basis where appropriate.
The issuer's assets or revenues must not consist preponderantly of an investment or of the results of an investment in a company whose shares are admitted to trading on a regulated market.
7. Without prejudice to the provisions of the preceding paragraphs, the shares of *banche popolari* and cooperative companies authorised to engage in insurance may be admitted provided that in the articles of incorporation and bylaws of the issuer:
 - provision is made for ordinary issues of new shares to be reserved to new shareholders and implemented by the allotment of a single share;
 - the minimum registration period required for recognition of the right to vote in shareholders' meetings is not more than 90 days.
8. The requirements established in the preceding paragraphs shall not apply to the admission of shares of the same issuer belonging to a different category with respect to those already issued.
9. The issuer must have appointed an auditing firm to audit its annual accounts in accordance with Article 159 of the Consolidated Law on Finance, except as provided for by the corresponding applicable provisions of foreign law.
10. Where the creditworthiness of the issuer has been rated by a local or international credit rating agency in the twelve months preceding the submittal of the application, the rating or its update must be notified to Borsa Italiana if public. This information will be disclosed to the market in the Notice establishing the date of the start of trading.
11. For financial instruments issued by Borsa Italiana, satisfaction of the requirements referred to in this article shall be verified by Consob.

Article 2.2.2

(Requirements for the shares)

1. For the purposes of admission to listing, the shares must satisfy the following requirements:
 - a) a foreseeable market capitalisation of at least 40 million euros; Borsa Italiana may admit shares with a smaller market capitalisation where it deems an adequate market for such shares will develop;
 - b) adequate distribution, which shall be presumed to exist where shares representing at least 25% of the capital represented by shares of the same class are distributed among the public; Borsa Italiana may, however, deem this requirement to be

satisfied where the market value of the shares held by the public suggests the conditions for regular operation of the market can be met by a smaller percentage than that specified above. In computing the percentage:

- 1) account shall not be taken of controlling shareholdings or of shareholdings bound by shareholders' agreements or of shareholdings subject to restrictions on the transferability of shares (lock-up agreements) with a duration of more than 6 months;
 - 2) account shall not be taken of shareholdings exceeding 2%, except where Borsa Italiana, in response to a reasoned request from the issuer, grants a derogation after evaluating the nature of the investor and the purpose of the shareholding. The calculation of shareholdings must be carried out in accordance with the criteria established in Article 118 of Consob Regulation 11971/1999;
 - 3) account shall be taken of the shares held by collective investment undertakings, pension funds and social security institutions.
2. In granting admission to trading of ordinary shares of issuers whose ordinary shares have already been admitted to trading on a regulated market or are admitted contemporaneously or are the result of a spin-off or of a merger with the creation of a new company or from comparable transactions involving companies listed on a regulated market, Borsa Italiana may waive paragraph 1(b). Such waiver may be granted taking into account the distribution of the ordinary shares.
 3. In the case of newly issued shares of the same class and with the same features, apart from dividend entitlement, as those already listed, the provisions of the preceding paragraph 1 shall not apply. Borsa Italiana may decide their admission to listing on a separate line, having regard to the quantity and distribution of the shares and to the expected duration of the separate line.
 4. Except for the shares of *banche popolari* and cooperative companies authorised to engage in insurance, classes of shares without the right to vote in ordinary shareholders' meetings may not be admitted to listing unless shares with such right are already listed or are the subject of a simultaneous application for admission to listing.
 5. The provisions of paragraph 1(b) shall not apply to savings shares, for which adequate distribution must be such as ensures the regular operation of the market.
 6. For financial instruments issued by Borsa Italiana, satisfaction of the requirements referred to in this article shall be verified by Consob.

Article 2.2.3

(Additional requirements for shares to qualify as Star shares)

1. At the time issuers submit their listing application or subsequent to listing, they may apply for their ordinary shares to be granted Star status in the manner set out in the Instructions provided they satisfy the requirements laid down in the following paragraphs. After ascertaining that the requirements are satisfied, Borsa Italiana shall grant shares Star status in the Notice establishing the date of the start of trading or a subsequent Notice.
2. In order to obtain Star status, shares must satisfy the following requirements:

- a) have an effective or a foreseeable market capitalisation not exceeding the limit laid down in the Instructions pursuant to Article 4.1.2, paragraph 3;
 - b) have an effective or a foreseeable market capitalisation not less than the limit laid down in the Instructions pursuant to Article 4.1.2, paragraph 3;
 - c) be distributed among the public at least in the percentage laid down in the Instructions. The percentage distribution shall be computed in accordance with Article 2.2.2, paragraph 1(b).
3. In order to obtain and maintain Star status, issuers must:
- a) make their quarterly reports available to the public within 45 days of the end of each quarter;
 - b) have received a favourable auditor's report on their latest annual financial statements;
 - c) must not have assets or revenues consisting preponderantly of an investment or of the results of an investment in a company whose shares are admitted to trading on a regulated market;
 - d) transmit their quarterly, half-yearly and annual accounts, once they have been approved by the competent body, to Borsa Italiana in the electronic format the latter shall specify and promptly notify any changes to data in the annual report made by the shareholders' meeting;
 - e) post their quarterly, half-yearly and annual reports on their websites, together with the information referred to in Articles 114(1), 114(4) and 114(5) of the Consolidated Law on Finance and any other information specified by Borsa Italiana in the Instructions. The information must be made available on the website in the format specified by Borsa Italiana in Italian and in English;
 - f) have published the accounting reports required under the applicable provisions within the prescribed time limits and not have committed formally ascertained violations of disclosure requirements in the previous 18 months;
 - g) not be subject to bankruptcy proceedings and not have subsidiaries as defined in Article 2359 of the Civil Code subject to bankruptcy proceedings exceeding the limit established in the Instructions;
 - h) not have its ordinary shares suspended from trading for an indefinite period;
 - i) not be in any of the situations referred to in Article 2446 and/or Article 2447 of the Civil Code;
 - j) have identified within their organisation a person with appropriate qualifications specifically charged with investor relations (investor relator);
 - k) have adopted the organisational, operational and control models provided for in Article 6 of Legislative Decree 231/2001;
 - l) apply, in relation to the composition of the board of directors and the role and functions of non-executive and independent directors, the principles and criteria of Articles 2 and 3 of the Corporate Governance Code
- Borsa Italiana shall establish criteria in the Instructions for evaluating the adequacy of the number of independent directors and the significance of their commercial, financial and professional dealings and family relationships in order to verify that the independence conditions are satisfied. The entry into force of the rules shall be subject to Consob granting its explicit consent;

- m) apply, in relation to the creation and working of internal committees of the board of directors, the principles and criteria of Article 5 of the Corporate Governance Code;
- n) apply, in relation to the remuneration of directors, the principles and criteria of Article 7 of the Corporate Governance Code;
- o) have appointed an internal control committee in conformity with principle 8.P.4 and criterion 8.C.3 of the Corporate Governance Code;
- p) have strictly forbidden the members of its management and supervisory bodies, persons performing functions of direction and managers pursuant to Consob Regulation 11971/1999 from engaging – directly or by way of nominees – in so-called “internal dealing” by purchasing, selling, subscribing for or otherwise transferring shares of the company or financial instruments linked to them in the 15 days preceding a meeting of the board of directors called to approve periodic financial statements. These limitations shall not apply to the exercise of stock options or pre-emptive rights referring to the financial instruments or, exclusively for shares deriving from stock option plans, to consequent disposals provided they are made at the same time as the exercise of the rights. Nor shall they apply in the event of exceptional circumstances of personal necessity, with adequate reasons given to the company by the interested party.

Where a one-tier or a two-tier system of management and control is adopted, the principles and criteria of Article 12 of the Corporate Governance Code shall apply.

4. Star status shall be subject to the appointment of a specialist charged with performing the functions referred to in Article 2.3.5 for ordinary shares.

Intermediaries admitted to trading in the market may act as specialists.

Intermediaries that belong to the group to which the issuer belongs or which is headed by the issuer may not perform the function of specialist.

Where the issuer has other types of financial instrument listed, it may appoint a specialist to perform the functions referred to in Article 2.3.5, paragraph 1(a), for such other instruments as well.

5. In order to obtain Star status, already listed issuers must comply with the requirement for profitability specified in the Instructions.
6. Upon receipt of a reasoned request from an issuer, Borsa Italiana may consider the requirements referred to in paragraphs 3(l) and 3(o) to be satisfied where the board of directors has resolved to submit proposals to the shareholders’ meeting for action to satisfy such requirements
7. Issuers shall undertake to notify Borsa Italiana promptly of any temporary impossibility of fulfilling the obligations referred to in paragraphs 3 and 4 and the reasons therefor.
8. Borsa Italiana may grant a derogation within 45 days of the 2nd and 4th quarterly reports from the requirement referred to in paragraph 3(a) where it is demonstrably impossible for the issuer to satisfy it and shall notify it to the issuer and the public within 15 days of the derogation application.
9. Borsa Italiana may request companies to supply all the information needed to verify fulfilment of the obligations referred to in paragraph 3.
10. With the periodicity indicated in the Instructions Borsa Italiana may issue a Notice withdrawing Star status from shares that failed to satisfy the requirements referred to in paragraphs 3 and 4 in the six preceding months, with account taken of the importance and

frequency of the failures. With the periodicity indicated in the Instructions, Borsa Italiana may also withdraw Star status from shares for which the conditions referred to in paragraph 3(f) have been breached since the date of admission to the Star segment. With the same periodicity, Borsa Italiana may withdraw Star status from shares whose free float, calculated in accordance with Article 2.2.2, paragraph 1(b), has fallen below the percentage of the company's capital established in the Instructions. Such withdrawals of Star status shall be announced to the public.

11. Borsa Italiana shall verify compliance with the capitalisation requirement referred to in paragraph 2(a), with the periodicity indicated in Article 4.1.2 and may issue a Notice withdrawing Star status from financial instruments whose capitalisation has risen above the limit established in accordance with the procedure laid down in Article 4.1.2, unless the company requests to remain in the Star segment as provided for in the Instructions.
12. Borsa Italiana, also by way of derogation from the periodicity specified in the Instructions, may adopt a reasoned decision withdrawing Star status from the shares of companies where circumstances occur that prejudice the profitability, financial position or balance sheet of the issuer or the group it heads or the shares are suspended for an indefinite period. The measure shall be published in a Notice.
13. The substance of the provisions contained in the previous paragraphs shall also apply to companies established under foreign law. Borsa Italiana reserves the right to establish different and/or additional procedures and time limits for individual issuers, taking account of the legal systems to which they are subject.

Article 2.2.3 bis

(Transitional provisions)

Companies in the Star segment shall comply with Article 2.2.3, paragraph 3(k), by 31 March 2008.

Chapter 2 — Certificates representing shares

Article 2.2.4

(Certificates representing shares)

1. In the case of certificates representing shares, the issuer of the shares represented shall be considered as the issuer for the purposes of Part 2 of these Rules.
2. The issuer of the certificates representing shares must be subject to prudential supervision in Italy or in the country where it has its registered office.
3. The provisions of Articles 2.1.3 and 2.1.4 shall apply to the issuer of certificates representing shares and to the certificates themselves; the certificates must also satisfy the requirements of Article 2.2.2.

Chapter 3 — Bonds

Article 2.2.5

(Requirements for issuers of bonds)

1. Bonds issued by companies or entities that satisfy the requirements of Article 2.2.1, paragraphs 1, 2, 3, 4 and 5, may be admitted to listing, without prejudice to the provisions of Article 2.2.6. In the case of bonds convertible into shares, the latter must be traded on a regulated market or be the subject of a simultaneous admission decision.
2. For bonds issued by issuers of shares that are listed on the MTAX market or are the subject of a simultaneous admission decision, a smaller number of annual accounts may be accepted or the accounting documents referred to in Article 2.2.1, paragraphs 2, 3, 4 and 5.
3. In exceptional circumstances Borsa Italiana may admit bonds issued by an issuer complying with the requirements of paragraph 1 convertible into shares issued by a third party and traded on a regulated market or subject to a simultaneous admission decision
4. In the case of admission to listing of bonds convertible into shares traded on a regulated market other than the markets organised and managed by Borsa Italiana, the issuer of the convertible bonds must:
 - demonstrate the availability in Italy of information on the prices recorded by the shares deriving from the conversion in the principal market in which they are listed;
 - demonstrate, where the shares deriving from the conversion are issued by a third party, that the latter is subject to rules concerning the information to be made available to the public and the supervisory authorities substantially equivalent to those in force in Italy.
 - demonstrate, where the shares deriving from the conversion are issued by a third party, that all the relevant information made public by such issuer in the principal market in which its shares are listed is available in Italy.
5. The solo and, where applicable, consolidated annual accounts of the issuers of listed bonds must have been audited in accordance with Article 156 of the Consolidated Law on Finance or the corresponding applicable provisions of foreign law. The issuer must have appointed a firm to audit the solo and, where applicable, consolidated annual accounts for the current year at the date the application for admission to listing is submitted.
6. Where the creditworthiness of issuers of bonds has been rated by a local or international credit rating agency in the twelve months preceding the submittal of the application, the rating or its update must be notified to Borsa Italiana if public, with an indication of the rating, if any, of the individual issue. This information will be disclosed to the market in the Notice establishing the date of the start of trading.
7. Where bonds are unconditionally and irrevocably guaranteed by a third party (guarantor), the requirements and formalities referred to in this Part for issuers of bonds shall be understood to apply to the guarantor of the issue.
8. For financial instruments issued by Borsa Italiana, satisfaction of the requirements referred to in this article shall be verified by Consob.

Article 2.2.6

(Requirements for local authorities)

1. Financial instruments issued by local authorities satisfying the following requirements may be admitted to listing:
 - a) in the case of persons referred to in Article 1.2 of Legislative Decree 77 of 25 February 1995 and consortia to which the provisions governing local authorities apply, the latest report on operations, accompanied by the report referred to in Article 73 of Legislative Decree 77/1995, must be certified by the economic and financial auditing body in the manner provided for in Article 105(1)(d), of the same Legislative Decree;
 - b) in the case of consortia of local authorities of economic and entrepreneurial significance, the latest annual accounts approved must be accompanied by an auditor's opinion drawn up in accordance with Article 156 of the Consolidated Law on Finance;
 - c) in the case of local authorities constituted under foreign law, the latest annual accounts or equivalent accounting document must have been audited in accordance with the corresponding applicable provisions of foreign law.

Article 2.2.7

(Requirements for bonds)

1. For the purposes of admission to listing, bonds must be:
 - a) issued against a loan whose residual amount is at least 15 million euros or the equivalent thereof or, in the case of convertible bonds, at least 5 million euros or the equivalent thereof; Borsa Italiana may, however, accept a smaller amount than that just specified where it deems an adequate market will develop for the bonds in question;
 - b) distributed among the public or professional investors to an extent deemed adequate by Borsa Italiana to meet the need for regular operation of the market;
 - c) in the case of convertible bonds, the shares deriving from the conversion must, pursuant to a specific rule, be made available for trading by the tenth trading day of the month following that of the presentation of the request to carry out the conversion.
2. Pursuant to Article 2.2.14, at the request of the issuer, Borsa Italiana may admit bonds other than convertible bonds issued or unconditionally and irrevocably guaranteed by banks subject to prudential supervision where they are for the purpose of a public offering on the stock exchange to be made by a specialist that performs the functions referred to in Article 2.3.15, paragraph 1(a). For the purpose of evaluating the likelihood of the bonds offered being sufficiently widely distributed among the public, Borsa Italiana shall establish the minimum conditions the offering must satisfy in the Instructions and the related procedures and time limits in the admission decision. In the event that the offering does not satisfy the minimum conditions established in the Instructions, Borsa Italiana may exercise the powers referred to in Article 2.5.1.

3. Borsa Italiana reserves the right, in the case of bonds having a mechanism for their redemption and/or remuneration linked to interest rates that is deemed complex, to subject the financial instrument to the provisions of Chapter 8 of this Title.
4. Borsa Italiana shall also require that in the case of convertible bonds provision be made in the rules for adjustments where extraordinary events occur regarding the issuer of the shares deriving from the conversion. Such adjustments must be based on generally accepted methods and tend to neutralise the distortionary effects of the event as far as possible.
5. For financial instruments issued by Borsa Italiana, satisfaction of the requirements referred to in this article shall be verified by Consob.

Article 2.2.8

(Disclosure requirements for issuers)

In the cases referred to in Article 2.2.7, paragraph 2, the issuer shall inform Borsa Italiana annually of the number of bonds outstanding.

Chapter 4 — Eurobonds

Article 2.2.9 (Eurobonds)

1. Eurobonds shall mean bonds and other debt securities issued by Italian or foreign companies or entities or by governments or international organisations that are subject to a different law from that to which the issuer is subject and/or placed in two or more countries.
2. The provisions of Chapter 3 of this Title shall apply to issuers of Eurobonds.

Chapter 5 — Warrants

Article 2.2.10

(Definition of warrant)

1. Warrant means a financial instrument that gives the holder the right to subscribe for (subscription warrant), buy (call warrant) or sell (put warrant), on or by the maturity date, a certain quantity of underlying shares against payment of an amount that is predetermined or to be determined in accordance with pre-established criteria in the case of subscription or call warrants and, conversely, against receipt of an amount that is predetermined or to be determined in accordance with pre-established criteria in the case of put warrants.

In the case of an issue of call warrants, the underlying shares must be deposited in a special escrow account with an intermediary subject to prudential supervision for the exercise of the warrants being issued.

In the case of an issue of warrants for the sale of shares, the total amount of funds needed for the purchase of the underlying shares must be deposited in a special escrow account with an entity subject to prudential supervision for the exercise of the warrants being issued or an unconditional and irrevocable guarantee must be provided for an equal amount by an entity subject to prudential supervision.

Article 2.2.11

(Requirements for issuers of warrants)

1. Warrants of issuers who satisfy the requirements of Article 2.2.1, paragraphs 1, 2, 3, 4 and 5, may be admitted to listing. Article 2.2.5, paragraph 5, shall also apply.
2. Borsa Italiana may admit to listing warrants that refer to underlying shares admitted to trading on a regulated market, provided that:
 - a) where the underlying shares are issued by the same issuer, they satisfy the requirements of Article 2.2.1, paragraphs 6 and 7;
 - b) where the underlying shares are issued by a third party, the latter satisfies the requirements of Article 2.2.1, paragraphs 1, 2, 3, 4, 5, 6 and 7, and has had its annual accounts audited in accordance with Article 2.2.5, paragraph 5.
3. Where the underlying shares are traded on a regulated market other than the markets organised and managed by Borsa Italiana, the issuer of the warrants must also:
 - demonstrate the availability in Italy of information on the prices recorded by the underlying shares in the principal market in which they are listed;
 - demonstrate, where the underlying shares are issued by a third party, that the latter is subject to rules concerning the information to be made available to the public and the supervisory authorities substantially equivalent to those in force in Italy.
 - demonstrate, where the underlying shares are issued by a third party, that all the relevant information made public by such issuer in the principal market in which its shares are listed is available in Italy.
4. For financial instruments issued by Borsa Italiana, satisfaction of the requirements referred to in this article shall be verified by Consob.

Article 2.2.12

(Requirements for warrants)

1. For the purposes of admission to listing, warrants must satisfy the following requirements:
 - a) circulate autonomously;
 - b) refer to underlying shares that are already traded on a regulated market or are the subject of a simultaneous admission decision;
 - c) the underlying shares must, pursuant to a specific rule, be made available for trading by the tenth trading day of the month following that of the presentation of the request to exercise the option;
 - d) be distributed among the public or professional investors to an extent deemed adequate by Borsa Italiana to meet the need for regular operation of the market.
2. Borsa Italiana shall also require that provision be made in the rules for adjustments to be made where extraordinary events occur regarding the issuer of the underlying shares. Such adjustments must be based on generally accepted methods and tend to neutralise the distortionary effects of the event as far as possible.
3. For financial instruments issued by Borsa Italiana, satisfaction of the requirements referred to in this article shall be verified by Consob.

Chapter 6 — Other securities and special distribution conditions

Article 2.2.13 **(Other securities)**

The foregoing provisions of this Title concerning shares, bonds and warrants shall also apply, insofar as they are compatible, to the admission to listing of respectively other equity securities, other debt securities and other securities comparable to warrants.

Article 2.2.14 **(Special distribution conditions)**

1. By way of derogation from the provisions of Articles 2.2.2, 2.2.7, 2.2.12, 2.2.25 and 2.2.30, Borsa Italiana may admit to stock exchange listing financial instruments that within a short interval are to be the subject of a public offer on the Stock Exchange and for which it is reasonable to presume that the offer will result in their adequate distribution among the public.
2. The adequate distribution of financial instruments referred to in Article 2.1.1, subparagraphs a), b), c), d), f) and h), may be evaluated taking account of the situations resulting from their official listing on stock exchanges of other countries.
3. For financial instruments issued by Borsa Italiana, satisfaction of the requirements referred to in this article shall be verified by Consob.

Chapter 7 — Covered warrants and certificates

Article 2.2.15

(Definition of covered warrants)

1. Covered warrants shall mean financial instruments, other than warrants, that give the right to buy and/or sell, on or by the maturity date, a certain quantity of the underlying asset at a pre-determined price or, in the case of contracts providing for settlement in cash, to receive a sum of money determined as the difference between the settlement price of the underlying asset and the exercise price or as the difference between the exercise price and the settlement price of the underlying asset.
In the cases referred to in Article 2.2.18, paragraphs 1(a) and 1(b), the covered warrants shall be issued by persons different and independent from the issuers of the underlying asset.
2. Every combination of covered warrant issuer, type of right (call or put), underlying asset, exercise price and method, and maturity shall identify a different covered warrant (a series). An issue of covered warrants may consist of one or more series.
3. Covered warrants may provide for the extinction thereof or a change in the original contractual conditions when the price of the underlying asset reaches a given level.
4. Borsa Italiana reserves the right to admit to listing, at the request of the issuer, types of covered warrant that are combinations of call and/or put covered warrants or that involve changes in one or more of the elements contained in the definition given in paragraph 1.

Article 2.2.16

(Definition of certificates)

1. Certificates shall mean securitized derivatives, other than covered warrants.
2. Certificates may provide for the extinction thereof or a change in the original contractual conditions when the price of the underlying asset reaches a given level.
3. In the cases referred to in Article 2.2.18, subparagraphs a) and b), certificates shall be issued by persons different and independent from the issuers of the underlying assets.

Article 2.2.17

(Requirements for issuers of covered warrants or certificates)

1. Covered warrants and certificates issued by the following persons may be admitted to listing:
 - a) Italian or foreign companies or entities subject to prudential supervision;
 - b) governments or supranational entities;
 - c) companies or entities for which the obligations connected with the issue are unconditionally and irrevocably guaranteed by another person (guarantor) belonging to the categories referred to in subparagraphs a) and b).

2. In the case referred to in paragraph 1(c) the requirements and duties provided for in this part of the Rules for the issuer of covered warrants or certificates shall be deemed to refer to the guarantor of the issue.
3. Issuers of covered warrants or certificates, except for those referred to in paragraph 1(b) must satisfy the following additional requirements:
 - a) possess capital for supervisory purposes of at least 25 million euros;
 - b) possess risk management and control systems that conform with the prudential supervisory provisions to which they are subject and have been notified to Borsa Italiana;
 - c) have published and filed, in compliance with national law, the solo and, where applicable, consolidated annual accounts for the last three financial years, of which at least the latest must be accompanied by an auditor's opinion drawn up in accordance with Article 156 of the Consolidated Law on Finance. Admission to listing may not be granted where the auditing firm has rendered an adverse opinion or a disclaimer. The solo and, where applicable, consolidated annual accounts of issuers of listed covered warrants or certificates must have been audited in accordance with Article 156 of the Consolidated Law on Finance or the corresponding applicable provisions of foreign law. The issuer must have appointed a firm to audit the annual accounts for the current year at the date the application for admission to listing is submitted.
4. Where the creditworthiness of issuers of covered warrants or certificates has been rated by a local or international credit rating agency in the twelve months preceding the submittal of the application, the rating or its update must be notified to Borsa Italiana if public, with an indication of the rating, if any, of the individual issue. This information will be disclosed to the market in the Notice establishing the date of the start of trading.
5. Borsa Italiana may, for the purpose of evaluating the suitability of the issuer of covered warrants or certificates, take into consideration the latter's previous experience with covered warrants, certificates or similar financial instruments, and may ask it to describe the risk-hedging strategies it intends to adopt in connection with the issue.

Article 2.2.18
(Underlying assets)

1. Covered warrants and certificates based on the following underlying assets may be admitted to listing:
 - a) shares and bonds of issuers other than the issuer of the covered warrants or certificates that are traded in a regulated market in Italy or another country and are highly liquid;
 - b) government securities that are traded in a regulated market and are highly liquid;
 - c) official interest rates or interest rates widely used in capital markets that are not open to manipulation and that are marked by transparent methods of observation and dissemination;
 - d) foreign currencies whose exchange rate is recorded continuously by the competent authorities or bodies and which are convertible;

- e) goods for which there is a reference market characterised by the availability of continuous and updated information on the prices of the assets traded;
 - f) indexes or baskets of the assets referred to in the subparagraphs of this paragraph and baskets of indexes of the same assets, provided such baskets and indexes are well known and marked by transparent methods of calculation and dissemination;
 - g) derivative contracts based on assets referred to in the preceding subparagraphs for which there is a liquid market characterised by the continuous availability of updated information on the prices of the contracts.
2. Borsa Italiana reserves the right to admit, at the request of an issuer, covered warrants or certificates based on assets other than those referred to in the preceding paragraph to listing, provided the conditions of this Chapter are satisfied.

Article 2.2.19

(Information on underlying assets)

1. Where the underlying asset consists of financial instruments referred to in Article 2.2.18, paragraph 1(a) admitted to trading on a regulated market in another country, the issuer of the covered warrants or certificates must demonstrate the availability in Italy of all the relevant information made public by the issuer of the underlying asset in the principal market in which it is listed and of the prices recorded for the financial instruments in the principal market in which they are listed with adequate updating.
2. In the cases referred to in paragraph 1, Borsa Italiana may require the issuer of the covered warrants or certificates to demonstrate that the issuers of the underlying financial instruments are subject to rules concerning the information to be made available to the public and the supervisory authorities substantially equivalent to those in force in Italy
3. Where the underlying asset consists of assets referred to in Article 2.2.18, paragraphs 1(b), 1(c), 1(d), 1(e) 1(f) and 1(g), the issuer of the covered warrants or certificates must demonstrate the availability in Italy of continuous and up-to-date information on the prices of such underlying assets. In the case of assets referred to in subparagraph f), the issuer of the covered warrants or certificates must also disclose the method of calculating and producing the indexes or baskets.

Article 2.2.20

(Requirements for covered warrants and certificates)

1. In order to be admitted to listing, each covered warrant or certificate must satisfy the following conditions:
 - a) exclusively for covered warrants, have a maturity of not less than 3 months where Borsa Italiana has introduced a derivative contract based on the same underlying asset and not more than 5 years from the date the documentation to be attached to the application is completed. Borsa Italiana may admit covered warrants with a maturity of more than 5 years to listing in response to a reasoned request from the issuer provided sufficient information is available for the determination of the instrument's price;
 - b) have the following technical features:

1. for covered warrants and certificates belonging to the segments and classes specified by Borsa Italiana in the Instructions, the parity/multiple, as defined in Article 1.3, must be equal to 0.1 where the underlying consists of Italian shares traded in regulated markets organised and managed by Borsa Italiana and 0.0001 where it consists of indexes managed by Borsa Italiana or by companies with which Borsa Italiana has concluded agreements;
 2. exercise at maturity shall be automatic for covered warrants in the money and for certificates; holders of covered warrants or certificates must nonetheless be allowed not to exercise the option by notifying the issuer to that effect within the time limits established in the Instructions;
- c) in the case of covered warrants or certificates based on securities referred to in Article 2.2.18, paragraph 1(a), the issuer of the covered warrants or certificates must make a declaration to Borsa Italiana attesting the notification of the issue to the issuer of the underlying asset;
 - d) in the case of covered warrants or certificates based on shares traded in regulated markets organised and managed by Borsa Italiana, the total number of shares underlying an individual issue may not exceed 2% of the total number of such shares in circulation when the application for admission is submitted. Borsa Italiana nonetheless reserves the right to establish a different percentage in relation to the features of the underlying share.
 - e) in the case of covered warrants or certificates based on securities referred to in Article 2.2.18, paragraphs 1(a), 1(e), 1(f) and 1(g) Borsa Italiana shall require that provision be made in the rules for adjustments where extraordinary events occur regarding the underlying asset. Such adjustments must be based on generally accepted methods and tend to neutralise the distortionary effects of the event as far as possible. The issuer of the covered warrants or certificates must also undertake to notify such adjustments to Borsa Italiana, for dissemination to the market, appropriately in advance of the date on which the adjustments will take effect;
 - f) in the case of covered warrants or certificates for which settlement in cash is envisaged, the procedure for fixing the settlement price must reduce the risk of anomalous movements in the price of the underlying asset and consequently the settlement price must normally be based on a significant volume of trading in the underlying asset. Where the underlying consists of Italian shares traded in regulated markets organised and managed by Borsa Italiana, the settlement price shall be respectively the reference price of the underlying financial instrument on the day before the maturity day for exercise at maturity and the reference price of the underlying financial instrument on the exercise day for early exercise. Where the underlying consists of indexes managed by Borsa Italiana or by companies with which Borsa Italiana has concluded agreements, the settlement price shall be respectively the value of the index calculated on the opening prices on the maturity day of the financial instruments included in the index for exercise at maturity and the value of the index calculated on the opening prices on the day after the exercise day of the financial instruments included in the index for early exercise.
2. In any case, Borsa Italiana shall reserve the right to reject the admission to listing of covered warrants or certificates in order to ensure the stability and proper trading of the relevant underlying.

Article 2.2.21

(Settlement of covered warrants and certificates in the case of exercise)

1. Where the underlying asset consists of financial instruments referred to in Article 2.2.18, paragraphs 1(a) and 1(b), that are traded in regulated markets organised and managed by Borsa Italiana, the settlement of covered warrants or certificates where the rights are exercised early or at maturity may consist, in conformity with what is established in the listing prospectus, in the physical delivery of the underlying asset or settlement in cash.
2. For all the other categories of underlying asset, only settlement in cash shall be allowed.
3. The issuer of covered warrants or certificates shall establish the procedure whereby holders are to communicate their intention to exercise their rights early or at maturity and the timetable and procedures for the settlement of the underlying asset following such exercise.

Article 2.2.22

(Commitments of issuers of covered warrants or certificates)

1. Issuers of covered warrants or certificates must undertake to display continuous bid and offer prices that do not differ by more than the maximum spread indicated in the Instructions (spread obligations), in accordance with the time limits established in the Instructions, for a quantity at least equal to the minimum lot of the covered warrants or certificates. Borsa Italiana, in relation to the features of individual issues, reserves the right to establish the foregoing quotation obligations for a larger quantity in the start-of-trading Notice.
2. Borsa Italiana shall specify in the Instructions the cases in which the spread obligations referred to in paragraph 1 shall not apply, for all or just some segments, taking account, *inter alia*, of the type of covered warrants or certificates and of the ways in which the underlying is traded.
3. At least twice a year Borsa Italiana shall revise the quantities referred to in paragraph 1; any changes therein shall be communicated to the issuer and to the market in a Notice appropriately in advance of the date on which they will take effect.
4. At the request of the issuer, Borsa Italiana may, at the conditions established in the Instructions, suspend the quotation obligations referred to in paragraph 1 for one or more series of an issue of covered warrants or certificates or allow the entry of bids and offers without using the function referred to in Article 4.2.3, paragraph 7, when the technical reasons do not permit its use exist.
5. The obligation referred to in paragraph 1 may also be satisfied by a third party (specialist) appointed for that purpose by the issuer of the covered warrants or certificates. In such cases, the termination of the appointment of a specialist for any reason must be notified to Borsa Italiana in writing in the manner laid down in the Instructions. The issuer must guarantee continuity of the specialist function and promptly inform Borsa Italiana of a new appointment, if any.

Chapter 8 — Structured bonds

Article 2.2.23

(Definition of structured bonds)

Structured bonds shall mean bonds that differ from those referred to in Chapter 3 insofar as their redemption and/or remuneration is linked to the prices of one of the following assets:

- a) shares that are traded in a regulated market in Italy or another country and are highly liquid;
- b) government securities that are traded in a regulated market and are highly liquid;
- c) official interest rates or interest rates widely used in capital markets that are not open to manipulation and that are marked by transparent methods of observation and dissemination;
- d) foreign currencies whose exchange rate is recorded continuously by the competent authorities or bodies and which are convertible;
- e) goods for which there is a reference market characterised by the availability of continuous and updated information on the prices of the assets traded;
- f) units or shares of CIUs;
- g) indexes or baskets of the assets referred to in the subparagraphs of this paragraph and baskets of indexes of the same assets, provided such baskets and indexes are well known and marked by transparent methods of calculation and dissemination;
- h) derivative contracts based on assets referred to in the preceding subparagraphs for which there is a liquid market characterised by the continuous availability of updated information on the prices of the contracts.

Article 2.2.24

(Requirements for issuers of structured bonds)

1. Structured bonds issued by the following persons may be admitted to listing:
 - a) Italian or foreign companies or entities;
 - b) governments or supranational entities.
2. Issuers of structured bonds, except for governments, must satisfy the requirements referred to in Article 2.2.1, paragraphs 1, 2, 3, 4 and 5. Article 2.2.5, paragraph 5, shall also apply.
3. Where the creditworthiness of issuers of structured bonds has been rated by a local or international credit rating agency in the twelve months preceding the submittal of the application, the rating or its update must be notified to Borsa Italiana if public, with an indication of the rating, if any, of the individual issue. This information will be disclosed to the market in the Notice establishing the date of the start of trading.

4. Borsa Italiana may, for the purpose of evaluating the suitability of the issuer of structured bonds, ask it to describe the risk-hedging strategies it intends to adopt in connection with the issue.
5. The issuer of the structured bonds must also demonstrate the availability in Italy of the continuous and up-to-date information on the prices recorded by the assets chosen for the linkage mechanism in the principal market in which they are listed. Borsa Italiana reserves the right to require the issuer during the life of the bonds to communicate, for dissemination to the market, the movements in the prices of the financial assets chosen for the linkage mechanism.
6. The issuer must appoint a calculation “agent” charged with determining on the basis of the specific features of the issue the amount of the redemption and/or remuneration.
7. Borsa Italiana reserves the right to admit to listing, at the request of the issuer, structured bonds linked to assets other than those referred to in Article 2.2.23 paragraphs 1(a), 1(b), 1(c) and 1(d) provided the conditions of this Chapter are satisfied.
8. For financial instruments issued by Borsa Italiana, satisfaction of the requirements referred to in this article shall be verified by Consob.

Article 2.2.25

(Requirements for structured bonds)

1. For the purposes of admission to listing, structured bonds must be:
 - a) linked to assets that satisfy the requirements referred to in Article 2.2.23;
 - b) issued against a loan whose residual amount is equal to at least the amount fixed by Borsa Italiana in the Instructions; Borsa Italiana may, however, accept a smaller amount than that specified in the Instructions where it deems an adequate market will develop for the bonds in question;
 - c) distributed among the public or professional investors to an extent deemed adequate by Borsa Italiana to meet the need for regular operation of the market. The provisions contained in articles 2.2.7, paragraph 2, and 2.2.8 shall also apply.
2. Borsa Italiana shall also require for structured bonds that:
 - a) in no circumstances may they be redeemed at a price lower than their face value;
 - b) provision be made for adjustments where extraordinary events occur regarding the underlying assets referred to in Article 2.2.23, subparagraphs a), e) f) and g) chosen for the linkage mechanism. Such adjustments must be based on generally accepted methods and tend to neutralise the distortionary effects of the event as far as possible. The issuer of the structured bonds must also undertake to notify such adjustments to Borsa Italiana, for dissemination to the market, appropriately in advance of the date on which the adjustments will take effect.

The matters referred to in the provisions of subparagraphs a) and b) must be contained in the issue rules.
3. Borsa Italiana may also require for structured bonds that where the method of calculation involved in the linkage mechanism is in the form of a mathematical formula, a numerical example be given that is not misleading.
4. Borsa Italiana recommends that the prices to be used for the linkage mechanism should normally be based on a significant volume of trading in the financial asset in question.

5. For financial instruments issued by Borsa Italiana, satisfaction of the requirements referred to in this article shall be verified by Consob.

Chapter 9 - Asset-backed securities

Article 2.2.26

(Definition of asset-backed securities)

1. Asset-backed securities shall mean financial instruments issued in connection with securitisation operations carried out in accordance with:
 - a) Law 130 of 30 April 1999, as amended and special laws to which the provisions of Law 130 shall apply insofar as they are compatible; or
 - b) foreign laws that provide for the use of claims, both present and future, and other assets destined, on an exclusive basis, to satisfy the rights incorporated in the financial instruments issued and possibly to cover the costs of the securitisation operation.
2. Single issues (tranches) of asset-backed securities related to a securitisation operation may be admitted to listing.

Article 2.2.27

(Requirements for issuers of asset-backed securities)

1. Issuers must have as their exclusive object the carrying out of one or more securitisation operations. In the case referred to in paragraph 1(b) of Article 2.2.26, Borsa Italiana may waive this provision where it deems adequate the documentation demonstrating that the claims or other assets, whose receipt or realisation serves to satisfy the rights incorporated in the asset-backed securities, constitute to all effects and purposes a separate patrimony from that of the company and from that of other securitisation operations and that no actions concerning such separate patrimony may be brought by creditors other than holders of the related asset-backed securities.
2. The annual accounts of issuers of asset-backed securities must be accompanied by an auditor's opinion drawn up in accordance with Article 156 of the Consolidated Law on Finance or the corresponding applicable provisions of foreign law. The issuer must have appointed a firm to audit the annual account for the current year at the date the application for admission to listing is submitted.

Article 2.2.28

(Requirements for asset-backed securities)

1. For the purpose of their admission to listing, tranches of asset-backed securities must:
 - a) have a residual face value of at least 50 million euros or the equivalent thereof if denominated in other currencies. Borsa Italiana may, however, accept a smaller amount than that indicated where it deems that the market for the asset-backed securities in question will be sufficiently liquid;
 - b) be distributed among the public or professional investors to an extent deemed adequate by Borsa Italiana to meet the need for regular operation of the market;

- c) be rated on a continuing basis by at least one of the credit rating agencies indicated in the Instructions. The ratings requested by the issuer and made public must be at least equal to the minimum rating specified in the Instructions. Borsa Italiana may admit tranches without a rating to listing where their redemption is guaranteed by a government or a governmental entity or agency such that the implicit rating is at least equal to the minimum rating specified in the Instructions.
2. Borsa Italiana reserves the right to subject asset-backed securities to Articles 2.2.24, paragraphs 4, 5, 6 and 7, and 2.2.25, paragraphs 2, 3 and 4, of Chapter 8 of this Title where their redemption and/or remuneration is linked to:
 - a) interest rates, with a mechanism that is deemed complex;
 - b) foreign currencies;
 - c) stock indexes or baskets of stock indexes;
 - d) shares or baskets of shares listed on a stock exchange in Italy or another country;

Article 2.2.29

(Information on the operation)

1. For each issue issuers of asset-backed securities are required to send Borsa Italiana the following information as soon as it is available, for dissemination to the public:
 - 1) all the ratings to which the issue is subject and, in particular:
 - a) any change in the rating;
 - b) the placement of the rating under observation (where the rating agency provides for this procedure);
 - c) the full report of the rating agency on the two events mentioned above;
 - d) the full, qualitative and quantitative, report on the periodic monitoring of the assets destined to redeem the asset-backed securities;
 - 2) changes in the amortisation schedule of the tranche and in the seniority of tranches, and the pool factor of the tranche, if any.
2. Borsa Italiana reserves the right to permit the omission of data and information referred to in the previous paragraph where they are already contained in other documentation provided by the issuer or are not material for the issue in question. In the latter case Borsa Italiana shall inform Consob of the omission.

Chapter 10 — CIUs

Article 2.2.30

(Requirements for listing of shares of closed-end funds)

1. Shares of a closed-end securities or real-estate investment fund may be admitted to listing, provided the following conditions are satisfied:
 - a) the management company has drawn up and published at least one half-year report on the fund's operations;
 - b) the fund rules provide for the certificates representing the shares of the fund to be listed on a regulated market.
2. Where application is made for the listing of the shares of a closed-end fund subscribed by means of the contribution of assets, Borsa Italiana may waive the provisions of paragraph 1(a) provided pro forma statements of profits and losses and assets and liabilities are produced for at least one half year.
3. In the case of closed-end securities mutual funds, the amount of the fund must be at least 25 million euros.
4. Closed-end securities funds shall invest at least 25% of their assets within 24 months of the date of the admission decision.
5. The shares must be distributed among the public or professional investors to an extent deemed adequate by Borsa Italiana to meet the need for regular operation of the market.
6. Where application is made for the listing of the shares of a sub-fund of a fund, the requirements of this article shall be understood as applying to such sub-fund.

Article 2.2.31

(Requirements for listing of units/shares of open-end fund)

1. Units/shares of open-end index funds may be admitted to listing, provided the following conditions are satisfied:
 - a) the CIU's reference index or basket of securities is calculated in a transparent manner and updated daily;
 - b) the value of the index and the prices recorded by the individual component stocks in the principal market in which they are listed are available to traders in Italy at least once a day;
 - c) the CIU's rules or bylaws provide for the certificates representing the units/shares of the CIU to be listed on a regulated market;
 - d) specialists undertake to display continuous bid and offer prices in accordance with Article 2.3.17.
2. Units/shares of open-end structured funds may be admitted to listing, provided the following conditions are satisfied:

- a) the index to which the performance of the fund is linked and the formula linking the performance of the index and the fund are marked by transparent methods of calculation;
 - b) the fund's reference index or basket of securities is calculated in a transparent manner and updated daily;
 - c) the fund rules or bylaws provide for the certificates representing the units/shares of the fund to be listed on a regulated market;
 - d) specialists undertake to display continuous bid and offer prices in accordance with Article 2.3.17.
3. Where, subsequent to listing, the requirements referred to in paragraph 1 and 2 are no longer satisfied, Borsa Italiana may suspend or, in more serious cases, revoke the listing of the units/shares of the open-end fund in accordance with Title 2.5 of these Rules.
 4. Where application is made for the listing of the units/shares of a sub-fund of an open-end fund, the requirements of this article shall be understood as applying to such sub-fund.

Chapter 11 – Shares of investment companies

Article 2.2.32

(Requirements for listing of shares of investment companies)

1. Ordinary shares representing the capital of investment companies may be admitted to listing provided the clause of the bylaws establishing the corporate purpose contains the following rules regarding investments and limits to the concentration of risk:
 - the company may not invest an amount exceeding 30% of its assets in listed or unlisted financial instruments of a single issuer or units/shares of a single CIU;
 - the company's total exposures to a single issuer or group (including exposures deriving from OTC financial derivatives) must be less than 30% of its assets;
 - the company may not invest more than 20% of its assets in units of Italian or foreign hedge funds;
 - the above limits shall not apply when the financial instruments are issued or guaranteed by a member state of the European Union, by its local authorities, by a country belonging to the OECD or by international organisations of a public nature of which one or more member states of the European Union are part.

The bylaws of the company may also provide for the above-mentioned limits to be exceeded in exceptional circumstances. They shall nonetheless specify that overshoots of the limits laid down in the bylaws may not last for more than 12 months.
2. The bylaws shall also specify that a quorum of 90% of those entitled to vote in all the calls of the shareholders' meeting is required to amend the corporate purpose for as long as the company's shares are traded in the segment reserved for investment companies. In addition, they shall specify that such quorum shall also be necessary to amend the clause of the bylaws regarding the quorum referred to in this paragraph.
3. Investment companies shall invest at least 25% of their total assets within 24 months of the date of the admission decision.

Article 2.2.33

(Requirements for investment companies)

1. Shares may be admitted to listing where they represent the capital of investment companies that have published and filed, in compliance with national law, their solo or consolidated annual accounts for at least one financial year, accompanied by an auditor's opinion drawn up in accordance with Article 156 of the Consolidated Law on Finance or the corresponding applicable provisions of foreign law. Admission to listing may not be granted where the auditing firm has rendered an adverse opinion or a disclaimer.
2. In the case of recently created companies and by way of derogation from paragraph 1, Borsa Italiana, in response to a reasoned request from the issuer, may accept a balance sheet and income statement for a period of less than one year provided they have been audited in accordance with paragraph 1.
3. Companies resulting from extraordinary corporate actions or whose assets and liabilities underwent material changes in the financial year preceding that of the submittal of the application or subsequently must produce, in addition to what is provided for in paragraph 1:

- a pro forma income statement and a pro forma cash flow statement for at least one half-year ended prior to the date of submittal of the application;
- a pro forma balance sheet referring to the closing date of the half-year preceding the application where the extraordinary corporate actions or the material changes occurred after that date.

Where it emerges during the preparation of the pro forma documents referred to in this paragraph that the accounting data they contain are objectively unreliable, Borsa Italiana may accept different historical accounting reconstructions upon receiving a reasoned request from the issuer.

4. The accounting documents referred to in paragraph 3 must be accompanied by the report of the auditing firm containing its opinion on the reasonableness of the basic assumptions made in preparing the pro-forma data, the correct application of the methods used and the correctness of the accounting standards applied.

A similar report must be issued by the auditing firm on historical accounting reconstructions different from pro forma data; the reasons must be given for any limitations or impediments to rendering the opinion.

5. The annual financial statements on a solo and a consolidated basis and the accounting reconstructions that provide the basis for the pro forma documents referred to in paragraph 3 must be fully audited to a preponderant extent. Where this is objectively impossible, Borsa Italiana may accept that only the bulk of the data are fully audited upon receiving a reasoned request from the issuer.
6. The issuer must be able to operate in conditions of management autonomy. Borsa Italiana, in assessing the existence of conditions of management autonomy, shall verify that there are no impediments to the maximisation of the issuer's economic and financial objectives. Where Borsa Italiana finds circumstances potentially able to impede the achievement of management autonomy, it shall require the public to be adequately informed at the time of admission to listing and on a continuous basis where appropriate.
7. At least three members of the management body and managers, and in any case all the persons who have investment mandates, must have had a total of at least three years experience in the strategic management of investments of the same size and type as those of the company.
8. The issuer must have appointed an auditing firm to audit its annual accounts in accordance with Article 159 of the Consolidated Law on Finance, except as provided for by the corresponding applicable provisions of foreign law.
9. Where the creditworthiness of the issuer or its subsidiaries has been rated by a local or international credit rating agency in the twelve months preceding the submittal of the application, the rating or its update must be notified to Borsa Italiana if public. This information will be disclosed to the market in the Notice establishing the date of the start of trading.
10. Italian companies that intend to apply for admission to listing as investment companies in accordance with these Rules must be entered in one of the lists referred to in Articles 106, 107 and 113 of the Consolidated Law on Banking.

Article 2.2.34

(Requirements for the shares)

1. For the purposes of admission to listing, the shares must satisfy the following requirements:
 - a) a foreseeable market capitalisation of at least 40 million euros; Borsa Italiana may admit the shares of investment companies with a smaller market capitalisation where it deems an adequate market for such shares will develop;
 - b) adequate distribution, which shall be presumed to exist where shares representing at least 25% of the capital represented by shares of the same class are distributed among the public; Borsa Italiana may, however, deem this requirement to be satisfied where the market value of the shares held by the public suggests the conditions for regular operation of the market can be met by a smaller percentage than that specified above. In computing the percentage:
 - 1) account shall not be taken of controlling shareholdings or of shareholdings bound by shareholders' agreements or of shareholdings subject to restrictions on the transferability of shares (lock-up agreements) with a duration of more than 6 months;
 - 2) account shall not be taken of shareholdings exceeding 2%, except where Borsa Italiana, in response to a reasoned request from the issuer, grants a derogation after evaluating the nature of the investor and the purpose of the shareholding. The calculation of shareholdings must be carried out in accordance with the criteria established in Article 118 of Consob Regulation 11971/1999;
 - 3) account shall be taken of the shares held by collective investment undertakings, pension funds and social security institutions.
2. In the case of newly issued shares of the same class and with the same features, apart from dividend entitlement, as those already listed, the provisions of the preceding paragraph 1 shall not apply. Borsa Italiana may decide their admission to listing on a separate line, having regard to the quantity and distribution of the shares and to the expected duration of the separate line.

Chapter 12 - ETCs

Article 2.2.35

(Definition of Exchange Traded Commodities)

1. Exchange Traded Commodities (ETCs) shall mean the financial instruments issued against investments in one of the following assets:
 - a) commodities for which there is a reference market characterised by the continuous availability of updated information on the prices of the assets traded;
 - b) contracts, including derivative contracts, linked to the assets referred to in the previous subparagraph for which there is a liquid market characterised by the continuous availability of updated information on the prices of the contracts.
2. The value of ETCs shall be linked to the prices of the assets referred to in the previous paragraph or to the value of indexes or baskets of the assets referred to in the previous paragraph, provided the latter are well known and characterised by transparent methods of calculation and dissemination.

Article 2.2.36

(Requirements for the issuers of ETCs)

1. ETCs may be admitted to listing that are issued by Italian or foreign companies or entities and that have as their exclusive object one or more transactions involving the issuance of instruments referred to in Article 2.2.35.
2. The annual financial statements of the issuers of ETCs must be accompanied by an auditor's opinion drawn up in the manner specified in Article 156 of the Consolidated Law on Finance or the corresponding applicable provisions of foreign law.
3. Borsa Italiana may, for the purpose of evaluating the suitability of an issuer of ETCs, ask them to describe the risk-hedging strategies it intends to adopt in connection with the issue.
4. Issuers of ETCs must also demonstrate the availability in Italy of continuous and up-to-date information on the prices recorded by the underlying assets in the principal market in which they are listed. Borsa Italiana reserves the right to require issuers during the life of ETCs to communicate, for dissemination to the market, the movements in the prices of the underlying assets.

Article 2.2.37

(Requirements for ETCs)

1. ETCs may be admitted to listing provided the following conditions are satisfied:
 - a) the value of the index and the prices recorded by its components in the principal market in which they are listed are available to traders in Italy with adequate updating;
 - b) specialists undertake to display continuous bid and offer prices in accordance with Article 2.3.17.
2. For the purpose of admission to listing of instruments referred to in Article 2.2.35, paragraph 1, issuers must declare that:

- the assets acquired with the proceeds deriving from the subscription of an issue constitute, to all intents and purposes, a separate patrimony from that of the issuer and from that of any other issues;
- the assets acquired with the proceeds deriving from the subscription of an issue and the income earned on such assets shall be assigned exclusively to satisfy the rights incorporated in the financial instruments and possibly to meet the costs of the transaction;
- no actions concerning such assets may be brought by creditors other than the holders of the related ETCs.

The declaration produced by the issuer shall be supported by a legal opinion issued by a leading international law firm confirming the existence of the elements referred to in this paragraph.

3. Where the creditworthiness of the issuer of the ETCs, the ETCs themselves or a guarantor has been rated by a local or international credit rating agency in the twelve months preceding the submittal of the application, the rating or its update must be notified to Borsa Italiana if public, with an indication of any rating of the individual issue. This information will be disclosed to the market in the Notice establishing the date of the start of trading.
4. Borsa Italiana shall also require that provision be made for adjustments where extraordinary events occur regarding underlying assets referred to in Article 2.2.35, paragraph 1, chosen for the linkage mechanism. Such adjustments must be based on generally accepted methods and tend to neutralise the distortionary effects of the event as far as possible. The issuer of the ETCs must also undertake to notify such adjustments to Borsa Italiana, for dissemination to the market, appropriately in advance of the date on which the adjustments will take effect.

Chapter 13 – Financial instruments admitted to trading pursuant to Article 2.1.2, paragraph 7(a)

Article 2.2.38

(Requirements for admission)

1. Financial instruments referred to in Article 2.1.2, paragraph 7(a) must have been traded on another European regulated market for more than 18 months and not have been the subject of a delisting decision pursuant to Article 2.5.4, 2.5.5 or 2.5.6 of the Rules in the 12 months preceding submittal of the application for admission.
2. Financial instruments referred to in Article 2.1.2, paragraph 7(a) may be admitted to trading if they satisfy the following requirements:
 - a) that the issuer of the financial instrument, in fulfilling the corporate disclosure requirements applicable to it, is subject to rules substantially equivalent to those in force in Italy;
 - b) disclosures of material facts, periodic disclosures, disclosures of extraordinary corporate actions and disclosures regarding the exercise of the rights of holders of the financial instruments are available to the public in English;
 - c) the listing of the financial instrument has not been suspended or revoked on the reference European regulated market for reasons other than technological reasons inherent in the operation of the market;
 - d) the applicant referred to in Article 2.1.2, paragraph 7 produces a summary document in Italian on the issuer and the financial instrument in accordance with Article 57 of Consob Regulation 11971/1999.
3. Borsa Italiana reserves the right, for purposes of the admission to trading of the financial instrument, to ask the applicant for additional information, clarifications and documentation with respect to that referred to in the preceding paragraph.

TITLE 2.3

SPONSORS AND SPECIALISTS

Chapter 1 — Sponsors and specialists in the Star Segment

Article 2.3.1

(Appointment of sponsors)

1. Issuers must appoint a sponsor in the following cases:
 - a) where they intend to apply to Borsa Italiana pursuant to Article 2.1.2, paragraph 1, for the admission of financial instruments referred to in Article 2.1.1, paragraphs 1(a), 1(c) and 1(d), and of shares of investment companies without having other instruments already admitted to listing by Borsa Italiana;
 - b) where, as a result of serious violations of these Rules or other applicable regulations or provisions, Borsa Italiana shall require the appointment of a sponsor to assist the issuer in the measures to be adopted.

The date of the entry into force of this paragraph 2 will be announced in a subsequent Notice

2. *In the event of a reverse merger or an increase in capital by means of a contribution in kind of assets whose value is significantly greater than the balance sheet assets of the issuer calculated according to Article 117-bis of the Consolidated Law on Finance and the Consob regulation referred to in paragraph 2 of that article, the latter shall appoint just one sponsor exclusively for the purpose of obtaining the declarations referred to in Article 2.3.4, paragraphs 2(c) and 2(d). The sponsor may not be appointed if it is in the conditions referred to in Article 2.3.3 of the Rules and specified in the Instructions. Accordingly, the sponsor must issue the declaration referred to in Article 2.3.3, paragraph 2, not later than the date of the appointment and at least 10 trading days before the date of issue of the declarations referred to above.*

3. It is not necessary to appoint a sponsor in the case of an application for admission to listing of shares deriving from the merger of a listed company.
4. The sponsor must be appointed not later than the time at which the application for the admission of the financial instruments is submitted to Borsa Italiana and last for at least:
 - a) one year from the date of the start of trading where the appointment is made in connection with the admission of financial instruments referred to in Article 2.1.1, paragraph 1(a);

- b) the period until the date of listing in the case of the admission of financial instruments referred to in Article 2.1.1, paragraphs 1(c) and 1(d).
5. In the cases referred to in paragraph 1(b) the appointment must last for at least one year.
6. The appointment of a sponsor is obligatory in the case of the first admission of financial instruments referred to in Article 2.1.1, paragraph 1(a).
7. Borsa Italiana may exempt issuers from the obligation referred to in paragraph 1 when the shares to be admitted are already listed on another regulated market.
8. For financial instruments issued by Borsa Italiana, for the purposes of this article, references to Borsa Italiana shall be understood as referring to Consob and references to the issuer as referring to Borsa Italiana, insofar as applicable.

Article 2.3.2

(Person eligible to act as sponsors)

Italian, EU and non-EU banks and investment firms and financial intermediaries entered in the special register referred to in Article 107 of the Consolidated Law on Banking shall be eligible to act as sponsors.

In the case of admission of financial instruments referred to in Article 2.1.1, subparagraph a), preceded by an offering of the same instruments by a syndicate, the sponsor must be the lead manager of the public offering or the institutional placement.

Article 2.3.3¹

(Relationships between sponsors and issuers)

1. The sponsor may not belong to the group to which the issuer belongs or which is headed by the issuer.
2. The sponsor must issue a declaration to Borsa Italiana specifying the nature and size of its interests where:
 - a) the sponsor or companies belonging to the group to which the sponsor belongs or which is headed by the sponsor (the sponsor's Group) hold an equity interest in the issuer or companies belonging to the group to which the issuer belongs or which is headed by the issuer (the issuer's Group) or rights of pledge or usufruct on the issuer's shares;
 - b) there exist credit positions between the sponsor's Group and the issuer's Group;
 - c) there exist equity interests and credit positions between the sponsor's Group and persons with significant direct and indirect holdings in the issuer.
3. The issuer must issue a declaration to Borsa Italiana specifying the nature and size of the equity interests where the issuer's Group holds an equity interest in the sponsor's Group.
4. In the cases referred to in paragraphs 2(a), 2(b) and 3, the sponsor may not be appointed if it is in the conditions specified in the Instructions.
5. In order to ensure the orderly performance of the admission procedure, in the cases specified in the Instructions Borsa Italiana may require the appointment of a different

¹ See: Notice no. 3796 of 9 March 2007

sponsor in the cases referred to in paragraph 2(c). The entry into force of the provisions contained in the Instructions shall be subject to Consob granting its explicit consent.

6. Borsa Italiana may require the appointment of a different sponsor in circumstances other than those provided for in the Instructions and shall inform the issuer accordingly within 15 days of the day the documentation to be attached to the application is completed. Such notification must give the reasons for the request.
7. Where, after an application for admission to listing has been submitted, the issuer revokes the appointment of the sponsor or the sponsor renounces the appointment, both parties must immediately notify the fact to Borsa Italiana, giving the reasons for the revocation or the renouncement. The admission procedure shall be interrupted until the issuer has appointed another sponsor to perform the functions referred to in this Chapter for the periods referred to in Article 2.3.1, paragraphs 4 and 5.
8. For financial instruments issued by Borsa Italiana, for the purposes of this article, references to Borsa Italiana shall be understood as referring to Consob and references to the issuer as referring to Borsa Italiana, insofar as applicable.

Article 2.3.4²

(Role of the sponsor in the case of admission of financial instruments)

1. The sponsor shall collaborate with the issuer in the procedure for the admission of financial instruments with the aim of ensuring its orderly implementation.
2. In the case of admission to listing of financial instruments referred to in Article 2.2.1, paragraph 1(a), the sponsor shall undertake to perform the following duties and for each such duty to issue a written declaration to Borsa Italiana:
 - a) stating that it has transmitted to Borsa Italiana all the data and facts that have come to its knowledge in the performance of its activity and which Borsa Italiana should take into consideration for the purpose of admission to listing, in addition to those already notified by the issuer in accordance with Article 2.4.1, paragraph 2;
 - b) affirming that the management body and the supervisory body have been adequately informed with regard to the responsibilities and obligations resulting under the laws and regulations in force from the admission to listing of the company's financial instruments;
 - c) stating, in the manner specified in the Instructions on the basis of a check made by an auditing firm or by some other qualified person indicated by the supervisory body and accepted by the sponsor, that the issuer and the main companies belonging to the group it heads have put in place a management control system permitting corporate officers to obtain, regularly and promptly, a sufficiently complete picture of the profits and losses and financial situation of the company and, where applicable, of the group it heads;
 - d) declaring it is satisfied that the forecasts in the business plan for the financial year under way at the date of submittal of the listing application were prepared by the issuer after careful and thorough examination of the documentation

² See: Notice no. 3796 of 9 March 2007

regarding the prospects for the profits and losses and financial situation of the company and of the group it heads. If the completion date of the documentation to be attached to the application for listing is after 15 September, the declaration must extend to at least the first six months of the following year. For the purpose of issuing the declaration the sponsor may have recourse to a verification carried out by an auditing firm or by some other qualified person indicated by the supervisory body and accepted by the sponsor.

The declaration referred to in subparagraph a) must be attached to the application for admission and renewed two days before the admission decision.

3. In the case of admission to listing of financial instruments, other than shares of investment companies, referred to in Article 2.1.1, paragraph 1(a), for which the application referred to in Article 2.2.3, paragraph 1, has not been submitted, the sponsor shall also undertake, for the entire duration of its appointment and from the date of the start of trading:
 - a) to produce or have produced in its own name at least two researches (as defined in Article 65 of Consob Regulation 11971/1999) on the issuer per year, to be prepared promptly and in accordance with the highest standards on the occasion of the publication of the results for the year and the half-year or alternatively on the occasion of the publication of the quarterly reports for the fourth and second quarters, provided an equivalent level of completeness of the research is ensured. The researches must be made public in accordance with the procedures and time limits established in the Instructions.
 - b) to organise and attend at least two meetings a year between the management of the company and professional investors.
4. In the case of admission to listing of financial instruments referred to in Article 2.1.1, paragraphs 1(c) and 1(d), and of shares of investment companies, the sponsor shall undertake to perform the duties referred to in paragraphs 2(a), 2(b) of this article, and to issue a written declaration to Borsa Italiana with respect to each such duty.
5. In the case of admission to listing of shares of investment companies the sponsor shall attest that the issuer has an organisational structure and procedures capable of ensuring an appropriate evaluation of investment and disinvestment proposals and an effective system for monitoring risk. Such attestation is not required if the issuer is a financial intermediary subject to prudential supervision.
6. In the case of admission to listing of shares representing the capital of an issuer that has approved the merger of a listed company into an unlisted company in which the latter does not have significant assets apart from the equity interest in the former and does have financial debt, the declaration referred to in paragraph 2(c) shall not be required. This paragraph shall also apply where provision is made for the distribution of reserves, to be financed by financial debt, after completion of the merger.
7. In the case of admission to listing of shares representing the capital of an issuer that has approved a merger of a listed company into an unlisted company in which the latter does not have significant assets apart from the equity interest in the former and does not have financial debt, the declarations referred to in paragraphs 2(c) and 2(d) shall not be required. This paragraph shall not apply where the listed company, for the purpose or as a result of the merger is the subject of guarantees, commitments or contractual constraints capable or potentially capable of materially affecting its financial structure.
8. In the case of admission to listing of financial instruments, other than shares of investment companies, referred to in Article 2.1.1, paragraph 1(a) for which the application referred to

in Article 2.2.3, paragraph 1, has been submitted, the obligations referred to in paragraph 3 shall be fulfilled by the specialist in accordance with Article 2.3.5.

9. In the case of admission to listing on the Stock Exchange or of admission on the MTAX market of shares already admitted to trading on the Expandi market after 1 December 2003 whose issuers satisfy the requirements laid down in the Instructions:
 - a) the sponsor shall undertake to perform the duties referred to in paragraphs 2(a), 2(b), 2(d) and for each such duty to issue a written declaration to Borsa Italiana. The sponsor shall also declare that the issuer complies with the quantitative requirements for profitability and financial structure specified in the Instructions;
 - b) the chairman of the supervisory body shall declare that the operational control system of the issuer and of the group it heads, if any, is reliable and adequate with respect to the scale and nature of the company's activity. For the purpose of making this declaration the chairman of the supervisory body shall take account of the results of the work of the auditing firm for matters falling within its competence.
10. For financial instruments issued by Borsa Italiana, for the purposes of this article, references to Borsa Italiana shall be understood as referring to Consob and references to the issuer as referring to Borsa Italiana, insofar as applicable.

Article 2.3.5

(Obligations of specialists in the Star segment)

1. With effect from the date of the start of trading in the Star segment, the intermediary appointed by the issuer pursuant to Article 2.2.3, paragraph 4, shall undertake to perform the following functions of a specialist:
 - a) to display continuous bids and offers with a percentage spread that does not exceed the limit established by Borsa Italiana in the Instructions for a daily quantity specified in the Instructions;
 - b) to produce or have produced in its own name at least two researches (as defined in Article 65 of Consob Regulation 11971/1999) on the issuer per year, to be prepared promptly and in accordance with the highest standards on the occasion of the publication of the results for the year and the half-year or alternatively on the occasion of the publication of the quarterly reports for the fourth and second quarters, provided an equivalent level of completeness of the research is ensured. The researches must be made public in accordance with the procedures and time limits established in the Instructions.
 - c) to organise and attend at least two meetings a year between the management of the company and professional investors.
2. In the case of shares that are already listed, for which the sponsor performs the functions referred to in Article 2.3.4, paragraph 3, the obligations referred to in paragraphs 1(b) and 1(c) shall be effective from the termination of the sponsor's appointment.

Article 2.3.6***(Relations between issuers and Star specialists)***

The contract concluded with a specialist must provide for the termination of the relationship for any reason to be notified to Borsa Italiana in writing in the manner laid down in the Instructions.

Article 2.3.7***(Disclosure)***

The name of the sponsor must appear on the notices whose dissemination is provided for in Articles 2.4.1, 2.4.2 and 2.4.3 and may be associated with the name of the issuer in documents and publications of Borsa Italiana.

Article 2.3.8***(Verification activity)***

1. For the purpose of verifying compliance with these Rules and the accompanying Instructions and, more generally, in order to ensure the performance of its functions of organising and managing the markets, Borsa Italiana may:
 - a) request sponsors to provide all the necessary information and documents;
 - b) convoke the representatives of sponsors to clarify specific conduct or situations.
2. Where evidence is found of presumed violations of these Rules or the accompanying Instructions, Borsa Italiana, after acquiring appropriate substantiating elements, shall initiate the procedure referred to in Article 2.3.10.
3. In the event of minor infringements of these Rules or the accompanying Instructions, Borsa Italiana may invite the sponsor to comply adequately with the provisions in question.
4. For transactions involving financial instruments issued by Borsa Italiana, the verification activity referred to in this article shall be carried out by Consob.

Article 2.3.9***(Measures against sponsors)***

1. Where there is a violation of these Rules or the accompanying Instructions, including the case of sponsors hindering the verification activity referred to in Article 2.3.8, Borsa Italiana may apply one or more of the following measures against the sponsors in question, taking into account the seriousness of the violation and any other violations committed in the 30 months preceding the violation:
 - a) a written censure. If in the 30 months preceding the violation the sponsor has committed another violation of the same prescription or prohibition for which Borsa Italiana has already imposed a written censure, the measure referred to in subparagraph b) shall be applied;
 - b) a fine of between 5,000 and 100,000 euros. In deciding on the amount of the fine Borsa Italiana shall take into account the seriousness of the violation;

- c) inhibition to undertake new operations as sponsor for a period not longer than 18 months. Such inhibition shall apply to the activities of sponsor and Listing Partner performed in other markets organised and managed by Borsa Italiana;
2. The measures provided for in the preceding paragraph shall be made public pursuant to Article 2.3.12, except in the cases of:
 - a) a written censure;
 - b) a fine of not more than 30,000 euros.
3. The measures provided for in paragraph 1 shall always be made public pursuant to Article 2.3.12 if, in the 30 months preceding the violation in question, the sponsor has committed other violations of this Title of the Rules and the accompanying Instructions for which Borsa Italiana, or Consob in the case referred to in paragraph 5, has adopted three non-public measures or the sponsor has committed another violation of the same prescription or prohibition for which Borsa Italiana, or Consob in the case referred to in paragraph 5, has imposed a measure other than a censure.
4. The use to which fines are put shall be established on a general basis by Borsa Italiana in an ad hoc measure communicated to Consob and published in a Notice.
5. For transactions involving financial instruments issued by Borsa Italiana, the measures referred to in this article shall be adopted by Consob.

Article 2.3.10

(Procedure for verifying violations)

1. In order to apply the measures referred to in Article 2.3.9, the procedure described in this article shall be initiated within one year of the presumed violation or of the later date on which Borsa Italiana learned of the presumed violation. In the latter case the procedure described in this article may not be initiated after three years have elapsed from the date of the presumed violation.
2. Borsa Italiana shall initiate the procedure by sending the sponsor concerned a notification:
 - a) containing a description of the alleged violation;
 - b) setting a time limit of not less than 15 days within which a written brief may be submitted and possibly a request for a hearing in which to examine the question jointly.
3. The notification referred to in paragraph 2 may indicate the measure Borsa Italiana intends to apply. In such case, if the time limit referred to in paragraph 2(b) expires without the sponsor having submitted a written brief or requested a hearing, Borsa Italiana shall apply the measure indicated in the notification.
4. If the sponsor requests a hearing in which to examine the question jointly or if Borsa Italiana considers such a hearing to be necessary, Borsa Italiana shall establish the date for the hearing and inform the sponsor accordingly. The sponsor shall be represented in the meeting either by its legal representative or by a person appointed for the purpose, being allowed to be assisted by a lawyer of its choice. If the sponsor fails to attend the hearing without due cause, Borsa Italiana shall proceed on the basis of the evidence collected up to

that time. At the end of the hearing, at the request of the interested party, Borsa Italiana may set a new time limit of not less than 10 days for the submission of another written brief.

5. On the basis of the evidence collected as part of the procedure referred to in the preceding paragraphs, Borsa Italiana shall decide within 45 days of the hearing or the subsequent expiry of the time limit for the submission of another written brief as provided for in paragraph 4, or if no such hearing is requested or scheduled by Borsa Italiana, within 45 days of the expiry of the time limit set pursuant to paragraph 2(b).
6. Decisions adopted pursuant to the preceding paragraph shall be promptly notified to the interested party giving the reasons for the decision. If one of the measures referred to in Article 2.3.9 is applied, the costs of the procedure and in particular those in relation to the examination of the written briefs submitted and the hearings requested, determined on a flat-rate basis in accordance with the provisions of Article 3.3.1, paragraph 3, shall be charged to the sponsor.
7. Borsa Italiana shall promptly inform Consob of the initiation of the procedure referred to in this article and of the related decisions.
8. For financial instruments issued by Borsa Italiana, the procedure referred to in this article shall be carried out by Consob.

Article 2.3.11

(Challenging of measures)

Measures referred to in Article 2.3.9 may be challenged within 15 days of the notification referred to in respectively Article 2.3.10, paragraph 6 before the Appeals Board established pursuant to Article 7.4.

This provision shall not apply to measures referred to in Article 2.3.9, paragraph 5.

Article 2.3.12

(Disclosure to the public of measures)

1. Applications of the measures referred to in Article 2.3.9 shall be made public in Notices or via the electronic trading support systems after 15 days have elapsed from the notification of the measure to the interested party without the question being referred to the Appeals Board or, where it has been so referred, after 10 days have elapsed from the notification of the Appeals Board's decision to the parties.
2. At the request of the sponsor, the complete text of the measure shall be made public, possibly together with all the acts of the proceedings, including the decisions of the Appeals Board.

Article 2.3.13

(Suspension of time limits)

The time limits referred to in this Title, except for those provided for in Article 2.3.9, shall be suspended from 1 August to 31 August of each year.

Article 2.3.14

(Star specialists obligations)

Insofar as they are compatible the provisions referred to in Articles 2.3.8, 2.3.9, 2.3.10, 2.3.11, 2.3.12 and 2.3.13 shall also apply to Star specialists as regards violations of the obligations referred to in Article 2.3.5, paragraphs 1 b) and c).

Chapter 2 — MOT specialists

Article 2.3.15

(MOT specialists)

1. Trading on the MOT market shall be with the intervention of specialists referred to in Article 2.3.16, who undertake to support the liquidity of:
 - a) financial instruments for which an application for listing has been made, in the case referred to in Article 2.2.7, paragraph 2;
 - b) financial instruments traded in the segments or classes specified in the Instructions, at the request of the specialist, who may also be appointed by the issuer.
2. The name of the specialist shall be published in a Notice and may be associated with the name of the issuer in documents and publications of Borsa Italiana.
3. The person performing the specialist function shall undertake to notify Borsa Italiana if it intends to cease performing the activity. In such cases Borsa Italiana shall establish in a Notice the date on which the specialist activity will cease.

Article 2.3.16

(Intermediaries eligible to act as MOT specialists)

1. Intermediaries admitted to trading in the DomesticMOT segment may act as DomesticMOT specialists. Where the issuer is admitted to trading in the DomesticMOT segment, it may fulfil such undertaking itself.
2. Intermediaries admitted to trading in the EuroMOT segment may act as EuroMOT specialists. Where the issuer is admitted to trading in the EuroMOT segment, it may fulfil such undertaking itself.

Article 2.3.16-bis

(Transitional provisions)

When the amendments to this Chapter enter into force, specialists in the EuroMOT segment shall continue to support the liquidity of the financial instruments for which they are competent, except in the case of a request to the contrary by the specialist submitted to Borsa Italiana and notified to the issuer.

Chapter 3 – Specialists in ETCs and CIUs

Article 2.3.17

(Specialists for units/shares of CIUs and ETCs)

1. For the listing of shares of closed-end funds, there must be a specialist that undertakes to support the liquidity of the financial instruments for which application for listing has been made.
2. For the listing of units/shares of open-end funds and ETCs, there must be at least one specialist that undertakes to support the liquidity of the financial instruments for which application for listing has been made. Borsa Italiana may require a larger number of specialists taking into account the placement procedures and the distribution of the financial instruments.
3. The names of the specialists shall be published in a Notice of Borsa Italiana and may be associated with the name of the issuer in documents and publications of Borsa Italiana.
4. Intermediaries admitted to trading on MTA may act as specialists for units of closed-end funds. Intermediaries admitted to trading on ETFplus may act as specialists for units/shares open-end funds and ETCs.
5. The termination of the appointment of a specialist for any reason must be notified to Borsa Italiana in writing in the manner laid down in the Instructions. The issuer must guarantee continuity of the specialist function and promptly inform Borsa Italiana of a new appointment, if any.

TITLE 2.4

APPLICATIONS AND ADMISSION PROCEDURES

Article 2.4.1

(Applications for admission to listing)

1. Without prejudice to the provisions of Article 2.4.7, applications, drawn up in conformity with the model contained in the Instructions, must be submitted to Borsa Italiana by the issuer after approval by resolution of the competent body, in the manner laid down in the Instructions.
2. Borsa Italiana shall specify in the Instructions the documentation to be attached and referred to in applications.
3. Applications must refer to all the financial instruments that are part of the same issue. The issuer must specify whether an analogous application has been submitted to another regulated market or will be submitted within twelve months.
4. Applications must be signed by the legal representative of the issuer or a duly authorised person and submitted, jointly by the sponsor in the cases referred to in Article 2.3.1, paragraph 1(a) to the competent office of Borsa Italiana. Borsa Italiana shall notify the issuer and Consob that the application is complete when the documentation referred to in paragraph 2 is complete.
5. Until the date of the start of trading, every announcement, notice, poster or document the issuer intends to make public concerning the application for admission and the features of the financial instruments that are the subject of the application must be communicated in advance to Borsa Italiana and mention the fact that the admission procedure is in progress.
6. In the case of admission to listing of newly-issued financial instruments that are fungible with respect to those already listed and in that of newly-issued shares of the same class and with the same features, apart from dividend entitlement, as those already listed, the issuer is not required to submit an application but must promptly inform Borsa Italiana that the issue has been made so that the latter can take the necessary action.
7. For financial instruments issued by Borsa Italiana, for the purposes of applications for admission to listing referred to in this article, references to Borsa Italiana shall be understood as referring to Consob and references to the issuer as referring to Borsa Italiana.

Article 2.4.2

(Procedure for admission to listing of financial instruments)

1. Within two months of the day the documentation to be attached to the application is completed Borsa Italiana shall resolve and inform the issuer of the acceptance or rejection thereof and simultaneously notify the decision to Consob. The admission decision shall be announced in a Notice. The admission decision shall also establish the market in which the financial instrument is to be traded and the minimum lot, if envisaged.
2. The time limit of two months may be interrupted by means of a notification from Borsa Italiana where it is found necessary to acquire additional information and documents. In this

case the time limit of two months for the acceptance or rejection of the application shall start again from the date of receipt of the documentation in question.

3. The efficacy of the admission decision shall expire after six months and shall be subject to filing of the listing prospectus with Consob or of the publication in Italy of the prospectus approved by the competent authority of another EU member state in accordance with the applicable provisions of Consob Regulation 11971/1999.
4. The admission procedure shall be completed when Borsa Italiana, after ascertaining that the prospectus have been made available to the public, establishes the date for the start of trading and the market segment in which the financial instrument is to be traded. The public shall be informed by means of a Notice.
5. Borsa Italiana must be promptly informed of any new fact likely to significantly influence the assessment of the financial instruments that occurs in the interval between the date of the admission decision and the date of the start of trading. Borsa Italiana, after evaluating such facts and where necessary for the protection of investors, may revoke its admission decision.
6. For financial instruments issued by Borsa Italiana, for the purposes of the procedure referred to in this article, references to Borsa Italiana shall be understood as referring to Consob and references to the issuer as referring to Borsa Italiana, insofar as applicable.

Article 2.4.3

(Procedure for admission to listing in the case of a simultaneous public offering aimed at the distribution of financial instruments)

1. Applications may be submitted before a public offering aimed at the distribution of the financial instruments has been effected. In such cases the following requirements shall apply:
 - a) the issuer or the sponsor must inform Borsa Italiana of the results of the offering by the trading day following the date fixed for the closure, early or otherwise, of the offering;
 - b) the financial instruments must be allotted to those having entitlement by the date fixed for the related payment, to be set not later than the fifth trading day following that of the closure of the offering.
2. Within two months of the day the documentation to be attached to the application is completed Borsa Italiana shall resolve and inform the issuer of the acceptance or rejection thereof and simultaneously notify the decision to Consob. The admission decision shall also establish the market in which the financial instrument is to be traded and the minimum lot, if envisaged.
3. The time limit of two months may be interrupted by means of a notification from Borsa Italiana where it is found necessary to acquire additional information and documents. In this case the time limit of two months for the acceptance or rejection of the application shall start again from the date of receipt of the notification in question.
4. The efficacy of the admission decision shall expire after six months and shall be subject to filing of the offering prospectus with Consob or of the publication in Italy of the prospectus approved by the competent authority of another EU member state in accordance with the applicable provisions of Consob Regulation 11971/1999.
5. The issuer shall inform the public of the admission decision referred to in paragraph 2 in the notice to be published for the purposes of the offering.

6. The admission procedure shall be completed when Borsa Italiana, after the conclusion of the offering and after ascertaining the adequate distribution of the financial instruments, establishes the date for the start of trading — which shall normally not be later than the day for payment referred to in paragraph 1 — and the market segment in which the financial instrument is to be traded. The public shall be informed by means of a Notice. Contracts concluded before the payment day shall be subject to the successful conclusion of the offering on the day for the payment thereof.
7. Borsa Italiana must be promptly informed of any new fact likely to significantly influence the assessment of the financial instruments that occurs in the interval between the date of the admission decision and the date of the start of trading. Borsa Italiana, after evaluating such facts and where necessary for the protection of investors, may revoke the admission decision.
8. For financial instruments issued by Borsa Italiana, for the purposes of the procedure referred to in this article, references to Borsa Italiana shall be understood as referring to Consob and references to the issuer as referring to Borsa Italiana, insofar as applicable.

Article 2.4.4

(Procedure for admission to listing in the case of a rights offering pursuant to Article 2441 of the Civil Code)

1. Applications for admission to listing of a financial instrument by an issuer having other instruments already listed may be submitted before a rights offering pursuant to Article 2441 of the Civil Code is effected. In such cases the issuer must undertake to:
 - a) inform Borsa Italiana of the results of the rights offering by the tenth trading day following the end of the period for the exercise of the pre-emptive rights;
 - b) make available the financial instruments subscribed to those having entitlement within the same time limit of ten days referred to in subparagraph a).
2. Within two months of the day the documentation to be attached to the application is completed Borsa Italiana shall resolve and inform the issuer of the acceptance or rejection thereof and simultaneously notify the decision to Consob. The admission decision shall also establish the market in which the financial instrument is to be traded and the minimum lot, if envisaged.
3. The time limit of two months may be interrupted by means of a notification from Borsa Italiana where it is found necessary to acquire additional information and documents. In this case the time limit of two months for the acceptance or rejection of the application shall start again from the date of receipt of the notification in question.
4. The efficacy of the admission decision shall expire after six months and shall be subject to filing of the prospectus with Consob and its being made available to the public in the manner established in Consob Regulation 11971/1999.
5. The issuer shall inform the public of the admission decision in the notice to be published for the purposes of the rights offering.
6. The admission procedure shall be completed when Borsa Italiana, after examining the results of the offer and the availability of the financial instruments within the time limits referred to in paragraphs 1(a) and 1(b), establishes the date for the start of trading and the market segment in which the financial instrument is to be traded. The public shall be informed by means of a Notice.

7. For financial instruments issued by Borsa Italiana, for the purposes of the procedure referred to in this article, references to Borsa Italiana shall be understood as referring to Consob and references to the issuer as referring to Borsa Italiana, insofar as applicable.

Article 2.4.5
(Negotiable rights)

Borsa Italiana, on the occasion of capital operations carried out by an issuer of listed financial instruments that give rise to negotiable subscription or allotment rights or any other comparable negotiable rights, shall provide, in accordance with the methods set out in the Instructions, for the admission to trading of such rights, establishing on a case-by-case basis the arrangements and time limits for trading and settlement and communicating them to the market in a Notice.

Article 2.4.6
(Procedure for the admission to listing of bonds, covered warrants or certificates issued under an issue programme)

1. Issuers who intend to implement or have implemented an issue programme for bonds, covered warrants or certificates shall apply to Borsa Italiana for a declaration of admissibility to listing of the financial instruments to be issued under the programme. Borsa Italiana shall issue the declaration within 2 months of the date the documentation to be attached to the application is completed where the issuer satisfies the conditions and requirements laid down in these Rules for issuers of bonds, covered warrants or certificates and the characteristics of the instruments do not conflict with the provisions of these Rules. The declaration of admissibility shall be announced in a Notice.
2. Issuers who intend to add to an issue programme that Borsa Italiana has declared to be admissible with additional securities notes shall apply for a declaration of admissibility to listing of the financial instruments that are the subject of such additional securities notes. Borsa Italiana shall issue the declaration within the time limit specified in paragraph 1.
3. Issuers who modify the characteristics of the financial instruments that Borsa Italiana has declared to be admissible, shall apply for confirmation of the clearance. Borsa Italiana shall periodically check that no events, such as changes to its rules or special needs related to the operation of the market, have intervened since the adoption of the declaration of admissibility that would require the declaration of admissibility to be updated. In such cases Borsa Italiana shall promptly inform the issuer, which shall apply for a confirmation of the declaration according to the model form provided for in the Instructions. Borsa Italiana shall respond within 20 days of the submittal of the application with all the prescribed documentation.
4. The effectiveness of the declaration of admissibility referred to in paragraph 1 and any confirmation of the same referred to in paragraph 3 shall be subject to Consob authorising publication of the prospectus within 6 months or to the publication in Italy of the prospectus approved by the competent authority of another EU member state in accordance with the applicable provisions of Consob Regulation 11971/1999.
5. In order to list bonds, covered warrants or certificates issued under a programme, issuers shall submit a listing application to Borsa Italiana in accordance with Article 2.4.1, together with the supplementary notice of the programme. Within 5 trading days of the date the documentation to be attached to the application is completed, Borsa Italiana, after ascertaining that the prospectus and any supplements have been made available to the public

and that the conditions and requirements established in these Rules concerning the bonds, covered warrants or certificates are satisfied, shall decide and notify the admission decision to the issuer and Consob. The admission decision shall also establish the market and market segment in which the financial instrument is to be traded and the minimum lot.

6. Borsa Italiana shall establish the date of the start of trading in a Notice as soon as it has ascertained that the supplementary notice of the programme has been published.
7. Borsa Italiana may send a notification interrupting the time limits referred to in paragraphs 1 and 5 if it is found necessary to acquire new information and documentation. In such case the time periods provided for shall start to run again from the date of receipt of the documentation.

Article 2.4.7

(Admission to listing of securities issued or guaranteed by States or issued by public international bodies of which one or more EU member states are members)

1. The decree providing for the issue of securities issued by the Italian Republic shall serve as application for admission to listing by the Ministry for the Economy and Finance.
2. Borsa Italiana shall arrange admission for the securities for which it receives the related issue decree.
3. Borsa Italiana, upon notification of the result of the auction, shall establish the date for the start of trading in the securities of each issue, which shall be the day after that of the auction unless the issuer requests otherwise, and announce it in a Notice.
4. For securities issued or guaranteed by the Italian Republic that are placed by means of a procedure other than an auction, Borsa Italiana reserves the right to establish, taking into account the nature of the instrument, a listing procedure that will permit a prompt start of trading.
5. For securities issued or guaranteed by other EU member states or by non-EU countries or issued by public international bodies of which one or more EU member states are members, Borsa Italiana reserves the right to establish, taking into account the nature of the instrument and after verifying that the distribution among the public or professional investors is sufficient to meet the need for regular operation of the market, a listing procedure that will permit a prompt start of trading.

Article 2.4.8

(International co-operation)

Borsa Italiana shall cooperate with the competent authorities of the other EU member states in accordance with the provisions of Articles 18 and 19 of Directive 279/79/EC.

Article 2.4.9

(Procedure for the admission to trading of instruments referred to in Article 2.1.2, paragraph 7)

1. Persons referred to in Article 2.1.2, paragraph 7, shall submit an application for admission to Borsa Italiana drawn up in accordance with the model in the Instructions.

2. Within 5 trading days of the day on which the application is completed, Borsa Italiana, having verified that the conditions and requirements applicable to the instruments are satisfied, shall adopt the admission to trading decision, which shall be notified to the applicant and to Consob and announced in a Notice. The admission to trading decision shall also establish the minimum lot, if envisaged, and the trading.

Borsa Italiana may interrupt the time limit of 5 days once by means of a notification where the applicant fails to supply the additional information and data requested. In this case the time limit of 5 days for the acceptance or rejection of the application shall start again from the date of receipt of the documentation in question. The Notice containing the admission to trading decision shall establish the date of the start of trading and the obligations of the specialist, if envisaged.

TITLE 2.5

SUSPENSION AND REVOCATION OF LISTING

Article 2.5.1

(Suspension and revocation of listing)

1. Borsa Italiana may:
 - a) suspend the listing of a financial instrument where the regularity of the market for the instrument is temporarily not guaranteed or risks not being guaranteed or where this is necessary to protect investors;
 - b) revoke the listing of a financial instrument in the event of a prolonged lack of trading or where it deems that owing to special circumstances it is not possible to maintain a normal and regular market for such instrument.
2. For the purposes of the revocation referred to in the preceding paragraph, Borsa Italiana shall refer primarily to the following elements:
 - a) the dissemination or lack of dissemination of information that may affect the regular operation of the market;
 - b) the cancellation of the face value of the shares with the simultaneous resolution to reconstitute the capital;
 - c) the involvement of the issuer in insolvency proceedings;
 - d) the liquidation of the issuer;
 - e) an adverse opinion or a disclaimer rendered by the auditor for two consecutive financial years.
3. If, while the listing of a financial instrument is suspended, material changes occur in the profits and losses, assets and liabilities or financial position of the issuer, Borsa Italiana may, exclusively for the purpose of protecting investors, make revocation of the suspension decision subject to special conditions that it deems appropriate pursuant to the powers of Borsa Italiana referred to in Articles 2.1.2, 2A.1.2 and 2B.1.2 or the Rules and that are explicitly notified to the issuer.

The date of the entry into force of these paragraphs 4 and 5 will be announced in a subsequent Notice

4. *In the event of a reverse merger Borsa Italiana may suspend the listing of the company's shares if the sponsor has not issued the declarations referred to in Article 2.3.1, paragraph 2, by the effective date of the merger.*
5. *In the event of an increase in capital by means of a contribution in kind of assets whose value is significantly greater than the balance sheet assets of the issuer calculated according to Article 117-bis of the Consolidated Law on Finance and the Consob regulation referred to in paragraph 2 of that article, Borsa Italiana may suspend the listing of the company's shares if the sponsor has not issued the declarations referred to in Article 2.3.1, paragraph 2, by the issue date of the shares to be contributed in kind.*

6. The suspension of the listing of a financial instrument may not be for more than eighteen months; where, at the end of such period, the reasons for the suspension still exist, Borsa Italiana shall initiate the procedure referred to in Article 2.5.2 for the revocation of the instrument.
7. For the purposes of the revocation referred to in paragraph 1, Borsa Italiana shall refer primarily to the following elements:
 - a) the average daily turnover in the market and the average number of securities traded over a period of at least eighteen months;
 - b) the frequency of trading in the same period;
 - c) the distribution among the public of the financial instruments in terms of value and number of holders;
 - d) the involvement of the issuer in insolvency proceedings;
 - e) an adverse opinion or a disclaimer rendered by the auditor for two consecutive financial years.
 - f) the liquidation of the issuer.
8. In the event of a residual-acquisition tender offer pursuant to Article 108 of the Consolidated Law on Finance, or where as the outcome of a tender offer for the acquisition of all the voting shares the bidder declares it intends to exercise its squeeze-out right under Article 111 of the Consolidated Law, the listing of the shares subject to the offer shall be revoked as of the trading day following the last day for the payment of the offer consideration. Where the tender offer is extended to all the non-voting shares, Borsa Italiana may at the same time revoke the listing of such shares, taking into account the value of their remaining free float.
9. Borsa Italiana shall revoke the listing of the shares of investment companies in the event of an overshoot of any of the limits laid down in the bylaws referred to in Article 2.2.32, paragraph 1, that lasts longer than the time limit referred to in Article 2.2.32, paragraph 1 (which runs from the date the notification referred to in Article 2.6.3, paragraphs 1(a), 1(b) and 1(c) is sent), in the event of a change in the corporate purpose referred to in Article 2.2.32, paragraphs 1 and 2, or in the event of failure to comply with Article 2.2.32, paragraph 3.
10. The listing of convertible bonds, warrants and covered warrants having listed shares as their underlyings shall be revoked if the underlying shares cease to be listed.
11. Borsa Italiana shall establish in the Instructions the methods for revoking the listing of financial instruments which have a limited life or which are all converted into or exchanged for another financial instrument as a result of corporate operations.
12. Borsa Italiana may suspend or revoke the listing of a financial instrument admitted to the markets organised and managed by Borsa Italiana pursuant to Article 2.1.2, paragraph 7(a) if an analogous measure has been adopted by the competent foreign authority or the management company of the reference European regulated market or when the information referred to in Article 2.2.38, paragraph 2(b) is not systematically available to the public in English language. The previous paragraphs shall not apply to such instruments.
13. For financial instruments issued by Borsa Italiana, the suspension and revocation functions referred to in this article shall be performed by Consob.

Article 2.5.2

(Revocation procedure)

1. For the purpose of adopting the revocation measures referred to in Article 2.5.1, paragraphs 7 and 9, Borsa Italiana shall send the issuer a written notification setting out the elements that constitute the grounds for revocation and establishing a time limit of not less than 15 days for the submission of written briefs.
2. In such briefs the issuer may request a hearing. Borsa Italiana may also request a hearing where it deems this to be necessary. The hearing shall be attended by the legal representative of the issuer or a person specifically appointed. Where the issuer fails to attend the hearing without good reason, Borsa Italiana shall proceed on the basis of the elements in its possession.
3. Borsa Italiana shall decide within 60 days of the transmission of the notification referred to in paragraph 1.
4. The time limit of 60 days may be interrupted once by means of a notification from Borsa Italiana where it considers it necessary to request additional data and information on significant events that occur after the start of the revocation procedure. In this case the time limit of 60 days shall start again from the date of receipt of the documentation requested.
5. The start of the revocation procedure shall be immediately notified to Consob.
6. The time limits referred to in this article shall be suspended from 1 August to 31 August of each year.
7. For financial instruments issued by Borsa Italiana, for the purposes of the revocation procedure referred to in this article, references to Borsa Italiana shall be understood as referring to Consob and references to the issuer as referring to Borsa Italiana, insofar as applicable.

Article 2.5.3

(Publicity)

The adoption of suspension or revocation measures under the provisions of this Title shall be promptly announced in a Notice. Suspension measures and the revocation measures referred to in Article 2.5.1, paragraphs 7, 8, 9, 10 and 12, shall also be promptly notified to the issuer and Consob.

Article 2.5.4

(Delisting of bonds upon request)

1. The delisting of bonds listed on the Stock Exchange shall be subject to the occurrence of the following conditions:
 - a) lack of trading for at least 18 months;
 - b) a residual outstanding amount of the loan of less than 2.5 million euros or the equivalent thereof;
 - c) less than 200 holders for bonds issued by non-bank issuers;

d) an undertaking by the issuer, valid at least until the date of delisting referred to in paragraph 4, to purchase, directly or by engaging another person, the bonds in circulation at the request of their holders.

At the request of the issuer, Borsa Italiana may waive the condition of subparagraph a) if the request is sent following a total-acquisition tender offer.

2. For the purpose of the delisting of bonds listed on the stock exchange, issuers shall send Borsa Italiana a written application, signed by their legal representative, drawn up in accordance with the model in the Instructions.
3. At least 60 days shall pass from the submittal of the application, complete with the documentation referred to in the preceding paragraph, to the actual delisting.
4. Within 10 days of the submittal of the application referred to in the preceding paragraph, Borsa Italiana shall arrange for the delisting and indicate the date from which this shall be effective. Borsa Italiana's decision shall be promptly announced in a Notice and communicated to the issuer.
5. For financial instruments issued by Borsa Italiana, for the purposes of delisting referred to in this article, references to Borsa Italiana shall be understood as referring to Consob and references to the issuer as referring to Borsa Italiana, insofar as applicable.

Article 2.5.5

(Delisting of covered warrants and certificates upon request)

1. The delisting of covered warrants and certificates listed on the Stock Exchange shall be subject to the issuer being in possession of all the covered warrants and/or certificates it has issued.
2. For the purpose of the delisting, issuers shall send Borsa Italiana a written application drawn up in accordance with model form 4 in the Instructions.
3. Within 5 days of receiving the application Borsa Italiana shall send the issuer a letter indicating the planned delisting date and the time limit for submittal of the supplementary documentation as per model form 5 in the Instructions.
4. Upon receipt of the supplementary documentation and after verifying the absence of trades in the three trading days preceding the planned delisting date, Borsa Italiana shall delist the covered warrants and/or certificates that are the subject of the application. Borsa Italiana's delisting decision shall be promptly announced in a Notice and communicated to the issuer.

Article 2.5.6

(Delisting upon request)

1. For the purpose of delisting provided for in Article 133 of the Consolidated Law on Finance, Italian issuing companies with shares listed on the Stock Exchange or admitted to trading on the *Expandi* market or on the MTAX market shall send Borsa Italiana a written request drawn up in conformity with the model contained in the Instructions and signed by the legal representative.
2. Issuing companies must attach the following documentation to the request for delisting referred to in the preceding paragraph:
 - a) the resolution of the extraordinary shareholders' meeting to request delisting;

- b) declaration of admission to listing on another regulated market in Italy or another EU country;
 - c) a legal opinion concerning the existence in the market in question of rules on mandatory tender offers applicable to the issuer or a favourable opinion issued by Consob concerning the existence of other conditions guaranteeing an equivalent protection of investors. Such opinions are to be attached only where the request for delisting refers to ordinary shares.
3. At least three months shall pass from the submission of the request, complete with all the documentation referred to in the preceding paragraph, to the actual delisting.
 4. Borsa Italiana, within 10 days of the submission of the request referred to in the preceding paragraph, shall arrange for the delisting, specifying the date thereof. The measure adopted by Borsa Italiana shall be promptly announced in a Notice, which shall be transmitted to the issuer.
 5. Fifteen days before the date set for delisting, the issuer shall remind the public of the imminent delisting by publishing a notice in at least one daily newspaper having national circulation.
 6. For financial instruments issued by Borsa Italiana, for the purposes of delisting referred to in this article, references to Borsa Italiana shall be understood as referring to Consob and references to the issuer as referring to Borsa Italiana, insofar as applicable.

Article 2.5.7

(Delisting upon request of foreign issuers)

1. Issuers established under foreign law with shares listed on the Stock Exchange or admitted to trading on the *Expandi* market or on the MTAX market shall send Borsa Italiana a written request for the delisting of their financial instruments drawn up in conformity with the model contained in the Instructions and signed by the legal representative and attach the following documentation:
 - a) resolution of the competent body that requested the delisting;
 - b) declaration attesting admission to listing on another regulated market.

Borsa Italiana shall transmit a Notice announcing receipt of the request.

At least 45 days shall pass from the submission of the request, complete with all the prescribed documentation, to the actual delisting.

The provisions of Article 2.5.6, paragraphs 4 and 5, shall apply.

Article 2.5.8

(Voluntary renouncement of Star status)

1. Issuers must inform the market without delay and in the manner specified in Article 2.7.1, paragraph 1, of the decision adopted by the competent body to request the withdrawal of Star status and explain the reasons for the decision. The application for voluntary renouncement, drawn up in conformity with the model set out in the Instructions, shall be signed by the company's legal representative and give the reasons for the request.

2. Borsa Italiana shall establish the procedures and the time limits for the withdrawal of Star status in the Instructions.

Article 2.5.9

(Delisting of instruments referred to in Article 2.1.2, paragraph 7(a))

1. Persons who have applied for the admission to trading of financial instruments pursuant to Article 2.1.2, paragraph 7(a) may apply to Borsa Italiana for the delisting of the securities previously admitted, taking primarily account of the following factors:
 - a. the exclusion of the instrument or the issuer of the instrument from the primary foreign or national financial index it was included in at the time of its admission to trading on the Borsa Italiana regulated market;
 - b. extraordinary corporate actions that materially change the operating performance and financial conditions of the issuer of the financial instrument;
 - c. the distribution of the financial instrument among the public;
 - d. the value and quantity traded on the Borsa Italiana market in the 12 preceding months;
 - e. the frequency and continuity of trading on the Borsa Italiana market in the 12 preceding months .
2. For the purpose of the delisting of financial instruments referred to in paragraph 1, applicants shall send Borsa Italiana a written application, signed by their legal representative, drawn up in accordance with the model in the Instructions.
3. At least 60 days shall pass from the submittal of the application to the actual delisting.
4. Within 10 days of the submittal of the application referred to in paragraph 2, Borsa Italiana shall arrange for the delisting and indicate the date from which this shall be effective. Borsa Italiana's decision shall be promptly announced in a Notice and notified to the applicant.
5. Borsa Italiana may delist financial instruments even in the absence of an application from a person referred to in paragraph 1. In such cases the rules contained in the preceding paragraphs shall apply insofar as they are compatible.

TITLE 2.6

OBLIGATIONS OF ISSUERS

Article 2.6.1 *(Relationships with issuers of listed financial instruments)*

1. Issuers of listed financial instruments must provide Borsa Italiana with all the information the latter deems necessary, on a case-by-case or a general basis, to ensure the proper operation of the market. Borsa Italiana S.p.A. undertakes to ensure the confidentiality of any inside information communicated to it.
2. To the same end as specified in paragraph 1, Borsa Italiana may require issuers to disseminate data and news needed to inform the public in accordance with the procedures and time limits it shall establish. Where an issuer fails to comply with the requirement, Borsa Italiana, after hearing the issuer, may diffuse such information, except where the issuer invokes the decision to delay the public disclosure pursuant to Article 114(3) of the Consolidated Law on Finance or claims, by means of a reasoned complaint to Consob, that disseminating the information is likely to cause it serious harm.
3. In the exercise of the powers referred to in paragraphs 1 and 2 Borsa Italiana shall cooperate with Consob to avoid the duplication of requests made to issuers.
4. Issuers of listed financial instruments shall notify the name of the person to whom requests for information referred to in this article are to be sent and that of his or her substitute to Borsa Italiana, using the form annexed to the Instructions.
5. For financial instruments issued by Borsa Italiana, for the purposes of this article, references to Borsa Italiana shall be understood as referring to Consob and references to the issuer as referring to Borsa Italiana, insofar as applicable.

Article 2.6.2 *(Disclosure requirements)*

1. Issuers are required to:
 - a) send Borsa Italiana copies of the notices referred to in Articles 84 and 89 of Consob Regulation 11971/1999. Copies must be sent not later than the day before that scheduled for their publication in the press;
 - b) inform Borsa Italiana, where they have obtained the admission to listing of shares, of every change in the amount or composition of their issued share capital with the procedures and time limits established in the Instructions.
 - c) send Borsa Italiana, within 30 days of the end of the previous financial year, the annual calendar of corporate events giving the dates or periods established for:
 - the meeting of the competent body called to approve the fourth quarterly data and/or the draft annual report for the previous year;
 - the meeting of the body competent to approve the annual report for the previous year or the annual statement of operations;
 - the meeting of the competent body called to approve the second quarterly data and/or the half-yearly report for the current year or the half-yearly statement of operations;

- the meeting of the competent body called to approve the first and third quarterly data for the current year;
- any meetings of the competent body called to approve preliminary data;
- any presentations of accounting data to financial analysts.

Where issuers have specified periods in the calendar, they must transmit the dates of the events to Borsa Italiana as soon as they are decided, as well as any subsequent changes to the information contained in the calendar.

- d) include the proposed date for the payment of any dividend in the notice announcing the competent body's approval of the annual accounts;
 - e) send Borsa Italiana, in the interest of orderly trading, all the other information specified in the Instructions.
2. The communications referred to in paragraph 1 shall be made public by means of Notices.
 3. Without prejudice to the disclosure requirements referred to in the preceding paragraphs, insofar as they are compatible, issuers of units/shares of CIUs and ETCs shall promptly notify Borsa Italiana of:
 - a) any change in the information contained in the documentation submitted to Borsa Italiana with its listing application as specified in the Instructions;
 - b) the adoption of any measure temporarily suspending the subscription or redemption of the units/shares of the CIU or ETCs;
 - c) any proposal to modify the manner of operation of a listed ETC or CIU submitted for examination by the competent authorities, including its transformation, merger, spin-off, dissolution and liquidation, or the adoption of any measure for handling crises in accordance with the Consolidated Law on Finance or the corresponding applicable provisions of foreign law;
 - d) any change to the tax regime applicable to subscribers of the units/shares of the CIU or ETCs;
 - e) the fixing of dates for the payment of dividends and the amount thereof; exclusively in the case of closed-end funds such dates must be fixed in accordance with Article 2.6.5, paragraph 3;
 - f) the fixing of dates for splits or reverse splits; such dates must be fixed in accordance with Article 2.6.5, paragraph 1.
 4. Issuers of units of closed-end securities funds shall promptly inform the market, in the manner laid down in Article 2.7.1, paragraph 1, of fulfilment of the obligation referred to in Article 2.2.30, paragraph 4.
 5. If Borsa Italiana does not already possess the information, it may require issuers of units/shares of open-end funds and ETCs to communicate the composition of the reference index and any change in the composition thereof.
 6. Issuers of units/shares of open-end funds and ETCs shall communicate the following to Borsa Italiana, in the manner, within the time limits and with the details laid down in the Instructions:
 - a) the net asset value (NAV) and the composition of the net assets of the fund or the official value of the ETC;
 - b) where the fund or the ETC foresees the possibility of subscribing for units/shares by delivering the financial instruments that make up the index, the basket of financial

- instruments or the commodities, and the amount of cash to be delivered to subscribe for a unit/share of the fund;
- c) the number of units/shares outstanding;
 - d) the value of the reference index of the fund or of the underlying of the ETC where this is not otherwise available to Borsa Italiana.
 - e) where provided for by the fund, the level of protection, the level of guarantee, the value of the multiple and the value of the cushion.
7. In order to ensure the completeness of the information available to the market, during trading hours issuers of units/shares of open-end funds shall continuously calculate the indicative net asset value (iNAV) of each listed open-end fund. The manner of making such indicative values public shall be laid down in the Instructions.
8. Issuers whose applications for admission to listing are being examined shall send Borsa Italiana the notices concerning the offering that are to be published in daily newspapers for dissemination by means of Notices.
9. Borsa Italiana shall specify in the Instructions the information that issuers are required to prepare in English.

The date of the entry into force of these paragraphs 10 and 11 will be announced in a subsequent Notice

10. *In the event of a reverse merger or an increase in capital by means of a contribution in kind of assets whose value is significantly greater than the balance sheet assets of the issuer calculated according to Article 117-bis of the Consolidated Law on Finance and the Consob regulation referred to in paragraph 2 of that article, the issuer shall promptly issue a press release in the manner specified in Article 2.7.1, paragraph 1, and Article 2.7.2 announcing that the sponsor has provided Borsa Italiana with the declarations referred to in Article 2.3.1, paragraph 2.*
11. *In the cases referred to in the previous paragraph the issuer shall notify Borsa Italiana of the planned effective date of the merger or the planned issue date of the shares to be contributed in kind. Such notification shall be made promptly and at least 10 trading days before the planned effective date of the merger or the planned issue date of the shares.*

12. Without prejudice to the provisions of Articles 2.2.4, 2.2.5, paragraph 7, and 2.2.17, paragraph 2, issuers of shares represented by certificates and the guarantors of issues of covered warrants, certificates and bonds must comply with the same disclosure requirements vis-à-vis Borsa Italiana as, under the laws and regulations in force, issuers of financial instruments admitted to listing.
13. Where the creditworthiness of an issuer and an individual issue has been rated by a local or international credit rating agency, the ratings, if public, must be announced to the market, together with the information specified in the Instructions for admission, in the manner laid down in Article 2.7.1, paragraph 1. The issuer shall also undertake to announce any change in such ratings in the same manner.

When this paragraph is first applied, issuers are required to announce only the ratings requested or updated after the entry into force of this provision.

14. For financial instruments issued by Borsa Italiana, references to the issuer shall be understood as referring to Borsa Italiana. To this end, the obligations referred to in this article shall be fulfilled vis-à-vis Consob in the manner laid down in Article 2.7.1 and their fulfilment announced in a Notice.

Article 2.6.3

(Additional requirements for investment companies)

1. Investment companies must comply with the following disclosure requirements in addition to those deriving from the application of Article 2.6.1 *et seq.*:
 - a) in the event of an overshoot of any of the bylaw limits referred to in Article 2.2.32, paragraph 1 as a consequence of a purchase or sale of financial instruments, investment companies shall promptly send a press release to the market in the manner laid down in Articles 2.7.1, paragraph 1, and 2.7.2 giving the reasons for the overshoot;
 - b) in the event of a reduction of investments within the bylaw limits referred to in Article 2.2.32, paragraph 1 as a consequence of a purchase or sale of financial instruments or in the event of their investments falling below the limit of 25% of their assets, investment companies shall promptly send a press release to the market in the manner laid down in Articles 2.7.1, paragraph 1, and 2.7.2 indicating the reduction;
 - c) when they publish quarterly reports, half-yearly reports and draft annual accounts in the cases provided for in Article 82(2) of Consob Regulation 11971/1999, investment companies shall verify compliance with the requirements referred to in Article 2.2.32, paragraph 1 on the basis of the data such reports contain. In the event of non-compliance with the diversification requirements referred to in Article 2.2.32, paragraph 1, investment companies shall promptly send a press release to the market in the manner laid down in Articles 2.7.1, paragraph 1, and 2.7.2 giving the reasons for non-compliance with such requirements;
 - d) the chairman of the supervisory body shall attest annually, in the report produced on the occasion of the approval of the annual accounts, to compliance with the requirements specified in subparagraphs a) and b);
 - e) in the case referred to in Article 2.2.32, paragraph 3, investment companies shall promptly send a press release to the market in the manner laid down in Articles 2.7.1, paragraph 1, and 2.7.2 indicating compliance with the requirement laid down therein;
 - f) in the event of the replacement of members of the management body, managers and persons with investment mandates referred to in Article 2.2.33, paragraph 7, investment companies shall promptly send a press release to the market in the manner laid down in Articles 2.7.1, paragraph 1, and 2.7.2, explaining how the requirement referred to in Article 2.2.33, paragraph 7 is satisfied.
2. At least three member of the management body and managers, and in any case all the persons who have investment mandates, must have had a total of at least three years experience in the strategic management of investments of the same size and type as those of the company.

Article 2.6.4

(Communication of price-sensitive information)

1. Borsa Italiana may establish in the Instructions the manner of presenting and the minimum content of information on the most common events likely to have a significant effect on the

price of financial instruments listed on the Stock Exchange or admitted to trading on the *Expandi* market or on the MTAX market with which issuers must comply, except in special circumstances, in order to increase the clarity and standardisation of the press releases referred to in the provisions implementing Article 114, paragraphs 1 and 4, of the Consolidated Law on Finance.

2. The provisions of the Instructions referred to in paragraph 1 shall be submitted to Consob for approval prior to their adoption.

Article 2.6.5

(Obligations of issuers in the event of operations affecting trading in financial instruments)

1. In the event of operations, other than the payment of dividends, involving the detachment of coupons representing rights from listed financial instruments or splits or reverse splits of financial instruments, issuers must make the start of such operations coincide with one of the coupon-detachment days established by Borsa Italiana in the market calendar and comply with the related requirements laid down in the Instructions.
2. Issuers must fix a dividend payment date coinciding with the third trading day following one of the coupon-detachment days in the calendar specified in the Instructions and comply with the related constraints and requirements laid down therein. Shares on which a dividend is to be paid shall be traded ex, i.e. without the right to the dividend, from the coupon-detachment date preceding by three trading days the date fixed for the payment of the dividend.
3. Issuers of units of closed-end funds must fix a date for the payment of operating profits coinciding with the third trading day following one of the coupon-detachment days in the calendar specified in the Instructions and comply with the related requirements laid down therein.

Article 2.6.6

(Manner of acquiring own shares in the market)

1. Pursuant to Articles 132 of the Consolidated Law on Finance and 144-*bis* of Consob Regulation 19971/1999, purchases of own shares in the market by companies with shares listed on the Stock Exchange or admitted to trading on the *Expandi* market or on the MTAX market shall be made in accordance with the trading methods and hours established, respectively in Articles 4.1.3 and 4.6.2 of these Rules.
2. The cross-order function referred to in Article 4.1.10, paragraph 6, may not be used for purchases referred to in the preceding paragraph.
3. In the case of purchases of own shares by companies with shares listed on the stock exchange or the MTAX market by means of the purchase or sale of derivatives traded on IDEM, the trading methods referred to in Article 4.7.3 and the disclosure obligations specified in the Instructions shall apply.
4. The provisions of the Instructions referred to in the previous paragraph shall be submitted to Consob for approval prior to their adoption.
5. The interbank and internal order referred to in Article 4.7.6, paragraphs 1 and 2 may not be used for the purchase or sale of derivatives referred to in paragraph 3.

6. The provisions of the preceding paragraphs shall also apply to purchases of shares made in accordance with Article 2359-*bis* of the Civil Code by a subsidiary.

Article 2.6.7

(Duration of tender offers)

1. Persons who intend to make an offer to buy or exchange financial instruments listed on the Stock Exchange or admitted to trading on the *Expandi* market or on the MTAX market shall notify Borsa Italiana in writing of the proposed duration of the tender offer and indicate any special requirements; they shall attach a draft of the offer document to the notification and indicate whether they intend to collect acceptances in the market.
2. Borsa Italiana shall verify that the duration proposed by the offeror is in the interests of investors, taking account especially of technical deadlines relative to financial instruments giving the right to buy or sell the financial instruments that are the subject of the offer and of the timetable for the disclosure of corporate information.
3. Upon completing the verification, Borsa Italiana shall notify its acceptance of the duration to the offeror in good time.
4. For financial instruments issued by Borsa Italiana, the functions referred to in this article shall be performed by Consob.

Article 2.6.8

(Verification activity)

1. For the purpose of verifying compliance with these Rules and the accompanying Instructions and, more generally, in order to ensure the performance of its functions of organising and managing the markets, Borsa Italiana may:
 - a) request issuers to provide all the necessary information and documents;
 - b) convoke the representatives of issuers to clarify specific conduct or situations.
2. Where evidence is found of presumed violations of these Rules or the accompanying Instructions, Borsa Italiana, after acquiring appropriate substantiating elements, shall initiate the procedure referred to in Article 2.6.10.
3. In the event of minor infringements of these Rules or the accompanying Instructions, Borsa Italiana may invite the issuer to comply adequately with the provisions in question.
4. For financial instruments issued by Borsa Italiana, the verification activity referred to in this article shall be performed by Consob and references to the issuer shall be understood as referring to Borsa Italiana.

Article 2.6.9

(Measures against issuers)

1. Without prejudice to Article 2.3.1, paragraph 1(b), where there is a violation of these Rules or the accompanying Instructions, including the case of issuers hindering the verification activity referred to in Article 2.6.8, Borsa Italiana may apply one of the following measures

against the issuers in question, taking into account the seriousness of the violation and any other violations committed in the 30 months preceding the violation:

- a) a written censure. If in the 30 months preceding the violation the issuer has committed another violation of the same prescription or prohibition for which Borsa Italiana has already imposed a written censure, the measure referred to in subparagraph b) shall be applied:
 - b) a fine of between 5,000 and 100,000 euros. In deciding on the amount of the fine Borsa Italiana shall take into account the seriousness of the violation.
2. The measures provided for in the preceding paragraph shall be made public pursuant to Article 2.6.12, except in the cases of:
 - a) a written censure;
 - b) a fine of not more than 30,000 euros.
 3. The measures provided for in paragraph 1 shall always be made public pursuant to Article 2.6.12 if, in the 30 months preceding the violation in question, the issuer has committed other violations of this Part of the Rules and the accompanying Instructions for which Borsa Italiana has adopted three non-public measures or has committed another violation of the same prescription or prohibition for which Borsa Italiana has already imposed a measure other than a censure.
 4. The use to which fines are put shall be established on a general basis by Borsa Italiana in an ad hoc measure communicated to Consob and published in a Notice.
 5. For financial instruments issued by Borsa Italiana, the measures referred to in this article shall be adopted by Consob.

Article 2.6.10

(Procedure for verifying violations)

1. In order to apply the measures referred to in Article 2.6.9, the procedure described in this article shall be initiated within one year of the presumed violation or of the later date on which Borsa Italiana learned of the presumed violation. In the latter case the procedure described in this article may not be initiated after three years have elapsed from the date of the presumed violation.
2. Borsa Italiana shall initiate the procedure by sending the issuer concerned a notification:
 - a) containing a description of the alleged violation;
 - b) setting a time limit of not less than 15 days within which a written brief may be submitted and possibly a request for a hearing in which to examine the question jointly.
3. The notification referred to in paragraph 2 may indicate the measure Borsa Italiana intends to apply. In such case, if the time limit referred to in paragraph 2(b) expires without the issuer having submitted a written brief or requested a hearing, Borsa Italiana shall apply the measure indicated in the notification.
4. If the issuer requests a hearing in which to examine the question jointly or if Borsa Italiana considers such a hearing to be necessary, Borsa Italiana shall establish the date for the hearing and inform the issuer accordingly. The issuer shall be represented in the meeting either by its legal representative or by a person appointed for the purpose, being allowed to

be assisted by a lawyer of its choice. If the issuer fails to attend the hearing without due cause, Borsa Italiana shall proceed on the basis of the evidence collected up to that time. At the end of the hearing, at the request of the interested party, Borsa Italiana may set a new time limit of not less than 10 days for the submission of another written brief.

5. On the basis of the evidence collected as part of the procedure referred to in the preceding paragraphs, Borsa Italiana shall decide within 45 days of the hearing or the subsequent expiry of the time limit for the submission of another written brief as provided for in paragraph 4, or if no such hearing is requested or scheduled by Borsa Italiana, within 45 days of the expiry of the time limit set pursuant to paragraph 2(b).
6. Decisions adopted pursuant to the preceding paragraph shall be promptly notified to the interested party giving the reasons for the decision. If one of the measures referred to in Article 2.6.9 is applied, the costs of the procedure and in particular those in relation to the examination of the written briefs submitted and the hearings requested, determined on a flat-rate basis in accordance with the measure referred to in Article 2.6.15, shall be charged to the issuer.
7. Borsa Italiana shall promptly inform Consob of the initiation of the procedure referred to in this article and of the related decisions.
8. For financial instruments issued by Borsa Italiana, the procedure referred to in this article shall be carried out by Consob.

Article 2.6.11

(Challenging of measures)

Measures referred to in Article 2.6.9 may be challenged within 15 days of the notification referred to in respectively Article 2.6.10, paragraph 6 before the Appeals Board established pursuant to Article 7.4.

This provision shall not apply to measures referred to in Article 2.6.9, paragraph 5.

Article 2.6.12

(Disclosure to the public of measures)

1. Applications of the measures referred to in Article 2.6.9 shall be made public in Notices after 15 days have elapsed from the notification of the measure to the interested party without the question being referred to the Appeals Board or, where it has been so referred, after 10 days have elapsed from the notification of the Appeals Board's decision to the parties.
2. At the request of the issuer, the complete text of the measure shall be made public, possibly together with all the acts of the proceedings, including the decisions of the Appeals Board.

Article 2.6.13

(Suspension of time limits)

The time limits referred to in this Title, except for those provided for in Article 2.6.9, shall be suspended from 1 August to 31 August of each year.

Article 2.6.14

(Exclusions)

The foregoing articles of this Title shall not apply to the Italian Republic.

Article 2.6.15

(Fees)

Issuers and persons who apply for the admission to trading of financial instruments pursuant to Article 2.1.2, paragraph 7(a), 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.

TITLE 2.7

DISCLOSURE OF INFORMATION TO THE PUBLIC AND ITS CONSERVATION

Article 2.7.1

(Manner of fulfilling disclosure requirements vis-à-vis the public and Borsa Italiana by issuers established under national law with shares admitted to trading on the Stock Exchange)

1. Issuers established under Italian law with shares listed on the Stock Exchange, on the Expandi market or on the MTAX market shall fulfil the disclosure requirements in the manner provided by Article 66 of Consob Regulation 11971/1999 and the disclosure obligation to the market laid down in Part II, Title II, of the same Regulation by sending a press release to Borsa Italiana.
2. Issuers referred to in paragraph 1 shall use the electronic “Network Information System” (hereinafter, NIS), organised and managed by Borsa Italiana, for the official transmission of press releases referred to in paragraph 1.
3. Borsa Italiana shall make public, via the NIS, the press releases it receives by sending them to the news agencies connected to the system and publishing a Notice in accordance with Article 6.1.8. Press releases shall be sent to the news agencies immediately upon receipt or, in the case of press releases transmitted during trading hours, within fifteen minutes thereof. Issuers may consider press releases to have been made public as soon as they have received confirmation, via the NIS, of their receipt by at least two news agencies.
4. Borsa Italiana, after notifying Consob, may delay the sending of press releases it receives where this is deemed necessary in order to decide whether trading in the financial instruments concerned should be suspended; in such cases it shall inform the issuer of the delay over the NIS.
5. Issuers referred to in paragraph 1 shall use the NIS to fulfil the disclosure requirements vis-à-vis Borsa Italiana laid down in Article 2.6.2, paragraph 1, for all their listed financial instruments.
6. Borsa Italiana shall register and conserve the press releases it receives.
7. For financial instruments issued by Borsa Italiana, references to the issuer shall be understood as referring to Borsa Italiana.

Article 2.7.2

(Manner of fulfilling disclosure requirements by other issuers)

1. Issuers of listed financial instruments other than those referred to in Article 2.7.1, paragraph 1, may apply to be connected to the NIS. In such case the provisions of this Title shall apply.
2. Issuers of financial instruments that do not avail themselves of the right referred to in paragraph 1 shall fulfil their disclosure requirements vis-à-vis Borsa Italiana by fax using the numbers given in the Instructions.

Article 2.7.3

(Manner of fulfilling disclosure requirements when it is not possible to use the NIS)

1. Where, owing to exceptional circumstances, issuers cannot use the NIS or find the system is not working properly, they must immediately notify Borsa Italiana and fulfil the disclosure requirements vis-à-vis the public referred to in Article 2.7.1, paragraph 1, in the manner laid down in Consob Regulation 11971/1999.
2. In the cases referred to in paragraph 1, the disclosure requirements vis-à-vis Borsa Italiana shall be fulfilled by fax using the numbers given in the Instructions.

Article 2.7.4

(Using the NIS to fulfil disclosure requirements)

Borsa Italiana shall authorise access to the NIS in accordance with the times and conditions agreed with each issuer and notified in advance to Consob. The provisions of this Title shall apply to each issuer as of the date that will be notified by Borsa Italiana after authorisation.

Article 2.7.5

(Other ways of fulfilling disclosure requirements vis-à-vis Borsa Italiana)

Issuers with shares listed on the Stock Exchange shall fulfil disclosure requirements vis-à-vis Borsa Italiana laid down in Consob Regulation 11971/1999 other than those specified in Article 2.7.1 in the manner laid down in the Instructions.

TITLE 2.8

OBLIGATIONS OF APPLICANTS

Article 2.8.1

(Disclosure requirements)

1. Intermediaries participating in one of the markets organised and managed by Borsa Italiana or issuers that have applied for the admission to trading of financial instruments pursuant to Article 2.1.2, paragraph 7 shall send Borsa Italiana all the information necessary for the operation of the market; in particular, they shall send the information specified in the Instructions.
2. Borsa Italiana reserves the right to exempt intermediaries from the obligation to send the information referred to in paragraph 1 if it easily available and can be obtained by Borsa Italiana.
3. If the applicant is an issuer, it shall be subject to the disclosure requirements referred to in Titles 2.6 and 2.7 of the Rules, in the manner specified in the Instructions and insofar as they are applicable.
4. If the applicant is Borsa Italiana, Borsa Italiana shall fulfil the requirements referred to in paragraph 1.
5. Borsa Italiana shall inform the public that the documentation referred to in Part III, Title II, Chapter II, Sections IV and V of Consob Regulation 11971/1999 or the documentation requested by equivalent provisions applicable to the issuer insofar as they are applicable has been made available.

PART 2A

ADMISSION TO TRADING IN THE *EXPANDI* MARKET

TITLE 2A.1

GENERAL PROVISIONS

Article 2A.1.1

(Scope)

This part of the Rules shall govern the admission to trading in the *Expandi* market of the following financial instruments issued by Italian or foreign companies:

- a) ordinary shares;
- b) convertible bonds;
- c) warrants as defined in Article 2.2.10.

Article 2A.1.2

(Powers of Borsa Italiana and general conditions for admission)

1. The financial instruments referred in the preceding article may be admitted to trading on the *Expandi* market upon application by the issuer, provided all the conditions of this Title and Title 2A.2 are satisfied and the provisions of Title 2A.3 are complied with.
2. Borsa Italiana, acting on the basis of the documentation received and information available to the public, may reject an application for admission to trading in the *Expandi* market:
 - a) where the features of the financial instrument make it appear unlikely that a regular market will develop;
 - b) where the issuer has other financial instruments already admitted to trading and fails to fulfil the obligations deriving from such admission;
 - c) where there are data or facts capable of seriously prejudicing the situation and operational performance of the issuer. To this end Borsa Italiana shall give consideration primarily to the existence of significant disputes, civil or criminal legal proceedings, or tax and/or social security contribution assessments pending;
 - d) where at the time of admission to listing the situation of the issuer makes admission contrary to the interest of investors; to this end Borsa Italiana shall give consideration primarily to the existence of serious disequilibria in the issuer's financial structure. Its evaluation shall include but not be limited to:
 - the composition of the items included in the indicators and how the indicators have been complied with; in particular whether the net financial position has been influenced by the renouncement of claims by third parties or by increases in capital and/or grants;
 - the existence of agreements establishing atypical and/or unusual conditions for the receipt of trade receivables or the payment of trade payables.

Borsa Italiana may make admission to trading in the *Expandi* market subject to any special condition that it deems appropriate and that is explicitly notified to the applicant.

3. Issuers must be regularly established and their articles of incorporation and bylaws must conform with the laws and the regulations to which the issuers are subject.
4. Financial instruments must be:
 - a) issued in compliance with the laws, regulations and any other provisions that apply;
 - b) in conformity with the laws and regulations to which they are subject;
 - c) suitable for settlement in accordance with Article 69 of the Consolidated Law on Finance;
 - d) freely transferable.

Article 2A.1.3

(Additional conditions for foreign issuers)

1. Issuers established under foreign law must demonstrate that there are no impediments to their substantial compliance with the provisions, contained in these Rules and the accompanying Instructions or in laws or other regulations that apply to them, concerning information to be made available to the public, Consob or Borsa Italiana.

Borsa Italiana shall make the admission of the financial instruments of issuers established under foreign law subject to the favourable opinion of Consob concerning the ability of the issuer to comply with the information requirements deriving from listing.

Borsa Italiana may establish, for individual issuers, in consideration of the rules to which they are subject, different procedures and time limits from those provided for on a general basis for compliance with the provisions of these Rules.
2. Issuers established under foreign law must demonstrate that there are no impediments of any kind to the exercise of all the rights attaching to their financial instruments admitted to trading on the *Expandi* market.
3. In the case of issuers established under foreign law, Borsa Italiana shall make satisfaction of the auditing of annual accounts requirement subject to a declaration of equivalence issued by Consob.
4. For the admission of financial instruments issued by companies or entities subject to the national legislation of an EU member state and existing in the form of paper certificates, the certificates must conform with the provisions in force in such member state. In the event that the certificates do not conform with the provisions in force in Italy, this fact must be disclosed to the public.
5. Borsa Italiana shall verify that, in the case of financial instruments issued by companies or entities subject to the national legislation of non-EU countries, the paper certificates representing such instruments offer sufficient guarantees for the protection of investors.
6. Where the financial instruments issued by a company or an entity subject to the national legislation of a non-EU country are not listed in the home country or the country in which they are most widely distributed, they may be admitted only after it has been ascertained that the absence of listing in the home country or the country in which they are most widely distributed is not due to the need to protect investors.

TITLE 2A.2

CONDITIONS FOR ADMISSION

Article 2A.2.1

(Requirements for issuers of shares)

1. Shares may be admitted to trading on the *Expandi* market where they represent the capital of issuers who have published and filed, in compliance with Italian law, solo and, where applicable, consolidated annual accounts for the last two financial years, of which at least the latest must be accompanied by an auditor's opinion drawn up in accordance with Article 156 of the Consolidated Law on Finance or under the corresponding rules of applicable foreign law. Admission to listing may not be granted where the auditing firm has rendered an adverse opinion or a disclaimer.
2. Companies resulting from extraordinary corporate actions or whose assets and liabilities have undergone material changes in the two financial years preceding that of the submittal of the application or subsequently must produce:
 - a pro forma income statement and a pro forma cash flow statement for at least one financial year ended prior to the date of submittal of the application;
 - a pro forma balance sheet referred to the closing date of the financial year preceding the application where the extraordinary corporate actions or the material changes occurred after that date;
 - the pro forma interim documents specified in the Instructions;
 - the other documents specified in the Instructions referring to the second financial year preceding the application.
3. The pro forma accounting documents referred to in paragraph 2 must be accompanied by the report of the auditing firm containing its opinion on the reasonableness of the basic assumptions made in preparing the pro forma data, the correct application of the methods used and the correctness of the accounting policies applied.
4. The annual financial statements on a solo and a consolidated basis and the income statement and balance sheet "reconstructions" that provide the basis for the pro forma documents referred to in paragraph 2 must be fully audited to a preponderant extent.
5. For the purposes of admission to trading the issuer must comply with the quantitative requirements for profitability and financial structure specified in the Instructions.
6. For purposes of admission the issuer shall attach a description of its operational control system and of the system of the group it heads, if any. The chairman of the supervisory body shall declare that the operational control system is reliable and adequate with respect to the scale and nature of the company's activity. For the purpose of making this declaration the chairman of the supervisory body shall take account of the results of the work of the auditing firm for matters falling within its competence.

In the case of the admission of financial instruments issued by companies established under foreign law, the declaration must be issued by a person or body enjoying the same independence as the chairman of the supervisory body. It must also be accompanied by a

legal opinion issued by a lawyer licensed to practice in the country in which the issuer has its headquarters, confirming the equivalence of the requirements.

7. The issuer's assets or revenues must not prevalently consist of an investment or of the results of an investment in a company whose shares are admitted to trading on a regulated market.
Where there exist circumstances likely to impede the achievement of management autonomy by the issuer, the latter shall inform the public adequately of their existence and indicate the solutions adopted.
8. The shares of *banche popolari* and cooperative companies authorised to engage in insurance may be admitted provided the articles of incorporation and bylaws of the issuer establish that ordinary issues of new shares, approved by the management body and made at the price fixed by the body, are to be reserved for new shareholders and implemented by the allotment of a single share.
9. The issuer must have appointed an auditing firm to audit its annual accounts in accordance with Article 159 of the Consolidated Law on Finance except as provided for by the corresponding applicable provisions of foreign law.
10. Where the creditworthiness of the issuer has been rated by a local or international credit rating agency in the twelve months preceding the submittal of the application, the rating or its update must be notified to Borsa Italiana if public. This information will be disclosed to the market in the Notice establishing the date of the start of trading.

Article 2A.2.2

(Requirements for shares)

1. For the purposes of admission to trading in the *Expandi* market, shares must satisfy the following requirements:
 - a) a foreseeable market capitalisation of at least EUR 1 million;
 - b) adequate distribution, which shall be presumed to exist where shares amounting to at least 10% of the capital represented by shares of the same class are distributed among the public or professional investors. The value of the shares distributed publicly must in any case exceed EUR 750,000. In computing the percentage:
 - 1) account shall not be taken of controlling shareholdings or of shareholdings bound by shareholders' agreements or of shareholdings subject to restrictions on the transferability of shares (lock-up agreements) with a duration of more than 6 months;
 - 2) account shall not be taken of shareholdings exceeding 2%, except where Borsa Italiana, in response to a reasoned request from the issuer, grants a derogation after evaluating the nature of the investor and the purpose of the shareholding. The calculation of shareholdings must be carried out in accordance with the criteria established in Article 118 of Consob Regulation 11971/1999;
 - 3) account shall be taken of the shares held by collective investment undertakings, pension funds and social security institutions.
2. The distribution of the shares among the public or professional investors must be achieved by offering a number of shares equal to at least 10% of the capital represented by shares of the same class.

3. In granting admission to trading of shares of issuers whose shares are the result of a spin-off or of a merger with the creation of a new company or from comparable transactions involving companies listed on a regulated market or of issuers whose shares are widely distributed among the public referring to the criteria provided by Article 2-bis of Consob Regulation 11971/1999, Borsa Italiana may waive the provisions of paragraph 2.
4. In the case of newly issued shares of the same class and with the same features, apart from dividend entitlement, as those already traded, the provisions of the preceding paragraph shall not apply. Borsa Italiana may decide their admission to trading on a separate line, having regard to the quantity and distribution of the shares and to the expected duration of the separate line.

Article 2A.2.3

(Requirements for issuers of convertible bonds)

1. Bonds convertible into shares may be admitted to trading on the *Expandi* market, provided the issuer satisfies the requirements of Article 2A.2.1, paragraphs 1 and 9.
2. Convertible bonds may be admitted to trading provided that the shares deriving from the conversion were previously or are simultaneously admitted to the *Expandi* market.
3. Borsa Italiana may admit bonds convertible into shares not listed on the *Expandi* market to trading provided the issuer of the shares deriving from the conversion satisfies the requirements of Article 2A.2.1.

Where the shares deriving from the conversion are issued by a third party, the issuer of the bonds must be a bank and must guarantee the regular dissemination of information on the third-party issuer permitting bondholders to evaluate the bonds adequately.

The issuer of the shares deriving from the conversion must undertake to apply to Borsa Italiana for the admission to listing of the shares to be offered in conversion within 12 months of the submittal of the application for the admission of the convertible bonds. The application must in any case be submitted at least 6 months before the first time limit for the conversion of the bonds.

4. Where the creditworthiness of issuers of convertible bonds has been rated by a local or international credit rating agency in the twelve months preceding the submittal of the application, the rating or its update must be notified to Borsa Italiana if public, with an indication of the rating, if any, of the individual issue. This information will be disclosed to the market in the Notice establishing the date of the start of trading.

Article 2A.2.4

(Requirements for convertible bonds)

1. For the purposes of admission to trading in the *Expandi* market, convertible bonds must be issued against a loan whose residual amount is at least EUR 500,000 or the equivalent thereof.
2. The bonds must be distributed among the public or professional investors to an extent deemed adequate by Borsa Italiana to meet the need for regular operation of the market.
3. The shares deriving from the conversion must, pursuant to a specific rule, be made available for trading by the tenth trading day of the month following that of the presentation of the request to carry out the conversion.

4. Borsa Italiana shall also require that in the case of convertible bonds provision be made in the rules for adjustments where extraordinary events occur regarding the issuer of the shares deriving from the conversion. Such adjustments must be based on generally accepted methods and tend to neutralise the distortionary effects of the event as far as possible.

Article 2A.2.5

(Requirements for issuers of warrants)

1. Warrants of issuers who satisfy the requirements of Article 2A.2.1, paragraphs 1 and 9, may be admitted to trading on the *Expandi* market.

Article 2A.2.6

(Requirements for warrants)

1. For the purpose of admission to trading in the *Expandi* market, warrants must satisfy the following requirements:
 - a) circulate autonomously;
 - b) refer to conversion shares that are already admitted to trading on the *Expandi* market or that are the subject of a simultaneous application for admission;
 - c) be distributed among the public or professional investors to an extent deemed adequate by Borsa Italiana to meet the need for regular operation of the market;
 - d) the shares deriving from the exercise of the warrants must, pursuant to a specific rule, be made available for trading by the tenth trading day of the month following that of the presentation of the request to exercise the warrants;
 - e) Borsa Italiana shall also require that provision be made in the rules for adjustments to be made where extraordinary events occur regarding the issuer of the shares deriving from the exercise of the warrants. Such adjustments must be based on generally accepted methods and tend to neutralise the distortionary effects of the event as far as possible.

TITLE 2A.3

LISTING PARTNERS, SPECIALISTS, APPLICATIONS AND ADMISSION PROCEDURES, SUSPENSION AND REVOCATION, AND OBLIGATIONS OF ISSUERS

Chapter 1 – Listing Partners

Article 2A.3.1³

(Appointment and role of Listing Partners)

1. The issuer shall appoint, not later than the time of submittal to Borsa Italiana of the application for admission, a listing partner to initiate the procedure for the admission of the financial instruments. The listing partner shall collaborate with the issuer to ensure the orderly implementation of the procedure.
2. The role of listing partner may be played by Italian, EU and non-EU banks and investment firms and financial intermediaries entered in the list referred to in Article 107 of the Consolidated Law on Banking.

In the event of admission of financial instruments referred to in Article 2A.1.1, subparagraph a), the listing partner must be the bookrunner of the institutional offering or the lead manager of the public offering.

The listing partner may not belong to the group to which the issuer belongs or which is headed by the issuer.

3. Where, subsequent to the submittal of the application for admission, the issuer revokes the mandate given to the listing partner or the latter renounces the appointment, both parties must immediately notify Borsa Italiana, giving the reasons for the revocation or renouncement. The admission procedure shall be interrupted until the issuer appoints another listing partner to perform the functions referred to in this Chapter.
4. The duration of the appointment of the listing partner must cover at least the period until the date of the start of trading in the financial instruments that are the subject of the application for admission.
5. The listing partner shall undertake to perform the following duties and for each such duty to issue a written declaration to Borsa Italiana:
 - a) stating that it has transmitted to Borsa Italiana all the data and facts which have come to its knowledge in the performance of its activity that are relevant for the purpose of admission to listing, in addition to those already notified by the issuer in accordance with Article 2.4.1, paragraph 2;
 - b) affirming that the management body and the supervisory body have been adequately informed with regard to the responsibilities and obligations resulting under the laws and regulations in force from the admission to listing of the company's financial instruments;

³ See: Notice no. 3796 of 9 March 2007

- c) stating that the quantitative requirements for the issuer's profitability and financial structure correspond to the amounts specified in the Instructions;
- d) stating that it is reasonably convinced that, in the light of the investments planned by the issuer and the information provided by the issuer, there are no grounds for expecting a situation of serious financial imbalance to emerge during the current year;

The declarations specified in subparagraphs a) and d) must be attached to the application for admission and renewed before the admission decision.

6. In the case referred to in Article 2A.2.2, paragraph 3, the declarations referred to in paragraphs 5(a), 5(b), 5(c) and 5(d) shall be issued by an Italian, EU or non-EU bank or investment firm or a financial intermediary entered in the list referred to in Article 107 of the Consolidated Law on Banking.

Article 2A.3.2

(Information to be provided to the market)

1. During the 12 months subsequent to the date of the start of trading Borsa Italiana acts and publications and every other communication pursuant to disclosure obligations must show the following expressions:
 - a) "date of the start of trading:";
 - b) "listing partner of the admission to listing:".
2. The expression referred to in paragraph 1(b) must also be shown in the communications sent by the issuer up to the date of the start of trading in accordance with Articles 2.4.1, 2.4.2 and 2.4.3 of these Rules.
3. The indication of the name of the listing partner may not contain graphic material or other distinguishing signs, such as trademarks or logos, belonging to or used by the listing partner without the latter's express consent.
4. The listing partner may request the inclusion in Borsa Italiana acts and publications and every other communication pursuant to disclosure obligations, together with the expressions referred to in paragraph 1, of a statement to the effect that it has not controlled the content of the information or the manner of its dissemination.
5. In the 12 months subsequent to the start of trading the listing partner may decide not to have its name shown in the documents referred to in paragraph 1. The listing partner shall exercise this right by sending a communication to the issuer and Borsa Italiana indicating, with adequate reasons, the objectively relevant intervening circumstances that have given rise to the decision. Borsa Italiana shall inform the public of receipt of the communication in a Notice. As of the date of reception of the communication, the issuer shall in any case be exonerated from fulfilling the obligations referred to in this Article.

Article 2A.3.3

(Measures against Listing Partners)

1. Where there is a violation of these Rules or the accompanying Instructions, including the case of a Listing Partner hindering the verification activity referred to in Article 2.3.8, Borsa Italiana may apply one or more of the following measures against the Listing Partner in

question, taking into account the seriousness of the violation and any other violations committed in the 30 months preceding the violation:

- a) a written censure. If in the 30 months preceding the violation the Listing Partner has committed another violation of the same prescription or prohibition for which Borsa Italiana has already imposed a written censure, the measure referred to in subparagraph b) shall be applied;
 - b) a fine of between 5,000 and 100,000 euros. In deciding on the amount of the fine Borsa Italiana shall take into account the seriousness of the violation;
 - c) inhibition to undertake new operations as Listing Partner for a period not longer than 18 months. Such inhibition shall apply to the activities of sponsor performed in other markets organised and managed by Borsa Italiana.
2. The measures provided for in the preceding paragraph shall be made public pursuant to Article 2.3.12, except in the cases of:
 - a) a written censure;
 - b) a fine of not more than 30,000 euros.
 3. The measures provided for in paragraph 1 shall always be made public pursuant to Article 2.3.12 if, in the 30 months preceding the violation in question, the Listing Partner has committed other violations of this Title of the Rules and the accompanying Instructions for which Borsa Italiana has adopted three non-public measures or has committed another violation of the same prescription or prohibition for which Borsa Italiana has already imposed a measure other than a censure.
 4. The use to which fines are put shall be established on a general basis by Borsa Italiana in an ad hoc measure communicated to Consob and published in a Notice.
 5. In order to apply the measures referred to in the previous paragraphs, the provisions referred to in Articles 2.3.8, 2.3.10, 2.3.11, 2.3.12 and 2.3.13 shall be applied.

Chapter 2 – Specialists

Article 2A.3.4

(Obligations of specialists)

1. Trading may be carried on with the intervention of a specialist.
2. Intermediaries admitted to trading on the MTA/Expandi market may act as specialists provided they do not belong to the group to which the issuer belongs or which is headed by the issuer.
3. Specialists must undertake, for each of the financial instruments for which they intend to intervene, to display continuous bids and offers with a percentage spread that does not exceed the limit established by Borsa Italiana in the Instructions for a daily quantity specified on a general basis in the Instructions on the basis of objective criteria. Borsa Italiana shall also lay down in the Instructions the methods and times for entering such bids and offers.
4. Borsa Italiana shall also lay down in the Instructions the circumstances in which specialists may be temporarily relieved from the obligations specified in paragraph 2.
5. The termination of the appointment of a specialist for any reason must be notified to Borsa Italiana in writing in the manner laid down in the Instructions.

Chapter 3 – Applications and admission procedures, suspension and revocation, obligations of issuers

Article 2A.3.5

(Applications and admission procedures, suspension and revocation, obligations of issuers)

1. The provisions of Titles 2.4, 2.5, 2.6 and 2.7 of these Rules shall apply insofar as they are compatible.

Article 2A.3.6

(Obligations of issuers)

1. Without prejudice to Article 2A.3.1, issuers admitted to trading on the *Expandi* market after 1 December 2003 are required to recalculate the requirements referred to in Article 2A.2.1, paragraph 5, on a half-yearly basis.
2. Issuers must make the communications referred to in paragraph 1 in the manner specified in Article 2.7.1, attaching them to the notifications of the approval by the competent body of the draft annual report and the half-yearly report.

PART 2B

ADMISSION TO TRADING ON THE MTAX MARKET

TITLE 2B.1

GENERAL PROVISIONS

Article 2B.1.1

(Scope)

1. This part of the Rules shall govern admission to trading on the MTAX market of the following financial instruments issued by Italian or foreign companies:
 - a) shares;
 - b) convertible bonds;
 - c) warrants.

Article 2B.1.2

(Powers of Borsa Italiana)

1. The financial instruments referred to in Article 2B.1.1 may be admitted to trading by Borsa Italiana upon application by the issuer, provided all the conditions referred to in Titles 2B.1, 2B.2, 2B.3 are satisfied.
2. Borsa Italiana may reject an application for admission to trading in a reasoned decision promptly notified to the interested party:
 - a) where the features of the financial instrument make it appear unlikely that a regular market will develop;
 - b) where the issuer has other financial instruments already admitted to trading on the MTAX market and fails to fulfil the obligations deriving from such listing;
 - c) where, for a financial instrument already admitted to trading on an other regulated market, the issuer fails to fulfil the obligations deriving therefrom;
 - d) where the situation of the issuer makes admission contrary to the interest of investors. To this end Borsa Italiana shall give consideration primarily to the following elements: the presence of serious disequilibria in the issuer's financial structure, a critical competitive position in its main sectors of activity, evidence of serious incongruences in its business plan and the absence of elements substantiating the assumptions made therein.

3. Borsa Italiana may, exclusively for the purpose of protecting investors, make admission to trading subject to any special condition that it deems appropriate and that is explicitly notified to the applicant.

Article 2B.1.3

(General conditions for admission)

1. Issuing companies and entities must be regularly established and their articles of incorporation and bylaws must conform with the laws and the regulations to which the companies and entities are subject.
2. Financial instruments must be:
 - a) issued in compliance with the laws, regulations and any other provisions that apply;
 - b) in conformity with the laws and regulations to which they are subject;
 - c) suitable for settlement using the settlement service referred to in Article 69 of the Consolidated Law on Finance;
 - d) freely transferable.

Article 2B.1.4

(Additional conditions for foreign issuers)

1. Issuers established under foreign law must demonstrate that there are no impediments to their substantial compliance with the provisions, contained in these Rules and the Instructions or in laws or other regulations that apply to them, concerning information to be made available to the public, Consob or Borsa Italiana.
Borsa Italiana shall make the admission of the financial instruments of issuers established under foreign law subject to the favourable opinion of Consob concerning the ability of the issuer to comply with the information requirements deriving from listing.
Borsa Italiana may establish, for individual issuers, in consideration of the rules to which they are subject, different procedures and time limits from those provided for on a general basis for compliance with the provisions of these Rules.
2. Issuers established under foreign law must demonstrate that there are no impediments of any kind to the exercise of all the rights attaching to their financial instruments admitted to listing.
3. In the case of issuers established under foreign law, Borsa Italiana shall make satisfaction of the auditing of annual accounts requirement subject to a declaration of equivalence issued by Consob.
4. For the admission of financial instruments issued by companies or entities subject to the national legislation of an EU member state and existing in the form of paper certificates, the certificates must conform with the provisions in force in such member state. In the event that the certificates do not conform with the provisions in force in Italy, this fact must be disclosed to the public.

5. Borsa Italiana shall verify that, in the case of financial instruments issued by companies or entities subject to the national legislation of non-EU countries, the paper certificates representing such instruments offer sufficient guarantees for the protection of investors.
6. Where the financial instruments issued by a company or an entity subject to the national legislation of a non-EU country are not listed in the home country or the country in which they are most widely distributed, they may be admitted only after it has been ascertained that the absence of listing in the home country or the country in which they are most widely distributed is not due to the need to protect investors.

TITLE 2B.2

CONDITIONS FOR ADMISSION

Article 2B.2.1

(Requirements for issuers of shares)

1. Shares may be admitted to listing where they represent the capital of issuers who have published and filed, in compliance with national law, the financial statements on a solo and, where applicable, a consolidated basis must referred to at least one financial year, accompanied by an auditor's opinion drawn up in accordance with Article 156 of the Consolidated Law on Finance or the corresponding applicable provisions of foreign law. Admission to listing may not be granted where the auditing firm has rendered an adverse opinion or a disclaimer.
2. For companies that at the time of applying have been in business for less than three financial years, at least 10% of their share capital must be held by venture capital institutional investors or by other investors actively involved in the company's business that Borsa Italiana may accept upon receiving a reasoned request from the issuer.
3. The equity interest referred to in the preceding paragraph must have been acquired at least 12 months prior to the date of submittal of the application for admission to listing.
4. Borsa Italiana may waive the provision of paragraph 2 for companies deriving from extraordinary corporate actions or for companies admitted to trading on an other regulated market.
5. Companies resulting from extraordinary corporate actions or whose assets and liabilities have undergone material changes in the financial year preceding that of the submittal of the application or subsequently must produce in addition to what is provided for in paragraph 1:
 - a pro forma income statement and a pro forma cash flow statement for at least one financial year ended prior to the date of submittal of the application;
 - a pro forma balance sheet referred to the closing date of the financial year preceding the application where the extraordinary corporate actions or the material changes occurred after that date;
 - the other pro forma interim documents specified in the Instructions.

Where it emerges during the preparation of the pro forma documents referred to in this paragraph that the accounting data they contain are objectively unreliable, Borsa Italiana may accept different historical accounting reconstructions upon receiving a reasoned request from the issuer.

6. The accounting documents referred to in paragraph 5 must be accompanied by the report of the auditing firm containing its opinion on the reasonableness of the basic assumptions made in preparing the pro-forma data, the correct application of the methods used and the correctness of the accounting policies applied.

A similar report must be issued by the auditing firm on historical accounting reconstructions different from pro forma data; the reasons must be given for any limitations or impediments to rendering the opinion.

7. The annual financial statements on a solo and a consolidated basis and the annual accounting documents that provide the basis for the pro forma documents referred to in paragraph 5 must be fully audited to a preponderant extent. Where this is objectively impossible, Borsa Italiana may accept that only the bulk of the data are fully audited upon receiving a reasoned request from the issuer.
8. The issuer must carry on, directly or through its subsidiaries and in conditions of management autonomy, an activity capable of generating revenues. Borsa Italiana, in assessing the existence of conditions of management autonomy, shall verify that there are no impediments to the maximisation of the issuer's economic and financial objectives. Where Borsa Italiana finds circumstances potentially able to impede the achievement of management autonomy, it shall require the public to be adequately informed at the time of admission to listing and on a continuous basis where appropriate. The issuer's assets or revenues must not consist preponderantly of an investment or of the results of an investment in a company whose shares are admitted to trading on a regulated market.
9. Without prejudice to the provisions of the preceding paragraphs, the shares of *banche popolari* and cooperative companies authorised to engage in insurance may be admitted provided that in the articles of incorporation and bylaws of the issuer:
 - provision is made for ordinary issues of new shares to be reserved to new shareholders and implemented by the allotment of a single share;
 - the minimum registration period required for recognition of the right to vote in shareholders' meetings is not more than 90 days.
10. The requirements established in the preceding paragraphs shall not apply to the admission of shares of the same issuer belonging to a different category with respect to those already issued.
11. The issuer must have appointed an auditing firm to audit its annual accounts in accordance with Article 159 of the Consolidated Law on Finance, except as provided for by the corresponding applicable provisions of foreign law.
12. Where the creditworthiness of the issuer has been rated by a local or international credit rating agency in the twelve months preceding the submittal of the application, the rating or its update must be notified to Borsa Italiana if public. This information will be disclosed to the market in the Notice establishing the date of the start of trading.

Article 2B.2.2

(Requirements for shares)

1. For the purposes of admission to listing, shares must satisfy the following requirements:
 - a) a foreseeable market capitalisation of at least 40 million euros; Borsa Italiana may admit shares with a smaller market capitalisation where it deems an adequate market for such shares will develop;
 - b) adequate distribution, which shall be presumed to exist where shares representing at least 25% of the capital represented by shares of the same class are distributed among the public or professional investors; Borsa Italiana may, however, deem this requirement to be satisfied where the market value of the shares held by the public or professional investors suggests the conditions for regular operation of the market

can be met by a smaller percentage than that specified above. In computing the percentage:

- 1) account shall not be taken of controlling shareholdings or of shareholdings bound by shareholders' agreements or of shareholdings subject to restrictions on the transferability of shares (lock-up agreements) with a duration of more than 6 months;
 - 2) account shall not be taken of shareholdings exceeding 2%, except where Borsa Italiana, in response to a reasoned request from the issuer, grants a derogation after evaluating the nature of the investor and the purpose of the shareholding. The calculation of shareholdings must be carried out in accordance with the criteria established in Article 118 of Consob Regulation 11971/1999;
 - 3) account shall be taken of the shares held by collective investment undertakings, pension funds and social security institutions.
2. In granting admission to trading of ordinary shares of issuers whose ordinary shares have already been admitted to trading on a regulated market or are admitted contemporaneously or are the result of a spin-off or of a merger with the creation of a new company or from comparable transactions involving companies listed on a regulated market, Borsa Italiana may waive paragraph 1(b). Such waiver may be granted taking into account the distribution of the ordinary shares.
 3. In the case of newly issued shares of the same class and with the same features, apart from dividend entitlement, as those already listed, the provisions of the preceding paragraph 1 shall not apply. Borsa Italiana may decide their admission to trading on a separate line, having regard to the quantity and distribution of the shares and to the expected duration of the separate line.
 4. Except for the shares of *banche popolari* and cooperative companies authorised to engage in insurance, classes of shares without the right to vote in ordinary shareholders' meetings may not be admitted to listing unless shares with such right are already listed or are the subject of a simultaneous application for admission to listing.
 5. The provisions of paragraph 1(b) shall not apply to savings shares, for which adequate distribution must be such as ensures the regular operation of the market.

Article 2B.2.3

(Additional requirements for shares to qualify as Star shares)

1. At the time issuers submit their listing application or subsequent to listing, they may apply for their ordinary shares to be granted Star status using the form provided for in the Instructions provided they satisfy the requirements laid down in the following paragraph. After ascertaining that the requirements are satisfied, Borsa Italiana shall grant shares Star status in the Notice establishing the date of the start of trading or a subsequent Notice.
2. In order to obtain Star status, shares must satisfy the requirements referred to in Article 2.2.3. The additional provisions concerning Star status shall apply.

Article 2B.2.3 bis
(Transitional provisions)

Companies that already belong to in the Techstar sector shall enter into the Star segment contemporaneously with the entry into force of these Rules and will comply with the additional requirements referred to in Article 2.2.3, paragraph 3, within the shareholders' meeting called to approve the financial statements for 2005.

Article 2B.2.4
(Temporary undertakings by shareholders)

1. For companies that at the time of applying have been in business for less than three financial years, shareholders who became such in the twelve months preceding the date of submittal of the application for admission to listing, the founder members of the company and its directors and managers and persons referred to in Article 2B.2.1, paragraph 2, shall undertake, with effect from the date of the submittal of the application, not to sell, offer, pledge or, in general, carry out transactions involving a quantity equal to at least 80% of the ordinary shares of the issuer they held at the date of submittal of the application. The undertaking shall last for one year from the date of the start of trading and shall extend to the shares acquired by such persons prior to that date.
2. The undertaking referred to in paragraph 1 shall not apply to shareholders other than directors, managers and persons referred to in Article 2B.2.1, paragraph 2, who hold an equity interest of less than 2% of the ordinary share capital. The undertaking shall not apply to shares included in offerings made for the purpose of listing or to those made available for a green-shoe option for which the option is exercised.
3. Borsa Italiana may impose the constraint referred to in paragraph 1 on shareholders who became such 12 months before the submittal of the application where the shareholding gives control.
4. Managers and directors who become shareholders between the date of submittal of the application and the date of the start of trading shall enter into the undertaking referred to in paragraph 1 for one year from the start of trading.
5. Each of the persons referred to in paragraphs 1, 3 and 4 is required to deposit the shares that are the subject of the undertaking in a securities account, giving irrevocable instructions to the depository that no transactions are to be effected involving such shares without the explicit consent in writing of Borsa Italiana. The shares must be deposited no later than the date of submittal of the application by the persons referred to in paragraphs 1 and 3 and no later than the date of the start of trading by the persons referred to in paragraph 4.
6. The temporary undertakings by shareholders referred to in paragraphs 1, 3 and 4 shall not apply in the event of acceptance of a public offer to buy or exchange under Part IV, Title II, Chapter II, of the Consolidated Law on Finance or of inheritance.
7. In the event of extraordinary corporate actions involving the issuer, upon receiving a reasoned request from the same, Borsa Italiana may grant a derogation from paragraphs 1, 3 and 4.
8. Borsa Italiana may grant a derogation from the undertakings referred to in paragraphs 1, 3 and 4 to issuers listed on another regulated market. For the purpose of granting such derogation, Borsa Italiana shall take account of:
 - the issuer's fulfilment of analogous undertakings in the other regulated market;

- the interval between the first listing of the issuer and the application for admission to listing on the MTAX;
 - whether the issuer has made a public offering for the purpose of listing in Italy.
9. Borsa Italiana may grant a derogation from the undertakings referred to in paragraphs 1, 3 and 4 in order to permit securities lending. In such cases the persons referred to in paragraphs 1, 3 and 4 shall send Borsa Italiana details of the loan of shares covered by undertakings. On the day a loan is extinguished, the depositary referred to in paragraph 5 shall inform Borsa Italiana of the deposit of the shares of the extinguished loan. The duration of the loan may not exceed that of the undertaking entered into by the persons referred to in paragraphs 1, 3 and 4. The shares shall again be subject to the undertaking referred to in Article 2B.2.4, paragraph 5. The maximum quantity of shares for which derogations may be granted shall be specified in the Instructions.

Article 2B.2.5

(Requirements for issuers of convertible bonds)

1. Convertible bonds issued by companies or entities that satisfy the requirements of Article 2B.2.1, paragraphs 1, 2, 3, 4, 5, 6 and 7, may be admitted to listing. The shares into which bonds are converted must be traded on a regulated market or be the subject of a simultaneous admission decision.
2. In exceptional circumstances Borsa Italiana may admit bonds issued by an issuer that satisfies the requirements of paragraph 1 convertible into shares issued by a third party and traded on a regulated market or subject of a simultaneous admission decision
3. In the case of admission to listing of bonds convertible into shares traded on a regulated market other than the markets organised and managed by Borsa Italiana, the issuer of the convertible bonds must:
 - demonstrate the availability in Italy of information on the prices recorded by the shares deriving from the conversion in the principal market in which they are listed;
 - demonstrate, where the shares deriving from the conversion are issued by a third party, that the latter is subject to rules concerning the information to be made available to the public and the supervisory authorities substantially equivalent to those in force in Italy.
 - demonstrate, where the shares deriving from the conversion are issued by a third party, that all the relevant information made public by such issuer in the principal market in which its shares are listed is available in Italy.
4. The solo and, where applicable, consolidated annual accounts of the issuers of listed convertible bonds must have been audited in accordance with Article 156 of the Consolidated Law on Finance or the corresponding applicable provisions of foreign law. The issuer must have appointed a firm to audit the solo and, where applicable, consolidated annual accounts for the current year at the date the application for admission to listing is submitted.
5. Where the creditworthiness of issuers of convertible bonds has been rated by a local or international credit rating agency in the twelve months preceding the submittal of the application, the rating or its update must be notified to Borsa Italiana if public, with an indication of the rating, if any, of the individual issue. This information will be disclosed to the market in the Notice establishing the date of the start of trading.

6. Where convertible bonds are unconditionally and irrevocably guaranteed by a third party (guarantor), the requirements and formalities referred to in this Part for issuers of convertible bonds shall be understood to apply to the guarantor of the issue.

Article 2B.2.6

(Requirements for convertible bonds)

1. For the purposes of admission to listing, convertible bonds must be:
 - a) issued against a loan whose residual amount is at least 5 million euros or the equivalent thereof; Borsa Italiana may, however, accept a smaller amount than that just specified where it deems an adequate market will develop for the convertible bonds in question;
 - b) distributed among the public or professional investors to an extent deemed adequate by Borsa Italiana to meet the need for regular operation of the market;
 - c) the shares deriving from the conversion must, pursuant to a specific rule, be made available for trading by the tenth trading day of the month following that of the presentation of the request to carry out the conversion.
2. Borsa Italiana shall also require that in the case of convertible bonds provision be made in the rules for adjustments where extraordinary events occur regarding the issuer of the shares deriving from the conversion. Such adjustments must be based on generally accepted methods and tend to neutralise the distortionary effects of the event as far as possible.

Article 2B.2.7

(Definition of warrant)

Warrant means the financial instrument referred to in Article 2.2.10

Article 2B.2.8

(Requirements for issuers of warrants)

1. Warrants of issuers who satisfy the requirements of Article 2B.2.1, paragraphs 1, 2, 3, 4, 5, 6 and 7, may be admitted to listing. Article 2B.2.5, paragraph 4, shall also apply.
2. Borsa Italiana may admit to listing warrants that refer to underlying shares admitted to trading on a regulated market, provided that:
 - a) where the underlying shares are issued by the same issuer, they satisfy the requirements of Article 2B.2.1, paragraphs 8 and 9;
 - b) where the underlying shares are issued by a third party, the latter satisfies the requirements of Article 2B.2.1, paragraphs 1, 2, 3, 4, 5, 6, 7, 8 and 9, and has had its annual accounts audited in accordance with Article 2B.2.5, paragraph 4.
3. Where the underlying shares are traded on a regulated market other than the markets organised and managed by Borsa Italiana, the issuer of the warrants must also:
 - demonstrate the availability in Italy of information on the prices recorded by the underlying shares in the principal market in which they are listed;

- demonstrate, where the underlying shares are issued by a third party, that the latter is subject to rules concerning the information to be made available to the public and the supervisory authorities substantially equivalent to those in force in Italy.
- demonstrate, where the underlying shares are issued by a third party, that all the relevant information made public by such issuer in the principal market in which its shares are listed is available in Italy.

Article 2B.2.9

(Requirements for warrants)

1. For the purposes of admission to listing, warrants must satisfy the following requirements:
 - a) circulate autonomously;
 - b) refer to underlying shares that are already traded on a regulated market or are the subject of a simultaneous admission decision;
 - c) the underlying shares must, pursuant to a specific rule, be made available for trading by the tenth trading day of the month following that of the presentation of the request to exercise the option;
 - d) be distributed among the public or professional investors to an extent deemed adequate by Borsa Italiana to meet the need for regular operation of the market.
2. Borsa Italiana shall also require that provision be made in the rules for adjustments to be made where extraordinary events occur regarding the issuer of the underlying shares. Such adjustments must be based on generally accepted methods and tend to neutralise the distortionary effects of the event as far as possible.

TITLE 2B.3

SPONSOR AND SPECIALIST, APPLICATION AND ADMISSION PROCEDURES, SUSPENSION AND REVOCATION, OBLIGATIONS OF ISSUERS, DISCLOSURE OF INFORMATION TO THE PUBLIC AND ADDITIONAL REQUIREMENTS OF ISSUERS ADMITTED ON THE MTAX MARKET

Article 2B.3.1

(Sponsor and specialist, application and admission procedures, suspension and revocation, obligations for issuers, disclosure of information to the public)

The provisions of Titles 2.3, 2.4, 2.5, 2.6 and 2.7 of these Rules shall apply insofar as they are compatible.

Article 2B.3.2

(Additional requirements for issuers admitted on the MTAX market)

1. Issuers of shares admitted on MTAX market shall publish quarterly reports in the manner and within the time limits laid down in the Instructions.
2. On the date set for the start of trading of shares, issuers must send to Borsa Italiana an up-to-date list of the holdings of the shareholders that have entered into the undertakings referred to in Article 2B.2.4.

PART 3

PARTICIPATION OF INTERMEDIARIES IN MARKETS

TITLE 3.1

ADMISSION TO TRADING

Article 3.1.1

(Intermediaries admitted to trading)

The following may participate in trading in markets organised and managed by Borsa Italiana:

- a) stockbrokers authorised to deal for customer account pursuant to the Consolidated Law on Finance;
- b) Italian, EU and non-EU banks authorised to deal for own and/or customer account pursuant to the Consolidated Law on Finance; in the event that an EU bank does not provide investment services in Italy, it is sufficient that it be authorised to deal on own and/or customer account in its country of origin;
- c) Italian, EU and non-EU investment firms authorised to deal for own and/or customer account pursuant to the Consolidated Law on Finance; in the event that an EU investment firm does not provide investment services in Italy, it is sufficient that it be authorised to deal on own and/or customer account in its country of origin;
- d) financial intermediaries entered in the special register referred to in Article 107 of the Consolidated Law on Banking authorised to deal for own account pursuant to the Consolidated Law on Finance.
- e) locals having their registered office in an EU member state that are authorised to trade in an EU market, that are subject in their home country to supervision by a public authority or a body recognised by a public authority with which Consob has entered into agreements for the supervision of their activity in Italian markets and that are subject in their home country to capital requirements and experience and integrity requirements for corporate officers and shareholders equivalent to those laid down in Community law for intermediaries dealing in financial instruments and such as will ensure an analogous degree of operational reliability.
- f) non-EU banks and investment firms authorised to provide the service of dealing for own or customer account, with reference exclusively to the markets organised and managed by Borsa Italiana or the individual markets for which Consob has granted clearance and which have been recognised by the authorities of the non-EU country pursuant to the Consolidated Law on Finance.
- g) Poste Italiane S.p.A.

Article 3.1.2

(Procedure for admission to trading)

1. For the purposes of admission to trading in the markets, intermediaries shall send Borsa Italiana a written request conforming with what is provided for in the Instructions.
2. As of the date on which Borsa Italiana notifies intermediaries of receipt of the request referred to in the previous paragraph with an invitation to complete the participation documentation, intermediaries are required to comply with the general conditions for the supply of services referred to in Article 3.3.1 and these Rules and the accompanying Instructions insofar as they are applicable in the meantime.
3. The participation documentation shall be specified in the Instructions.
4. Within one month of the day the participation documentation is completed Borsa Italiana shall decide on the request referred to in paragraph 1. Borsa Italiana may extend the time limit not more than once and for up to a maximum of one month where it is necessary to obtain additional information and shall inform the applicant accordingly.

Article 3.1.3

(Conditions for admission)

1. The admission of intermediaries to trading shall be subject to verification by Borsa Italiana, in accordance with objective non-discriminatory criteria, of fulfilment of the requirements specified in the Instructions, aimed at ensuring the regular operation of the market and focused in particular on verifying the existence of the following conditions:
 - a) sufficient staff for the regular performance of the functions of trading, settlement and control thereof in relation to the types of activity carried on and the types of interconnection with the markets;
 - b) existence of a designated person, and a deputy, responsible for maintaining relations with Borsa Italiana's surveillance department during the markets' operating hours and appropriately qualified to perform such activity;
 - c) adequate qualifications of staff assigned to trading, taken to mean:
 - adequate knowledge of the rules and operating procedures of the markets and of the manner of using the technical instruments for trading therein;
 - adequate trading skills, *inter alia* with reference to the roles played in the market (trader, specialist in the Star segment, MTA specialist, *Expandi* market specialist, MTAX specialist, SEDEX specialist, specialist in closed-end funds, ETFplus specialist, TAH specialist, TAHX specialist, MOT specialist, market maker or IDEM specialist);
 - d) adequacy of the technological systems used for trading and the associated activities in relation to the nature of the activities carried on and the number and type 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 market. Intermediaries may entrust the management of technological systems to third parties, subject to the conditions laid down in Article 3.1.4.
2. The admission of intermediaries shall also be subject to verification, according to the markets or financial instruments in which intermediaries intend to trade, of:

- a) direct or indirect participation in the settlement system through which contracts are settled and participation in their accessory systems (trade-checking systems);
- b) membership of the clearing and guarantee system for transactions in financial instruments referred to in Articles 5.2.1 and 5.2.2, when the admission is to the electronic share market (MTA) or, exclusively for financial instruments specified in Article 5.2.1, paragraph 1, the after-hours market (TAH), the MTAX market, the TAHX market, ETFplus market and the IDEM market [*and the Expandi market*];

The date of the entry into force of this provision will be announced in a subsequent Notice

- b) *membership of the clearing and guarantee system for transactions in financial instruments referred to in Articles 5.2.1, 5.2.2 and 5.2.3, when the admission is to the electronic share market (MTA), MTAX market, TAHX market, the after-hours market (TAH) exclusively for financial instruments specified in Article 5.2.1, paragraph 1, ETFplus market and the IDEM market, the Expandi market or the electronic bond market (MOT).*

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3. In order to participate in trading in markets or financial instruments that provide for contracts to be settled through a foreign settlement system, Borsa Italiana may require the intermediary to participate directly in such system.
 4. In the case of indirect participation in the settlement system, i.e. where a market intermediary uses another intermediary to settle its contracts, the market intermediary and the other intermediary must send Borsa Italiana a declaration containing:
 - a) an undertaking by the intermediary participating in the settlement system to settle contracts concluded in the markets by the approved intermediary up to the time of withdrawal from the agreement;
 - b) an authorisation for the approved intermediary to be suspended by Borsa Italiana, at the request and on the responsibility of the intermediary participating in the settlement system, without Borsa Italiana being required or entitled to verify the appropriateness of such suspension or its conformity with any understandings between the approved intermediary and the participating intermediary.
 5. In the case of indirect participation in the clearing and guarantee system referred to in Articles 5.2.1 and 5.2.2, the market intermediary (the non-clearing member) and the other intermediary (the general clearing member) must send Borsa Italiana a declaration containing an authorisation for the non-clearing member to be suspended by Borsa Italiana, at the request and on the responsibility of the general clearing member, without Borsa Italiana being required or entitled to verify the appropriateness of such suspension or its conformity with any understandings between the parties.

The date of the entry into force of this provision will be announced in a subsequent Notice

5. *In the case of indirect participation in the clearing and guarantee system referred to in Articles 5.2.1, 5.2.2 and 5.2.3, the market intermediary (the non-clearing member) and the other intermediary (the general clearing member) must send Borsa Italiana a declaration containing an authorisation for the non-clearing member to be suspended by Borsa Italiana, at the request and on the responsibility of the general clearing member, without Borsa Italiana being required or entitled to verify the appropriateness of such suspension or its conformity with any understandings between the parties.*
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Article 3.1.4

(Conditions for entrusting the management of technological systems to third parties)

1. For the purpose of satisfying the requirements referred to in Article 3.1.3, paragraph 1.d), market intermediaries may employ third parties on the conditions specified in the Instructions.
2. Third party may operate as “service providers” provided:
 - a) it is a company belonging to the same group as the market intermediary;
 - or
 - b) it is an information technology company.

The Instructions specify the requirements for service providers to be eligible to perform the management of technological systems as “service providers”.

TITLE 3.2

CONTINUED ELIGIBILITY

Article 3.2.1 *(Continued satisfaction of the conditions for admission)*

1. Approved intermediaries shall ensure continued satisfaction of the conditions referred to in Article 3.1.3. Approved intermediaries shall notify, in the manner and within the time limits specified in the Instructions, every variation with respect to the operating conditions referred to in the information provided at the time of submission of the application for admission.
2. Revocation or expiry of the authorisation to trade or the issue of injunctions by the competent authority shall automatically result in suspension or exclusion from trading, without prejudice to the 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 the suspension of an intermediary's administrative bodies under Article 53 of the Consolidated Law on Finance or Article 76 of the Consolidated Law on Banking or of a stockbroker under Article 201 of the Consolidated Law on Finance, Borsa Italiana may suspend the intermediary from trading at the request of the provisional administrator.
3. 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 or, only for the MOT market, in the segments until they are again able to settle trades, directly or indirectly.

Article 3.2.2 *(Market insolvencies)*

1. In accordance with Article 72 of the Consolidated Law on Finance and the related implementing provisions, where the intermediary responsible for settlement informs Borsa Italiana of the failure of the approved intermediary on whose behalf it is settling the contracts concluded in the markets to provide the resources needed to settle the contracts within the time limits and in the manner established by the provisions in force, Borsa Italiana shall order the approved intermediary to deposit the means of payment needed to settle the debit balances in cash and financial instruments in special accounts in the name of Borsa Italiana by 12.00 on the next trading day. Borsa Italiana shall temporarily suspend the approved intermediary at the time of the aforementioned notification by the intermediary responsible for settlement.
2. Details of the account referred to in the preceding paragraph shall be notified to the approved intermediary at the same time as the above-mentioned order.
3. Where the approved intermediary fails to provide the resources needed to settle the debit balances within the time limit referred to in paragraph 1, Borsa Italiana shall promptly inform Consob and the intermediary responsible for settlement for them to take the required action.

Article 3.2.3
(Rules of conduct)

1. Approved intermediaries shall observe these Rules and the Instructions and 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.
2. Approved 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) commit acts that may impede market makers, IDEM specialists, specialists in the Star segment, MTA specialists, *Expandi* market specialists, MTAX specialist, specialists in closed-end funds, ETFplus specialists, TAH specialists, TAHX specialist, SEDEX specialists or MOT specialists in fulfilling their commitments;
 - c) carry out sham transactions, whose objective is not to transfer ownership of the financial instruments traded or to modify their exposure to the market;
 - d) carry out, directly or through a nominee, transactions under a prior agreement for the execution and offsetting thereof;
 - e) trade financial instruments that Borsa Italiana has suspended from trading with an order specifying that the suspension is for a fixed period, or have such instruments traded. In such cases Borsa Italiana may authorise the trading of the suspended financial instruments on the basis of the objective criteria established in the Instructions. Authorisation shall be granted for each individual transaction.
3. On the expiration days of derivative contracts, approved intermediaries are required to enter orders in the MTA market or MTAX market for financial instruments underlying derivative contracts relative to the partial or complete closing out of arbitrage transactions, volatility trading or hedging transactions within the time limit established in the Instructions.
4. Approved intermediaries may enter and modify the orders referred to in paragraph 3 beyond the time limit established in the Instructions provided their characteristics with regard to price, quantity and method of execution are such that they do not increase the absolute value of the difference between the theoretical opening price and the last control price of the individual instruments to which they refer.
5. Approved intermediaries shall collect the orders of their customers in time to comply with the time limit referred to in paragraph 3.
6. Approved intermediaries may offer unexercised pre-emptive rights on the Stock Exchange in the MTA market or on the MTAX market only if appointed by the issuing company. Appointees are required to:
 - a) enter sell orders in the manner and within the time limits established in the Instructions;
 - b) carry over any amounts unsold at the end of the stock exchange session to the following session.

Approved intermediaries may not resell in the market the unexercised rights they acquire during the offer period, on pain of annulment of the contracts concluded.

Article 3.2.4

(Interconnection to the markets)

1. The following may be interconnected to the markets:
 - a) customers of intermediaries admitted to trading, exclusively by means of such approved intermediaries;
 - b) organisational units of approved intermediaries other than units assigned to the activities of trading in the markets, settlement and the control thereof.
2. In the case referred to in paragraph 1(a) approved intermediaries shall be exclusively responsible for orders transmitted and for their effects.
3. In the interest of orderly trading, approved intermediaries are required to:
 - a) install and maintain appropriate automatic systems with which to monitor the prices, quantities and frequency of orders entered through interconnections;
 - b) disable, at the request of Borsa Italiana, access by means of the inter-connections referred to in paragraph 1 that have given rise to irregular trading;
 - c) install, on the basis of what Borsa Italiana lays down in the Instructions, systems for identifying orders issued by means of the interconnections referred to in paragraph 1(a);
 - d) have staff satisfying the requirements of Article 3.1.3, paragraph 1(c) assigned to monitor the flow of orders.
4. Borsa Italiana may, in emergencies and in order to protect the integrity of the markets, temporarily restrict the use of program trading.

Article 3.2.5

(Delisting upon request)

Intermediaries admitted to trading on the markets may request to be excluded from trading in the manner specified in the Instructions.

TITLE 3.3

RELATIONSHIP BETWEEN APPROVED INTERMEDIARIES AND BORSA ITALIANA

Article 3.3.1

(General conditions for the supply of services)

1. The relationship between Borsa Italiana and market intermediaries concerning participation in trading on the markets, acting as “service providers” referred to in Article 3.1.4 and notifications referred to in Article 5.3.1 are governed by the general conditions for the supply of services, available on Borsa Italiana’s Internet site.
2. Borsa Italiana shall announce changes to the general conditions for the supply of services by posting the revised text on its Internet site and in the manner specified in the general conditions for the supply of services.
3. Market intermediaries are required to pay fees for the services provided in accordance with the amounts, intervals and time limits established by Borsa Italiana on the basis of transparent and non-discriminatory criteria and indicated in the Price List attached to the general conditions for the supply of services.

TITLE 3.4

SURVEILLANCE AND INTERVENTION

Article 3.4.1

(Verification activity)

1. For the purpose of verifying compliance with these Rules and the accompanying Instructions and, more generally, in order to ensure the performance of its functions of organising and managing the markets, Borsa Italiana may:
 - a) request market intermediaries to provide all the necessary information and documents concerning transactions carried out on the markets;
 - b) convoke the representatives of market intermediaries to clarify specific conduct or situations;
 - c) exclusively for the purpose of verifying compliance with the requirements of Article 3.1.3, paragraph 1, carry out examinations on the premises of market intermediaries.
2. Market intermediaries must guarantee that Borsa Italiana can carry out examinations on the premises of third parties entrusted with the management of technological systems under Article 3.1.3, paragraph 1(d).
3. Where evidence is found of presumed violations of these Rules or the accompanying Instructions, Borsa Italiana, after acquiring appropriate substantiating elements, shall initiate the procedure referred to in Article 3.4.4.
4. In the event of minor infringements of these Rules or the accompanying Instructions, Borsa Italiana may invite the market intermediary to comply adequately with the provisions in question.
5. For transactions involving financial instruments issued by Borsa Italiana, the verification activity referred to in this article shall be carried out by Consob.

Article 3.4.2

(Reports to the supervisory authority)

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 3.4.3

(Measures to protect the market)

1. 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) imposition of limits on operations or interconnections;

- b) exclusively for market makers and IDEM specialists, transfer respectively from the Primary Market Maker subsection to the Market Maker subsection and from the Primary Specialist subsection to the Specialist subsection, and suspension from the register referred to in respectively Article 4.7.10 and Article 4.7.11;
 - c) suspension from trading in one or more markets;
2. 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.
 3. Borsa Italiana may modify or revoke the measures referred to in paragraph 1 at any time.
 4. Borsa Italiana shall promptly inform Consob and the market intermediary concerned of the adoption of measures referred to in paragraphs 1 and 3.
 5. In the event of situations or conduct involving financial instruments issued by Borsa Italiana, the measures referred to in this article shall be adopted by Consob.

Article 3.4.4

(Measures against market intermediaries)

1. Without prejudice to Article 3.4.3, where there is a violation of these Rules or the accompanying Instructions, including the case of market intermediaries hindering the verification activity referred to in Article 3.4.1, Borsa Italiana may apply one or more of the following measures against the market intermediaries in question, taking into account the seriousness of the violation and any other violations committed in the 30 months preceding the violation:
 - a) a written censure. If in the 30 months preceding the violation the market intermediary has committed another violation of the same prescription or prohibition for which Borsa Italiana has already imposed a written censure, the measure referred to in subparagraph b) shall be applied;
 - b) a fine of between 5,000 and 100,000 euros. In deciding on the amount of the fine Borsa Italiana shall take into account the seriousness of the violation;
 - c) exclusively for market makers and IDEM specialists, suspension or exclusion from the register referred to in respectively Article 4.7.10 and Article 4.7.11;
 - d) suspension from trading in one or more markets;
 - e) exclusion from trading in one or more markets.
2. The measures provided for in the preceding paragraph shall be made public pursuant to Article 3.4.7, except in the cases of:
 - a) a written censure;
 - b) a fine of not more than 30,000 euros.
3. The measures provided for in paragraph 1 shall always be made public pursuant to Article 3.4.7 if, in the 30 months preceding the violation in question, the market intermediary has committed other violations of Titles 3.1 and 3.2 of the Rules and the accompanying Instructions or of other provisions of the Rules and the Instructions governing quotation commitments and liquidity support for which Borsa Italiana, or Consob in the case referred

to in paragraph 8, has adopted three non-public measures or the market intermediary has committed another violation of the same prescription or prohibition for which Borsa Italiana, or Consob in the case referred to in paragraph 8, has imposed a measure other than a censure.

4. Where there is a violation of quotation obligations by market makers, IDEM specialists, specialists in the Star segment, Expandi market specialists, TAH specialists, MTA specialists, MTAX specialists, TAHX specialists, MOT specialists, SeDeX specialist, or specialists in closed-end funds or ETFplus specialists, Borsa Italiana may initiate the procedure referred to in Article 3.4.5, taking into account the values of the indicators, where provided for in the Instructions, used to verify compliance with such obligations.
5. Where a measure of suspension or exclusion from trading is adopted, from the time such measure takes effect the market intermediary to which it is applied shall only be permitted, under the surveillance of Borsa Italiana, to close out any positions still open and carry out any related transactions that are necessary to protect customers' interests.
6. The use to which fines are put shall be established on a general basis by Borsa Italiana in an ad hoc measure communicated to Consob and published in a Notice.
7. For transactions involving financial instruments issued by Borsa Italiana, the measures referred to in this article shall be adopted by Consob.

Article 3.4.5

(Procedure for verifying violations)

1. In order to apply the measures referred to in Article 3.4.4, the procedure described in this article shall be initiated within one year of the presumed violation or of the later date on which Borsa Italiana learned of the presumed violation. In the latter case the procedure described in this article may not be initiated after three years have elapsed from the date of the presumed violation.
2. Borsa Italiana shall initiate the procedure by sending the market intermediary concerned a notification:
 - a) containing a description of the alleged violation;
 - b) setting a time limit of not less than 15 days within which a written brief may be submitted and possibly a request for a hearing in which to examine the question jointly.
3. The notification referred to in paragraph 2 may indicate the measure Borsa Italiana intends to apply. In such case, if the time limit referred to in paragraph 2(b) expires without the market intermediary having submitted a written brief or requested a hearing, Borsa Italiana shall apply the measure indicated in the notification.
4. If the market intermediary requests a hearing in which to examine the question jointly or if Borsa Italiana considers such a hearing to be necessary, Borsa Italiana shall establish the date for the hearing and inform the market intermediary accordingly. The market intermediary shall be represented in the meeting either by its legal representative or by a person appointed for the purpose, being allowed to be assisted by a lawyer of its choice. If the market intermediary fails to attend the hearing without due cause, Borsa Italiana shall proceed on the basis of the evidence collected up to that time. At the end of the hearing, at

the request of the interested party, Borsa Italiana may set a new time limit of not less than 10 days for the submission of another written brief.

5. On the basis of the evidence collected as part of the procedure referred to in the preceding paragraphs, Borsa Italiana shall decide within 45 days of the hearing or the subsequent expiry of the time limit for the submission of another written brief as provided for in paragraph 4, or if no such hearing is requested or scheduled by Borsa Italiana, within 45 days of the expiry of the time limit set pursuant to paragraph 2(b).
6. Decisions adopted pursuant to the preceding paragraph shall be promptly notified to the interested party giving the reasons for the decision. If one of the measures referred to in Article 3.4.4 is applied, the costs of the procedure and in particular those in relation to the examination of the written briefs submitted and the hearings requested, determined on a flat-rate basis in accordance with the provisions of Article 3.3.1, paragraph 3, shall be charged to the market intermediary.
7. Borsa Italiana shall promptly inform Consob of the initiation of the procedure referred to in this article and of the related decisions.
8. For transactions involving financial instruments issued by Borsa Italiana, the procedure referred to in this article shall be carried out by Consob.

Article 3.4.6

(Challenging of measures)

Measures referred to in Articles 3.4.3 and 3.4.4 may be challenged within 15 days of the notification referred to in respectively Article 3.4.3, paragraph 4, and Article 3.4.5, paragraph 6 before the Appeals Board established pursuant to Article 7.4.

This provision shall not apply to measures referred to in Article 3.4.3, paragraph 5, or 3.4.4, paragraph 8.

Article 3.4.7

(Disclosure to the public of measures)

1. Applications of the measures referred to in Article 3.4.4 shall be made public in Notices or via the electronic trading support systems after 15 days have elapsed from the notification of the measure to the interested party without the question being referred to the Appeals Board or, where it has been so referred, after 10 days have elapsed from the notification of the Appeals Board's decision to the parties.
2. At the request of the market intermediary, the complete text of the measure shall be made public, possibly together with all the acts of the proceedings, including the decisions of the Appeals Board.

Article 3.4.8

(Suspension of time limits)

The time limits referred to in this Title, except for those provided for in Article 3.4.4, shall be suspended from 1 August to 31 August of each year.

PART 4

ELIGIBLE INSTRUMENTS AND TRADING METHODS

TITLE 4.1

ELECTRONIC SHARE MARKET (MTA)

Article 4.1.1

(Tradable instruments)

1. Trading in the electronic share market (MTA) shall be in any quantity of shares, convertible bonds, pre-emptive rights, warrants and units of closed-end funds.
2. Borsa Italiana may specify a minimum lot for each financial instrument where this is necessary for the market to operate effectively, for investors to have easy access to it and for the execution of orders to be cost efficient.
3. In the cases referred to in paragraph 2, shares, convertible bonds and warrants may also be traded in quantities smaller than the minimum lot subject to the conditions laid down in this Title.
4. Purchase and sale contracts having as their subject financial instruments referred to in paragraphs 1 shall be checked by the service referred to in Article 5.1.1 and settled:
 - a) on the third trading day following their conclusion in the settlement service referred to in Article 69 of the Consolidated Law on Finance where they refer to shares, convertible bonds, warrants or units of closed-end funds;
 - b) on the third trading day following their conclusion in the settlement service referred to in Article 69 of the Consolidated Law on Finance where they refer to pre-emptive rights;
 - c) outside the settlement service referred to in Article 69 of the Consolidated Law on Finance on the trading day following their conclusion where they refer to unexercised pre-emptive rights;
 - d) in the settlement service referred to in Article 69 of the Consolidated Law on Finance, in the manner established on a case-by-case basis by Borsa Italiana and notified to Consob, where they refer to acceptances of a complete-acquisition tender offer for listed financial instruments made by the holder of the absolute majority of such instruments or of an offer made by an issuer for its own financial instruments collected in the market in the manner referred to in Article 4.1.20 provided the offer consideration consists exclusively of cash; if even part of the consideration consists of securities, the acceptances are not transmitted to the settlement service referred to in Article 69 of the Consolidated Law on Finance.
5. Borsa Italiana may specify in the Instructions the rules that shall apply where the sale and purchase contracts referred to in paragraph 4(a) are not settled within the time limit established. The entry into force of such rules shall be subject to Consob granting its explicit consent.

6. Borsa Italiana may specify in the Notice containing the admission to trading decision a different settlement time limit for financial instruments of issuers established under foreign law admitted to trading pursuant to Article 2.1.2, paragraph 7(a), to take account of the characteristics of the reference European regulated market.

Article 4.1.2

(Trading segments)

1. Borsa Italiana shall divide financial instruments other than units of closed-end funds and shares of investment companies traded in the MTA market into homogeneous segments on the basis of their capitalisation or the procedure for admission to trading. Within each segment financial instruments may be divided into homogeneous groups according to trading methods and hours, with account taken of the frequency of trades and their average daily value.
2. In the Notice announcing the start of trading, Borsa Italiana shall identify the trading segment of financial instruments on the basis of the capitalisation limit specified in the Instructions or the procedure for admission to trading.
3. With the periodicity indicated in the Instructions, Borsa Italiana shall check the capitalisation limit for each share and issue a Notice allocating financial instruments among the different segments in accordance with the Instructions and inform the issuers accordingly. Any change in the trading segment of financial instruments issued by Borsa Italiana shall be notified in advance to Consob.
4. Shares that are granted Star status pursuant to Article 2.2.3 shall be traded in the Star segment upon acceptance of the application referred to in Article 2.2.3, paragraph 1.
5. Shares that lose Star status pursuant to Article 2.2.3, paragraph 10, shall be traded in another segment of the Stock Exchange starting from the allocation of financial instruments referred to in paragraph 3. In the cases referred to in Article 2.2.3, paragraph 12, the shares shall be traded in another segment of the Stock Exchange starting from the date specified in the decision. Such shares may not be traded in the Star segment again until one year has passed from their exclusion.
6. Shares for which renouncement of Star status has been requested pursuant to Article 2.5.8 shall be traded in another segment upon acceptance of the application.
7. Shares with restricted voting rights and shares referred to in Articles 2.2.2, paragraph 3, 2A.2.3, paragraph 4, and 2B.2.2, paragraph 3, shall be traded in the segment in which the corresponding ordinary shares are traded.
8. Convertible bonds and warrants shall be traded in the segment in which the underlying ordinary shares are traded.
9. The units of closed-end funds and the shares of Investment Companies shall be traded in the MTF segment. Borsa Italiana in the Instructions may divide the financial instruments traded in this segment into homogeneous groups according to trading methods and hours, with account taken of the type of financial instruments.

Article 4.1.3

(Trading methods and phases)

1. Trading may be carried on using the auction and continuous trading methods.
2. The trading phases shall be the following:
 - a) opening auction, divided in turn into the phases of determining the theoretical opening-auction price (“pre-auction” phase), validating the theoretical opening auction price (“validation” phase) and concluding contracts (“opening” phase);
 - b) continuous trading;
 - c) closing auction, divided in turn into the phases of determining the theoretical closing-auction price (“pre-auction” phase), validating the theoretical closing-auction price (“validation” phase) and concluding contracts (“closing” phase).
3. The trading hours shall be established in the Instructions.

Article 4.1.4

(Orders)

1. Approved intermediaries shall express their willingness to trade through anonymous orders. Orders shall contain at least the information relative to the financial instrument to be traded, the quantity, the type of transaction, the type of account and the price.
2. Approved intermediaries may enter, modify and cancel orders both in the pre-auction phases and in continuous trading.
3. 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.
4. In the cases referred to in Article 4.1.1, paragraphs 2 and 3, orders may be for the minimum lot or multiples thereof or for amounts less than the minimum lot (“odd-lot” orders).
5. In order to ensure the smooth technical functioning and efficient use of the electronic trading support systems, Borsa Italiana may impose 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 issue a Notice establishing such limits and the fees payable by intermediaries where they are exceeded.

Article 4.1.5

(Orders)

1. In the pre-auction phases orders:
 - a) may be entered with a limit price (limit orders) or without one (orders at the auction price);
 - b) may specify the following methods of execution:

- 1) “good till cancelled”: any unfilled quantity remains on the book until the end of the session when it is automatically cancelled;
 - 2) “good till date”: the order remains on the book with the unfilled quantity maintaining the original time priority until the expiry date specified; orders are automatically cancelled:
 - on the occasion of a distribution of dividends, increase in capital, share split or reverse split, merger or demerger;
 - where the price exceeds the percentage limits established by Borsa Italiana;
 - where, as a result of changes in the minimum lot, if specified, or the tick established in the Instructions, orders are no longer compatible with the new price or quantity parameters;
 - 3) “fill and kill”: the order is filled, in whole or in part, up to the quantity available at the auction; any unfilled quantity is automatically cancelled at the end of the auction; phase;
- c) at the auction price are dynamically assigned the price at which they have the best chance of being filled.
2. During continuous trading orders:
- a) may be entered with a limit price (limit orders) or without one (market orders);
 - b) may specify the following methods of execution:
 - 1) “good till cancelled”;
 - 2) “fill and kill”: the order is filled, in whole or in part, at the price indicated or at the best price on the opposite side of the book for market orders; any unfilled quantity is automatically cancelled;
 - 3) “fill minimum quantity”: the order is filled, in whole or in part but at least for the minimum quantity specified, at the price specified or a better price; where the minimum quantity is not available on the book, the order is automatically cancelled;
 - 4) “fill or kill”: the order is either filled for the entire quantity and at the price specified at the moment of entry or, if that is not possible, automatically cancelled;
 - 5) “good till date”;
 - c) market orders may also specify the “fill-in-any-case” method of execution; in such case contracts are concluded automatically at the best prices of the orders of opposite sign, ranked in accordance with the priority criteria referred to in Article 4.1.4, paragraph 3;
 - d) limit orders may also specify the “display-when-price-specified-is reached” method of execution: the order is accepted, but displayed on the book only when the price specified is reached;
 - e) limit orders may be displayed on the book for a quantity less than the full quantity whose value must be between the minimum established by Borsa Italiana in the Instructions and the total value of the order; such orders are automatically cancelled at the beginning of a pre-auction phase, even where this is restarted pursuant to Article 4.9.2, paragraph 2(b).

3. During continuous trading and the closing pre-auction, “good-only-in-closing-auction” orders may be entered with or without a limit price. In the continuous trading phase orders are not displayed on the book: they are kept in the system for inclusion in trading in the pre-auction phase and recorded with the time priority corresponding to the time of entry; at the beginning of the pre-auction phase, they are displayed on the book with a time priority lower than that of orders already on the book and higher than that of orders entered in the pre-auction phase itself. Any unfilled quantity is automatically cancelled at the end of the session
4. Limit orders may not be entered with prices above or below the maximum percentage limits for price variations established by Borsa Italiana in the Instructions.
5. In order to ensure the regularity of trading in a financial instrument, Borsa Italiana may establish on a general basis in the Instructions the maximum quantity of financial instruments or, in the cases referred to in Article 4.1.1, paragraph 2, the maximum number of lots that may be entered “at the opening-auction price” or “at the closing-auction price” and the maximum quantity of financial instruments or, in the cases referred to in Article 4.1.1, paragraph 2, the maximum number of lots that may be entered with the “fill-in-any-case” method of execution.

Article 4.1.6
(Odd-lot orders)

1. Exclusively in the opening pre-auction phase, odd-lot orders :
 - a) may be entered exclusively without a limit price (orders at the opening auction price);
 - b) may specify only the “good-till-date” method of execution referred to in Article 4.1.5, paragraph 1(b) indent 2). In the absence of such specification, orders are automatically assigned the “fill and kill” method of execution referred to in Article 4.1.5, paragraph 1(b) indent 3);
 - c) shall be included in the determination of the theoretical opening auction price in the manner specified in Article 4.1.7.
2. During continuous trading and the closing pre-auction odd-lot orders:
 - a) may be entered in the system and modified and cancelled exclusively by the proposer or Borsa Italiana, but are not displayed on the book and are not included in trading;
 - b) may be entered exclusively without a limit price;
 - c) may specify the “good-till-date” method of execution;
 - d) shall be recorded with the time priority corresponding to the time the order was entered and kept in the system for inclusion in the opening pre-auction phase of the following day. Where the method of execution referred to in subparagraph c) is specified, the orders shall be included in the opening pre-auction phase of the subsequent sessions until the date indicated.

Article 4.1.7

(Determination of the theoretical auction price)

1. In the pre-auction phases, the indicative theoretical auction price shall be computed and updated in real time. It shall be determined as follows:
 - a) the theoretical auction price shall be the price at which the largest quantity of financial instruments can be traded; in the cases referred to in Article 4.1.1, paragraphs 2 and 3, such quantity shall be equal to or a multiple of the minimum lot;
 - b) where the quantity referred to in subparagraph a) can be traded at more than one price, the theoretical auction price shall be equal to the one which produces the smallest quantity that cannot be traded with reference to the buy and sell orders having prices equal to or better than the price in question; in the cases referred to in Article 4.1.1, paragraphs 2 and 3, such quantity shall be equal to or a multiple of the minimum lot;
 - c) where for more than one price the quantity of instruments that cannot be traded referred to in subparagraph b) is also the same, the theoretical auction price shall be equal to the one which is closest to the control price;
 - d) where applying subparagraph c) results in two prices equidistant from the control price, the theoretical auction price shall be equal to the higher of the two.
2. Where only buy and sell orders without a limit price are present, the theoretical auction price shall be equal to the control price.
3. The theoretical auction price cannot be determined:
 - a) where there are no orders on one or either side of the book;
 - b) where there are only limit orders on the book and the best buy price is below the best sell price;
 - c) where, in the cases referred to in Article 4.1.1, paragraphs 2 and 3, the tradable quantity is less than the minimum lot.

Article 4.1.8

(Validation of the theoretical auction price)

1. The pre-auction phase shall end at a time within an interval specified by Borsa Italiana in the Instructions.
2. The validation phase shall begin upon completion of the pre-auction phase. At the end of the validation phase where a theoretical auction price has been determined in accordance with Article 4.1.7, such price shall be considered valid and adopted as the auction price for the conclusion of contracts if it differs from the control price by less than the maximum percentage variation established by Borsa Italiana in the Instructions.
3. Exclusively in the opening-auction phase, where the difference between the theoretical opening-auction price and the control price exceeds the maximum percentage variation referred to in paragraph 2, the pre-auction phase shall be restarted for a period established by Borsa Italiana in the Instructions.

4. In the opening-auction phase, where a theoretical opening-auction price has not been determined, at the end of the validation phase the orders shall be automatically transferred to continuous trading with the time priority of the original order and a price equal to:
 - a) that of the original order for limit orders;
 - b) that of the best limit order on the book at the end of the pre-auction phase for orders at the opening price;
 - c) the control price for orders at the opening price where no limit orders were on the book at the end of the pre-auction phase.
5. In the closing-auction phase, where a theoretical auction price has not been determined, or it has not been validated, “good-till-date” orders shall be automatically transferred to the pre-auction phase of the following session as follows:
 - a) with the price and time priority of the original order for limit orders;
 - b) without a limit price and with the time priority of the original order for orders without a limit price.

Article 4.1.9
(Conclusion of contracts at the auction price)

1. In the auction phases, where the validation conditions referred to in Article 4.1.8, paragraph 2 are fulfilled, contracts shall be concluded at the auction price. Such contracts shall be the result of the automatic matching of buy orders with prices equal to or higher than the auction price with sell orders with prices equal to or lower than such price in accordance with the price and time priorities of the individual orders and until the quantities available are exhausted.
2. In the cases referred to in Article 4.1.1, paragraphs 2 and 3, in the opening-auction phase the automatic matching of orders shall be carried out in a way that ensures that the unfilled quantities of orders are equal to or multiples of the minimum lot. To this end, odd-lot orders for a total quantity that is less than the minimum lot lose their priority with respect to the next order where this is equal to or a multiple of the minimum lot. During the automatic matching of orders, odd-lot orders may give rise to only one additional odd-lot order on each side of the book.
3. At the end of the opening auction or of the auction referred to in Article 4.1.14, paragraph 4, orders which are partly or wholly unfilled shall be automatically transferred to continuous trading as limit orders as follows:
 - a) with the price and time priority of the original order for limit orders;
 - b) with the auction price and the time priority of the original order for orders without a limit price.
4. At the end of the closing auction orders with the specification “good till date” which are partly or wholly unfilled shall be automatically transferred to the opening pre-auction phase of the following session as follows:
 - a) with the price and time priority of the original order for limit orders;
 - b) with the auction price and the time priority of the original order for orders without a limit price.

Article 4.1.10

(Continuous trading)

1. During continuous trading, contracts shall be concluded, up to the quantities available, through the automatic matching of orders of the opposite sign present on the book and ranked according to the criteria referred to in Article 4.1.4, paragraph 3, as follows:
 - a) the entry of a buy limit order shall result in its being matched with one or more sell orders with a price lower than or equal to that of the order entered; conversely, the entry of a sell limit order shall result in its being matched with one or more buy orders with a price higher than or equal to that of the order entered;
 - b) the entry of a buy market order shall result in its being matched with one or more sell orders with a price equal to the best ask price on the book at the moment the market order is entered; conversely, the entry of a sell market order shall result in its being matched with one or more buy orders with a price equal to the best bid price on the book at the moment the market order is entered. Market orders may be entered only where there is at least one limit order of the opposite sign on the book.
2. For each contract concluded via automatic matching in accordance with paragraph 1, the price shall be equal to that of the order having higher time priority.
3. The partial execution of a market order shall give rise to the creation of an order for the unfilled quantity that shall remain on the book with the price of the last contract concluded and the time priority of the original order. 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.
4. In the case of iceberg orders referred to in Article 4.1.5, paragraph 2(e), the execution of the whole quantity displayed shall automatically generate a new order. Such order shall be displayed on the book for the same partial quantity or the residual amount of the order with the price of the original order and the time priority corresponding to the time the new order was generated.
5. Orders that are wholly or partly unfilled at the end of continuous trading shall be automatically transferred to the closing pre-auction phase with the price and time priority in force at the end of continuous trading.
6. Approved intermediaries may execute trades, using a special cross-order function, by matching two orders of opposite sign for the same quantity, provided the execution price is between the best bid price and the best ask price on the book at the time of entry, excluding such prices.

Article 4.1.11

(Reference price)

1. The reference price shall be the closing-auction price.
2. Where it is not possible to determine the closing-auction price pursuant to Article 4.1.7, the reference price shall be the weighted average price of the last ten per cent of the quantity traded, excluding the quantity traded using the cross-order function referred to in Article 4.1.10, paragraph 6.
3. Where no contracts have been concluded during the session, the reference price shall be that of the previous session.

4. Borsa Italiana may establish in the Instructions, with reference to specific trading segments, that the reference price shall be determined in the manner laid down in paragraph 2 even if there exists a closing-auction price.
5. In order to guarantee the regularity of trading and the significance of prices, Borsa Italiana may establish, with reference to a single financial instrument, that the reference price shall be determined in the manner laid down in paragraph 2 even if there exists a closing-auction price, and announce the decision in a Notice.

Article 4.1.12
(Official price - vwap)

The daily official price of each financial instrument shall be the weighted average price of the total quantity of that instrument traded in the market during the session, excluding the quantity traded using the cross-order function referred to in Article 4.1.10, paragraph 6.

Article 4.1.13
(Control price)

The daily control price of each financial instrument shall be:

- a) the reference price in the opening auction;
- b) the opening-auction price during continuous trading; where an opening-auction price is not determined, the control price shall be that referred to in subparagraph a);
- c) the opening-auction price in the closing auction; where an opening-auction price is not determined, the control price shall be that referred to in subparagraph a).

Article 4.1.14
(Temporary suspension of trading in a financial instrument)

1. Where, during the continuous trading of a financial instrument, the price of a contract that is being concluded exceeds one of the price variation limits referred to in Article 4.9.2, the continuous trading of that financial instrument shall be automatically suspended for a period whose duration shall be established in the Instructions.
2. During the temporary suspension of trading referred to in the preceding paragraph, orders may not be entered, modified or deleted.
3. At the end of the temporary suspension, trading shall restart with the continuous trading method unless Borsa Italiana provides otherwise pursuant to Article 4.9.2.
4. Where an auction phase is restarted pursuant to Article 4.9.2, paragraph 2(b), it shall be carried out in the manner laid down for the opening auction in this Title. Where they are provided for, odd-lot orders shall not participate in such an auction phase.

Article 4.1.15

(Recording of contracts)

1. In accordance with the provisions implementing Article 65 of the Consolidated Law on Finance, all the contracts concluded in the electronic share market (MTA) shall be recorded in a special electronic archive with at least the following items: the serial number of the contract, the order-entry time, the time of execution, the financial instrument traded, the quantity and unit price, the identification code and contractual position of the buyers and sellers, and the type of account (own or customer). Insofar as it is compatible the same information concerning orders entered on the book shall be recorded in such archive.
2. The information recorded for each contract concluded in the market shall be automatically transmitted to the checking service referred to in Article 5.1.1.

Article 4.1.16

(Specialists in the Star segment)

1. Trading in the Star segment shall be carried on with the intervention of specialists charged with supporting the liquidity of the instruments listed.
2. For the shares whose liquidity they undertake to support, specialists are required to deal for own account and to display continuous bids and offers with a percentage spread that does not exceed the limit established by Borsa Italiana in the Instructions for a daily quantity specified on a general basis in the Instructions on the basis of objective criteria. Borsa Italiana shall also lay down in the Instructions the methods and times for entering such bids and offers.
3. Specialists are also required to fulfil the obligations referred to in paragraph 2. Borsa Italiana shall establish in the Instructions the circumstances in which specialists may be temporarily relieved from their obligations.

Article 4.1.17

(Specialists in units of closed-end funds)

1. Trading in units of closed-end funds shall be carried on with the intervention of intermediaries referred to in Article 2.3.17 (“specialists in units/shares of CIUs).
2. Specialists must undertake, for each of the financial instruments for which they intend to intervene, to display continuous bids and offers with a percentage spread that does not exceed the limit established by Borsa Italiana in the Notice announcing the start of trading. Borsa Italiana shall also lay down in the same Notice the obligatory daily quantity. In the Instructions Borsa Italiana shall establish the methods and times for entering such bids and offers and, with reference to closed-end funds, the daily quantity. In the Instructions Borsa Italiana shall establish the methods for determining the above-mentioned values and the circumstances in which specialists are to be temporarily relieved from their obligations.
3. In the event of particular market conditions involving individual financial instruments, Borsa Italiana may issue a Notice modifying the undertakings of specialists or relieving them from their obligations, simultaneously informing Consob of the decision.

Article 4.1.18

(MTA specialists)

1. Trading in shares belonging to the segments identified by Borsa Italiana in the Instructions may be carried on with the intervention of MTA specialists appointed by the issuer to support the liquidity of the equity instruments listed. Trading of shares of issuers established under foreign law admitted pursuant to Article 2.1.2, paragraph 7(a) and traded in a specific segment may be carried on with the intervention of specialists even without their being appointed by the issuer.
2. Market intermediaries admitted to MTA shall be eligible to engage in the activity of liquidity providing unless they belong to the group to which the issuer belongs or which is headed by the issuer.
3. For the shares whose liquidity they undertake to support, MTA specialists are required to deal for own account and to display continuous bids and offers with a percentage spread that does not exceed the limit established by Borsa Italiana in the Instructions for a daily quantity specified on a general basis in the Instructions on the basis of objective criteria. Borsa Italiana shall also lay down in the Instructions the methods and times for entering such bids and offers.
4. Borsa Italiana shall establish in the Instructions the circumstances in which specialists may be temporarily relieved from their obligations.
5. Borsa Italiana shall indicate on a general basis in the Instructions the cases in which the activity referred to in paragraph 1 is not permitted.
6. Before the start of the activity referred to in paragraph 1, Borsa Italiana shall issue a Notice announcing the name of the MTA specialist.
7. MTA specialists shall inform Borsa Italiana, within the time limits and in the manner specified in the Instructions, of the termination of the appointment referred to in paragraph 1.

Article 4.1.19

(Method of trading unexercised rights)

1. Unexercised rights shall be offered using the opening-auction method referred to in Article 4.1.3, paragraph 2(a). The duration of the opening auction for the offer of unexercised rights must be at least equal to that for the financial instrument deriving from the conversion.
2. In order to ensure the regularity of trading, Borsa Italiana may restrict or forbid the entry of market orders. Such curbs on trading shall be notified to the market by the end of the previous trading day.

Article 4.1.20

(Method of collecting acceptances of tender offers)

1. Acceptances of complete-acquisition tender offers for listed financial instruments made by the person who holds the absolute majority of such instruments and of tender offers made by the issuer for its own financial instruments referred to in Article 40.7, of Consob Regulation 11971/1999 may be collected using the electronic trading support systems.

2. The collection of acceptances referred to in the preceding paragraph shall be at the price established by the offeror and entered on a special book. Acceptances shall be entered on the book as orders without a limit price and with the “good till date” method of execution specified; they may be cancelled by Borsa Italiana upon receipt of a reasoned request from approved intermediaries.

TITLE 4.2

ELECTRONIC SECURITISED DERIVATIVES MARKET (SEDEX)

Article 4.2.1

(Tradable instruments)

1. Trading in the electronic securitised derivatives market (SEDEX) shall be in minimum lots or multiples thereof of covered warrants and certificates. Borsa Italiana shall establish the minimum lots tradable, reconciling the need for the market to operate effectively, for investors to have easy access to it and for the execution of orders to be cost efficient.
2. Purchase and sale contracts having as their subject financial instruments referred to in paragraph 1 shall be checked by the service referred to in Article 5.1.1 if they are settled via the settlement system referred to in Article 69 of the Consolidated Law on Finance or via other systems specified in the Instructions. The latter must be subject to supervision in their home country equivalent to that applicable to the systems referred to in Article 69 of the Consolidated Law on Finance. Borsa Italiana shall specify in the Notice establishing the date of the start of trading for each financial instrument the settlement system that will be used in the event that the financial instrument is settled via a settlement system other than that referred to in Article 69 of the Consolidated Law on Finance.
3. Purchase and sale contracts having as their subject financial instruments referred to in paragraph 1 shall be settled on the third trading day following their conclusion.
4. Borsa Italiana may specify in the Instructions the rules that shall apply where the sale and purchase contracts are not settled within the time limit established in paragraph 3. The entry into force of such rules shall be subject to Consob granting its explicit consent.

Article 4.2.2

(Trading methods and phases)

1. Trading may be carried on using the auction and continuous trading methods.
2. The trading phases shall be the following:
 - a) opening auction, divided in turn into the phases of determining the theoretical opening-auction price (“pre-auction” phase), validating the theoretical opening-auction price (“validation” phase) and concluding contracts (“opening” phase);
 - b) continuous trading.
 - c) closing auction, divided in turn into the phases of determining the theoretical closing-auction price (“pre-auction” phase), validating the theoretical closing-auction price (“validation” phase) and concluding contracts (“closing” phase).
3. Borsa Italiana shall establish homogeneous market segments in terms of trading methods and hours and shall establish in the Instructions specific trading methods and hours for each market segment. Financial instruments may be traded using the auction and continuous trading methods or just the continuous trading.

Article 4.2.3
(Orders)

1. Approved intermediaries shall express their willingness to trade through orders. Orders shall contain at least the information relative to the financial instrument to be traded, the quantity, the type of transaction, the type of account and the price conditions.
2. Approved intermediaries may enter, modify and cancel orders both in the pre-auction phases and in continuous trading.
3. 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.
4. In the pre-auction phases orders:
 - a) may be entered with a limit price (limit orders) or without one (orders at the auction price);
 - b) may specify the following methods of execution:
 - 1) “good till cancelled”: any unfilled quantity remains on the book until the end of the session when it is automatically cancelled;
 - 2) “good till date”: the order remains on the book with the unfilled quantity maintaining the original time priority until the expiry date specified; orders are automatically cancelled:
 - where the price exceeds the percentage limits established by Borsa Italiana;
 - where, as a result of changes in the minimum lot or the tick established in the Instructions, orders are no longer compatible with the new price or quantity parameters;
 - 3) fill and kill”: the order is filled, in whole or in part, up to the quantity available in the auction; any unfilled quantity is automatically cancelled at the end of the auction phase;“
 - c) at the auction price are dynamically assigned the price at which they have the best chance of being filled.
5. During continuous trading orders:
 - a) may be entered with a limit price (limit orders) or without one (market orders);
 - b) may specify the following methods of execution:
 - 1) “good till cancelled”;
 - 2) “fill and kill”: the order is filled, in whole or in part, at the price indicated or at the best price on the opposite side of the book for market orders; any unfilled quantity is automatically cancelled;
 - 3) “fill minimum quantity”: the order is filled, in whole or in part but at least for the minimum quantity specified, at the price specified or a better price; where the minimum quantity is not available on the book, the order is automatically cancelled;

- 4) “fill or kill”: the order is either filled for the entire quantity and at the price specified at the moment of entry or, if that is not possible, automatically cancelled;
 - 5) “good till date”;
 - c) market orders may also specify the “fill-in-any-case” method of execution; in such case contracts are concluded automatically at the best prices of the orders of opposite sign, ranked in accordance with the priority criteria referred to in Article 4.2.3, paragraph 3;
 - d) limit orders may also specify the “display-when-price-specified-is reached” method of execution: the order is accepted, but displayed on the book only when the price specified is reached;
 - e) limit orders may be displayed on the book for a quantity less than the full quantity whose value must be between the minimum established by Borsa Italiana in the Instructions and the total value of the order; such orders are automatically cancelled at the beginning of a pre-auction phase, even where this is restarted pursuant to Article 4.9.2, paragraph 2(b).
6. During continuous trading and the closing pre-auction, “good-only-in-closing-auction” orders may be entered with or without a limit price. In the continuous trading phase orders are not displayed on the book: they are kept in the system for inclusion in trading in the pre-auction phase and recorded with the time priority corresponding to the time of entry; at the beginning of the pre-auction phase, they are displayed on the book with a time priority lower than that of orders already on the book and higher than that of orders entered in the pre-auction phase itself. Any unfilled quantity is automatically cancelled at the end of the session.
 7. In the opening pre-auction, continuous trading and closing pre-auction phases specialists shall enter bids and offers in accordance with the obligations referred to in Article 2.2.22 exclusively by means of the double quotation function.
 8. Limit orders may not be entered with prices above or below the maximum percentage limits for price variations established by Borsa Italiana in the Instructions.
 9. In order to ensure the regularity of trading in a financial instrument, Borsa Italiana may establish on a general basis in the Instructions the maximum number of lots that may be entered “at the opening auction price” or “at the closing-auction price” and the maximum number of lots that may be entered with the “fill-in-any-case” method of execution.
 10. In order to ensure the smooth technical functioning and efficient use of the electronic trading support systems, Borsa Italiana may impose, *inter alia* for issuers of covered warrants and certificates or the persons engaged thereby, 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 issue a Notice establishing such limits and the fees payable by intermediaries where they are exceeded.

Article 4.2.4

(Determination of the theoretical auction price)

1. In the pre-auction phases, the indicative theoretical auction price shall be computed and updated in real time. It shall be determined as follows:

- a) the theoretical auction price shall be the price at which the largest quantity of financial instruments can be traded;
 - b) where the quantity referred to in subparagraph a) can be traded at more than one price, the theoretical auction price shall be equal to the one which produces the smallest quantity that cannot be traded with reference to the buy and sell orders having prices equal to or better than the price in question;
 - c) where for more than one price the quantity of instruments that cannot be traded referred to in subparagraph b) is also the same, the theoretical auction price shall be equal to the one which is closest to the control price;
 - d) where applying subparagraph c) results in two prices equidistant from the control price, the theoretical auction price shall be equal to the higher of the two.
2. Where only buy and sell orders without a limit price are present, the theoretical auction price shall be the control price.
 3. The theoretical auction price cannot be determined:
 - a) where there are no orders on one or either side of the book;
 - b) where there are only limit orders on the book and the best buy price is below the best sell price.

Article 4.2.5

(Validation of the theoretical auction price)

1. The pre-auction phase shall end at a time within an interval specified by Borsa Italiana in the Instructions.
2. The validation phase shall begin upon completion of the pre-auction phase. At the end of the validation phase where a theoretical auction price has been determined in accordance with Article 4.2.4, such price shall be considered valid and adopted as the auction price for the conclusion of contracts if it differs from the control price by less than the maximum percentage variation established by Borsa Italiana in the Instructions.
3. Exclusively in the opening-auction phase, where the difference between the theoretical opening-auction price and the control price exceeds the maximum percentage variation referred to in paragraph 1, the pre-auction phase shall be restarted for a period established by Borsa Italiana in the Instructions.
4. In the opening-auction phase, where a theoretical auction price has not been determined, at the end of the validation phase orders shall be automatically transferred to continuous trading with the time priority of the original order and a price equal to:
 - a) that of the original order for limit orders;
 - b) that of the best limit order on the book at the end of the pre-auction phase for orders at the opening price;
 - c) the control price for orders at the opening price where no limit orders were on the book at the end of the pre-auction phase.
5. In the closing-auction phase, where a theoretical auction price has not been determined, or it has not been validated, “good-till-date” orders shall be automatically transferred to the pre-auction phase of the following session as follows:

- a) with the price and time priority of the original order for limit orders;
- b) without a limit price and with the time priority of the original order for orders without a limit price.

Article 4.2.6

(Conclusion of contracts at the auction price)

1. In the auction phases, where the conditions referred to in Article 4.2.5, paragraph 2 are fulfilled, contracts shall be concluded at the auction price. Such contracts shall be the result of the automatic matching of buy orders with prices equal to or higher than the auction price with sell orders with prices equal to or lower than such price in accordance with the price and time priorities of the individual orders and until the quantities available are exhausted.
2. At the end of the opening auction, orders which are partly or wholly unfilled shall be automatically transferred to continuous trading as limit orders as follows:
 - a) with the price and time priority of the original order for limit orders;
 - b) with the auction price and the time priority of the original order for orders without a limit price.
3. At the end of the closing auction orders with the specification “good till date” which are partly or wholly unfilled shall be automatically transferred to the opening pre-auction phase of the following session as follows:
 - a) with the price and time priority of the original order for limit orders;
 - b) with the auction price and the time priority of the original order for orders without a limit price.

Article 4.2.7

(Continuous trading)

1. During continuous trading, contracts shall be concluded, up to the quantities available, through the automatic matching of orders of the opposite sign present on the book and ranked according to the criteria referred to in Article 4.2.3, paragraph 3, as follows:
 - a) the entry of a buy limit order shall result in its being matched with one or more sell orders with a price lower than or equal to that of the order entered; conversely, the entry of a sell limit order shall result in its being matched with one or more buy orders with a price higher than or equal to that of the order entered;
 - b) the entry of a buy market order shall result in its being matched with one or more sell orders with a price equal to the best ask price on the book at the moment the market order is entered; conversely, the entry of a sell market order shall result in its being matched with one or more buy orders with a price equal to the best bid price on the book at the moment the market order is entered. Market orders may be entered only where there is at least one limit order of the opposite sign on the book.
2. For each contract concluded via automatic matching in accordance with paragraph 1, the price shall be equal to that of the order having higher time priority.
3. The partial execution of a market order shall give rise to the creation of an order for the unfilled quantity that shall remain on the book with the price of the last contract concluded

and the time priority of the original order. 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.

4. In the case of iceberg orders referred to in Article 4.2.3, paragraph 5(e), the execution of the whole quantity displayed shall automatically generate a new order. Such order shall be displayed on the book for the same partial quantity or the residual amount of the order with the price of the original order and the time priority corresponding to the time the new order was generated.
5. Orders that are wholly or partly unfilled at the end of continuous trading shall be automatically transferred to the closing pre-auction phase with the price and time priority in force at the end of continuous trading.
6. Approved intermediaries may execute trades, using a special cross-order function, by matching two orders of opposite sign for the same quantity, provided the execution price is between the best bid price and the best ask price on the book at the time of entry, excluding such prices.

Article 4.2.8
(Reference price)

1. The reference price shall be the closing-auction price.
2. Where it is not possible to determine the closing-auction price pursuant to Article 4.2.4, the reference price shall be the weighted average price of the last ten per cent of the quantity traded, excluding the quantity traded using the cross-order function referred to in Article 4.2.7, paragraph 6.
3. Where no contracts have been concluded during the session, the reference price shall be determined by Borsa Italiana on the basis of a significant number of best bids and offers on the book during the session, giving greater weight to the most recent.

Article 4.2.9
(Official price)

The daily official price of each financial instrument shall be the weighted average price of the last ten per cent of the quantity of that instrument traded in the market, excluding the quantity traded using the cross-order function referred to in Article 4.2.7, paragraph 6.

Article 4.2.10
(Control price)

1. The daily control price of each financial instrument shall be:
 - a) the reference price in the opening auction;
 - b) the opening-auction price during continuous trading; where an opening-auction price is not determined, the control price shall be that referred to in subparagraph a);
 - c) the opening-auction price in the closing auction; where an opening-auction price is not determined, the control price shall be that referred to in subparagraph a).

except in the case referred to in paragraph 2.

2. In the event of a prolonged lack of trading in a financial instrument, Borsa Italiana may determine the control price as a value estimated on the basis of the market prices of such instrument with the periodicity and using the methods established in the Instructions.

Article 4.2.11

(Temporary suspension of trading in a financial instrument)

1. Where, during the continuous trading of a financial instrument, the price of a contract that is being concluded exceeds one of the price variation limits referred to in Article 4.9.2, the continuous trading of that financial instrument shall be automatically suspended for a period whose duration shall be established in the Instructions.
2. During the temporary suspension of trading referred to in the preceding paragraph, orders may not be entered, modified or deleted.
3. At the end of the temporary suspension, trading shall restart with the continuous trading method unless Borsa Italiana provides otherwise pursuant to Article 4.9.2.

Article 4.2.12

(Recording of contracts)

1. In accordance with the provisions implementing Article 65 of the Consolidated Law on Finance, all the contracts concluded in the SEDEX market shall be recorded in a special electronic archive with at least the following items: the serial number of the contract, the order-entry time, the time of execution, the financial instrument traded, the quantity and unit price, the identification code and contractual position of the buyers and sellers, and the type of account (own or customer). Insofar as it is compatible the same information concerning orders entered on the book shall be recorded in such archive.
2. The information recorded for each contract concluded in the market shall be automatically transmitted to the checking service referred to in Article 5.1.1.

TITLE 4.3

AFTER-HOURS MARKET (TAH) AND AFTER-HOURS MTAX MARKET (TAHX)

Article 4.3.1

(Tradable instruments on the TAH market)

1. Trading in the TAH market shall be in shares listed on the Stock Exchange that satisfy the liquidity requirements established in the Instructions. The Instructions shall also specify the shares that may be traded in the After-Hours Market at the request of an intermediary that undertakes to support their liquidity.
2. Trading in the TAH market may also be in covered warrants and certificates that meet the requirements laid down in the Instructions provided the issuer undertakes to fulfil the quotation commitments referred to in Title 2.2, Chapter 7, Article 2.2.22.
3. The minimum lots shall be the same as those established for the MTA market, if specified. The minimum lots for covered warrants and certificates shall be those established in the SEDEX market.
4. Borsa Italiana shall draw up the list of financial instruments traded in the TAH market at the time of the ordinary revision of the S&P/MIB index. Borsa Italiana may exclude covered warrants, certificates and shares whose liquidity is lower than that established pursuant to paragraph 1 where the undertakings of respectively the issuer and the specialist are not fulfilled.
5. Purchase and sale contracts having as their subject financial instruments referred to in paragraphs 1 and 2 shall be checked by the service referred to in Article 5.1.1 and settled on the third trading day following their conclusion.
6. Borsa Italiana may specify in the Instructions the rules that shall apply where the sale and purchase contracts are not settled within the time limit established in paragraph 5. The entry into force of such rules shall be subject to Consob granting its explicit consent.

Article 4.3.2

(Tradable instruments in the TAHX market)

1. Trading in the TAHX market shall be in shares listed on the MTAX market that satisfy the liquidity requirements established in the Instructions. The Instructions shall also specify the shares that may be traded in the TAHX at the request of an intermediary that undertakes to support their liquidity.
2. The minimum lots shall be the same as those established for the MTAX market, if specified.
3. Borsa Italiana shall draw up the list of financial instruments traded in the TAHX market at the time of the ordinary revision of the S&P/MIB index. Borsa Italiana may exclude shares whose liquidity is lower than that established pursuant to paragraph 1 where the undertakings of the intermediary that undertakes to support their liquidity are not fulfilled.

4. Purchase and sale contracts having as their subject shares referred to in paragraph 1 shall be checked by the service referred to in Article 5.1.1 and settled on the third trading day following their conclusion.
5. Borsa Italiana may specify in the Instructions the rules that shall apply where the sale and purchase contracts are not settled within the time limit established in paragraph 4. The entry into force of such rules shall be subject to Consob granting its explicit consent.

Article 4.3.3
(Trading methods)

1. Trading may be carried on using the continuous trading method.
2. Borsa Italiana may establish homogeneous market segments in terms of trading methods and hours.
3. Borsa Italiana shall establish in the Instructions specific trading methods and hours for each market segment referred to in paragraph 2.

Article 4.3.4
(Orders)

1. Approved intermediaries shall express their willingness to trade through anonymous orders. Orders shall contain at least the information relative to the financial instrument to be traded, the quantity, the type of transaction, the type of account and the price.
2. Approved intermediaries may enter, modify and cancel orders in continuous trading.
3. 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.
4. Where a minimum lot is specified, orders may be for minimum lots or multiples thereof.
5. In order to ensure the smooth technical functioning and efficient use of the electronic trading support systems, Borsa Italiana may impose 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 issue a Notice establishing such limits and the fees payable by intermediaries where they are exceeded.

Article 4.3.5
(Continuous trading)

1. During continuous trading:
 - a) orders may be entered with a limit price (limit orders) or without one (market orders) and with “good till cancelled” method of execution;
 - b) the following methods of execution may also be specified:

- 1) “fill and kill”: the order is filled, in whole or in part, at the price indicated or at the best price on the opposite side of the book for market orders; any unfilled quantity is automatically cancelled;
 - 2) “fill minimum quantity”: the order is filled, in whole or in part but at least for the minimum quantity specified, at the price specified or a better price; where the minimum quantity is not available on the book, the order is automatically cancelled;
 - 3) “fill or kill”: the order is either filled for the entire quantity and at the price conditions specified at the moment of entry or, if that is not possible, automatically cancelled;
 - c) market orders may also specify the “fill-in-any-case” method of execution; in such case contracts are concluded automatically at the best prices of the orders of opposite sign, ranked in accordance with the priority criteria referred to in Article 4.3.4, paragraph 3;
 - d) limit orders may be displayed on the book for a quantity less than the full quantity whose value must be between the minimum established by Borsa Italiana in the Instructions and the total value of the order.
2. Limit orders may not be entered with prices above or below the maximum percentage limits for price variations established by Borsa Italiana in the Instructions.
 3. During continuous trading, contracts shall be concluded, up to the quantities available, through the automatic matching of orders of the opposite sign on the book, ranked according to the criteria referred to in Article 4.3.4, paragraph 3, as follows:
 - a) the entry of a buy limit order shall lead to its being matched with one or more sell orders with a price lower than or equal to that of the order entered; conversely, the entry of a sell limit order shall lead to its being matched with one or more buy orders with a price higher than or equal to that of the order entered;
 - b) the entry of a buy market order shall lead to its being matched with one or more sell orders having a price equal to the best ask price on the book at the time it is entered; conversely, the entry of a sell market order shall lead to its being matched with one or more buy orders having a price equal to the best bid price on the book at the time it is entered. Market orders may be entered only where there is at least one limit order of the opposite sign on the book.
 4. The price of each contract concluded via automatic matching in accordance with paragraph 3 shall be equal to that of the order having higher time priority.
 5. The partial execution of a market order shall give rise to the creation of an order for the unfilled quantity that shall remain on the book with the price of the last contract concluded and the time priority of the original order. 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. In the case of iceberg orders referred to in paragraph 1(d), the execution of the whole quantity displayed shall automatically generate a new order. Such order shall be displayed on the book for the same partial quantity or the residual amount of the order with the price

of the original order and the time priority corresponding to the time the new order is generated.

7. Approved intermediaries may execute trades, using a special cross-order function, by matching two orders of opposite sign for the same quantity, provided the execution price is between the best bid price and the best ask price on the book at the time of entry, excluding such prices.
8. Orders that are unfilled at the close of trading shall be automatically cancelled.

Article 4.3.6
(Average price)

The daily average price of each financial instrument shall be the weighted average price of the total quantity of that instrument traded in the TAH market or TAHX market, excluding the quantity traded using the cross-order function referred to in Article 4.3.5, paragraph 7.

Article 4.3.7
(Temporary suspension of trading in a financial instrument)

1. Where, during the continuous trading of a financial instrument, the price of a contract that is being concluded exceeds one of the price variation limits referred to in Article 4.9.2, the continuous trading of that financial instrument shall be automatically suspended for a period whose duration shall be established in the Instructions.
2. During the temporary suspension of trading referred to in the preceding paragraph, orders may not be entered, modified or deleted.
3. At the end of the temporary suspension, trading shall restart with the continuous trading method unless Borsa Italiana provides otherwise pursuant to Article 4.9.2.

Article 4.3.8
(Recording of contracts)

1. In accordance with the provisions implementing Article 65 of the Consolidated Law on Finance, all the contracts concluded in the TAH market or in the TAHX market shall be recorded in a special electronic archive with at least the following items: the serial number of the contract, the order-entry time, the time of execution, the financial instrument traded, the quantity and unit price, the identification code and contractual position of the buyers and sellers, and the type of account (own or customer). Insofar as it is compatible the same information concerning orders entered on the book shall be recorded in such archive.
2. The information recorded for each contract concluded in the market shall be automatically transmitted to the checking service referred to in Article 5.1.1.

Article 4.3.9

(After-hours specialists TAH and After-hours specialist TAHX)

1. For each of the shares for which they have applied, the intermediaries referred to in Articles 4.3.1 and 4.3.2 shall undertake to deal for own account and to display continuous bids and offers, with a percentage spread that does not exceed the limit established by Borsa Italiana in the Instructions, for a daily quantity fixed on a general basis in the Instructions according to objective criteria. Borsa Italiana shall also lay down in the Instructions the methods and times for entering such bids and offers.
2. Borsa Italiana shall also establish in the Instructions the circumstances in which specialists may be temporarily relieved from their obligations.

Article 4.3.10

(Transitional provisions concerning the TAHX market)

1. With the entry into force of this Title, shares issued by companies belonging to the blue-chip segment of the MTAX market, that are not included in the S&P/MIB and MIB 30 indices, or to the Star segment of the MTAX market shall continue to be traded in the TAHX market, unless the specialist requests otherwise to Borsa Italiana and informs the issuer accordingly.

TITLE 4.4

ELECTRONIC BOND MARKET (MOT)

Article 4.4.1

(Tradable instruments)

1. Trading in the electronic bond market (MOT) shall be in minimum lots or multiples thereof of bonds other than convertible bonds, government securities, Eurobonds, foreign bonds, asset-backed securities (ABS) and other debt securities. Borsa Italiana shall establish the minimum lots tradable, reconciling the need for the market to operate effectively, for investors to have easy access to it and for the execution of orders to be cost efficient.
2. Purchase and sale contracts having as their subject the financial instruments referred to in paragraph 1 shall be checked by the service referred to in Article 5.1.1 and settled via the settlement system referred to in Article 69 of the Consolidated Law on Finance or via other foreign settlement systems. The latter must be subject in their home country to supervision equivalent to that to which systems referred to in Article 69 of the Consolidated Law on Finance are subject. In the case of securities that are not fungible, contracts shall be settled exclusively via the gross settlement system:

Purchase and sale contracts shall be settled:

- a) on the third trading day following their conclusion where they refer to bonds and government securities other than Italian Treasury bills;
- b) on the second trading day following their conclusion where they refer to Italian Treasury bills;
- c) on the third trading day following their conclusion where they refer to Eurobonds, bonds of foreign issuers or ABSs.

The settlement time limits shall be determined according to the calendar defined by Borsa Italiana where the settlement system referred to in Article 69 of the Consolidated Law on Finance is used, and according to the "TARGET" calendar otherwise. Borsa Italiana shall specify in the Notice establishing the date of the start of trading for each financial instrument the settlement system that will be used.

3. Borsa Italiana may specify in the Instructions the rules that shall apply where the sale and purchase contracts are not settled within the time limit established in paragraph 2. The entry into force of such rules shall be subject to Consob granting its explicit consent.
4. Borsa Italiana may specify in the Notice containing the admission decision a different settlement time limit for financial instruments admitted to trading pursuant to Article 2.1.2, paragraph 7(a), to take account of the characteristics of the reference European regulated market.

Article 4.4.2
(Trading methods)

1. Trading may be carried on using the auction and/or continuous trading methods.
2. The trading phases shall be the following:
 - a) opening auction, divided in turn into the phases of determining the theoretical opening-auction price (“pre-auction” phase), validating the theoretical opening auction price (“validation” phase) and concluding contracts (“opening” phase);
 - b) continuous trading;
 - c) closing auction, divided in turn into the phases of determining the theoretical closing-auction price (“pre-auction” phase), validating the theoretical closing-auction price (“validation” phase) and concluding contracts (“closing” phase).
3. Borsa Italiana shall establish homogeneous segments or classes in terms of settlement system, trading methods and hours.
4. Borsa Italiana shall divide financial instruments among the segments or classes referred to in the preceding paragraph on the basis of objective criteria, *inter alia* with reference to the following indicators measured in a specified period: central securities depository of the financial instruments, type, face value outstanding, liquidity and rating, if any. The objective criteria and the measurement period referred to in this paragraph shall be specified in the Instructions.
5. With the frequency established in the Instructions, Borsa Italiana shall verify the criteria referred to in paragraph 3 and divide financial instruments by segment or class in order to ensure orderly trading.
6. Borsa Italiana shall establish in the Instructions the trading methods and hours for each of the segments and classes referred to in paragraph 3.

Article 4.4.3
(Orders)

1. Market intermediaries shall express their willingness to trade through anonymous orders. Orders shall contain at least the information relative to the financial instrument to be traded, the quantity, the type of transaction, the type of account and the price.
2. Market intermediaries may enter, modify and cancel orders both in the pre-auction phases and in continuous trading.
3. The orders for each instrument shall be automatically ranked on the book by price — in order of decreasing price if to buy and increasing price if to sell — and, where the price is the same, by entry time. Modified orders shall lose their time priority if the modification implies an increase in the quantity or a change in the price.
4. In the pre-auction phases orders:
 - a) may be entered with a limit price (limit orders) or without one (orders at the auction price);
 - b) may specify the following methods of execution:

- 1) “good till cancelled”: any unfilled quantity remains on the book until the end of the session when it is automatically cancelled;
 - 2) “good till date”: the order remains on the book with the unfilled quantity maintaining the original time priority until the expiry date specified; orders are automatically cancelled:
 - on the occasion of a coupon detachment for securities quoted cum coupon;
 - where the price exceeds the percentage limits established by Borsa Italiana;
 - where, as a result of changes in the minimum lot or the tick established in the Instructions, orders are no longer compatible with the new quantity or price parameters;
 - 3) “fill and kill”: the order is filled, in whole or in part, up to the quantity available at the auction; any unfilled quantity is automatically cancelled at the end of the auction phase;
 - c) if entered at the auction price, are dynamically assigned the price at which they have the best chance of being filled.
5. During continuous trading orders:
- a) may be entered with a limit price (limit orders) or without one (market orders);
 - b) may specify the following methods of execution:
 - 1) “good till cancelled”;
 - 2) “fill and kill”: the order is filled, in whole or in part, up to the quantity available, at the price indicated or at the best price on the opposite side of the book for market orders; any unfilled quantity is automatically cancelled;
 - 3) “fill minimum quantity”: the order is filled, in whole or in part, but at least for the minimum quantity specified, at the price specified or a better price; where the minimum quantity is not available on the book, the order is automatically cancelled;
 - 4) “fill or kill”: the order is either filled for the entire quantity and at the price specified at the moment of entry or, if that is not possible, automatically cancelled;
 - 5) “good till date”;
 - c) if entered as market orders, market intermediaries may also specify the “fill-in-any-case” method of execution; in such case contracts are concluded automatically at the best prices of the orders of opposite sign, ranked in accordance with the priority criteria referred to in Article 4.4.3, paragraph 3;
 - d) if entered as limit orders, market intermediaries may display a partial quantity on the book whose value must be between the minimum established by Borsa Italiana in the Instructions and the total value of the order; such orders are automatically cancelled at the beginning of a pre-auction phase, even where this is restarted pursuant to Article 4.9.2, paragraph 2(b).
6. During continuous trading and the closing pre-auction, “good-only-in-closing-auction” orders may be entered with or without a limit price. In the continuous trading phase the orders are not displayed on the book: they are kept in the system for inclusion in trading in the pre-auction phase and recorded with the time priority corresponding to the time of entry; at the beginning of the pre-auction phase, they are displayed on the book with a time priority lower than that of orders already on the book and higher than that of orders entered in the pre-auction phase itself. Any unfilled quantity is automatically cancelled at the end of the session.

7. Limit orders may not be entered with prices above or below the maximum percentage limits for price variations established by Borsa Italiana in the Instructions.
8. In order to ensure the regularity of trading in a financial instrument, Borsa Italiana may establish on a general basis in the Instructions the maximum number of lots that may be entered “at the opening-auction price” or “at the closing-auction price” and the maximum number of lots that may be entered with the “fill-in-any-case” method of execution.
9. In order to ensure the smooth technical functioning and efficient use of the electronic trading support systems, Borsa Italiana may impose 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 issue a Notice establishing such limits and the fees payable by intermediaries where they are exceeded.
10. Until the date indicated in a Notice, and for the segments indicated therein, orders shall be shown on the book with an indication of the counterparties submitting them.

Article 4.4.4

(Determination of the theoretical auction price)

1. In the pre-auction phases, the indicative theoretical auction price shall be computed and updated in real time. It shall be determined as follows:
 - a) the theoretical auction price shall be the price at which the largest quantity of financial instruments can be traded;
 - b) where the quantity referred to in subparagraph a) can be traded at more than one price, the theoretical auction price shall be equal to the one which produces the smallest quantity that cannot be traded with reference to the buy and sell orders having prices equal to or better than the price in question;
 - c) where for more than one price the quantity of instruments that cannot be traded referred to in subparagraph b) is also the same, the theoretical auction price shall be equal to the one which is closest to the control price;
 - d) where applying subparagraph c) results in two prices equidistant from the control price, the theoretical auction price shall be equal to the higher of the two.
2. Where only buy and sell orders without a limit price are present, the theoretical auction price shall be equal to the control price.
3. The theoretical auction price cannot be determined:
 - a) where there are no orders on one or either side of the book;
 - b) where there are only limit orders on the book and the best buy price is below the best sell price.

Article 4.4.5

(Validation of the theoretical auction price)

1. The pre-auction phase shall end at a time within an interval specified by Borsa Italiana in the Instructions.

2. The validation phase shall begin upon completion of the pre-auction phase. At the end of the validation phase where a theoretical auction price has been determined in accordance with Article 4.4.4, such price shall be considered valid and adopted as the auction price for the conclusion of contracts if it differs from the control price by less than the maximum percentage variation established by Borsa Italiana in the Instructions and, for securities denominated in foreign currencies, if the corresponding exchange rate is available via the system.
3. Exclusively in the opening-auction phase, where the difference between the theoretical opening-auction price and the control price exceeds the maximum percentage variation referred to in paragraph 2, the pre-auction phase shall be restarted for a period established by Borsa Italiana in the Instructions.
4. In the opening-auction phase, where a theoretical opening-auction price has not been determined, at the end of the validation phase the orders shall be automatically transferred to continuous trading with the time priority of the original order and a price equal to:
 - a) that of the original order for limit orders;
 - b) that of the best limit order on the book at the end of the pre-auction phase for orders at the opening price;
 - c) the control price for orders at the opening price where no limit orders were on the book at the end of the pre-auction phase.
5. Where a financial instrument is traded exclusively with the opening-auction method and a theoretical auction price has not been determined, at the end of the validation phase “good-till-date” orders shall be automatically transferred to the pre-auction phase of the following session as follows:
 - a) with the price and time priority of the original order for limit orders;
 - b) without a limit price and with the time priority of the original order for orders without a limit price.
6. In the closing-auction phase, where a theoretical auction price has not been determined, or it has not been validated, “good-till-date” orders shall be automatically transferred to the pre-auction phase of the following session as follows:
 - a) with the price and time priority of the original order for limit orders;
 - b) without a limit price and with the time priority of the original order for orders without a limit price.

Article 4.4.6

(Conclusion of contracts at the auction price)

1. In the auction phases, where the validation conditions referred to in Article 4.4.5, paragraph 2 are fulfilled, contracts shall be concluded at the auction price. Such contracts shall be the result of the automatic matching of buy orders with prices equal to or higher than the auction price with sell orders with prices equal to or lower than such price in accordance with the price and time priorities of the individual orders and until the quantities available are exhausted.
2. At the end of the opening auction or of the auction referred to in Article 4.4.11, paragraph 4, orders which are partly or wholly unfilled shall be automatically transferred to continuous trading as limit orders as follows:

- a) with the price and time priority of the original order for limit orders;
 - b) with the auction price and the time priority of the original order for orders without a limit price.
3. At the end of the closing auction orders with the specification “good till date” which are partly or wholly unfilled shall be automatically transferred to the opening pre-auction phase of the following session as follows:
- a) with the price and time priority of the original order for limit orders;
 - b) with the auction price and the time priority of the original order for orders without a limit price.

Article 4.4.7
(Continuous trading)

1. During continuous trading, contracts shall be concluded, up to the quantities available, through the automatic matching of orders of the opposite sign present on the book and ranked according to the criteria referred to in Article 4.4.3, paragraph 3, as follows:
 - a) the entry of a buy limit order shall result in its being matched with one or more sell orders with a price lower than or equal to that of the order entered; conversely, the entry of a sell limit order shall result in its being matched with one or more buy orders with a price higher than or equal to that of the order entered;
 - b) the entry of a buy market order shall result in its being matched with one or more sell orders with a price equal to the best ask price on the book at the moment the market order is entered; conversely, the entry of a sell market order shall result in its being matched with one or more buy orders with a price equal to the best bid price on the book at the moment the market order is entered. Market orders may be entered only where there is at least one limit order of the opposite sign on the book.
2. Borsa Italiana may establish different trading methods in different segments and classes in the Instructions where a specialist is provided for under Article 2.3.15.
3. With reference to paragraph 2, Borsa Italiana shall lay down in the Instructions the different segments and classes and the different trading methods allowed. The entry into force of the rules shall be subject to Consob granting its explicit consent.
4. For each contract concluded via automatic matching in accordance with paragraph 1, the price shall be equal to that of the order having higher time priority.
5. The partial execution of a market order shall give rise to the creation of an order for the unfilled quantity that shall remain on the book with the price of the last contract concluded and the time priority of the original order. 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. In the case of iceberg orders referred to in Article 4.4.3, paragraph 5(d), the execution of the whole quantity displayed shall automatically generate a new order. Such order shall be displayed on the book for the same partial quantity or the residual amount of the order with the price of the original order and the time priority corresponding to the time the new order was generated.

7. Orders that are wholly or partly unfilled at the end of continuous trading shall be automatically transferred to the closing pre-auction phase with the price and time priority in force at the end of continuous trading.
8. Market intermediaries may execute trades, using a special cross-order function, by matching two orders of opposite sign for the same quantity, provided the execution price is between the best bid price and the best ask price on the book at the time of entry, excluding such prices.

Article 4.4.8
(Reference price)

1. The reference price shall be the weighted average price of the last ten per cent of the quantity traded, excluding the quantity traded using the cross-order function referred to in Article 4.4.7, paragraph 8.
2. Where no contracts have been concluded during the session, the reference price shall be that of the previous session.

Article 4.4.9
(Official price - vwap)

The daily official price of each financial instrument traded on the MOT market shall be the weighted average price of the total quantity of that instrument traded on the market during the session, excluding the quantity traded using the cross-order function referred to in Article 4.4.7, paragraph 8.

Article 4.4.10
(Control price)

The daily control price of each financial instrument shall be:

- a) the reference price in the opening auction;
- b) the opening-auction price during continuous trading; where an opening-auction price is not determined, the control price shall be that referred to in subparagraph a);
- c) the opening-auction price in the closing auction; where an opening-auction price is not determined, the control price shall be that referred to in subparagraph a).

Article 4.4.11
(Temporary suspension of trading in a financial instrument)

1. Where, during the continuous trading of a financial instrument, the price of a contract that is being concluded exceeds one of the price variation limits referred to in Article 4.9.2, the continuous trading of that financial instrument shall be automatically suspended for a period whose duration shall be established in the Instructions.

2. During the temporary suspension of trading referred to in the preceding paragraph, orders may not be entered, modified or deleted.
3. At the end of the temporary suspension, trading shall restart with the continuous trading method unless Borsa Italiana provides otherwise pursuant to Article 4.9.2.
4. Where an auction phase is restarted pursuant to Article 4.9.2, paragraph 2(b), it shall be carried out in the manner laid down for the opening auction in this Title.

Article 4.4.12

(Recording of contracts)

1. In accordance with the provisions implementing Article 65 of the Consolidated Law on Finance, all the contracts concluded in the electronic bond market (MOT) shall be recorded in a special electronic archive with at least the following items: the serial number of the contract, the order-entry time, the time of execution, the financial instrument traded, the quantity and unit price, the identification code and contractual position of the buyers and sellers, and the type of account (own or customer). Insofar as it is compatible the same information concerning orders entered on the book shall be recorded in such archive.
2. The information recorded for each contract concluded in the market shall be automatically transmitted to the checking service referred to in Article 5.1.1.

Article 4.4.13

(Specialists on the MOT market)

1. Specialists referred to in Article 2.3.15 must undertake, for each of the financial instruments for which they intend to intervene, to display continuous bids and offers with a percentage spread that does not exceed the limit established by Borsa Italiana in the Notice announcing the start of trading or, in the case of financial instruments already listed, in a Notice. In the same Notice, Borsa Italiana shall also establish the minimum daily quantity and the minimum quantity of each bid/offer and the minimum duration of the undertaking taking into account the duration of the financial instruments, their features and how widely they are distributed.
2. In the Instructions Borsa Italiana shall establish the methods for determining the obligations referred to in paragraph 1, the methods and times for specialists to enter bids and offers in fulfilling their obligations, and the circumstances in which they are to be temporarily relieved from their obligations.
3. In the event of particular market conditions involving individual financial instruments, Borsa Italiana may issue a Notice modifying the undertakings of specialists or relieving them from their obligations, simultaneously informing Consob of the decision.
4. Borsa Italiana may extend the minimum duration of the undertaking referred to in paragraph 1 of this article where it deems this necessary to safeguard the regularity of trading, taking account, *inter alia*, of the number of bonds outstanding.

TITLE 4.5

ETFPLUS MARKET

Article 4.5.1

(Tradable instruments)

1. Trading in the ETFplus market shall be in any quantity units/shares of and of open-end funds and Exchange Traded Commodities (ETCs).
2. Borsa Italiana may specify a minimum lot for each financial instrument where this is necessary for the market to operate effectively, for investors to have easy access to it and for the execution of orders to be cost efficient.
3. Purchase and sale contracts having as their subject financial instruments referred to in the previous paragraphs shall be checked by the service referred to in Article 5.1.1 and settled on the third trading day following their conclusion in the settlement service referred to in Article 69 of the Consolidated Law on Finance;
4. Borsa Italiana may specify in the Instructions the rules that shall apply where the sale and purchase contracts referred to in paragraph 4 are not settled within the time limit established. The entry into force of such rules shall be subject to Consob granting its explicit consent.
5. Borsa Italiana may specify in the Notice containing the admission decision a different settlement time limit for units/shares of open-end funds and ETCs admitted to trading pursuant to Article 2.1.2, paragraph 7(a), to take account of the characteristics of the reference European regulated market.

Article 4.5.2

(Trading methods and phases)

1. Trading may be carried on using the auction and continuous trading methods.
2. The trading phases shall be the following:
 - a) opening auction, divided in turn into the phases of determining the theoretical opening-auction price (“pre-auction” phase), validating the theoretical opening auction price (“validation” phase) and concluding contracts (“opening” phase);
 - b) continuous trading;
 - c) closing auction, divided in turn into the phases of determining the theoretical closing-auction price (“pre-auction” phase), validating the theoretical closing-auction price (“validation” phase) and concluding contracts (“closing” phase).
3. Borsa Italiana shall establish homogeneous market segments in terms of financial instruments and shall establish in the Instructions specific trading methods and hours for each market segment. Financial instruments may be traded using the auction and continuous trading methods or just the continuous trading.

Article 4.5.3

(Orders)

1. Approved intermediaries shall express their willingness to trade through anonymous orders. Orders shall contain at least the information relative to the financial instrument to be traded, the quantity, the type of transaction, the type of account and the price conditions.
2. Approved intermediaries may enter, modify and cancel orders both in the pre-auction phases and in continuous trading.
3. 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.
4. In order to ensure the smooth technical functioning and efficient use of the electronic trading support systems, Borsa Italiana may impose 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 issue a Notice establishing such limits and the fees payable by intermediaries where they are exceeded.
5. In the pre-auction phases orders:
 - a) may be entered with a limit price (limit orders) or without one (orders at the auction price);
 - b) may specify the following methods of execution:
 - 1) “good till cancelled”: any unfilled quantity remains on the book until the end of the session when it is automatically cancelled;
 - 2) “good till date”: the order remains on the book with the unfilled quantity maintaining the original time priority until the expiry date specified; orders are automatically cancelled:
 - on the occasion of a distribution of incomes, increase in capital, share split or reverse split, merger or demerger;
 - where the price exceeds the percentage limits established by Borsa Italiana;
 - where, as a result of changes in the minimum lot, if specified, or the tick established in the Instructions, orders are no longer compatible with the new price or quantity parameters;
 - 3) “fill and kill”: the order is filled, in whole or in part, up to the quantity available at the auction; any unfilled quantity is automatically cancelled at the end of the auction phase;
 - c) if issued at the auction price, are dynamically assigned the price at which they have the best chance of being filled.
6. During continuous trading orders:
 - a) may be entered with a limit price (limit orders) or without one (market orders);
 - b) may specify the following methods of execution:
 - 1) “good till cancelled”;

- 2) “fill and kill”: the order is filled, in whole or in part, at the price indicated or at the best price on the opposite side of the book for market orders; any unfilled quantity is automatically cancelled;
 - 3) “fill minimum quantity”: the order is filled, in whole or in part but at least for the minimum quantity specified, at the price specified or a better price; where the minimum quantity is not available on the book, the order is automatically cancelled;
 - 4) “fill or kill”: the order is either filled for the entire quantity and at the price specified at the moment of entry or, if that is not possible, automatically cancelled;
 - 5) “good till date”;
- c) market orders may also specify the “fill-in-any-case” method of execution; in such case contracts are concluded automatically at the best prices of the orders of opposite sign, ranked in accordance with the priority criteria referred to in Article 4.5.3, paragraph 3;
 - d) limit orders may also specify the “display-when-price-specified-is reached” method of execution: the order is accepted, but displayed on the book only when the price specified is reached;
 - e) limit orders may be displayed on the book for a quantity less than the full quantity whose value must be between the minimum established by Borsa Italiana in the Instructions and the total value of the order; such orders are automatically cancelled at the beginning of a pre-auction phase, even where this is restarted pursuant to Article 4.9.2, paragraph 2(b).
7. During continuous trading and the closing pre-auction, “good-only-in-closing-auction” orders may be entered with or without a limit price. In the continuous trading phase orders are not displayed on the book: they are kept in the system for inclusion in trading in the pre-auction phase and recorded with the time priority corresponding to the time of entry; at the beginning of the pre-auction phase, they are displayed on the book with a time priority lower than that of orders already on the book and higher than that of orders entered in the pre-auction phase itself. Any unfilled quantity is automatically cancelled at the end of the session.
 8. In the opening pre-auction, continuous trading and closing pre-auction phases specialists shall enter bids and offers in accordance with the obligations referred to in Article 4.5.13 exclusively by means of the double quotation function.
 9. Limit orders may not be entered with prices above or below the maximum percentage limits for price variations established by Borsa Italiana in the Instructions.
 10. In order to ensure the regularity of trading in a financial instrument, Borsa Italiana may establish on a general basis in the Instructions the maximum quantity of financial instruments, or in the cases referred to in Article 4.5.1, paragraph 2, the maximum number of lots that may be entered “at the opening auction price” or “at the closing-auction price”, or in the cases referred to in Article 4.5.1, paragraph 2, the maximum number of lots that may be entered with the “fill-in-any-case” method of execution.

Article 4.5.4

(Determination of the theoretical auction price)

1. In the pre-auction phases, the indicative theoretical auction price shall be computed and updated in real time. It shall be determined as follows:
 - a) the theoretical auction price shall be the price at which the largest quantity of financial instruments can be traded; in the cases referred to in Article 4.5.1, paragraph 2, such quantity shall be equal to or a multiple of the minimum lot;
 - b) where the quantity referred to in subparagraph a) can be traded at more than one price, the theoretical auction price shall be equal to the one which produces the smallest quantity that cannot be traded with reference to the buy and sell orders having prices equal to or better than the price in question; in the cases referred to in Article 4.5.1, paragraph 2, such quantity shall be equal to or a multiple of the minimum lot;
 - c) where for more than one price the quantity of instruments that cannot be traded referred to in subparagraph b) is also the same, the theoretical auction price shall be equal to the one which is closest to the control price;
 - d) where applying subparagraph c) results in two prices equidistant from the control price, the theoretical auction price shall be equal to the higher of the two.
2. Where only buy and sell orders without a limit price are present, the theoretical auction price shall be equal to the control price.
3. The theoretical auction price cannot be determined:
 - a) where there are no orders on one or either side of the book;
 - b) where there are only limit orders on the book and the best buy price is below the best sell price.

Article 4.5.5

(Validation of the theoretical auction price)

1. The pre-auction phase shall end at a time within an interval specified by Borsa Italiana in the Instructions.
2. The validation phase shall begin upon completion of the pre-auction phase. At the end of the validation phase where a theoretical auction price has been determined in accordance with Article 4.5.4, such price shall be considered valid and adopted as the auction price for the conclusion of contracts if it differs from the control price by less than the maximum percentage variation established by Borsa Italiana in the Instructions.
3. Exclusively in the opening-auction phase, where the difference between the theoretical opening-auction price and the control price exceeds the maximum percentage variation referred to in paragraph 2, the pre-auction phase shall be restarted for a period established by Borsa Italiana in the Instructions.
4. In the opening-auction phase, where a theoretical opening-auction price has not been determined, at the end of the validation phase the orders shall be automatically transferred to continuous trading with the time priority of the original order and a price equal to:
 - a) that of the original order for limit orders;

- b) that of the best limit order on the book at the end of the pre-auction phase for orders at the opening price;
 - c) the control price for orders at the opening price where no limit orders were on the book at the end of the pre-auction phase.
5. In the closing-auction phase, where a theoretical auction price has not been determined, or it has not been validated, “good-till-date” orders shall be automatically transferred to the pre-auction phase of the following session as follows:
- a) with the price and time priority of the original order for limit orders;
 - b) without a limit price and with the time priority of the original order for orders without a limit price.

Article 4.5.6

(Conclusion of contracts at the auction price)

1. In the auction phases, where the validation condition referred to in Article 4.5.5, paragraph 2 is fulfilled, contracts shall be concluded at the auction price. Such contracts shall be the result of the automatic matching of buy orders with prices equal to or higher than the auction price with sell orders with prices equal to or lower than such price in accordance with the price and time priorities of the individual orders and until the quantities available are exhausted.
2. In the cases referred to in Article 4.5.1, paragraph 2, in the opening-auction phase the automatic matching of orders shall be carried out in a way that ensures that the unfilled quantities of orders are equal to or multiples of the minimum lot.
3. At the end of the opening auction, orders which are partly or wholly unfilled shall be automatically transferred to continuous trading as limit orders as follows:
 - a) with the price and time priority of the original order for limit orders;
 - b) with the auction price and the time priority of the original order for orders without a limit price.
4. At the end of the closing auction orders with the specification “good till date” which are partly or wholly unfilled shall be automatically transferred to the opening pre-auction phase of the following session as follows:
 - a) with the price and time priority of the original order for limit orders;
 - b) with the auction price and the time priority of the original order for orders without a limit price.

Article 4.5.7

(Continuous trading)

1. During continuous trading, contracts shall be concluded, up to the quantities available, through the automatic matching of orders of the opposite sign present on the book and ranked according to the criteria referred to in Article 4.5.3, paragraph 3, as follows:
 - a) the entry of a buy limit order shall result in its being matched with one or more sell orders with a price lower than or equal to that of the order entered; conversely, the

entry of a sell limit order shall result in its being matched with one or more buy orders with a price higher than or equal to that of the order entered;

- b) the entry of a buy market order shall result in its being matched with one or more sell orders with a price equal to the best ask price on the book at the moment the market order is entered; conversely, the entry of a sell market order shall result in its being matched with one or more buy orders with a price equal to the best bid price on the book at the moment the market order is entered. Market orders may be entered only where there is at least one limit order of the opposite sign on the book.
2. For each contract concluded via automatic matching in accordance with paragraph 1, the price shall be equal to that of the order having higher time priority.
 3. The partial execution of a market order shall give rise to the creation of an order for the unfilled quantity that shall remain on the book with the price of the last contract concluded and the time priority of the original order. 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.
 4. In the case of iceberg orders referred to in Article 4.5.3, paragraph 6(e), the execution of the whole quantity displayed shall automatically generate a new order. Such order shall be displayed on the book for the same partial quantity or the residual amount of the order with the price of the original order and the time priority corresponding to the time the new order was generated.
 5. Orders that are wholly or partly unfilled at the end of continuous trading shall be automatically transferred to the closing pre-auction phase with the price and time priority in force at the end of continuous trading.
 7. Approved intermediaries may execute trades, using a special cross-order function, by matching two orders of opposite sign for the same quantity, provided the execution price is between the best bid price and the best ask price on the book at the time of entry, excluding such prices.

Article 4.5.8 ***(Reference price)***

1. The reference price shall be the closing-auction price.
2. Where it is not possible to determine the closing-auction price pursuant to Article 4.5.5, the reference price shall be the weighted average price of the last ten per cent of the quantity traded, excluding the quantity traded using the cross-order function referred to in Article 4.5.7, paragraph 6.
3. Where no contracts have been concluded during the session, the reference price shall be that of the previous session.
4. Borsa Italiana may establish in the Instructions, with reference to specific trading segments, that the reference price shall be determined in the manner laid down in paragraph 2 even if there exists a closing-auction price.
5. In order to guarantee the regularity of trading and the significance of prices, Borsa Italiana may establish, with reference to a single financial instrument, that the reference price shall be determined in the manner laid down in paragraph 2 even if there exists a closing-auction price, and announce the decision in a Notice.

Article 4.5.9
(Official price)

The daily official price of each financial instrument shall be the weighted average price of the total quantity of that instrument traded in the market during the session, excluding the quantity traded using the cross-order function referred to in Article 4.5.7, paragraph 6.

Article 4.5.10
(Control price)

The daily control price of each financial instrument shall be:

- a) the reference price in the opening auction;
- b) the opening-auction price during continuous trading; where an opening-auction price is not determined, the control price shall be that referred to in subparagraph a);
- c) the opening-auction price in the closing auction; where an opening-auction price is not determined, the control price shall be that referred to in subparagraph a).

Article 4.5.11
(Temporary suspension of trading in a financial instrument)

1. Where, during the continuous trading of a financial instrument, the price of a contract that is being concluded exceeds one of the price variation limits referred to in Article 4.9.2, the continuous trading of that financial instrument shall be automatically suspended for a period whose duration shall be established in the Instructions.
2. During the temporary suspension of trading referred to in the preceding paragraph, orders may not be entered, modified or deleted.
3. At the end of the temporary suspension, trading shall restart with the continuous trading method unless Borsa Italiana provides otherwise pursuant to Article 4.9.2.

Article 4.5.12
(Recording of contracts)

1. In accordance with the provisions implementing Article 65 of the Consolidated Law on Finance, all the contracts concluded in the ETFplus market shall be recorded in a special electronic archive with at least the following items: the serial number of the contract, the order-entry time, the time of execution, the financial instrument traded, the quantity and unit price, the identification code and contractual position of the buyers and sellers, and the type of account (own or customer). Insofar as it is compatible the same information concerning orders entered on the book shall be recorded in such archive.
2. The information recorded for each contract concluded in the market shall be automatically transmitted to the checking service referred to in Article 5.1.1.

Article 4.5.13***(Specialists for units/shares of open-end funds and ETCs)***

1. Trading in units/shares of open-end funds and ETCs shall be carried on with the intervention of intermediaries referred to in Article 2.3.17.
2. Specialists must undertake, for each of the financial instruments for which they intend to intervene, to display continuous bids and offers with a percentage spread that does not exceed the limit established by Borsa Italiana in the Notice announcing the start of trading. In the Instructions Borsa Italiana shall establish the methods for determining the above-mentioned values and the circumstances in which specialists are to be temporarily relieved from their obligations.
3. In the event of particular market conditions involving individual financial instruments, Borsa Italiana may issue a Notice modifying the undertakings of specialists or relieving them from their obligations, simultaneously informing Consob of the decision.

TITLE 4.5 BIS

MTAX MARKET

Article 4.5.1bis

(Tradable instruments)

1. Trading in the MTAX market shall be in any quantity of ordinary shares, convertible bonds and warrants. Pre-emptive rights relative to the same shares shall also be traded.
2. Borsa Italiana may specify a minimum lot for each financial instrument where this is necessary for the market to operate effectively, for investors to have easy access to it and for the execution of orders to be cost efficient..
3. In the cases referred to in paragraph 2, shares, convertible bonds and warrants may also be traded in quantities smaller than the minimum lot subject to the conditions laid down in Title 4.1.
4. Purchase and sale contracts having as their subject financial instruments referred to the preceding paragraphs shall be checked by the service referred to in Article 5.1.1 and settled:
 - a) on the third trading day following their conclusion where they refer to shares, convertible bonds and warrants;
 - b) on the third trading day following their conclusion where they refer to pre-emptive rights;
 - c) outside the settlement service referred to in Article 69 of the Consolidated Law on Finance on the trading day following their conclusion where they refer to unexercised pre-emptive rights;
 - d) in the settlement service referred to in Article 69 of the Consolidated Law on Finance, in the manner established on a case-by-case basis by Borsa Italiana and notified to Consob, where they refer to acceptances of a complete-acquisition tender offer for listed financial instruments made by the holder of the absolute majority of such instruments or to an offer made by an issuer for its own financial instruments collected in the market in the manner referred to in Article 4.1.20 provided the offer consideration consists exclusively of cash; if even part of the consideration consists of securities, the acceptances are not transmitted to the settlement service referred to in Article 69 of the Consolidated Law on Finance.
5. Borsa Italiana may specify in the Instructions the rules that shall apply where the sale and purchase contracts referred to in paragraph 4(a) are not settled within the time limit established. The entry into force of such rules shall be subject to Consob granting its explicit consent.

Article 4.5.2bis
(Trading segments)

1. For the purpose of allocation of financial instruments among the market segments Article 4.1.2 shall apply.

Article 4.5.3bis
(Trading methods and phases)

1. Trading in the MTAX market shall be subject to Title 4.1, Articles 4.8.1, 4.8.2, 6.1.1. and 6.1.2 insofar as they are compatible.

Article 4.5.4bis
(Specialists in the Star segment)

1. Specialist in the Star segment shall be subject to Article 4.1.16

Article 4.5.5bis
(MTAX specialists)

1. Trading in shares belonging to the segments identified by Borsa Italiana in the Instructions may be carried on with the intervention of MTAX specialists appointed by the issuer to support the liquidity of the equity instruments listed.
2. Market intermediaries admitted to MTAX shall be eligible to engage in the activity of liquidity providing unless they belong to the group to which the issuer belongs or which is headed by the issuer.
3. For the shares whose liquidity they undertake to support, MTAX specialists are required to deal for own account and to display continuous bids and offers with a percentage spread that does not exceed the limit established by Borsa Italiana in the Instructions for a daily quantity specified on a general basis in the Instructions on the basis of objective criteria. Borsa Italiana shall also lay down in the Instructions the methods and times for entering such bids and offers.
4. Borsa Italiana shall establish in the Instructions the circumstances in which specialists may be temporarily relieved from their obligations.
5. Borsa Italiana shall indicate on a general basis in the Instructions the cases in which the activity referred to in paragraph 1 is not permitted.
6. Before the start of the activity referred to in paragraph 1, Borsa Italiana shall issue a Notice announcing the name of the MTAX specialist.
7. MTAX specialists shall inform Borsa Italiana, within the time limits and in the manner specified in the Instructions, of the termination of the appointment referred to in paragraph 1.

TITLE 4.6

EXPANDI MARKET

Article 4.6.1

(Tradable instruments)

1. Trading in the *Expandi* market shall be in any quantity of shares, bonds, warrants and pre-emptive rights referred to in Part 2A of these Rules.
2. Borsa Italiana may specify a minimum lot for each financial instrument where this is necessary for the market to operate effectively, for investors to have easy access to it and for the execution of orders to be cost efficient.
3. In the case referred to in paragraph 2, shares, convertible bonds and warrants may also be traded in quantities smaller than the minimum lot subject to the conditions laid down in Title 4.1.
4. The purchase and sale contracts having as their subject financial instruments referred to in paragraph 1 shall be checked by the service referred to in Article 5.1.1 and settled:
 - a) within three trading days of their conclusion where they refer to shares;
 - b) on the third trading day following their conclusion where they refer to convertible bonds or warrants;
 - c) on the third trading day following their conclusion where they refer to pre-emptive rights.
5. Borsa Italiana may specify in the Instructions the rules that shall apply where the sale and purchase contracts referred to in paragraphs 4(a) and 4(b) are not settled within the time limit established. The entry into force of such rules shall be subject to Consob granting its explicit consent.

Article 4.6.2

(Trading methods)

1. Trading in the *Expandi* market may be carried on using the auction and continuous trading methods in accordance with the criteria and conditions established in the Instructions.
2. Trading in the *Expandi* market shall be subject to Title 4.1, Articles 4.8.1, 4.8.2, 6.1.1. and 6.1.2 insofar as they are compatible.
3. Borsa Italiana shall establish in the Instructions the trading hours, the hours for each phase and the minimum amounts tradable in each phase if any.
4. Borsa Italiana shall specify in the Instructions the cases in which trading may be carried on with the intervention of a specialist. For the shares whose liquidity they undertake to support, *Expandi* market specialists are required to deal for own account and to fulfil the liquidity support obligations established in the Instructions.

TITLE 4.7

DERIVATIVES MARKET (IDEM)

Article 4.7.1 *(Categories of tradable contracts)*

1. The contracts traded in the derivatives market (IDEM) shall be futures contracts and options contracts based on financial instruments, interest rates, currencies, goods and related indexes.
2. Futures contract shall mean a financial instrument referred to in Article 1.2(f) of the Consolidated Law on Finance by means of which the parties undertake to exchange a given quantity of the underlying asset at a predetermined price at maturity. The settlement of the contract at maturity may also consist in the exchange of a sum of money determined as the difference between the price of the contract at its conclusion and its settlement price.
3. Options contract shall mean a financial instrument referred to in Article 1.2(i) of the Consolidated Law on Finance by means of which one of the parties, against payment of a consideration (premium), acquires the right to buy (call option) or sell (put option), on or by the maturity date, a given quantity of the underlying asset at a predetermined price (exercise price). The settlement of the contract may also consist in the exchange of a sum of money determined as the difference, for call options, between the settlement price of the underlying asset and the exercise price and, for put options, between the exercise price and the settlement price of the underlying asset on the day on which the right is exercised or at maturity.
4. The asset underlying a derivative instrument must meet requirements concerning liquidity, continuity of trading, availability or accessibility of all the relevant information, and availability of official or at any rate significant prices. Where the underlying consists of indexes, the methods of calculating and disseminating them must be transparent.

Article 4.7.2 *(Contractual features)*

1. In specifying the features of contracts, Borsa Italiana shall make explicit reference to:
 - a) the underlying asset;
 - b) the face value;
 - c) the settlement procedure;
 - d) the settlement price;
 - e) the maturities traded;
 - f) the day and time of the end of trading;
 - g) the maturity day;
 - h) the structure of the exercise prices;
 - i) the type of right and the time limits and procedures for exercising it;
 - l) the settlement procedure for the contracts deriving from the exercise of options.

2. Borsa Italiana shall establish in the Instructions the contractual features of each tradable derivative financial instrument referred to in paragraph 1 and establish the manner of determining the settlement price of the contracts, which must be based on the principle of a significant volume of trading in the underlying asset. Where the underlying asset consists of indexes managed by Borsa Italiana, the latter shall specify the method of their calculation and dissemination.
3. Borsa Italiana shall give Consob advance notice of the features referred to in paragraphs 1 and 2; the entry into force of the rules shall be subject to Consob granting its explicit consent.
4. With reference to contracts already traded, Borsa Italiana shall give advance notice to Consob of changes to the features referred to in paragraphs 1 and 2; the entry into force of the rules shall be subject to Consob granting its explicit consent.
5. Borsa Italiana, after notifying Consob, may exclude contracts from trading for which the regular formation of prices, or regular and continuous trading, is no longer guaranteed. In the Instructions, Borsa Italiana shall establish the procedures and the time limits for the closure and the settlement of open positions.

Article 4.7.3
(Trading methods)

1. Trading in the derivatives market shall take place in a single phase of continuous trading during which contracts are concluded.
2. Borsa Italiana shall establish in the Instructions the hours of trading, *inter alia* with reference to specific categories of contracts.

Article 4.7.4
(Orders)

1. Approved intermediaries shall express their willingness to trade through anonymous orders. Orders shall contain at least the information relative to the derivative instrument to be traded and the quantity, type of transaction, type of account and price.
2. Approved intermediaries may enter, modify and cancel orders during trading.
3. The orders for each derivative financial 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.
4. The following types of order may be entered:
 - a) “single order”, corresponding to a customer buy or sell order relative to a single contract series;
 - b) “standard combination order”, corresponding to a combination of two orders relative to different contract series which are executed simultaneously when the appropriate market conditions occur. Borsa Italiana shall establish in the Instructions the operational strategies that may be the subject of standard combination orders;

- c) “non-standard combination order”, corresponding to a combination, specified by the proposer, of two or more orders relative to different contract series which must be executed simultaneously;
 - d) “quotations”, corresponding to bids and offers entered by the market makers referred to in Article 4.7.10 and the specialists referred to in Article 4.7.11 in compliance with their obligations;
 - e) “tailor-made combination order” (TMC order), corresponding to a combination specified by the trader of up to a maximum of 4 orders involving different series, which must be executed simultaneously. Borsa Italiana shall specify the general characteristics of orders in the Instructions.
5. The orders referred to in subparagraph a), of the preceding paragraph may be entered with a limit price (limit orders) or without one (market orders):
- a) limit orders may specify the following methods of execution:
 - 1) “fill and kill”: the order is filled, in whole or in part, up to the quantity available on the opposite side of the book and any unfilled quantity is automatically cancelled;
 - 2) “fill or kill”: the order is either executed in full or automatically cancelled;
 - 3) “good till maturity”: the order remains on the book until the maturity of the contract;
 - 4) “good till date”: the order remains on the book until the date specified;
 - 5) “daily”: the order remains on the book until the end of the session;

Except where the methods of execution referred to in points 1) and 2) are specified, the unfilled quantity of a limit order shall remain on the book until the maturity established;
 - b) market orders may specify the following methods of execution:
 - 1) “fill and kill”;
 - 2) “fill or kill”.
6. Orders referred to in paragraph 4a), specified with the method of execution referred to in paragraph 5, may also specify the “stop-loss” method of execution. This consists in the entry of an order that remains dormant until the market price of a financial instrument traded on the IDEM market reaches the (trigger) price chosen by the approved intermediary on entering the stop-loss order. The subject of the orders activated when the trigger price is reached may be a derivative instrument different from the financial instrument to which the trigger price refers. Stop-loss orders are activated when the market price is equal to or higher than, or equal to or lower than, the trigger price, depending on the condition specified by the intermediary on entering the order. When entering stop-loss orders, intermediaries may choose the market price to be compared with the trigger price from among:
- a) the last price for the orders referred to in paragraph 4(a);
 - b) the best bid price and the best ask price for the orders referred to paragraph 4a).

Orders that have not been activated at the end of the session shall be automatically cancelled.

Borsa Italiana shall periodically issue a Notice listing the derivative financial instruments to which the trigger price may be referred where they are different from the derivative instrument that is the subject of the stop-loss order that is activated.

7. Standard combination orders and TMC orders referred to in paragraphs 4(b) and 4(e) may be entered with a limit price (limit orders) or without one (market orders); the following methods of execution may be specified:
 - 1) “fill and kill”: the order is filled, in whole or in part, for the quantities available on the opposite side of the book and any unfilled quantity is automatically cancelled;
 - 2) “fill or kill”: the order is either filled for the entire quantity or automatically cancelled.
8. Standard combination orders referred to in paragraph 4(b) shall be displayed in the manner referred to in paragraph 3 in a special book. TMC orders referred to in paragraph 4(e) shall lead to the creation of a special trading book, if this is not already present in the system, on which the orders shall be displayed in the manner referred to in paragraph 3.
9. Any single orders referred to in paragraph 4(a) deriving from standard combination orders or TMC orders referred to in paragraphs 4(b) and 4(e) respectively vary automatically with market conditions but shall maintain the time priority of the original standard combination order.
10. The non-standard combination orders referred to in paragraph 4(c) may be entered with or without a limit price; the fill-or-kill method of execution must be specified.
11. The quotations referred to in paragraph 4(d) may be entered exclusively with a limit price and without specifying a method of execution and shall be “valid for the session”.
12. Where the orders referred to in paragraph 4 relative to listed series of options contracts are entered for customer account, they must indicate whether they open a new position or close a previously opened position. Where such indication is omitted or the order was entered for own account, the order shall be automatically indicated as opening a new position.
13. Intermediaries other than market makers and IDEM specialists may request them to display quotations.
14. In order to ensure the smooth technical functioning and efficient use of the electronic trading support systems, Borsa Italiana may impose, *inter alia* for market makers and IDEM specialists alone, 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 issue a Notice establishing such limits and the fees payable by intermediaries where they are exceeded.

Article 4.7.5

(Conclusion of contracts)

1. During continuous trading contracts shall be concluded, up to the quantities available, through the automatic matching of orders of the opposite sign present on the book and ranked according to the criteria referred to in Article 4.7.4, paragraph 3, as follows:
 - a) the entry of a limit order shall result in its being matched with one or more orders of the opposite sign having a price equal to or better than that of the order entered;
 - b) the entry of a market order shall result in its being matched with one or more orders of the opposite sign on the book at the time the order is entered.
2. The partial execution of a market order shall give rise to the immediate cancellation of the unfilled part. 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.

3. Standard combination orders and TMC orders shall be executed:
 - a) through automatic matching with “single orders” referred to in Article 4.7.4, paragraph 4(a) of the opposite sign present on the market; or
 - b) on the special trading book referred to in Article 4.7.4, paragraph 8, through automatic matching with other standard combination orders and TMC orders of the opposite sign present on that book and ranked according to the criteria referred to in Article 4.7.4, paragraph 3.

Article 4.7.6

(Special procedures for the conclusion of contracts)

1. So-called “interbank” orders may be entered with the aim of concluding contracts where the counterparty is a specific approved intermediary (whose identity is given), provided the price is between the best bid price and the best ask price, excluding such prices.
2. So-called “internal” orders may also be entered with the aim of concluding contracts where the counterparty is the approved intermediary that entered the order, provided the price is between the best bid price and the best ask price, excluding such prices.
3. For derivative instruments specified in the Instructions the price of contracts concluded using the procedures referred to in paragraphs 1 and 2 may fall outside the range established therein if:
 - the order is for a quantity larger than that specified in the Instructions (“block trades”); and
 - the difference between the order price and the best prices on the trading book does not exceed the limit specified in the Instructions.

Article 4.7.7

(Give-up procedure)

1. The give-up procedure shall permit the clearing and guarantee of contracts concluded by an intermediary admitted to trading on the derivatives market (the trader) on behalf of a customer to be carried out by the customer or by a different approved intermediary (the clearer) designated by the customer.
2. The approved intermediary that acts as clearer in a give-up contract must be a general or individual member of the clearing and guarantee system in accordance with the provisions implementing Article 70 of the Consolidated Law on Finance.
3. The procedures for concluding contracts with use of the give-up function shall be established in the Instructions.

Article 4.7.8
(Official price)

The official price of each instrument traded shall be the daily closing price computed by the management body of the clearing and guarantee system in accordance with the provisions implementing Article 70 of the Consolidated Law on Finance.

Article 4.7.9
(Recording of contracts)

1. In accordance with the provisions implementing Article 65 of the Consolidated Law on Finance, all the contracts concluded in the derivatives market (IDEM) shall be recorded in a special electronic archive with at least the following items: the serial number of the contract, the order-entry time, the time of execution, the series traded, the quantity and unit price, the identification code and contractual position of the buyers and sellers, the type of account (own or customer), and the indication of opening or closing a position where applicable. Insofar as it is compatible the same information concerning orders entered on the book shall be recorded in such archive.
2. The information recorded for each contract concluded in the market shall be automatically transmitted to the clearing and guarantee system in accordance with Article 70 of the Consolidated Law on Finance.

Article 4.7.10
(Market makers)

1. With the aim of improving the liquidity of the derivative instruments traded, Borsa Italiana may provide for the intervention of market makers that undertake to display bids and offers for minimum quantities of contracts.
2. Borsa Italiana shall lay down rules in the Instructions governing the activity of market makers according to the type of quotation obligations to which they are subject, specifying the terms of such obligations and the manner of verifying their observance, *inter alia* with reference to the nature of the contracts traded.
3. Borsa Italiana shall give Consob advance notice of the obligations referred to in the preceding paragraph and the manner of verifying their observance. The entry into force of the rules shall be subject to Consob granting its explicit consent.
4. Borsa Italiana shall keep the register of market makers, divided into sections corresponding to the different contracts traded and the type of obligations to which the market maker is subject, in the manner laid down in the Instructions. Applications for inclusion in the register shall be submitted to Borsa Italiana in the manner laid down in the Instructions.
5. Continued inclusion in the register shall be subject to:
 - a) compliance with the obligations referred to in paragraph 2;
 - b) maintenance of an adequate level of efficiency in performing the activity, measured on the basis of objective criteria with reference to the contribution to the market's liquidity.

Article 4.7.11
(IDEM specialists)

1. With the aim of improving the liquidity of the derivative instruments traded, Borsa Italiana may provide for the intervention of specialists, other than market makers, that undertake to display bids and offers for minimum quantities of contracts. For the purpose of performing this activity, specialists shall use other intermediaries possessing the characteristics indicated in the Instructions.
2. Borsa Italiana shall lay down rules in the Instructions governing the activity of IDEM specialists according to the type of quotation obligations to which they are subject, specifying the terms of such obligations and the manner of verifying their observance, *inter alia* with reference to the nature of the contracts traded.
3. Borsa Italiana shall give Consob advance notice of the obligations referred to in the preceding paragraph and the manner of verifying their observance. The entry into force of the rules shall be subject to Consob granting its explicit consent.
4. Borsa Italiana shall keep the register of specialists, divided into sections corresponding to the different contracts traded and the type of obligations to which the specialist is subject, in the manner laid down in the Instructions. Applications for inclusion in the register shall be submitted to Borsa Italiana in the manner laid down in the Instructions.
5. Continued inclusion in the register shall be subject to:
 - a) compliance with the obligations referred to in paragraph 2;
 - b) maintenance of an adequate level of efficiency in performing the activity, measured on the basis of objective criteria with reference to the contribution to the market's liquidity.

TITLE 4.8

INFORMATION PROVIDED TO APPROVED INTERMEDIARIES

Article 4.8.1

(General principles)

1. Approved intermediaries shall be provided with the information needed for the proper performance of the trading functions and the settlement of trades. Such information shall be made available via the electronic data processing and telecommunication systems put in place by Borsa Italiana as promptly as possible and with intermediaries on an equal footing insofar as this is compatible with the technological equipment in their possession.
2. Borsa Italiana shall establish the conditions and procedures for the dissemination of the information referred to in paragraph 1 to interconnected customers referred to in Article 3.2.4, paragraph 1(a).

Article 4.8.2

(Information provided in the MTA, MTAX and ETFplus markets)

1. In the opening pre-auction phase approved intermediaries shall have access to information updated in real time relative to reference prices, control prices and theoretical opening prices that are determined and the total quantities tradable at such prices, and any non-tradable quantities referred to in Article 4.1.7, paragraph 1(b).
2. Throughout the Stock Exchange session approved intermediaries shall have access to at least the following information updated in real time:
 - a) the trading book with all the individual buy and sell orders, the quantities and the prices;
 - b) a summary of the trading conditions for each financial instrument, containing the trading parameters, the market phase, the reference price, the control price, the opening price, the last price, the best buy price, the best sell price and the cumulative volume of trades;
 - c) the situation regarding the approved intermediary's own orders and trades;
 - d) a list of the individual trades for each financial instrument, showing the time, quantity and execution price.
3. In the closing pre-auction phase approved intermediaries shall have access to information updated in real time relative to the reference prices, control prices and theoretical closing prices that are determined and the total quantities tradable at such prices, and any non-tradable quantities referred to in Article 4.1.7, paragraph 1(b).

Article 4.8.3

(Information provided in the electronic securitised derivatives market - SEDEX)

1. In the opening pre-auction phase approved intermediaries shall have access to information updated in real time relative to reference prices, the control prices and the theoretical opening prices that are determined and the total quantities tradable at such prices, and any non-tradable quantities referred to in Article 4.2.4, paragraph 1(b).
2. Throughout the Stock Exchange session approved intermediaries shall have access to at least the following information:
 - a) the trading book with all the individual buy and sell orders, showing the intermediaries that entered them, the quantities and the prices. The information is updated at the request of intermediaries;
 - b) a summary of the trading conditions for each financial instrument, containing the trading parameters, the market phase, the reference price, the control price, the opening price, the last price, the best buy price, the best sell price and the cumulative volume of trades, updated in real time;
 - c) the situation regarding the approved intermediary's own orders and trades, updated in real time;
 - d) a list of the individual trades for each financial instrument, showing the time, quantity and execution price, updated in real time;
 - e) the buy and sell quantities on the book for the five best prices, updated in real time.
3. In the closing pre-auction phase approved intermediaries shall have access to information updated in real time relative to the reference prices, the control prices and the theoretical closing prices that are determined and the total quantities tradable at such prices, and any non-tradable quantities referred to in Article 4.2.4, paragraph 1b

Article 4.8.4

(Information provided in the After-Hours Market-TAH and After-Hours Market MTAX-TAHX)

Throughout the session approved intermediaries shall have access to at least the following information updated in real time:

- a) the trading book with all the individual buy and sell orders and an indication of the related quantities and prices;
- b) a summary of the trading conditions for each financial instrument, containing the trading parameters, the market phase, the reference price, the control price, the last price, the best buy price, the best sell price and the cumulative volume of trades;
- c) the situation regarding the approved intermediary's own orders and trades;
- d) a list of the contracts concluded in the market for each financial instrument, showing the time, quantity and execution price.

Article 4.8.5

(Information provided on the MOT market)

1. In the opening pre-auction phase market intermediaries shall have access to information updated in real time relative to the reference prices, control prices and theoretical opening prices that are determined and the total quantities tradable at such prices, and any non-tradable quantities referred to in Article 4.4.4, paragraph 1(b).
2. Throughout the Stock Exchange session market intermediaries shall have access to at least the following information updated in real time:
 - a) the trading book with all the individual buy and sell orders, the quantities and the prices;
 - b) a summary of the trading conditions for each financial instrument, containing the trading parameters, the market phase, the reference price, the control price, the opening price, the last price, the best buy price, the best sell price and the cumulative volume of trades;
 - c) the situation regarding the market intermediary's own orders and trades;
 - d) a list of the individual trades for each financial instrument, showing the time, quantity and execution price.
3. In the closing pre-auction phase market intermediaries shall have access to information updated in real time relative to the reference prices, control prices and theoretical closing prices that are determined and the total quantities tradable at such prices, and any non-tradable quantities referred to in Article 4.4.4, paragraph 1(b).
4. Until the date indicated in a Notice, and for the segments indicated therein, information referred to in paragraph 2(a) shall contain indication of the market intermediaries submitting orders.

Article 4.8.6

(Information provided in the derivatives market - IDEM)

1. During the continuous trading phase approved intermediaries shall have access, for each series, to information relative to all the individual buy and sell orders with an indication of the related quantity.
2. Information shall also be made available relative to at least the price and quantity of the last contract concluded, the buy and sell quantities for the best prices on the book, the total quantity traded and the prices and market phases of the underlying instruments or related indexes.

TITLE 4.9

MARKET SURVEILLANCE

Article 4.9.1

(Controls and measures concerning trading)

1. Borsa Italiana shall control the regularity of trading, verify compliance with these Rules and the Instructions and adopt all the measures necessary for the proper operation of the markets. These functions shall be performed by the competent office, which shall be exclusively equipped with the means needed to carry out the related controls and interventions.
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;
 - b) shall monitor the behaviour of approved intermediaries in the market and compliance with the obligations of market makers, IDEM specialists, specialists in the Star segment, MTA specialists, Expandi specialists, MTAX specialists, SEDEX specialists, specialists in closed-end funds, ETFplus specialists, TAH specialists, TAHX specialists, MOT specialists and *Expandi* market specialists;
 - c) shall apply to issuers and approved intermediaries for information deemed necessary in relation to particular market conditions in accordance with Articles 2.6.1 and 3.4.1;
 - d) shall verify the updating of records, 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 Articles 4.9.2, 4.9.3 and 4.9.4;
 - 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 3.1.3, paragraph 4, and immediately inform Consob and CC&G;
 - i) shall promptly suspend the non-clearing member at the request of the general clearing member referred to in Article 3.1.3, paragraph 5, and immediately inform Consob and CC&G;
 - j) may suspend intermediaries at the request of CC&G.

When they concern financial instruments issued by Borsa Italiana, the applications referred to in subparagraph c) and the interventions referred to in subparagraph f) regulating trading conditions in accordance with the procedures and criteria referred to in Article 4.9.2 shall be made by Consob.

Article 4.9.2

(Measures concerning trading parameters, hours and phases)

1. Borsa Italiana shall establish, with reference to markets, market segments, categories of financial instruments or individual instruments, the trading hours and phases and their order, as well as any limits on variations in prices and other trading conditions (“parameters”) needed to ensure orderly trading in the markets. Such parameters shall be established on a general basis in the Instructions.
2. In particular market conditions, Borsa Italiana may, with reference to markets, categories of financial instruments or individual instruments:
 - a) prolong the duration or delay the start of one or more phases of trading;
 - b) interrupt, where possible, continuous trading with the simultaneous reactivation of the auction;
 - c) modify the parameters referred to in paragraph 1;
 - d) suspend or reactivate trading.
3. Borsa Italiana may adopt the measures referred to in the preceding paragraph:
 - a) where the price variation limits referred to in paragraph 1 are exceeded;
 - b) where anomalous trading conditions are observed for a financial instrument in terms of prices or volumes;
 - c) where it is necessary to obtain information on particular market situations concerning a financial instrument;
 - d) where there are technical reasons or other circumstances that do not guarantee the regular operation of the market;
 - e) where detailed complaints are submitted by approved intermediaries that consider they have been damaged by irregular behaviour on the part of other approved intermediaries;
 - f) exclusively with reference to trading in the derivatives market (IDEM), where a reasoned request has been made by the management body of the clearing and guarantee system.
4. In adopting the measures referred to in paragraph 2, Borsa Italiana shall take account:
 - a) of the volumes of the financial instrument traded and of the prices recorded in the last three months, as well as their variations;
 - b) of the liquidity of the instrument and the significance of the trading;
 - c) of the dissemination or lack of dissemination of information available to the market;
 - d) of the fact that the instrument is the underlying asset of traded derivative instruments and of the liquidity of such derivative instruments;
 - e) for pre-emptive rights, warrants and other derivative instruments, of the theoretical values with respect to the underlying financial instruments and of the exercise period or other links between the underlying and derivative markets;

- f) for bonds and government securities, of the prices and yields of other listed instruments having similar features.
- 5. Borsa Italiana may cancel orders that hinder orderly trading where the intermediary that entered them, when requested by Borsa Italiana, is unable to confirm, modify or cancel them in a reasonably short time.
- 6. When the interventions referred to in paragraphs 2 and 5 involve financial instruments issued by Borsa Italiana, they shall be made by Consob.

Article 4.9.3
(Handling of input errors)

- 1. Borsa Italiana may order or effect:
 - a) the cancellation of orders upon receipt of a reasoned request from approved intermediaries;
 - b) the cancellation of contracts concluded in the markets and of transactions concluded off-market and erroneously reported via the electronic trading support systems upon receipt of a joint reasoned request from the approved intermediaries concerned;
 - c) the cancellation of transactions erroneously entered in the trade-checking service referred to in Article 5.1.1 up to the day before settlement day upon receipt of a reasoned request from approved intermediaries.
- 2. In order to reduce or eliminate the effects of entry errors, Borsa Italiana may provide for or take one of the following actions:
 - a) entry of a transaction of the opposite sign offsetting all or part of the original transaction;
 - b) transfer of positions in financial instruments between the approved intermediaries concerned;
 - c) transfer of liquidity (cash adjustment) between the approved intermediaries concerned;
 - d) correction of the prices of transactions concluded as a result of errors;
 - e) cancellation of contracts in the markets or in the trade-checking service referred to in Article 5.1.1.
- 3. In order to facilitate the handling of entry errors, Borsa Italiana may reveal the identities of counterparties, with reference to the markets where they are not displayed, to an approved intermediary that applies in accordance with the procedures established in the Instructions.
- 4. The measures referred to in paragraphs 1, 2 and 3 shall normally be adopted where:
 - a) the approved intermediary that made the entry error applies promptly;
 - b) the applicant made an obvious material error;
 - c) the applicant stands, in the event that the contracts concluded as a direct consequence of the error are settled, to lose an amount exceeding the limit established on a general basis by Borsa Italiana in the Instructions.
- 5. For the purpose of identifying transactions which may be the subject of the measures referred to in paragraphs 2 and 3, with special reference to those Borsa Italiana may adopt on

its own authority, the latter shall establish the procedure for handling them in the Instructions, determining on a general basis for each category of financial instrument:

- a) the theoretical market prices (“reference prices”);
 - b) the differences between the prices of the contracts concluded and the reference prices.
6. In determining the theoretical prices and the differences referred to in paragraph 5 and specified in the Instructions, Borsa Italiana shall take account of the nature, liquidity and volatility of the financial instruments.
 7. The promptness of the application for the remedy of an error by its author referred to in paragraph 4 shall be assessed *inter alia* in relation to the emergence of new information or changes in market conditions between the time of the error and the time the application was made.
 8. Where approved intermediaries conclude contracts by mistake at anomalous prices and agree to annul them, they are required to inform Borsa Italiana, which shall cancel them.
 9. Borsa Italiana shall give prompt notice to the intermediaries concerned of the operation of the procedure for handling errors and the measures adopted. Where these are affecting contracts that have been concluded, Borsa Italiana shall inform the market and provide the counterparties concerned, at their request, with the documentation relative to the corrections or cancellations effected.
 10. Borsa Italiana shall promptly inform Consob of the operation of the procedure for handling errors that occur and the measures adopted.
 11. For carrying out the error handling procedure referred to in this Article, Borsa Italiana shall charge the intermediary that made the mistake a fee proportional to the scale of its intervention, in accordance with the what is established in the Instructions.
 12. When the interventions referred to in this article involve financial instruments issued by Borsa Italiana, they shall be promptly notified to Consob.

Article 4.9.4

(Handling of technical breakdowns)

1. *Inter alia* with the aim of ensuring equal access to the markets by approved intermediaries in conditions of adequate transparency, Borsa Italiana:
 - a) shall establish in the Instructions the procedures for handling technical breakdowns of electronic data processing equipment and transmission networks, and lay down objective criteria for carrying out the procedures, determining the downtime, the time at which trading is to start again and any extension of trading hours;
 - b) may order the temporary suspension of trading where technical breakdowns affect a significant number of approved intermediaries;
 - c) shall inform the market of the measures adopted in accordance with this article where they impinge on approved intermediaries’ operations or the trading of financial instruments.
2. Borsa Italiana shall promptly inform Consob of the breakdowns that occur and the measures adopted.

PART 5

TRADING SUPPORT SERVICES

TITLE 5.1 - TRADE-CHECKING SERVICE

Chapter 1 — Trade-checking service

Article 5.1.1

(Functions)

Immediately after the conclusion of contracts on the market Borsa Italiana shall send the daily trade-checking service the data on the contracts with a view to their settlement via the service for the settlement of financial instruments run by Monte Titoli S.p.A. under Article 69 of the Consolidated Law on Finance or using settlement systems other than the one referred to in Article 69 of the Consolidated Law on Finance,, in accordance with the time limits established in Articles 4.1.1, 4.2.1, 4.3.1, 4.3.2, 4.4.1, 4.5.1, 4.5.1bis and 4.6.1.

Chapter 2 — Archiving of information

Article 5.1.2

(Archiving of information)

The information relative to the contracts and transactions settled using settlement systems other than the one referred to in Article 69 of the Consolidated Law on Finance shall be recorded in a special electronic archive in accordance with the provisions implementing Article 65 of the Consolidated Law on Finance.

TITLE 5.2

GUARANTEE OF CONTRACTS

Article 5.2.1

(Guarantee systems)

1. Cassa di Compensazione e Garanzia (CC&G) shall guarantee the settlement of purchase and sale contracts concluded involving shares, except for contracts referred to in Articles 4.1.1, paragraph 4(d) and 4.5.1bis, paragraph 4(d), convertible bonds, warrants and units of closed-end funds traded on the stock exchange or MTAX and units/shares of open-end funds and ETCs traded on ETFplus in the manner established in the rules adopted by CC&G.
2. CC&G performs the clearing and guarantee of purchase and sale contracts involving derivative instruments traded on the IDEM market in the manner established in the rules adopted by CC&G.

The date of the entry into force of this provision will be announced in a subsequent Notice

Article 5.2.2

(Guarantee systems for the Expandi market)

CC&G performs the clearing and guarantee of purchase and sale contracts concluded on the Expandi market.

The date of the entry into force of this provision will be announced in a subsequent Notice

Article 5.2.3

(Guarantee systems for the MOT market)

CC&G performs the clearing and guarantee of purchase and sale contracts concluded on the MOT market. The clearing and guarantee of the central counterparty system may be restricted to individual segments of the MOT market specified in the Instructions.

TITLE 5.3

NOTIFICATION OF OFF-MARKET TRANSACTIONS INVOLVING FINANCIAL INSTRUMENTS ADMITTED TO TRADING ON A REGULATED MARKET

Article 5.3.1

(Notification of off-market transactions)

1. Approved intermediaries shall notify off-market transactions involving financial instruments admitted to trading on a regulated market in accordance with Consob Regulation 11768 using the structures and methods specified in the Instructions.
2. Borsa Italiana shall inform Consob in advance of the structures and methods to be used for such notifications and of any changes therein and shall establish the entry into force of the related rules only after it has received Consob's explicit consent.

PART 6

TRANSPARENCY OF MARKETS

Article 6.1.1

(General principles)

1. In order to facilitate investment and disinvestment decisions and the verification of the conditions at which transactions are executed in the markets, Borsa Italiana shall arrange for the prompt disclosure to the public via the electronic trading support systems, and third parties where appropriate, of information on market conditions and the contracts concluded for each financial instrument.
2. Every day, at the end of trading, Borsa Italiana shall also publish the Official List on a magnetic medium containing information on the contracts concluded for each financial instrument.
3. Borsa Italiana shall not disclose information to the public on the identity of the parties to trades.

Article 6.1.2

(Information available to the public on the MTA, MTAX and ETFplus markets)

1. In the opening pre-auction phase the following information shall be available to the public in real time for each financial instrument:
 - a) the theoretical opening price and related tradable quantity;
 - b) the prices and quantities of the best buy and sell orders;
 - c) the control price;
 - d) the buy and sell quantities on the book for the five best prices.
2. During continuous trading the following information shall be available to the public in real time for each financial instrument:
 - a) the prices and quantities of the best buy and sell orders;
 - b) the buy and sell quantities on the book for the five best prices;
 - c) the price of the last contract concluded, the time of execution and the quantity traded;
 - d) the cumulative quantity and value traded;
 - e) the control price.
3. In the closing pre-auction phase the following information shall be available to the public in real time for each financial instrument:
 - a) the theoretical closing price and related tradable quantity;
 - b) the prices and quantities of the best buy and sell orders;
 - c) the control price;

- f) the buy and sell quantities on the book for the five best prices.
4. The Official List shall give at least the following information for each financial instrument:
- a) number of contracts concluded;
 - b) total quantity traded;
 - c) the lowest and the highest prices and respective quantities traded;
 - d) the opening-auction, closing-auction, reference and official prices.

Article 6.1.3

(Information available to the public on the electronic securitised derivatives market - SEDEX)

1. In the opening pre-auction phase the following information shall be available to the public in real time for each financial instrument:
- a) the theoretical opening price and related tradable quantity;
 - b) the prices and quantities of the best buy and sell orders;
 - c) the control price;
 - d) the buy and sell quantities on the book for the five best prices.
2. During continuous trading the following information shall be available to the public in real time for each financial instrument:
- a) the prices and quantities of the best buy and sell orders;
 - b) the buy and sell quantities on the book for the five best prices;
 - c) the price of the last contract concluded, the time of execution and the quantity traded;
 - d) the cumulative quantity and value traded;
 - e) the control price.
3. In the closing pre-auction phase the following information shall be available to the public in real time for each financial instrument:
- a) the theoretical closing price and related tradable quantity;
 - b) the prices and quantities of the best buy and sell orders;
 - c) the control price;
 - d) the buy and sell quantities on the book for the five best prices.
4. The Official List shall give at least the following information for each financial instrument:
- a) number of contracts concluded;
 - b) total quantity traded;
 - c) the lowest and the highest prices;
 - d) the opening-auction, closing-auction and official prices
5. The information on the opening- and closing-auction prices referred to in paragraph 4(d) shall be included in the Official List only where the Instructions provided for the opening and closing auctions actually to be held on the SEDEX market.

Article 6.1.4

(Information available to the public on the After-Hours Market – TAH and on the After-Hours Market MTAX - TAHX)

1. During continuous trading the following information shall be available to the public in real time for each financial instrument:
 - a) the prices and quantities of the best buy and sell orders;
 - b) the buy and sell quantities on the book for the five best prices;
 - c) the price of the last contract concluded, the time of execution and the quantity traded;
 - d) the cumulative quantity and value traded;
 - e) the control price.
2. The Official List shall give on the next day at least the following information for each financial instrument:
 - a) number of contracts concluded;
 - b) total quantity traded;
 - c) the lowest and the highest prices;
 - d) the average price;
 - e) the control price.

Article 6.1.5

(Information available to the public on the MOT market)

1. In the opening pre-auction phase the following information shall be available to the public in real time for each financial instrument:
 - a) the theoretical opening price and related tradable quantity;
 - b) the prices and quantities of the best buy and sell orders;
 - c) the control price;
 - d) the buy and sell quantities on the book for the five best prices.
2. During continuous trading the following information shall be available to the public in real time for each financial instrument:
 - a) the prices and quantities of the best buy and sell orders;
 - b) the buy and sell quantities on the book for the five best prices;
 - c) the price of the last contract concluded, the time of execution and the quantity traded;
 - d) the cumulative quantity and value traded;
 - e) the control price.

3. In the closing pre-auction phase the following information shall be available to the public in real time for each financial instrument:
 - a) theoretical closing price and related tradable quantity;
 - b) the prices and quantities of the best buy and sell orders;
 - c) the control price;
 - d) the buy and sell quantities on the book for the five best prices.
4. The Official List shall give at least the following information for each financial instrument:
 - a) number of contracts concluded;
 - b) total quantity traded;
 - c) the lowest and the highest prices;
 - d) the opening-auction, closing-auction, reference and official prices.

Article 6.1.6

(Information available to the public on the electronic derivatives market - IDEM)

1. During trading the following information shall be available to the public in real time for each series traded:
 - a) the five best buy and sell prices and related aggregate quantities;
 - b) the price of the last contract concluded, the related quantity traded and the time of execution;
 - c) the lowest and the highest price recorded up to the time of the observation, excluding the prices of contracts concluded using the procedures referred to in Article 4.7.6, paragraph 3 (block trades) and the procedures referred to in Article 4.7.5, paragraph 3(b) (exclusively for tailor-made combination orders);
 - d) the closing price of the previous session and the first price of the current session;
 - e) the number of contracts concluded.
2. At the end of the session the following information shall be available immediately to the public for each series traded:
 - a) the closing price;
 - b) the lowest and the highest price recorded in the session, excluding the prices of contracts concluded using the procedures referred to in Article 4.7.6, paragraph 3 (block trades) and the procedures referred to in Article 4.7.5, paragraph 3(b) (exclusively for tailor-made combination orders);
 - c) the number of contracts concluded;
 - d) the open interest;
 - e) for options contracts, the implied volatility with respect to the closing prices.
3. The Official List shall give at least the following information for each financial instrument:
 - a) the number of contracts concluded with a separate indication of those concluded using the procedures referred to in Article 4.7.6, paragraph 3, (block trades);

- b) the notional value of contracts concluded with a separate indication of those concluded using the procedures referred to in Article 4.7.6, paragraph 3, (block trades) ;
- c) the lowest and the highest price, excluding the prices of contracts concluded using the procedures referred to in Article 4.7.6, paragraph 3 (block trades) and the procedures referred to in Article 4.7.5, paragraph 3(b) (exclusively for tailor-made combination orders);
- d) the closing price;
- e) the open interest;
- f) for options contracts, the implied volatility with respect to the closing prices.

Article 6.1.7

(Indexes)

1. For the indexes specified in the Instructions that are calculated once a day, the following information shall be available to the public at the end of every session:
 - a) the absolute value;
 - b) the change compared with the previous day.
2. For the indexes specified in the Instructions that are calculated during continuous trading, the following information shall be available to the public once a minute:
 - a) the value of the index with an indication of the time of the observation;
 - b) the percentage change compared with the last value of the preceding day;
 - c) the direction of the movement compared with the preceding observation;
 - d) the highest and the lowest value of the index up to the time of the observation;
 - e) the number of shares traded at the time of the observation;
 - f) the ratio of the shares traded to the whole basket at the time of the observation.

Article 6.1.8

(Dissemination of news and consultation of archives)

1. Borsa Italiana shall diffuse, by means of Notices or messages sent via the electronic trading support systems, information of interest for the proper operation of the market, including press releases and the announcement of the availability of documents transmitted to it for dissemination to the public in accordance with the law and the relevant implementing provisions.
2. The following shall be archived and available for consultation by the public at Borsa Italiana:
 - a) data on the contracts concluded in the markets, except for the names of the counterparties;
 - b) Official Lists;
 - c) Notices;

- d) documents transmitted to Borsa Italiana for dissemination to the public and reported in Notices.

PART 7

FINAL PROVISIONS

Article 7.1

(Jurisdiction)

These Rules, the Instructions and any other provisions concerning the operation of markets and services and subsequent amendments shall be governed by the laws of Italy.

Article 7.2

(Disputes submitted to the courts)

Disputes concerning the fees referred to in Articles 2.6.15 and 3.3.1, paragraph 3, and the amounts referred to in Articles 4.1.4, paragraph 5, 4.2.3, paragraph 10, 4.3.4, paragraph 5, 4.4.3, paragraph 9, 4.5.3, paragraph 4, and 4.7.4, paragraph 14, of these Rules and those arising in connection with the denial of admission to listing or the revocation of such admission shall be heard exclusively by Italian judges and the competent court shall be exclusively the Court of Milan. This discipline shall also apply, insofar as it is compatible, to admission to trading without an application by the issuer.

This provision shall not apply in the case of the admission to listing of financial instruments issued by Borsa Italiana or the revocation of such admission.

Article 7.3

(Other disputes)

1. Any dispute other than those referred to in Article 7.2 caused by or deriving from these Rules, the Instructions or any other provisions concerning the operation of markets and subsequent amendments shall be settled finally by a Board of Arbitration set up in accordance with Article 7.5.
2. Prior recourse to the Appeals Board procedure referred to in Article 7.4 shall be a necessary condition for initiating the arbitration procedure.
3. These provisions shall not apply to measures referred to in Article 2.3.9, paragraph 5, Article 2.6.9, paragraph 5, Article 3.4.3, paragraph 5, or Article 3.4.4, paragraph 8.

Article 7.4

(Appeals Board)

1. The Appeals Board shall be composed of three members appointed by the Board of Directors of Borsa Italiana, which shall also appoint one of the members to be the chairman. The seat of the Appeals Board shall be at Borsa Italiana.
2. The members of the Appeals Board shall be chosen from among independent persons of

proven expertise in matters concerning financial markets.

3. The appointment shall be for three years and may not be renewed. Where one of the members vacates the position before the termination of the appointment, the Board of Directors of Borsa Italiana shall appoint a substitute; such appointment shall last until the termination of the appointments of the other members of the Appeals Board.
4. The decisions of the Appeals Board shall be adopted in accordance with law allowing debate within 30 days of the date of the challenge referred to in Article 3.4.6 and shall be promptly notified to the parties. The language of the proceedings shall be the Italian language.
5. In agreement with the other members of the Board, the chairman may assign a question to a single member of the Board.
6. The decisions of the Appeals Board shall not be binding on the parties and where one of the parties initiates arbitration pursuant to Article 7.5, they shall not be binding on the arbitrators, who shall have the broadest prerogatives and powers to re-examine the entire dispute without any preclusion.

Article 7.5

(Board of Arbitration)

1. The Board of Arbitration shall be composed of three members appointed as follows:
 - a) the party that initiates the arbitration procedure shall send an instrument to the other party in which it:
 - declares its intention of initiating the arbitration procedure;
 - indicates the subject of the challenge;
 - designates its arbitrator;
 - invites the other party to designate its arbitrator;
 - b) the party that receives the invitation referred to in subparagraph a) shall designate its arbitrator within 20 days of receiving the notice; in the event of its omitting to do so, the second paragraph of Article 810 of the Code of Civil Procedure shall apply;
 - c) the third arbitrator, who shall act as Chairman of the Board of Arbitration, shall be appointed consensually by the arbitrators referred to in subparagraphs a) and b); where they fail to agree within 20 days, the third arbitrator shall be appointed by the Chairman of the Milan Court.
2. The arbitration proceedings thus instituted shall be ritual and shall comply with the provisions of the Italian Code of Civil Procedure. The procedure must be initiated, on pain of debarment from action, within 30 days of the notification referred to in Article 7.4, paragraph 4. The dispute shall be settled in accordance with the provisions of Italian law and the language of the arbitration proceedings shall be the Italian language.
3. The seat of the Board of Arbitration shall be in Milan in the place designated by its Chairman.