

Rules

of the Markets organised and managed by Borsa Italiana S.p.A.

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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);
 - Electronic bond market (MOT);
 - Electronic open-end funds ETF and securitised derivative financial instruments market (ETFplus);
 - Electronic investment vehicles market (MIV);
 - b) 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 Managing Director of Borsa Italiana shall issue the Instructions accompanying these Rules, informing the Board of Directors at the first possible meeting.

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 2004/39/EC (MiFID), at the request of the issuer;
“Alternative CIUs” or “AIFs”	Means securities or real estate investment funds, SICAVs and SICAFs that come within the scope of Directive 2011/61/EU pursuant to article 1 letter m-ter of the Consolidated Law on Finance; Means also the foreign AIFs whose distribution in Italy takes place pursuant to Chapter II of Title III of the Consolidated Law on Finance;
“AIM Italia/Mercato Alternativo del Capitale”	means the MTF (multilateral trading facility) organised and managed by Borsa Italiana;
“AIM Italia Company”	means the company admitted to trading on AIM Italia/Mercato Alternativo del

“Appointed intermediary on the ETFplus market” or “appointed intermediary”	Capitale market at least for 18 months means a market intermediary that operates for the purposes of Article 4.3.12, paragraph 3;
“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;
“Non-executing Broker”	Indicates the approved intermediary of the IDEM market established as an investment firm or a bank that operates to the ends of what foreseen in article 5.3.5, paragraph 5.
“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.”;
“Clearing and guarantee system”	means the systems specified in Article 70 of the Consolidated Law on Finance and the foreign clearing and guarantee systems with which they are linked;
“Closing auction”	means, on the electronic share market (MTA), Electronic investment vehicles market (MIV), the Electronic open-end funds and securitised derivative financial instruments 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), Electronic investment vehicles market (MIV), the Electronic open-end funds and securitised derivative financial instruments 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 July 2014;
“Collective investment undertakings” or “CIUs”	means the undertakings as per Article 1, paragraph 1, letter k of the Consolidated Law on Finance;
“Consob Regulation 16191” or “Consob Regulation on Markets”	means the “Regulation implementing the provisions on markets of Legislative Decree 58/1998” approved by Consob resolution 16191/2007 of 29 October 2007;
“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), Electronic investment vehicles market (MIV) (if envisaged), the electronic securitised derivatives market (SEDEX), the electronic bond market (MOT) the Electronic open-end funds and securitised derivative financial instruments 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;
“Conventional price”	means, for open-end CIUs traded in the manner referred to in Article 4.3.12, the price shown in the trading system;
“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;
“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 investment vehicles market (MIV)”	means the market for the trading of shares or units of AIFs or financial instruments traded in the Professional Segment;
“Electronic open-end funds and securitised derivative financial instruments market (ETFplus)”	means the market for trading financial instruments referred to in Article 4.1.1, paragraph 1, letter e) (e.g. open-end CIUs, ETFs, exchange traded commodities and exchange traded notes, etc.);
“Electronic securitised derivatives market ” (SEDEX)	means the market for trading financial instruments referred to in Article 4.1.1, paragraph 1, letter d) (e.g. covered warrants and certificates);
“Electronic share market” (MTA)	means the market for the trading of shares, convertible bonds, warrants, pre-emptive rights;
“Elite Company”	means an issuer that obtained the Elite Certificate by Borsa Italiana or another certificate obtained as the result of a process providing for training and evaluation and improvement of management systems which is recognized by Borsa Italiana;
“EMS” (Exchange Market Size)	Means the quantity, defined as number of financial instruments, with reference to each traded instrument, calculated and published by Borsa Italiana;
“ETF”	means open-end CIUs that satisfy the requirements referred to in Article 2.2.35;
“Financial instruments issued under a programme”	means bonds and securitised derivative financial instruments that can be issued under an issue programme using the admission procedure provided for in Article 2.4.6 of the Rules;
“Guide to the Parameters”	means the technical and operational document accompanying the Market Rules and the Instructions containing the rules regarding the trading control parameters and the quantity parameters for orders; the Guide to the Parameters is notified in a Notice and is available on Borsa Italiana website;
“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 linking to markets, via market intermediaries, of customers of market intermediaries or organisational units of market intermediaries other than units assigned to the activities of trading in the markets and settlement and the control thereof and computer-based systems for the automatic generation of orders even if they are installed in an organisational unit of a market intermediary;
“Issuer of securities”	means the issuers referred to in Article 65, paragraph 1, letter b) of Consob Regulation 11971/1999;
“Local authorities”	means the regions, provinces, municipalities, unions of municipalities, metropolitan cities, mountain communities, islands communities and consortia of local authorities referred to in Article 2, D.Lgs. 267/2000, Unified law of local authorities;
“Management company”	means the management company of an open- or closed-end CIU;
“Market makers”	means the authorised intermediaries entered in the register referred to in Article 5.4.1;
“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), Electronic investment vehicles market (MIV), Electronic open-end funds and securitised derivative financial instruments market (ETFplus), the electronic securitised derivatives market (SEDEX), the electronic bond market (MOT) and the derivatives market (IDEM) into homogeneous groups in terms of trading methods and hours;
“Minimum trading lot” or “minimum lot”	<p>means:</p> <ul style="list-style-type: none"> - the minimum face value that may be traded of bonds, convertible bonds, government securities, Eurobonds, covered bonds and ABSs; - the minimum number of other financial instruments that may be traded. <p>If a minimum lot is specified, only multiples thereof may be traded in the respective markets;</p>
“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;
“Opening auction”	means, in the electronic share market (MTA), Electronic investment vehicles market (MIV), the Electronic open-end funds and securitised derivative financial instruments market (ETFplus), the electronic securitised derivatives market (SeDeX), the electronic bond market (MOT) and the derivatives market (IDEM), 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), Electronic investment vehicles market (MIV), the Electronic open-end funds and securitised derivative financial instruments 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 market intermediaries in the electronic share market (MTA), Electronic investment vehicles market (MIV), the Electronic open-end funds and securitised derivative financial instruments market (ETFplus), the electronic securitised derivatives market (SeDEX), 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 Part 6: <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”	means the number of underlying assets for each securitised derivative financial instrument traded on the SeDEX market;
“Private Equity backed (PEB)”	means companies whose shareholders have included – for at least 2 years – one or more venture capital institutional investors with a holding of at least 30%, including in jointly-held form;
“Professional investors”	means the persons referred to in Annex II, parts 1 and 2 of Directive 2004/39/EC (MiFID);
“Professional segment of the MIV market” or “Professional segment”	means the segment of the MIV market for the trading of reserved AIFs, SIVs, companies deriving from purchases made by SIVs, and investment companies referred to in Title 2.8 of the Rules, transferred pursuant to the Article 2.8.3. of the Rules. This segment is accessible only to professional investors;
“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;
“Quote”	means the type of order that must be used by specialists on the MTA, MIV, MOT, SeDeX and ETFplus markets to perform the obligations established in the Rules. This type of order allows such specialists to update their bid and offer quotations with a single operation;
“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;
“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;
“Reserved AIFs”	AIFs which investment is reserved to professional investors and to categories of investors identified by the rules referred to in Article 39 of the Consolidated Law on Finance;

“Reverse mergers”	means mergers referred to in Article 117-bis of the Consolidated Law on Finance;
“Series”	means, with reference to the derivatives market (IDEM), 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;
“SICAFs”	means the investment companies with fixed capital referred to in Section 1, letter <i>i-bis</i> , of the Consolidated Law on Finance.
“SIIQ”	means companies that have exercised the option referred to in Article 1(120) of Law 296/2006 and adopted the corresponding qualification;
“SIVs” or “Special investment vehicles”	means companies established for the purpose of the strategic acquisition of a specific business, whose exclusive corporate purpose is to invest prevalently in a company or assets to perform the related instrumental activities. It also means companies other than AIFs whose investment strategy has not been initiated or completed yet and/or is particularly complex;
“SMEs”	Indicates small and medium enterprises as provided for in the legislative decree 58 of 24 February 1998, article 1, paragraph 1, letter w) quarter. 1);
“Specialist in the ETFplus market”	means an approved intermediary that undertakes to support the liquidity of financial instruments traded on the ETFplus market and performs the functions referred to in Article 4.4.1;
“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 “SEDEX specialist”	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;
“Specialist in the IDEM market” or “IDEM specialist”	means an approved intermediary, other than the market maker, referred to in Article 5.4.2 that undertakes to support the liquidity of financial instruments traded in the IDEM market;
“Specialist in the MIV market” or “MIV specialist”	means an approved intermediary that undertakes to support the liquidity of units of AIFs or financial instruments traded in the Professional Segment referred to in Article 4.4.1;
“Specialist in the MTA market” or “MTA specialist”	means an approved intermediary referred to in Article 4.4.1 that, appointed by the issuer, undertakes to support the liquidity of financial instruments traded on the MTA market excluding 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 Star segment” or “Star specialist” or “specialist”	means for the MTA market, an approved intermediary that performs the functions referred to in articles 2.3.5 and 4.4.1.
“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;
“Trading at the closing auction price”	means the trading phase that follows the closing auction. Market intermediaries may enter, modify and cancel order during the trading at the auction price phase;
“Trading venue”	means the regulated markets, multilateral trading facilities and systematic internalisers referred to respectively in Article 1.1(<i>w-ter</i>), 1.5- <i>octies</i> and 1.5- <i>ter</i> of the Consolidated Law on Finance;
“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;
“X-TRM”	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. or foreign settlement services.

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, other debt securities and instruments tradable in the monetary market;
 - c) warrants and comparable securities;
 - d) units or shares of AIFs;
 - e) securitised derivative financial instruments;
 - f) structured bonds;
 - g) government securities;
 - h) asset-backed securities;
 - i) covered bonds;
 - j) units/shares of UCITS.
2. This part of the Rules shall also govern the admission to trading referred to in Article 2.1.2, paragraph 7, for cases other than those referred to in paragraph 1 where the financial instruments are already listed on other regulated market.

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 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.

For Elite Companies, Borsa Italiana will assess those elements looking at the previous evaluation performed during Elite or an equivalent program, the declarations of the Sponsor referred to in article in 2.3.4, paragraph 2, letter a) and d) as well as any other information produced by the Sponsor and/or by the issuer. Where the application for admission is submitted more than 6 months after Elite or an equivalent certificate has been obtained, Borsa Italiana may ask the issuer to make available further information and/or ask the Sponsor to submit other declarations.

3. Borsa Italiana may reject an application for admission to trading of financial instruments referred to in Article 2.1.1, paragraph 1 letter d) in a reasoned decision promptly notified to the interested party, if the requirements referred to in paragraphs 2 letters a), b) and c) are not satisfied.
4. In the case of admission to listing of shares referred to in Article 2.3.4, paragraph 10, in evaluating the elements referred to in paragraph 2 letter 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 11, and 2.3.1, paragraph 2, 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 letter a), 2 letter b) and 2 letter 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 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 i), already admitted to trading on another regulated market subject to satisfaction of the conditions referred to in Article 57, paragraph 1 letter h) 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.

In the case of financial instruments referred to in Article 2.1.1, subparagraphs b), f), h) and i), already admitted to trading on another regulated market, the application may also be submitted by the issuer subject to satisfaction of the conditions referred to in Article 57, paragraph 1 letter h) of Consob Regulation 11971/1999.

8. 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 letter a) and 2 letter b) are not satisfied and, with reference to financial instruments referred to in Article 2.1.2, paragraph 7 letter a), the additional conditions laid down in Article 2.2.39.
9. 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 negotiable. Financial instruments whose transfer is subject to restrictions are considered freely negotiable when the restrictions do not involve any risk of disturbing the market;
 - 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;
 - e) suitable for trading in a fair, orderly and efficient manner.

Article 2.1.4

(Additional conditions for foreign issuers)

1. Issuers established under the foreign law of a non-EU member state 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 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. 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.

4. 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.
5. 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 solo or consolidated annual accounts for the last three financial years, of which at least the latest must be accompanied by an opinion expressed by a statutory or a statutory auditing company registered in the register held by the Ministry of Economy and Finance, pursuant to Legislative decree no. 39 of 27 January 2010 or the corresponding applicable provisions of foreign law. Admission to listing may not be granted where statutory auditor or the statutory auditing company 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 submission of the application or subsequently must produce, in addition to what is provided for in paragraph 1:
 - a pro forma income statement for at least one financial year ended prior to the date of submission 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 a statutory auditor or a statutory auditing company which has an adequate knowledge of the subjects involved and his opinion must be based on adequate checking. The report contains the results of the checking activity 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 statutory auditor or the statutory the auditing company 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 and the main companies belonging to the group it heads must adopt 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 main companies belonging to the group it heads and making it possible to:
- monitor the key performance indicators and risk factors of the company and, where applicable, of the main companies belonging to the group it heads;
 - produce data and information, with special reference to financial data, at a level of detail adequate to the type of business, the complexity of the organisation and the management's specific information needs;
 - prepare forward-looking financial data for the business plan and the budget and verify the achievement of the company's objectives by means of gap analysis.
- To this end the issuer shall draw up a Memorandum, approved by the board of directors, in which it must describe the management control system it has adopted, together with the main companies belonging to the group it heads. The Memorandum must contain a summary but complete description of the components of the system, the persons responsible for the system and the information content, with special reference to the indicators used to monitor the key performance indicators and corporate risk factors.
- The Memorandum must also specify any problem areas present in the management control system at the time the application is submitted; the issuer must specify to which categories of problems provided for by Borsa Italiana in the Instructions the problems belong.
7. 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.
- Companies subject to direction and coordination by another company must not fall into the conditions that forbid the admission to listing pursuant to Article 37 of the Consob Resolution 16191/2007 as last amended.
- 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.
8. Companies with control over companies established and regulated under the laws of non-EU countries must comply with the admission requirements established in Article 36 of the Consob Resolution 16191/2007 as last amended.

9. Financial companies with equity composed exclusively of equity investments must comply with the admission requirements established in Article 38 of the Consob Resolution 16191/2007 as last amended.
10. 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.
11. The shares of cooperative companies may be admitted provided:
 - the provisions of the article of incorporation of the issuer and/or the resolution for the issue of the shares contain/contains specific provisions ensuring that the shares issued are freely transferable;
 - the provisions of the article of incorporation and/or of the resolution for the issue of the shares comply with the applicable provisions of law.
12. 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.
13. The issuer must have appointed a statutory auditor or a statutory auditing company to audit its annual accounts in accordance with Legislative decree no. 39 of 27 January 2010 except as provided for by the corresponding applicable provisions of foreign law.
14. Where the creditworthiness of the issuer has been rated by a local or international credit rating agency in the twelve months preceding the submission 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.
15. For financial instruments issued by Borsa Italiana, satisfaction of the requirements referred to in this article shall be verified by Consob.
16. In granting admission to trading for ordinary shares of issuers whose ordinary shares are already admitted on other EU or non-EU markets, Borsa Italiana may waive the preceding paragraphs, taking account of factors including but not limited to: the inclusion of the shares in leading international or national financial indices, the size of the issuer and how long it has been admitted to trading.

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 professional as well as non-professional investors; 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 with reference to the number of ordinary shares and taking into account the exemptions as of article 119-bis of the Consob Regulation 11971/99; in the case of SMEs, shareholdings greater than 5% are not taken into account;
 - 3) account shall be taken of the shares held by collective investment undertakings, pension funds and social security institutions. Exclusively for the purpose of this provision, foreign collective investment undertakings not authorised to engage in marketing in Italy shall also be considered.
2. Borsa Italiana may deem the distribution among only professional investors to be adequate if the market value of the shares held by such investors or the number thereof suggests the conditions for regular operation of the market can in any case be met.
 3. In granting admission to trading of ordinary shares of issuers whose ordinary shares have already been admitted or are admitted contemporaneously to trading on a regulated EU or non-EU market or on a multilateral trading facility or are the result of a spin-off or of a merger with the creation of a new company or of comparable transactions involving companies listed on a regulated market, Borsa Italiana shall assess the sufficient distribution requirement referred to in paragraph 1(b) taking into account the distribution of the ordinary shares. For shares admitted to trading on a multilateral trading facility, Borsa Italiana shall consider the requirement referred to in paragraph 1(b) satisfied when the performance of prices and the volume of trades indicate that the requirements for the regular operation of the market can be met.
 4. 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.

5. 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.
6. 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.
7. 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 4.2.1, paragraph 3;
 - b) have an effective or a foreseeable market capitalisation not less than the limit laid down in the Instructions pursuant to Article 4.2.1, paragraph 3;
 - c) be distributed among professional as well as non-professional investors 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). Paragraph 2 of Article 2.2.2 shall also apply.
3. In order to obtain and maintain Star status, issuers must:
 - a) make their interim management statements available to the public within 45 days of the end of first, third and fourth quarter. The issuers are exempted from the obligation to publish the 4th interim management statement if they make available to the public the annual financial report together with the other documents referred to in Article 154-ter, paragraph 1, of the Consolidated Law on Financial within 90 days of the close of the relevant financial year;
 - b) have received a favourable auditor's report on their latest solo and, where applicable, consolidated 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) not have had their solo and, where applicable, consolidated annual financial statements challenged by Consob pursuant to Article 157 of the Consolidated Law on Finance;
- e) post their interim management statements, half-yearly reports and solo and, where applicable, consolidated annual financial statements 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; disclosures to the public referred to in Articles 114(1) and 114(4) of the Consolidated Law on Finance and any additional integrations requested by Consob pursuant to Articles 114(5) of the Consolidated Law on Finance must be disseminated to the public in English at the same time as the corresponding disclosures in Italian;
- 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. 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 4 of the Corporate Governance Code;
- n) apply, in relation to the remuneration of directors, the principles of Article 6 of the Corporate Governance Code and the criteria 6.C.4, 6.C.5 and 6.C.6;
- o) have appointed a control and risk committee in conformity with principle 7.P.4 and with the tasks referred to in criteria 7.C.1 and 7.C.2 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 10 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 4th interim management statement 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, 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(e) 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. In such a case, Borsa Italiana verifies, for the purpose of the exclusion, if the shareholding(s) of the controlling shareholder(s) has exceeded the

threshold laid down 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 4.2.1 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 4.2.1, upon the issuer's request 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:
 - a) where circumstances occur that prejudice the profitability, financial position or balance sheet of the issuer or the group it heads, included the situations referred to in Articles 2446 and/or Article 2447 of the Civil Code;
 - b) where the shares are suspended for an indefinite period;
 - c) where the application of the measure referred to in Article 2.6.10 is made public pursuant to the Article 2.6.13.

The measure shall be published in a Notice.

In such cases Borsa Italiana, at the request of the interested company, may grant Star status again to the shares of the company referred to in the preceding paragraph if the cause of the exclusion no longer exists and provided the requirements referred to in Article 2.2.3 of the Rules are satisfied. Such request may not be submitted before one year has past from the withdrawal of Star status even if the withdrawal was made at the request of the issuer upon the occurrence of circumstances that could give rise to the conditions referred to in this paragraph, subparagraphs a), b) and c).

13. 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 a company with respect to which events have occurred that are basically in contrast with complete compliance with the high standards characteristic of the Star segment and that are likely to impact negatively on the segment's reputation. In such cases Borsa Italiana, at the request of the interested company, may grant Star status again to the shares of the company referred to in the preceding paragraph if the cause of the exclusion no longer exists and provided the requirements referred to in Article 2.2.3 of the Rules are satisfied. Such request may also be submitted before one year has past from the withdrawal of Star status.
14. 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.

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

Section I

Article 2.2.5

(Requirements for issuers of bonds)

1. Bonds issued by companies or entities who have published and filed, in compliance with national law, the solo or consolidated annual accounts for the last two financial years that satisfy the requirements of Article 2.2.1, paragraphs 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. 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
3. The solo and, where applicable, consolidated annual accounts of the issuers of listed bonds must have been subjected to statutory audit in accordance with Legislative decree no. 39 of 27 January 2010 or the corresponding applicable provisions of foreign law. The issuer must have 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 in accordance with Legislative decree no. 39 of 27 January 2010 or the corresponding applicable provisions of foreign law.
4. Where the creditworthiness of issuers of bonds has been rated by a local or international credit rating agency in the twelve months preceding the submission 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. 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.
6. For financial instruments issued by Borsa Italiana, satisfaction of the requirements referred to in this article shall be verified by Consob.

Article 2.2.6

(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 2, paragraph 1, D.Lgs. 267/2000, and consortia to which the provisions governing local authorities apply, the latest report on operations with the relevant attachments, accompanied by the report referred to in Article 151, paragraph 6, D.Lgs. 267/2000 must be certified by the economic and financial auditing body in the manner provided for in Article 239, paragraph 1, letter 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 opinion of the statutory auditor or the statutory auditing company drawn up in accordance with Legislative decree no. 39 of 27 January 2010;
- 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) 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;
 - c) for convertible bonds, the characteristics of the instruments must be clear and unambiguous and permit a correlation between the price of the financial instrument and the price of the share deriving from the conversion.
2. 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.
3. 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.
4. For financial instruments issued by Borsa Italiana, satisfaction of the requirements referred to in this article shall be verified by Consob.

Section II

Article 2.2.9

(Definition of covered bonds)

1. Covered bonds shall mean financial instruments issued in connection with transactions carried out pursuant to:
 - a) Article 7-*bis* of Law 130/1999 as amended and special laws to which the provisions of Law 130/1999 shall apply insofar as they are compatible;
 - 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 transaction.

Article 2.2.10

(Requirements for issuers of covered bonds)

1. Covered bonds issued by banks who have published and filed, in compliance with national law, the solo or consolidated annual accounts for the last two financial years that satisfy the requirements of Article 2.2.1, paragraphs 2, 3, 4 and 5 and those of the provisions implementing Article 7-*bis* of Law 130/1999 may be admitted to listing or the corresponding applicable provisions of foreign law.
2. The solo and, where applicable, consolidated annual accounts of the issuers of covered bonds must have been subjected to statutory audit in accordance with Legislative decree no. 39 of 27 January 2010 or the corresponding applicable provisions of foreign law. The issuer must have assigned the statutory audit mandate 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 in accordance with Legislative decree no. 39 of 27 January 2010 or the corresponding applicable provisions of foreign law
3. Where the creditworthiness of issuers of covered bonds has been rated by a local or international credit rating agency in the twelve months preceding the submission 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 2.2.11

(Requirements for covered bonds)

1. For the purposes of admission to listing, covered bonds must:
 - a) have a residual nominal value of at least €50 million or the equivalent thereof if denominated in other currencies. Borsa Italiana may, however, accept a smaller amount than that just specified where it deems a sufficiently liquid market will develop for the covered bonds in question.
2. Borsa Italiana reserves the right to subject covered bonds to the provisions of Article 2.2.28, paragraphs 4, 5 and 6, and Article 2.2.29, paragraphs 2 and 3, of

Chapter 8 of this Title if they have a redemption and/or remuneration mechanism linked to the performance of:

- a) interest rates with a system of linkage 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 2.2.12

(Disclosure requirements for issuers)

1. For each issue issuers of covered bonds are required to send Borsa Italiana the information specified in the Instructions.

Chapter 4 — Eurobonds

Article 2.2.13 (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 2.2.14

(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 2.2.15

(Requirements for issuers of warrants)

1. Warrants of issuers may be admitted to listing provided that their underlying shares are traded in a regulated market or are subject to a simultaneous admission decision.
2. In exceptional circumstances, Borsa Italiana may admit to listing warrants issued by an issuers that comply with requirements referred to in article 2.2.1, paragraph 1, 2, 3, 4 and 5 and that refer to underlying shares issued by a third party and admitted to trading on a regulated market or that are subject to a simultaneous admission decision.
3. For financial instruments issued by Borsa Italiana, satisfaction of the requirements referred to in this article shall be verified by Consob.

Article 2.2.16

(Requirements for warrants)

1. For the purposes of admission to listing, warrants must satisfy the following requirements:
 - a) refer to underlying shares that are already traded on a regulated market or are the subject of a simultaneous admission decision;

- b) 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;
 - c) be distributed among non-professional investors and/or professional investors to an extent deemed adequate by Borsa Italiana to meet the need for regular operation of the market;
 - d) have clear and unambiguous characteristics permitting a correlation between the price of the financial instrument and the price of the underlying share.
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 7 — Securitised derivative financial instruments

Article 2.2.19

(Definition of securitised derivative financial instruments)

1. Securitised derivative financial instruments shall mean financial instruments whose value is linked to the prices of the underlying assets referred to in Article 2.2.21.

Article 2.2.20

(Requirements for issuers of securitised derivative financial instruments)

1. Securitised derivative financial instruments issued by the following persons may be admitted to listing:
 - a) Italian or foreign companies or entities subject to prudential supervision with capital for supervisory purposes of at least €25 million and risk management and control systems in conformity with the prudential supervisory provisions to which they are subject;
 - b) Italian or foreign companies or entities whose exclusive corporate purpose is to make one or more issues of financial instruments;
 - c) companies or entities for which the obligations connected with the issue are unconditionally and irrevocably guaranteed by another person (guarantor) belonging to the category referred to in subparagraph a).
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 shall be deemed to refer to the guarantor of the issue.
3. Securitised derivative financial instruments may be admitted to listing when they are of an issuer that has published and filed, in compliance with national law, the solo and, where applicable, consolidated annual accounts for the latest two financial years (or of the last financial year if the issuer has been in operation for a shorter period), of which at least the latest must be accompanied by an opinion of a statutory auditor or an statutory auditing company drawn up in accordance with Legislative decree no. 39 of 27 January 2010 or the corresponding applicable provisions of foreign law. Admission to listing may not be granted where the statutory auditor or the statutory auditing company has rendered an adverse opinion or a disclaimer. In the case of recently created issuers Borsa Italiana may accept, instead of audited annual accounts, a balance sheet and income statement for a period of less than one year provided they have been audited by a statutory auditor or a statutory auditing company. The issuer must also have assigned the statutory audit mandate to audit the annual accounts for the current year at the date the application for admission to listing is submitted in accordance with Legislative decree no. 39 of 27 January 2010 or the corresponding applicable provisions of foreign law.
4. Where the creditworthiness of issuers of securitised derivative financial instruments or securitised derivative financial instruments themselves has been rated by a local or international credit rating agency in the twelve months preceding the submission

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.

5. Borsa Italiana may, for the purpose of evaluating the suitability of the issuer of securitised derivative financial instruments, take into consideration the latter's previous experience with securitised derivative financial instruments, and may ask it to describe the risk-hedging strategies it intends to adopt in connection with the issue.

Article 2.2.21 ***(Underlying assets)***

1. Securitised derivative financial instruments may be admitted to listing that are based on underlying assets specified in the Instructions, for which a reliable and up-to-date price or some other measure of value is available to the public.
2. Borsa Italiana may require the issuer of securitised derivative financial instruments 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, upon the reaching of given values of the underlying or the occurrence of given events, securitised derivative financial instruments provide for the extinction thereof and/or for a change in the original contractual conditions or for the issuer to be able to repay the principal early, the issuer must make the required communications within the time limits specified by Borsa Italiana.

Article 2.2.22 ***(Requirements for securitised derivative financial instruments)***

1. For the admission to listing of securitised derivative financial instruments, the following conditions must be satisfied:
 - a) the characteristics of the instruments must be clear and unambiguous and permit a correlation between the price of the financial instrument and the price or other measure of the underlying; Borsa Italiana may require the issuer to specify the percentage composition of the various components of the financial instrument and the commissions;
 - b) where settlement in cash is envisaged, the procedure for fixing the settlement price must guarantee that such price correctly reflects the price or other measure of the value of the underlying. The provisions of the Instructions shall also apply;
 - c) where the underlying is a financial instrument traded on regulated markets organised and managed by Borsa Italiana, in conformity with what is established in the listing prospectus, settlement may consist in the physical delivery of the underlying.
 - d) provision must be made for adjustments where extraordinary events occur regarding the underlyings. 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 must 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.

2. For securitised derivative financial instruments identified in the Instructions, a parity/multiple must be established as specified in the Instructions.
3. For securitised derivative financial instruments identified in the Instructions, provision must be made for their exercise as specified in the Instructions.
4. For securitised derivative financial instruments identified in the Instructions, provision must be made for a maturity of not more than 5 years. Borsa Italiana may admit financial instruments 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.
5. For securitised derivative financial instruments whose underlying consists of shares traded on 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 may establish a different percentage in relation to the features of the underlying share.
6. For securitised derivative financial instruments issued by persons referred to in Article 2.2.20, subparagraph 1(b), the following conditions must also be satisfied:
 - a) the assets acquired with the proceeds deriving from the subscription of an issue must constitute, to all intents and purposes, an independent pool of assets separated from that of the issuer;
 - b) the assets acquired with the proceeds deriving from the subscription of an issue and the income earned on such assets must be assigned exclusively to satisfy the rights incorporated in the financial instruments and possibly to meet the costs of the transaction;
 - c) actions may not be brought against assets acquired with the proceeds deriving from the subscription of an issue by creditors other than the holders of the financial instruments in question.
7. For securitised derivative financial instruments provision may also be made, at least for some categories of qualified intermediaries, for the subscription or the redemption on a continuous basis by delivering the financial instruments or commodities that make up the assets or an equivalent amount of cash. To this end there must be adequate provisions for the settlement and delivery of the underlying.
8. For the listing of securitised derivative financial instruments, there must be a specialist that enters into an undertaking pursuant to Article 4.4.1.
9. In any case, Borsa Italiana shall reserve the right to reject the admission to listing of securitised derivative financial instruments in order to ensure the stability and proper trading of the underlyings related thereto.

Articles 2.2.24, 2.2.25 and 2.2.26 deleted by Notice no. 16760 of 6 November 2009

Chapter 8 — Structured bonds

Article 2.2.27

(Definition of structured bonds)

1. 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 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.
2. 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 2.2.27 paragraph 1 provided the conditions of this Chapter are satisfied.

Article 2.2.28

(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 have published and filed, in compliance with national law, the solo or consolidated annual accounts for the

last two financial years and satisfy the requirements referred to in Article 2.2.1, paragraphs 2, 3, 4 and 5. Article 2.2.5, paragraph 3, 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 submission 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 of information updated daily and made available to the public at least once a day 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. For financial instruments issued by Borsa Italiana, satisfaction of the requirements referred to in this article shall be verified by Consob.

Article 2.2.29
(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 2.2.27;
 - 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.
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 2.2.27, subparagraphs a), e), f), g) and h) 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 2.2.30

(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 2.2.31

(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 2.2.30, 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 independent pool of assets separated from that of the company and from that of other securitisation operations and that no actions concerning such a independent pool of assets 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 opinion of a statutory auditor or of a statutory auditing company registered in the register held by the Ministry of Economy and Finance drawn up in accordance with Legislative decree no. 39 of 27 January 2010 or the corresponding applicable provisions of foreign law. The issuer must have assigned the statutory audit mandate to audit the annual account for the current year at the date the application for admission to listing is submitted in accordance with Legislative decree no. 39 of 27 January 2010 or the corresponding applicable provisions of foreign law.

Article 2.2.32

(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 non-professional investors and/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 2.2.28, paragraphs 4, 5 and 6, and 2.2.29, 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 2.2.33
(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 2.2.34

(Requirements for listing of units or shares of AIFs)

1. Units or shares of AIFs may be admitted to listing, provided the following conditions are satisfied:
 - a) the management company, SICAV or SICAF has drawn up financial statements even for a period of less than a year, provided such have been subjected to examination by a statutory auditor or a statutory auditing firm in accordance with paragraph 9.
 - b) the fund rules or bylaws of the SICAV or SICAF provide for the listing on a regulated market.
2. Where application is made for the listing of the units or shares of a fund or SICAF subscribed by means of the contribution of assets, pro forma statements of profits and losses and assets and liabilities may be produced.
3. Companies resulting from extraordinary corporate actions, or whose assets and liabilities underwent material changes in the financial year preceding that of the submission of the application or subsequently, must produce, in addition to what is provided for in paragraph 1:
 - a pro forma income statement for at least one half-year ended prior to the date of submission of the application for admission;
 - 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 an statutory auditor or an statutory auditing company which has an adequate knowledge of the subjects involved, and whose opinion must be based on adequate checking. The report contains the results of the checking activity containing 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 statutory auditor or statutory auditing company on historical accounting reconstructions different from pro forma data; 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 amount of the assets raised through the offer of shares or units must be at least 25 million euro.
7. The units or shares must be distributed among non-professional investors and/or professional investors to an extent deemed adequate by Borsa Italiana to meet the need for regular operation of the market.
8. Where application is made for the listing of the units or shares of a sub-fund of the AIF, the requirements of this article shall be understood as applying to such sub-fund.
9. The issuer must have appointed statutory auditor or a statutory auditing company to audit its annual accounts in accordance with Italian Legislative Decree no. 39 of 27 January 2010 except as provided for by the corresponding applicable provisions of foreign law.
10. Article 2.2.35 shall apply only to the rules envisaged therein for ETFs if the AIF is characterised by an investment policy that foresees replication of the performance of the underlying assets and/or is characterised by contractual safeguards that guarantee the alignment of market prices to the NAV and, where applicable, to the iNAV.

Article 2.2.35

(Requirements for listing of open-end CIUs other than ETFs and ETFs)

1. Units/shares of open-end CIUs other than ETFs may be admitted to listing, provided they are compliant with Directive 2009/65/EC and for which the prospectus provides for their listing on a regulated market.
2. The listing of open-end CIUs other than ETFs and other than AIFs requires the presence of an appointed intermediary that has entered into the undertakings referred to in Article 4.3.12 of the Rules. If the relationship is terminated for any reason, Borsa Italiana must be notified in writing, in the manner specified in the Instructions for specialists on the ETFplus market.
3. Where, subsequent to listing, the requirements referred to in the previous paragraphs are no longer satisfied, Borsa Italiana may suspend or, in more serious cases, revoke the listing of the units/shares of the open-end CIU in accordance with Title 2.5 of these Rules.
4. Units/shares of ETFs may be admitted to listing, provided they are compliant with Directive 2009/65/EC and with the Directive 2001/61/CE and provided the following conditions are satisfied:
 - a) the CIU's prospectus provides for the units/shares of the CIU to be listed on a regulated market;
 - b) the prospectus provides, at least for some categories of qualified persons, the possibility of subscribing for and redeeming the units/shares of CIUs on a continuous basis through the delivery of financial instruments making up the assets or an equivalent in cash;
 - c) the characteristics of the financial instrument allow the indicative net asset value (iNAV) to be made available to the public.

5. The admission to listing of units/shares of ETFs is also subject to satisfaction of at least one of the following conditions:
 - a) the CIU's reference index or basket of securities is calculated in a transparent manner and updated daily and the value of the index is made available to the public at least once a day (index ETFs);
 - b) the index to which the CIU's performance is linked and the formula linking the performance of the index and the CIU are marked by transparent methods of calculation and the value of the index is made available to the public at least once a day (structured ETFs);
 - c) the characteristics of the financial instrument allow the composition of the CIU's portfolio to be made available to the public at least once a day (actively managed ETFs);
6. The admission of ETFs requires the presence of a specialist that has entered into the undertakings referred to in Article 4.4.1.
7. Where, subsequent to listing, the requirements referred to in paragraph 4, 5 and 6 are no longer satisfied, Borsa Italiana may suspend or, in more serious cases, revoke the listing of the units/shares of the ETF in accordance with Title 2.5 of these Rules.

Chapter 11 – Shares of SIVs

Article 2.2.36

(Requirements for listing of shares of SIVs)

1. Ordinary shares representing the capital of SIVs may be admitted to listing provided the clause of the bylaws establishing the corporate purpose provides for investment prevalently in a company or activity in accordance with their strategy and the performance of the related instrumental activities.
2. Ordinary shares representing the capital of companies, other than AIFs, whose strategy has not been initiated or completed yet and/or is particularly complex may also be admitted to listing.
3. The bylaws shall provide for the duration of the company not to be more than 36 months for it to make one or more significant investments, with the possibility of an extension only if evidence is provided of negotiations under way to achieve a significant level of investment.
4. The company must not invest more than 20% of its assets in units of AIFs.
5. Investments shall be considered significant if in total they represent more than 50% of the company's assets.
6. Foreign issuers must demonstrate that there are no impediments to their substantial compliance with these provisions.

Article 2.2.37

(Requirements for SIVs)

1. Shares may be admitted to trading where they represent the capital of SIVs that have drafted financial statements even for a period of less than one year, provided that such have been submitted for auditing by a statutory auditor or a statutory auditing company registered with the register held by the Ministry of Economy and Finance in accordance with Legislative decree no. 39 of 27 January 2010 or the corresponding applicable provisions of foreign law. Admission to trading may not be granted where the statutory auditor or the statutory auditing company 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 submission of the application or subsequently must produce, in addition to what is provided for in paragraph 1:
 - a pro forma income statement for at least one half-year ended prior to the date of submission 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.

3. The accounting documents referred to in paragraph 2 must be accompanied by the report of a statutory auditor or a statutory auditing company which has an adequate knowledge of the subjects involved and his opinion must be based on adequate checking. The report contains the results of the checking activity. The report contains the results of the checking activity 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 statutory auditor or the statutory auditing company 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 accounting reconstructions 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. 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.

Companies subject to direction and coordination by another company must not fall into the conditions that forbid the admission to listing pursuant to Article 37, of the Consob Resolution 16191/2007 as last amended.

6. Companies with control over companies established and regulated under the laws of non-EU countries must comply with the admission requirements established in Article 36 of the Consob Resolution 16191/2007 as last amended.
7. Financial companies with equity composed exclusively of equity investments must comply with the admission requirements established in Article 38 of the Consob Resolution 16191/2007 as last amended.
8. Issuers must establish and pursue a strategy that is sufficiently precise and detailed so as to produce clear guidelines and limits for the choice of investment assets and thus provide the basis for the investment choices of individual investors. This strategy must specify at least:
 - the type or types of business sector, the geographical area or areas and the type of asset or company that can be invested in;
 - whether the issuer will act as an active or a passive investor and, where applicable, the expected duration of each investment;
 - the degree of diversification of the investments and the maximum exposure limits, where applicable;
 - the policy for borrowing and cross-shareholdings, where applicable.
9. Exclusively for the case referred to in Article 2.2.36, paragraph 1, issuers must establish an escrow account on which to deposit the capital raised during the admission and on the occasion of subsequent capital increases for the purpose of making the planned investments.

10. 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.
11. Issuers shall take all reasonable measures to identify conflicts of interest that could arise from their investment activity and suitable organizational and procedural measures for the handling of conflicts of interest. In particular, issuers must ensure that where a director or person who manages the investments performs comparable functions in companies that perform similar or instrumental activities procedures exist guaranteeing independent management.

Issuers must establish in writing, maintain and apply an effective policy for the handling of conflicts of interest.

The policy for the handling of conflicts of interest must at least:
 - permit the identification, in connection with the investment activity, the circumstances that generate or could generate a conflict of interest involving, in particular, directors and persons who manage the investments;
 - specify the procedures to be followed and the measures to be adopted for the handling of such conflicts.
12. The issuer must have appointed a statutory auditor or a statutory auditing company to audit its annual accounts in accordance with Legislative decree no. 39 of 27 January 2010 except as provided for by the corresponding applicable provisions of foreign law.
13. 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 submission 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 2.2.38
(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 SIVs 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 35% of the capital represented by shares of the same class are distributed among professional investors. 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 with reference to the number of ordinary shares and taking into account the exemptions as of article 119-bis of the Consob Regulation 11971/99; in the case of SMEs, shareholdings greater than 5% are not taken into account;
 - 3) account shall be taken of the shares held by collective investment undertakings, pension funds and social security institutions. Exclusively for the purpose of this provision, foreign collective investment undertakings not authorised to engage in marketing in Italy shall also be considered.
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.
 3. Financial instruments without voting rights 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.

Chapter 12 – Financial instruments admitted to trading pursuant to Article 2.1.2, paragraph 7, letter a)

**Article 2.2.39
(Requirements for admission)**

1. Financial instruments referred to in Article 2.1.2, paragraph 7 letter a) must have been traded on another European regulated market for more than 18 months.
2. Financial instruments referred to in Article 2.1.2, paragraph 7 letter a) may be admitted to trading if they satisfy the following requirements:
 - a) 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;
 - b) 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.
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.

Chapter 13 — Other securities and special distribution conditions

Article 2.2.40 (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 2.2.41 (Special distribution conditions)

1. By way of derogation from the provisions of Articles 2.2.2, 2.2.16 and 2.2.34, 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 investors specified in the relevant articles.
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.

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 letter a), included shares of SIVs 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.
2. 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.
3. 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 letter a) included shares of and SIVs;
4. In the cases referred to in paragraph 1 letter b) the appointment must last for at least one year.
5. 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 letter a) included shares of SIVs.
6. Borsa Italiana may exempt issuers from the obligation referred to in paragraph 1 when the shares to be admitted are already listed on another EU or non-EU regulated market.
7. 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 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 2.3.3
(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, exclusively in the case in which the issuer intends to use the procedure for admission accompanied by an offer for subscription;
 - c) there exist equity interests and credit positions between the sponsor's Group and persons with significant direct and indirect holdings in the issuer, exclusively in the case in which the issuer intends to use the procedure for admission accompanied by an offer for sale.
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 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 3 and 4.

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 2.3.4

(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 letter a), the sponsor shall undertake to perform the following duties and for each such duty to issue a 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) declaring that they have not found any evidence suggesting at the time of issue of this declaration that the issuer and the main companies belonging to the group it heads have not adopted a management control system conforming with that described by the issuer in the Memorandum and that any problems highlighted by the issuer are not incompatible with the cases specified by Borsa Italiana in the Instructions.

To this end the sponsor avails itself of conformity checks carried out by a statutory auditor or a statutory auditing company or by some other qualified person indicated by the sponsor, appointed jointly with the issuer and satisfying the requirements of professionalism and independence;

- d) declaring it is satisfied that the forecasts in the business plan for the financial year under way at the date of submission of the listing application were prepared by the issuer after careful and thorough examination of the documentation 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 a statutory auditor or a statutory auditing company or by some other qualified person indicated by the sponsor and accepted by the issuer.

The declaration referred to in subparagraph a) must be produced following submission of an application for admission and renewed no more than two trading days before the admission decision.

In the case of a procedure for the admission to listing of shares on the basis of a prospectus consisting of separate documents referred to in Article 2.4.9 of the Rules, the declarations referred to in the preceding paragraphs must be produced following the presentation of the application for the declaration of admissibility. The declaration referred to in subparagraph a) must be renewed no more than two trading days before the issue of the declaration of admissibility and no more than two trading days before the admission-to-listing decision. If the completion date of the documentation to be attached to the application for the declaration of admissibility is after 15 September, the declaration referred to in subparagraph d) must extend to at least the first six months of the following year. The declaration referred to in subparagraph d) must not be renewed on the occasion of the presentation of the application for the admission unless the issuer or the sponsor notify to Borsa Italiana that significant changes have occurred so that the submission of a new business plan is necessary. In such cases, 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.

If no new business plan is presented the declaration provided as of the admissibility decision will remain valid for purpose of the admission.

3. In the case of admission to listing of financial instruments, other than shares of SIVs, referred to in Article 2.1.1, paragraph 1 letter 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. 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 shares of AIM Italia Companies, the sponsor shall undertake to perform the duties referred to in paragraphs 2 letters a), b) and d) of this article, and to issue a declaration to Borsa Italiana with respect to each such duty.
5. In the case of admission to listing of shares of Private Equity backed issuers, the sponsor shall undertake to perform the duties referred to in paragraphs 2 letters a), b) and d) of this article, and to issue a declaration to Borsa Italiana with respect to each such duty.
6. In the case of admission to listing of shares of Elite Companies, the sponsor shall undertake to perform the duties referred to in paragraph 2 of this article, letters a) and d) by submitting the related declaration to Borsa Italiana.
7. In the case of admission to listing of the financial instruments referred to in Article 2.1.1, paragraph 1, letter d), the Board of Directors shall issue a specific statement

in which it assumes those responsibilities referred to in paragraph 2 of this Article, letters a) and b).

8. In the case of admission to listing of shares of SIVs, the sponsor shall undertake to perform the duties referred to in paragraphs 2 letters a) and b) of this article, and to issue a declaration to Borsa Italiana with respect to each such duty.
9. In the case of admission to listing of shares of SIVs the sponsor shall attest that the issuer has an adequate policy for the handling of conflicts of interest. The sponsor shall also attest that the professionalism, experience and reputation of the persons who manage the investments are adequate.
10. 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 letter 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.
11. 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.
12. In the case of admission to listing of financial instruments, other than shares of SIVs, referred to in Article 2.1.1, paragraph 1 letter 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.
13. 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)***

14. 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. 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.

Upon issuer's request, in exceptional cases Borsa Italiana may exempt specialists from having to fulfill the obligations referred to in paragraph 1, letter b) for one year, taking into account the number of researches concerning individual issuers already available on the market, in relation also to the other companies belonging to the Star segment. As the year passed, Borsa Italiana may renew the exemption upon request the issuer's request taking into account the circumstances of the preceding period.

15. 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 letters b) and 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, decides whether, in its opinion, a violation has been or has not been objectively completed and, if so, it adopts any of the measures

referred to in Article 2.3.9, after it started the procedure referred to in Article 2.3.10, when applicable.

3. 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:
 - a) a written warning to observe the Rules and accompanying Instructions;
 - b) a written censure;
 - c) a fine of between 5,000 and 500,000 euros;
 - d) inhibition to undertake new operations as sponsor 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 may be made public as described in Article 2.6.13 where Borsa Italiana is of the opinion that this is deemed necessary and appropriate for the purpose of market protection. Borsa Italiana may disclose to the public the measure and the description of the violation without specifying the identity of the perpetrator, when this is deemed sufficient in order to ensure market protection. The measure referred to in paragraph 1, letter a) could be disclosed only without the identity of the sponsor subject to which such measure applies.
3. For the purpose of adopting the measures referred to in paragraph 1, Borsa Italiana assesses the magnitude of the violation taking in to account the following criteria, where applicable:
 - a) the actual and potential impact on the market and the external importance of the violation;
 - b) the size, duration and nature of the violation and the impact on issuer's economic and financial situation;
 - c) how Borsa Italiana became aware of the violation;
 - d) the benefits accrued by the sponsor from the violation;
 - e) sponsor's reaction towards Borsa Italiana's requests and its actual and previous behavior;
 - f) magnitude of fraud or negligence;
 - g) functioning of systems used for internal control and prevention of violations;
 - h) number and magnitude of violations committed previously by the sponsor;
 - i) size of the sponsor and the of group it belongs to;

- j) the cases in which various provisions are breached or the same provision is breached more than once.
- 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. For the purpose of applying measures referred to in Article 2.3.9, paragraph 1, letters b), c) and d) Borsa Italiana sends 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, except for the measure referred to in Article 2.6.10, paragraph 1, letter a) that are notified to Consob periodically.
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
(Review of measures)

The sponsor may ask for the review of measure applied pursuant to Article 2.3.9 within 15 days of the notification referred to in respectively Article 2.3.10, paragraph 6 by means of a petition to the Appeals Board established pursuant to Article 7.4.

For the measure referred to in Article 2.3.9, paragraph 1, letter a), the 15 days run from the moment in which the decision is notified to the interested party.

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 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).

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 produced following submission of an application.
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 to Borsa Italiana and mention the fact that the admission procedure is in progress.
6. For the admission to listing of newly-issued financial instruments that are fungible with respect to those already listed and for newly-issued shares of the same class and with the same features, apart from dividend entitlement, as those already listed, the issuer shall inform Borsa Italiana in the manner and within the time limits specified in the Instructions 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 produced following submission of an 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 time limit is of one month if the application is submitted by an AIM Italia Company or an Elite Company. The admission decision shall be announced in a Notice, except for admissions to the SEDEX, MOT and ETFplus

markets. 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 referred to in paragraph 1 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 referred to in paragraph 1 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 has 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 and simultaneously notify the decision to the issuer and Consob.
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. For financial instruments referred to in Article 4.1.1, paragraph 1, letter c), upon receiving a reasoned request from the issuer, Borsa Italiana may arrange for the payment day to be a different day.
2. Within two months of the day the documentation to be produced following submission of an 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 time limit is of one month if the application is submitted by an AIM Italia Company or an Elite Company. 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 referred to in paragraph 2 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 referred to in paragraph 2 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 listing prospectus and, where applicable, an 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. Exclusively for shares, in the event of withdrawal of the offer, the admission decision shall be null.
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. As part of the admission process of financial instruments other than shares and similar instruments, the issuer may use the market for the distribution of those instruments. In such case Borsa Italiana, after verifying that the issuer and the financial instruments satisfy the admission requirements provided by the Rules and the accompanying Instructions, shall admit the financial instrument and the related contracts will be concluded by matching buying and sell orders. At the end of the distribution phase, if it is successful and subject to compliance with the requirements laid down in these Rules and the accompanying Instructions, the admission shall become final and Borsa Italiana shall establish the date for the start of trading on the market.

If the issue of financial instruments does not take place because the admission requirements laid down in these Rules and the accompanying Instructions are not satisfied, the admission decision shall cease to be effective and the contracts concluded shall be null and void.

The procedures for distribution via the market shall be established each time by Borsa Italiana in a Notice. To this end the issuer shall inform Borsa Italiana of the name of the intermediary appointed to display quotes for the sale of the financial instruments that are to be issued if it does not intend to perform this task itself. The issuer shall also inform Borsa Italiana of the days on which the distribution is to take place, the price, the day on which the company will decide whether to proceed with the issue, and the single date set for the settlement of the contracts concluded, which normally coincides with the date set for the issue and payment of the financial instruments.

Entering, management and cancellation of quotes displayed via the electronic trading systems during the distribution phase follow the relevant provisions provided by the Rules and the accompanying Instructions.

8. 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 and simultaneously notify the decision to the issuer and Consob.
9. 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 and securitised derivative financial instruments issued under an issue programme)***

1. Issuers who intend to implement or have implemented an issue programme for bonds and securitised derivative financial instruments 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 and securitised derivative financial instruments 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 trading days of the submission 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 and securitised derivative instruments 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 and securitised derivative financial instruments are satisfied, shall decide and notify the admission decision to the issuer and Consob. Such time limit is of 20 trading day for the financial instruments for which the admission to trading is requested on the ETFplus market. The admission decision shall also establish the market 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 and the market segment in which the financial instruments are going to be traded 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 non-professional investors and/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 shares where the prospectus is drawn up in separate document)

1. If the prospectus consists of separate documents pursuant to Article 94(4) of the Consolidated Law on Finance, the issuer shall apply to Borsa Italiana for a declaration of admissibility.
2. Borsa Italiana shall specify in the Instructions the documentation to be produced following the presentation of the application for the declaration of admissibility.
3. The application must be signed by the legal representative of the issuer or a duly authorised person and submitted, jointly by the sponsor, 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.
4. Within 2 months of the day the documentation to be attached to the application is completed Borsa Italiana shall resolve and inform the issuer of the adoption of the declaration of admissibility or the rejection of the application and simultaneously notify the decision to Consob. The declaration of admissibility shall be announced in a Notice.
5. The efficacy of the declaration of admissibility shall expire after 12 months and shall be subject to filing of the registration document with Consob. The start of trading must be established by Borsa Italiana within that time limit.
6. For the listing of shares to be issued on the basis of a securities note and a summary note, issuers shall submit an ad hoc application for admission to Borsa Italiana. Within 20 calendar days 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.
7. Without prejudice to the time limit referred to in paragraph 4, the efficacy of the admission decision shall expire after six months and shall be subject to filing of the prospectus with Consob or to the publication in Italy of the prospectus approved by the competent authority of another EU member state in the manner established in Consob Regulation 11971/1999. In the event of withdrawal of the offer, the admission decision shall be null; the declaration of admissibility shall remain valid.
8. Article 2.4.3, paragraphs 1 and 6, shall apply insofar as they are compatible.
9. The time limits referred to in paragraphs 4 and 6 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 limits shall start again from the date of receipt of the documentation in question.

10. Borsa Italiana must be promptly informed of any new fact likely to significantly influence the assessment of the issuer and the shares that occurs in the interval between the date of the issue of the declaration of admissibility 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 declaration of admissibility and admission decision and simultaneously notify the decision to the issuer and Consob.

Article 2.4.10

(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) adopt a resolution reducing the share capital to zero and simultaneously increasing it above the legal limit;
 - c) the involvement of the issuer in insolvency proceedings;
 - d) the liquidation of the issuer;
 - e) an adverse opinion by the statutory auditor or the statutory auditing company or a disclaimer rendered by the statutory auditor or the statutory auditing company 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 Article 2.1.2 of the Rules and that are explicitly notified to the issuer.
4. In the event of companies with control over companies established and regulated under the laws of non-EU countries, companies subject to direction and coordination by another company and financial companies with equity composed exclusively of equity investments, Borsa Italiana may suspend the listing of the company's shares if the company must not comply with the admission requirements established in Title VI of the Consob Resolution 16191/2007.
5. 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 by the statutory auditor or the statutory auditing company or a disclaimer rendered by the statutory auditor or the statutory auditing company for two consecutive financial years.
 - f) the liquidation of the issuer;
 - g) suspension from listing for a period of more than 18 months.
6. Where there is a purchase obligation pursuant to Article 108, paragraphs 1 and 2, of the Consolidated Law on Finance, the securities that are the subject of the legal purchase obligation shall be delisted as of the trading day following the last day for the payment of the consideration, unless the person under the obligation pursuant to Article 108, paragraph 1, of the Consolidated Law on Finance has declared that he intends to restore the free float. Where the conditions referred to in Article 111 of the Consolidated Law exist, the securities that are the subject of the legal purchase obligation shall be suspended and/or delisted taking into account the timetable for the exercise of purchase right. Borsa Italiana shall notify the market the date of the revocation appropriately in advance.
- In the case referred above, moreover, Borsa Italiana may at the same time revoke the listing all the non voting shares, where there is an offer for all these shares, taking into account the value of their remaining free float.
7. The listing of convertible bonds, warrants, securitised derivative financial instruments and other comparable financial instruments may be revoked if the underlying assets cease to be listed.
8. 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.
9. 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 letter 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 2.2.39, paragraph 2 letter a) is not systematically available to the public in English language. The previous paragraphs shall not apply to such instruments, except for the first. The measure adopted by Borsa Italiana shall indicate the date from which the suspension or revocation shall be effective.
10. 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, paragraph 5, 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 5, 6, 7 and 9, 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. Issuers may also apply for the delisting of bonds listed on the Stock Exchange if the following conditions occur:

- a) the issuer possesses all the financial instruments;
 - b) they were not traded in the two sessions preceding the date of the application for their delisting;
 - c) an undertaking by the issuer guaranteeing there will be no trading until the delisting date established by Borsa Italiana.
3. 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 models in the Instructions and accompanied by the documentation specified therein.
 4. Borsa Italiana, having received a delisting application from an issuer and made the necessary checks, within 5 trading days of receiving the application, shall delist the bonds and indicate the date from which the delisting shall be effective. In the case provided for in paragraph 1, at least 60 days shall pass from receipt of the application to the actual delisting.
 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 upon request from SEDEX market)

1. Issuers may also apply for the delisting of financial instruments listed on the SEDEX market if the following conditions occur:
 - a) the issuer possesses all the financial instruments;
 - b) they were not traded in the two sessions preceding the date of the application for their delisting;
 - c) an undertaking by the issuer guaranteeing there will be no trading until the delisting date established by Borsa Italiana.
2. For the purpose of delisting, issuers shall send Borsa Italiana a written application, signed by their legal representative, drawn up in accordance with the model in the Instructions and accompanied by the documentation specified therein.
3. Borsa Italiana, having received a delisting application from an issuer and made the necessary checks, within 5 trading days of receiving the application, shall delist the financial instruments and indicate the date from which the delisting shall be effective. 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 MTA or MIV 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 and in the manner laid down in Article 2.7.1, paragraph 1.
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 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, letter a)

1. Persons who have applied for the admission to trading of financial instruments pursuant to Article 2.1.2, paragraph 7, letter 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 and accompanied by the documentation specified therein.
3. At least 60 days shall pass from receipt of the application to the actual delisting.
4. Within 5 trading days of receiving 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, taking account of the frequency and continuity of trading and any operational difficulties, may, upon receiving a reasoned request from the applicant referred to in paragraph 2, establish shorter periods than those indicated in paragraphs 1(d), 1(e) and 3 and announce such decision in the Notice referred to in paragraph 4.

6. If the applicant is Borsa Italiana, the rules contained in the preceding paragraphs shall apply insofar as they are compatible.

Article 2.5.10

(Delisting upon request from the ETFplus market)

1. The delisting from the ETFplus market shall be subject to the existence of 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 financial instruments in circulation.
2. For the purpose of the delisting from the ETFplus market, issuers shall send Borsa Italiana a written application, signed by their legal representative, drawn up in accordance with the model in the Instructions and accompanied by the documentation specified therein.
3. At least 3 months shall pass from receipt of the request, complete with all the documentation referred to in the preceding paragraph, to the actual delisting.
4. Borsa Italiana, within 5 trading days of receiving the request referred to in the preceding paragraph, shall decide on the delisting, specifying the date of the effectiveness thereof. The decision adopted by Borsa Italiana shall be transmitted to the issuer and promptly announced to the public with a Notice.

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) 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.
 - b) 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 interim management statement 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 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 interim management statement for the current year;

- any meetings of the competent body called to approve preliminary data;
- any presentations of accounting data to financial analysts.

Issuers must send Borsa Italiana any subsequent changes to the information contained in the annual calendar and, if the latter is presented in the form of intervals, the dates established for the events as soon as they are decided.

- c) include in the notice relating to the approval of the proposed dividend distribution by the competent body, as well as in the notice announcing the approval of the annual accounts, the proposed date for the coupon-detachment (ex date), the date proposed for the entitlement to the dividend payment under article 83-terdecies of the Consolidated Law on Finance (record date), and the date proposed for the dividend payment (payment date);
 - d) 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 in the manner referred to in Article 2.7.1, paragraph 1.
3. Without prejudice to the disclosure requirements referred to in the preceding paragraphs, insofar as they are compatible, AIFs and issuers financial instruments admitted to trading on the ETFplus market 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 financial instruments;
 - c) any proposal to modify the manner of operation of a financial instrument 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) the fixing of dates for the payment of dividends (specifying the ex-date, the record date and the payment date) and the amount thereof; exclusively in the case of AIFs such dates must be fixed in accordance with Article 2.6.6, paragraph 3;
 - e) the fixing of dates for splits or reverse splits; such dates must be fixed in accordance with Article 2.6.6, paragraph 1;
 - f) exclusively for AIFs that provide for the possibility of subsequent issues and early redemptions in the manner laid down in Article 2.7.1: for the duration of the reopening period, the number of new subscriptions and the number of units for which redemption has been applied for, every fifteen days and, at the end of the reopening period, the total number of the circulating units as soon as such total number is available.
4. Issuers of ETFs and securitised derivative financial instruments admitted to trading on the ETFplus market shall communicate the following, in the manner, within the time limits and with the details laid down in the Instructions:
- a) the value of the share/unit in the case of an ETF or the official value in the case of securitised derivative financial instruments;
 - b) the number of units/shares or financial instruments outstanding;

- c) the value of the reference index of the ETF or the value of the underlying in the case of securitised derivative financial instruments;
 - d) for ETFs that provide for them, the level of protection, the level of guarantee, the value of the multiple and the value of the cushion;
 - e) for ETFs, the indicative net asset value (iNAV);
 - f) for actively managed ETFs, the composition of the CIU's portfolio.
5. Issuers of open-end CIUs other than ETFs admitted to trading on the ETFplus market shall communicate the following, in the manner, within the time limits and with the details laid down in the Instructions:
 - a) the net asset value (NAV) of the share/unit;
 - b) the number of shares/units outstanding.
 6. 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.
 7. Borsa Italiana shall specify in the Instructions the information that issuers are required to prepare in English.
 8. Companies with control over companies established and regulated under the laws of non-EU countries notify the market - on the occasion of the approval of the annual report - submitting a declaration of the management body in the director's report concerning the compliance with the conditions for listing referred to in Article 36 of the Consob Resolution 16191/2007, letters a), b) and c), point i). The supervisory body notifies Borsa Italiana without delay what provided regarding the administrative accounting system referred to in Article 36, paragraph 1, letter c, ii), of the Consob Resolution 16191/2007 as last amended.
 9. Companies subject to direction and coordination by another company notify the market - on the occasion of the approval of the annual report - submitting a declaration of management body in the director's report concerning the compliance with the conditions for listing referred to in Article 37 of the Consob Resolution 16191/2007.
 10. Financial companies with equity composed exclusively of equity investments notify the market - on the occasion of the approval of the annual report - submitting a declaration of management body in the director's report concerning the compliance with the conditions for listing referred to in Article 38 of the Consob Resolution 16191/2007.
 11. Companies that shall adapt to the conditions referred to in Articles 36 ss. of the Consob Resolution 16191/2007, following the transitional provisions, notify Borsa Italiana the declarations referred to in paragraphs 10 and 11 of this Article within the timing foreseen for the adaptation.
 12. Without prejudice to the provisions of Articles 2.2.4, 2.2.5, paragraph 5, and 2.2.20, paragraph 2, issuers of shares represented by certificates and the guarantors of issues of securitised derivative financial instruments 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.

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.
15. In the case of foreign issuers, Borsa Italiana may establish that the communications referred to in the preceding paragraphs and those required in accordance with the Instructions are not necessary if equivalent information has been made available to the public under the rules applicable in the country of origin.

Article 2.6.3 **(Additional requirements for SIVs)**

1. SIVs must comply with the following disclosure requirements in addition to those deriving from the application of Article 2.6.1 *et seq.*:
 - a) when they publish interim management statement, half-yearly reports and draft annual accounts, issuers shall publish the updated investment strategy or policy and the state of its implementation in the manner specified in Article 2.7.1, paragraph 1;
 - b) in the event of the replacement of members of the management body, managers and persons with investment mandates referred to in Article 2.2.37, paragraph 10, issuers shall promptly send a press release to the market in the manner laid down in Article 2.7.1, paragraph 1, explaining how the requirements provided for are 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.
3. An adequate number of directors must satisfy the independence requirements of the Corporate Governance Code. To this end consideration is given to the criteria established by Borsa Italiana in the Instructions for obtaining Star status as regards the adequacy of the number of independent directors referred to in Article 2.2.3, paragraph 3 (l).
4. SIVs must send Borsa Italiana a declaration by their board of directors attesting compliance with Article 2.2.37, paragraph 11, on the occasion of the approval of the annual financial statements.

Article 2.6.4

(Additional obligations of issuers that exercise or have exercised the option referred to in Article 1(120) of Law 296/2006)

1. In the event of exercise of the irrevocable option referred to in Article 1(120) of Law 296/2006, issuers shall promptly send a press release to the market in the manner laid down in Articles 2.7.1, paragraph 1.
2. Issuers that adopt the qualification SIIQ shall promptly send a press release to the market in the manner laid down in Articles 2.7.1, paragraph 1.
3. When they publish half-yearly reports and draft annual accounts, issuers that have adopted the qualification SIIQ shall verify fulfilment of the obligations laid down in tax rules to maintain such qualification. In the event of non-fulfilment of the obligations laid down in tax rules to maintain the qualification of SIIQ, the issuer shall promptly send a press release to the market in the manner laid down in Articles 2.7.1, paragraph 1, giving the reasons for non-fulfilment of the obligations to maintain the qualification and the consequences thereof.
4. SIIQs that cease to benefit from the special regime referred to in Article 1(119) *et seq.* of Law 296/2006 shall promptly send a press release to the market in the manner laid down in Articles 2.7.1, paragraph 1.

Article 2.6.5

(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 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 2.6.6

(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 record date according to article 83-terdecies of Consolidated Law on Finance for the purpose of dividend payment coinciding with the first settlement 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 one settlement day the date fixed for the record date. The payment date is established by the issuer in the manner that the date coincides with the trading day following the record date, except in case of particular circumstances notified to the market by the issuer which are inherent the nature of dividend (for example, where the possibility is foreseen for the persons entitled to the dividend payment, to opt for a payment in shares, instead of cash payment, the so-called script dividend) or have an impact on the timing of the dividend payment (e.g. payment in different tranches) or are due to the fact that the instrument is traded on more than one market.

3. Issuers of units of AIFs must fix a record date according to article 83-terdecies of Consolidated Law on Finance for the purpose of payment of operating profits coinciding with the first settlement day following one of the coupon-detachment days in the calendar specified in the Instructions and comply with the related requirements laid down therein. The payment date is established by the issuer in the manner that the date coincides with the settlement day following the record date, except in case of particular circumstances notified to the market by the issuer that could affect the timing of the payment of the income (e.g. payment in different tranches) or are due to the fact that the instrument is traded on more than one market.

Article 2.6.7

(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 shall be made in accordance with the trading methods and hours established in Article 4.3.1 of these Rules.
2. For purchases of issuers' own shares referred to in paragraph 1, it is excluded the use of committed cross and internal cross methods referred to in Article 4.3.6, of the Rules.
3. In the case of purchases of own shares by companies with shares listed on the stock exchange by means of the purchase or sale of derivatives traded on IDEM, the trading methods referred to in Article 5.3.1 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 committed cross and internal cross order referred to in Article 5.3.5, 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 2.6.8

(Duration of tender offers and of the execution of purchase obligations referred to in Article 108 of the Consolidated Law on Finance)

1. Persons who intend to make an offer to buy or exchange financial instruments listed on the Stock Exchange shall notify Borsa Italiana 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. Insofar as it is compatible, this article shall apply to persons subject to the obligation referred to in Article 108 of the Consolidated Law on Finance.
5. For financial instruments issued by Borsa Italiana, the functions referred to in this article shall be performed by Consob.

Article 2.6.9

(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, decides whether, in its opinion, a violation has been or has not been objectively completed and, if so, it adopts any of the measures referred to in Article 2.6.10, after it started the procedure referred to in Article 2.6.11, when applicable.
3. 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 2.6.10

(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 2.6.9, Borsa Italiana may apply one or more of the following measures against the issuers in question:

- a) a written warning to observe the Rules and accompanying Instructions;
 - b) a written censure;
 - c) a fine of between 5,000 and 500,000 euros.
2. The measures provided for in the preceding paragraph may be made public as described in Article 2.6.13 where Borsa Italiana is of the opinion that this is deemed necessary and appropriate for the purpose of market protection. Borsa Italiana may disclose to the public the measure and the description of the violation without specifying the identity of the perpetrator, when this is deemed sufficient in order to ensure market protection. The measure referred to in paragraph 1, letter a) could be disclosed only without the identity of the issuer subject to which such measure applies.
3. For the purpose of adopting the measures referred to in paragraph 1, Borsa Italiana assesses the magnitude of the violation taking in to account the following criteria, where applicable:
- a) the actual and potential impact on the market and the external importance of the violation;
 - b) the size, duration and nature of the violation and the impact on issuer's economic and financial situation;
 - c) how Borsa Italiana became aware of the violation;
 - d) the benefits accrued by the issuer from the violation;
 - e) issuer's reaction towards Borsa Italiana's requests and its actual and previous behavior;
 - f) magnitude of fraud or negligence;
 - g) functioning of systems used for internal control and prevention of violations;
 - h) number and magnitude of violations committed previously by the issuer;
 - i) size of the issuer and the of group it belongs to;
 - j) the cases in which various provisions are breached or the same provision is breached more than once.
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 2.6.11 ***(Procedure for verifying violations)***

1. In order to apply the measures referred to in Article 2.6.10, 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. For the purpose of applying measures referred to in Article 2.6.10, paragraph 1, letters b) and c), Borsa Italiana sends 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 2.6.10 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 2.6.16, 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 decision except for the measure referred to in Article 2.6.10, paragraph 1, letter a) that are notified to Consob periodically.
8. For financial instruments issued by Borsa Italiana, the procedure referred to in this article shall be carried out by Consob.

Article 2.6.12 ***(Challenging of measures)***

The issuer may ask for the review of measure applied pursuant to Article 2.6.10 within 15 days of the notification referred to in respectively Article 2.6.11, paragraph 6 by means of a petition to the Appeals Board established pursuant to Article 7.4.

For the measure referred to in Article 2.6.10, paragraph 1, letter a), the 15 days run from the moment in which the decision is notified to the interested party.

This provision shall not apply to measures referred to in Article 2.6.10, paragraph 5.

Article 2.6.13

(Disclosure to the public of measures)

1. Applications of the measures referred to in Article 2.6.10 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 2.6.14

(Suspension of time limits)

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

Article 2.6.15

(Exclusions)

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

Article 2.6.16

(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 STORAGE

Article 2.7.1

(Manner of fulfilling disclosure requirements vis-à-vis the public and Borsa Italiana by issuers of financial instruments)

1. Unless provided for otherwise, issuers of financial instruments must fulfil the public disclosure requirements laid down in these Rules and the transmission requirements to Borsa Italiana referred to in Article 65-*septies*, paragraph 4, of Consob Regulation 11971/1999 in the manner indicated in Chapter I of Title II of Part III of Consob Regulation 11971/1999 and in compliance with the provisions laid down in the Instructions.
2. Borsa Italiana, after notifying Consob, may delay the sending of press releases it receives pursuant to Article 65-*septies*, paragraph 4, of Consob Regulation 11971/1999, 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.
3. 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 issuers of financial instruments other than securities)

1. Issuers of financial instruments other than securities, which do not disclose regulated information in the manner indicated in Chapter I of Title II of Part III of Consob Regulation 11971/1999 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 in the event of operational failures and/or interruption of the service of the SDIR)

1. In the event of operational failures and/or interruption of the service of the SDIR used by the issuer or the issuer's own disclosure service the disclosure requirements vis-à-vis Borsa Italiana shall be fulfilled by fax using the numbers given in the Instructions.

TITLE 2.8

PROVISIONS REGARDING INVESTMENT SUBJECT TO THE PRECEDING REGULATORY SYSTEMS

Article 2.8.1

(Transitional provision)

1. The Investment Companies already admitted to trading at the date of 26 October 2015 that are not AIFs are subjected to the provisions of the present Title; the provisions contained in the Titles 2.5, 2.6 and 2.7 shall apply insofar as they are compatible.

Article 2.8.2

(The diversification requirements of the Investment Companies subjected to the preceding regulatory systems)

1. The clause of the bylaws of the Investment Companies already admitted to trading on 24 May 2010 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. Exclusively for the purpose of this provision, foreign collective investment undertakings not authorised to engage in marketing in Italy shall also be considered;
 - 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 AIFs;
 - 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 MIV market. 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. The investment policy of Investment Companies other than those referred to in paragraph 1, admitted to trading on 26 October 2015 must provide for an adequate degree of diversification, which is presumed to have been achieved when provision

is made for investment in at least three different assets, none of which accounts for more than 50% of the company's total assets.

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-year experience in the strategic management of investments of the same size and type as those of the company.

An adequate number of directors must satisfy the independence requirements of the Corporate Governance Code. To this end consideration is given to the criteria established by Borsa Italiana in the Instructions for obtaining Star status as regards the adequacy of the number of independent directors referred to in Article 2.2.3, paragraph 3, letter l, of these Rules.

Article 2.8.3 ***(Suspension and transfer)***

Borsa Italiana shall order the transfer of the shares of Investment Companies referred to in Article 2.8.2, paragraph 1, in the event of an overshoot of any of the limits laid down in the bylaws referred to in Articles 2.8.2 that lasts longer than 12 months (which run from the date the notification referred to in Article 2.8.4) in the event of a change in the corporate purpose, or, in the case of the Investment Companies referred to in Article 2.8.2, paragraph 3, in the event of failure to observe the minimum degree of diversification for more than 12 months, or the elimination of the provision of an adequate degree of diversification within the context of investment policy.

Article 2.8.4 ***(Disclosure requirements)***

1. Investment companies referred to in Article 2.8.2., paragraph 1 must comply with the following disclosure requirements in addition to those deriving from the application of Title 2.6, except Article 2.6.3:
 - a) in the event of an overshoot of any of the bylaw limits referred to in Article 2.8.2 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, giving the reasons for the overshoot;
 - b) in the event of a reduction of investments within the bylaw limits referred to in Article 2.8.2 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, indicating the reduction;

- c) when they publish interim management statement, half-yearly reports and draft annual accounts, investment companies shall verify compliance with the requirements referred to in Article 2.8.2 on the basis of the data such reports contain. In the event of non-compliance with the diversification requirements referred to in Article 2.8.2, investment companies shall promptly send a press release to the market in the manner laid down in Articles 2.7.1, paragraph 1, 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) 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;
 - f) in the event of the replacement of members of the management body, managers and persons with investment, investment companies shall promptly send a press release to the market in the manner laid down in Articles 2.7.1, paragraph 1, explaining how the requirement is satisfied.
2. Investment companies referred to in Article 2.8.2, paragraph 1, must comply with the following disclosure requirements in addition to those deriving from the application of Title 2.6:
- a) when they publish interim management statement, half-yearly reports and draft annual accounts, the issuer shall publish the updated investment policy and the state of implementation of such policy, in the manner laid down in Article 2.7.1, paragraph 1;
 - b) in the event of the replacement of members of the management body, managers and all those persons with investment mandates as referred to in Article 2.8.2, paragraph 3, the issuer shall promptly send a press release to the market in the manner laid down in Article 2.7.1, paragraph 1, illustrating how requirements have been met; in any case, it shall convey to Borsa Italiana a statement by the management body regarding observance of the provisions of such requirements, on the occasion of approval of the annual financial statements;
 - c) in the event of failure, for a period of more than 12 months, to establish the minimum degree of diversification provided for in its own investment policy in accordance with Article 2.8.2, paragraph 3, the issuer shall promptly send a press release to the market in the manner laid down in Article 2.7.1, paragraph 1.

TITLE 2.9

OBLIGATIONS OF APPLICANTS

Article 2.9.1

(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.

TITLE 2.10

REVERSE MERGERS

Article 2.10.1 **(Scope)**

1. The present rules shall apply 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 Article 117-bis paragraph 2. These provisions shall not apply to companies listed in the Professional Segment of the MIV market.

Article 2.10.2 **(Appointment of a Sponsor)**

1. In cases referred to in article 2.10.1, the issuer shall appoint a sponsor exclusively for the purpose of obtaining the declarations referred to in Article 2.3.4, paragraphs 2 letters c) and 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, concerning independence requirements no later than the date on which declaration referred to in articles 2.3.4, paragraph 2, letters c) and d) are issued.

Article 2.10.3 **(Suspension of shares in absence of sponsor declaration)**

1. Borsa Italiana may suspend the listing of the company's shares if the sponsor has not issued the declarations referred to in Article 2.10.2, by the effective date of the merger.

Article 2.10.4 **(Disclosure requirements)**

1. In the event of a reverse merger, the issuer shall promptly issue a press release in the manner specified in Article 2.7.1, paragraph 1, in which it attests that following the merger the absorbing company satisfies the requirement on management control system as referred to in Article 2.2.1, paragraph 6 of the Rules and that the sponsor has provided Borsa Italiana with the declarations referred to in Article 2.10.2. These provisions shall apply also 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 Article 117-bis, paragraph 2.

2. 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.

PART 3

PARTICIPATION OF INTERMEDIARIES IN MARKETS

TITLE 3.1

ADMISSION TO TRADING

Article 3.1.1

(Intermediaries admitted to trading)

1. The following may participate in trading in markets organised and managed by Borsa Italiana: intermediaries authorised under the law or regulations to provide the services and engage in the activity of dealing for own account and/or executing orders on behalf of clients and those that fulfil specific membership requirements established by Borsa Italiana in the Instructions.
2. Borsa Italiana shall specify in the Instructions the categories of intermediaries admitted to trading. The entry into force of such rules shall be subject to the Consob granting its explicit consent.
3. The participation of non-EU entities is subject to the conclusion of agreements between Consob and the corresponding supervisory authorities in the home country.

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 3.3.4 and these Rules and the accompanying Instructions insofar as they are applicable in the meantime.
3. 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 following conditions on a continuing basis:
 - sufficient staff with adequate professional qualifications in relation to the types of activity carried on and the types of interconnection with the markets;
 - adequate clearing and guarantee and settlement procedures;
 - adequate internal procedures and controls for trading activity;
 - the adequacy of the technological systems used for trading and associated activities carried on and the number and types of interconnections with the markets, and their compatibility with the electronic data processing and telecommunication support systems adopted by Borsa Italiana for the operation of the markets.

In order to comply with the conditions of this paragraph, intermediaries must satisfy the minimum requirements laid down in the Instructions.

2. Intermediaries may entrust the management of technological systems to third parties, subject to the conditions laid down in the Instructions.
3. 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 Article 4.1.2.

For the admission to trading of the Non-executing Broker, it is not requested the participation to the settlement and clearing and guarantee systems as of point a) and b), when the intermediary carries out exclusively the activity of Non-executing Broker on the IDEM Market.

4. For markets and segments that are not guaranteed, 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.

TITLE 3.2

CONTINUED ELIGIBILITY

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

1. Market intermediaries shall ensure continued satisfaction of the authorisation and other requirements referred to in Article 3.1.1 and of the conditions referred to in Article 3.1.3.
2. Market 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.
3. Revocation or expiry of the authorisation to trade or the issue of injunctions referred to in Articles 51 and 52 of the Consolidated Law on Finance by the competent authority or cessation of fulfilment of the requirements for unauthorised persons shall result in suspension or exclusion from trading, without prejudice to any measures adopted by the supervisory authorities to ensure the closure of any positions still open and the carrying out of any related transactions required to protect customers' interests. In the event of:
 - a) 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;
 - b) suspension or cancellation of a stockbroker under Article 201 of the Consolidated Law on Finance;
 - c) extraordinary administration;
 - d) compulsory administrative liquidation;
 - e) another bankruptcy procedure; or
 - f) other measures taken by Competent Authority that result in it being impossible, even if only temporarily, for intermediaries to enter into undertakings or perform undertakings they have entered into,

Borsa Italiana may suspend or exclude the intermediary from trading.
4. 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 and IDEM markets, in the segments concerned until they are again able to settle trades, directly or indirectly. After six months have passed without the cessation of the condition that gave rise to the suspension from trading, Borsa Italiana may exclude the intermediary.

Article 3.2.2
(Exclusion from trading upon request)

Intermediaries admitted to trading on the markets may request to be excluded from trading in the manner specified in the General conditions for the supply of services referred to in Article 3.3.4.

TITLE 3.3

RULES OF CONDUCT AND RELATIONSHIP BETWEEN MARKET INTERMEDIARIES AND BORSA ITALIANA

Article 3.3.1

(Rules of conduct)

1. Market intermediaries shall observe these Rules, the Instructions, the Notice and any other technical and operational documents accompanying the Rules and the Instructions, including Service Manuals.
Market intermediaries shall maintain conduct based on principles of correctness, diligence and professionalism in their relations with market counterparties, obligations towards Borsa Italiana and use of the trading systems.
2. Market intermediaries shall promptly notify Borsa Italiana of any circumstances of which they are aware, including technical problems with their systems, that prejudice or might prejudice their compliance with the Rules.
3. Market intermediaries shall be liable vis-à-vis Borsa Italiana for the conduct of their employees and collaborators. Conduct by traders that violates the Rules shall be considered as the conduct of the intermediary.
4. Market intermediaries shall refrain from acts that may prejudice the integrity of the markets. *Inter alia* they may not:
 - a) commit acts that are likely to give a false or misleading impression to other market participants;
 - b) commit acts that may impede market makers, IDEM specialists, specialists in the Star segment, MTA specialists, MIV specialists, ETFplus specialists and the appointed intermediaries, 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 1each individual transaction.
5. On the expiration days of derivative contracts, market intermediaries are required to enter orders in the MTA 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.
6. Market intermediaries may enter and modify the orders referred to in paragraph 5 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.

7. In the segments of the ETFplus market characterized by the trading method specified in Article 4.3.12, market intermediaries are required to enter orders in the manner and within the time limits established in the Instructions.
8. Market intermediaries shall collect the orders of their customers in time to comply with the time limit referred to in paragraph 5 and 7.
9. Market intermediaries must put effective forms of control in place to monitor their contractual positions and avoid situations likely to hinder orderly trading and the regular settlement of contracts in the settlement service. Intermediaries must implement strategies to ensure the settlement of contracts. If they find they are unable to settle contracts on a financial instrument within the prescribed time limits, intermediaries may make new sales of such instrument for own or customer account only if they have forms of cover that ensure the availability of the financial instruments on the settlement day for the transactions.
10. Intermediaries may not accept orders involving instruments traded in the professional segment of the MIV market that do not come from professional investors, unless the rules or bylaws of the reserved AIF do not provide for participation in the reserved AIF of non-professional investors as well for the amount envisaged in Article 14 of Decree of Ministry of Finance and Economy Affairs n. 30 of 5 March 2015, or a similar provision of foreign law transposing the Directive 2011/61/UE. Exception also is made for sell orders coming from shareholders at the date of transfer of an investment company to the Professional Segment. This exception shall apply only to shares of the investment company held at the date of the transfer to the professional segment and exclusively for sales. Without prejudice to Article 3.4.1 et seq. of the Rules, Borsa Italiana shall not verify whether investors are qualified to operate in the professional segment. Operators undertake to also enforce similar rules of conduct on authorized persons from whom orders are received.

Article 3.3.2

(Transmission of orders to the market)

1. Market intermediaries shall be liable for all interactions with the electronic data processing and telecommunication support systems adopted by Borsa Italiana for the operation of the markets, including trading orders sent to the market and those sent via Interconnections, and their effects. Market intermediaries must equip themselves on a continuous basis with systems, procedures and controls to prevent the entry of orders that are anomalous in terms of price, quantity or number.
2. In order to ensure the smooth technical functioning and efficient use of the electronic trading support systems, market intermediaries must observe the technical limits for order entry established on a general basis by Borsa Italiana in the Guide of Parameters. Borsa Italiana may also establish further limits on the entry and modification of orders in terms of daily frequency, total daily number or the ratio of orders to contracts concluded. Borsa Italiana shall establish such limits and fees payable by intermediaries where they are exceeded.

3. Intermediaries may not provide interconnection to the professional segment of the MIV market for their customers or organisational units of market intermediaries other than units assigned to the activities of trading in the markets, asset management and the control thereof.
4. Market intermediaries can request to use more than one access code to segregate specific trading activities or to segregate different participations in the clearing and guarantee system and in the settlement system. For this purpose market intermediaries must take previous contact with Borsa Italiana.

Article 3.3.3

(Technical breakdowns of market intermediaries' systems)

1. Market intermediaries shall promptly inform Borsa Italiana of any technical breakdowns of the systems they use for trading or of those for accessing the Borsa Italiana markets referred to in Article 3.1.3, paragraph 1.
2. In the cases referred to in paragraph 1 market intermediaries shall follow any instructions received from Borsa Italiana and may request, in the manner laid down in the Instructions, the deletion of orders sent to the market.

Article 3.3.4

(General conditions for the supply of services)

1. The relationship between Borsa Italiana and market intermediaries concerning participation in trading on the markets 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 2.
3. Where evidence is found of presumed violations of these Rules or the accompanying Instructions, Borsa Italiana, after acquiring appropriate substantiating elements, decides whether, in its opinion, a violation has been or has not been objectively completed and, if so, it adopts any of the measures referred to in Article 3.4.4, after it started the procedure referred to in Article 3.4.4.

Article 3.4.2 ***(Reports to the supervisory authority and other co-operation)***

1. 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.
2. Borsa Italiana may co-operate, also by the sharing of information, with other regulated markets and with clearing and guarantee systems referred to in Article 4.1.2.

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) imposition of specific requirements relating to:

- the number and professional qualifications of trading staff;
 - trading system or interconnection procedures and controls;
 - and any other matters relevant to ensuring the continued satisfaction of market intermediaries' admission requirements;
- c) restrict access to the market, including access via interconnections, or segregation of specific trading activities;
 - d) 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 5.4.1 and Article 5.4.2;
 - e) suspension from trading in one or more markets or segments managed by Borsa Italiana.
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:
 - a) a written warning to observe the Rules and the accompanying Instructions;
 - b) a written censure;
 - c) a fine of between 5,000 and 500,000 euros;
 - d) exclusively for market makers and IDEM specialists, suspension or exclusion from the register referred to in respectively Article 5.4.1 and Article 5.4.2;
 - e) suspension from trading in one or more markets;
 - f) exclusion from trading in one or more markets.
2. The measures provided for in the preceding paragraph, letters d) e) and f) may be made public as described in Article 3.4.7. Measures provided in the previous paragraph letters a), b) and c) may be made public as described in Article 3.4.7, where Borsa Italiana is of the opinion that this is deemed necessary and

appropriate for the purpose of market protection. Borsa Italiana may disclose to the public the measure and the description of the violation without specifying the identity of the perpetrator, when this is deemed sufficient in order to ensure market protection. The measure referred to in letter a) of the previous paragraph, could be disclosed only without the name of the intermediary to which such measure applies.

3. In order to adopt the measures referred to in the paragraph 1, Borsa Italiana shall take the following criteria into account:
 - a) the actual and potential impact on the market and the external importance of the violation;
 - b) the size, duration and nature of the violation;
 - c) how Borsa Italiana became aware of the violation;
 - d) the benefits accrued by the intermediary from the violation;
 - e) the market intermediary's reaction to Borsa Italiana's requests and its actual and previous behavior;
 - f) magnitude of fraud and negligence;
 - g) functioning of system used for internal control and prevention of violations;
 - h) numbers and magnitude of violations previously committed by the same market intermediary;
 - i) size of the market intermediary and of the group it belongs to;
 - j) the cases in which various provisions are breached or the same provision is breached more than once.
4. Where there is a violation of quotation obligations by market makers, IDEM specialists, specialists in the Star segment, MTA specialists, MOT specialists, SeDeX specialist, or MIV specialist 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. For the purpose of applying the measure referred to in paragraph 3.4.4, paragraph 1, letters b), c), d), e) and f) Borsa Italiana sends 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 3.3.4, 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 except for the measure referred to in Article 3.4.4, paragraph 1, letter a) that are notified to Consob periodically.
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
(Review of measures)

The market intermediary may ask for the review of the measure applied pursuant to Articles 3.4.3 and 3.4.4 within 15 days of the notification referred to in respectively Article 3.4.3, paragraph 4, and Article 3.4.5, paragraph 6 by means petition to the Appeals Board established pursuant to Article 7.4.

For the measure referred to in Article 3.4.4, paragraph 1, letter a), the 15 days run from the moment in which the decision is notified to the interested party.

This provision shall not apply to measures referred to in Article 3.4.3, paragraph 5, or 3.4.4, paragraph 7.

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 shall be suspended from 1 August to 31 August of each year.

PART 4

ELIGIBLE INSTRUMENTS AND TRADING METHODS OF MTA, MIV, MOT, SEDEX AND ETFPLUS MARKETS

TITLE 4.1

TRADABLE INSTRUMENTS, CLEARING, GUARANTEE AND SETTLEMENT

Article 4.1.1

(Tradable instruments)

1. In markets that are organised and managed by Borsa Italiana, the following financial instruments are traded for any quantity or for minimum lots and multiples thereof:
 - a) in the electronic share market (MTA): shares, convertible bonds, pre-emptive rights and warrants;
 - b) in the investment vehicles market (MIV): shares or units of AIFs and SIVs, convertible bonds, warrants and pre-emptive rights issued by such entities. Combinations of instruments in the latter sentence issued by SIVs are also traded;
 - c) in the electronic bond market (MOT): bonds other than convertible ones, Government securities, euro-bonds, structured bonds, covered bonds, ABS and other debt securities and instruments tradable in the monetary market;
 - d) in the electronic securitised derivatives market (SEDEX): securitised derivative financial instruments, for which it is not provided the subscription or the redemption on a continuous basis by delivering the financial instruments or commodities that make up the assets or an equivalent cash amount, issued by persons referred to in subparagraph 1, a) and c) of Article 2.2.20;
 - e) in the electronic open-end funds and securitised derivative financial instruments market (ETFplus): (i) ETF; (ii) units or shares of open-end funds and (iii) securitised derivative financial instruments, for which it is provided the subscription or the redemption on continuous basis by delivering the financial instruments or commodities that make up the assets or an equivalent cash amount, issued by persons referred to in subparagraph 1,b) of Article 2.2.20.
2. Borsa Italiana may specify a minimum lot for each market or financial instrument, 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.

Article 4.1.2

(Clearing, guarantee and settlement of contracts)

1. Immediately after the conclusion of contracts on the market, Borsa Italiana shall send X-TRM the data on the contracts with a view to their settlement as well as with a view to their forwarding to the clearing and guarantee system, if any. For open-end CIUs traded according to the modalities referred to in article 4.3.12, the send to X-TRM takes place with the timelines indicated in the before mentioned article.
2. Contracts are settled via the settlement service 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 which the systems referred to in Article 69 of the Consolidated Law on Finance are subject.
3. The settlement service and the settlement terms that apply to each market are specified in the Instructions.
4. Contracts concluded in the markets and/or segments specified in the Instructions shall be forwarded to the clearing and guarantee systems.
5. The companies that manage the clearing and guarantee systems referred to above shall operate in compliance with these Rules and the provisions of their own rules.
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. The entry into force of such rules shall be subject to Consob granting its explicit consent.

TITLE 4.2

TRADING SEGMENTS

Article 4.2.1

(Trading segments for the MTA market)

1. Borsa Italiana shall divide financial instruments in the MTA market into segments on the basis of their capitalisation or the procedure for admission to trading.
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 informing the issuer accordingly and issue a Notice allocating financial instruments among the different segments in accordance with the Instructions.
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 on the MTA market starting from the allocation of financial instruments referred to in paragraph 3. In the cases referred to in Article 2.2.3, paragraphs 12 and 13, the shares shall be traded on the MTA market starting from the date specified in the decision.
6. Shares for which renouncement of Star status has been requested pursuant to Article 2.5.8 shall be traded in the MTA market upon acceptance of the application.
7. Shares with restricted voting rights and shares referred to in Article 2.2.2, paragraph 4, 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.

Article 4.2.2

(Trading segments for the MIV, MOT, SEDEX and ETFplus markets)

1. Borsa Italiana shall identify segments or homogeneous classes concerning financial instruments, settlement services, trading methods and hours, and establishes homogeneous methods and specific trading hours for each segment or market class in the Instructions.
2. In the MIV market shares of investment companies, for which the requirements set out in Article 2.8.3 have been met, shall be transferred to the segment specified by Borsa Italiana in the Instructions and the transfer announced in a Notice.
3. In the MIV market convertible bonds and warrants shall be traded in the segment in which the underlying ordinary shares are traded.

TITLE 4.3

TRADING METHODS

Article 4.3.1 ***(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) 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) and concluding contracts (“closing” phase);
 - d) trading at the closing auction price.
3. The phase and trading hours shall be established in the Instructions for each market and/or trading segment.

Article 4.3.2 ***(Orders)***

1. Approved intermediaries shall express their willingness to trade through anonymous orders. Specialists shall express their willingness to trade through non anonymous orders. Orders shall contain at least the information relative to the financial instrument to be traded, the quantity, the type of transaction, the type of account, the price, and the method. The orders may also specify different validity parameters based on time and execution of the order and contain the order source. The modalities of entering of such information and the parameters admitted for each order shall be established in the Trading Service Manual.
2. In the pre-auction and continuous trading phases, the following types of orders may be entered:
 - a) with limit price (or limit order), orders that can be executed at an equal or better price compared to their limit price;
 - b) without limit price (or market order), orders that can be executed at any price and always have a higher priority than limit orders;
 - c) stop limit order, orders with a limit price that are activated in the continuous phase once they reach a certain level price of the last contract concluded (so called “stop price”);
 - d) stop order, orders without a limit price that are activated in the continuous phase once they reach a certain level price of the last contract concluded (so called “stop price”).

Stop orders and stop limit orders may not be entered in the MOT, SEDEX and EFFplus markets.

Market order may not be entered in the SEDEX market and in the MTA *International* segment during the pre-auction phase. In the ETFplus market, market orders may be entered only in the continuous trading phase, without prejudice to article 4.3.12.

3. In the pre-auction phases, the market to limit orders type can also be entered, orders that participate in the auction phase as market orders and can be executed at the auction price; for the eventual remaining part they can be transferred to the continuous trading phase as limit orders.
4. In the continuous phase can also be executed the types of iceberg orders, orders with a limit price and with a partial quantity displayed. The partial quantity displayed must be between the minimum established by Borsa Italiana in the Instructions and the total value of the order. The execution of the whole displayed quantity 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. When all the quantities displayed of the iceberg orders with the same price are executed by the same order, with an opposite sign and quantity exceeding the sum of the quantities displayed of the iceberg orders, the eventual remaining not displayed quantities are executed by the same order in proportion to the remaining not displayed quantity of each iceberg order.
5. Without prejudice to the paragraph 8 of Article 4.3.3, in the trading at the closing auction price phase only market orders, limit orders and market to limit order may be entered.
6. Market intermediaries may enter, modify and cancel orders in the pre-auction phases, in continuous trading and in the trading at the auction price phase.
7. 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.
8. Stop orders and stop limit orders have temporal priority according to their time of activation. If several orders are activated upon the same stop price being reached, they are displayed on the market with time priority in accordance with the time of entry of the order.
9. In the cases referred to in Article 4.1.1, paragraph 2, orders may be for the minimum lot or multiples thereof.
10. Limit orders may not be entered with prices above or below the maximum percentage limits for price variations established by Borsa Italiana in the Guide to the Parameters notified in a Notice.
11. In order to ensure the regularity of trading in a financial instrument, Borsa Italiana may establish on a general basis in the Parameter Guide notified in a Notice the

maximum quantity of financial instruments that may be the subject of an order, 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”.

Article 4.3.3

(Functioning of the auction and phase change rules)

1. In the pre-auction phases, the indicative uncrossing price shall be computed and updated in real time. It shall be determined as follows:
 - a) the indicative uncrossing 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, 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 indicative uncrossing price shall be equal to the one which produces the smallest quantity that cannot be traded with reference to the buy and sell orders having prices equal to or better than the price in question; in the cases referred to in Article 4.1.1, 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 indicative uncrossing price shall be equal to the highest price if the greater pressure is on the buy side or with the lowest price if the greater pressure is on the sell side;
 - d) where applying subparagraph c) the market pressure on the buy side is equal to that on the sell side, the indicative uncrossing price shall be equal to the price closest to the static price, referred to in Article 4.3.10, paragraph 1, where the static price is out of the range individuated by the two prices determined applying the previous letter c) or is equal to the static price itself where it is included between the two prices determined applying the previous letter c).
 - e) where no static price exists, the indicative uncrossing price shall be equal to the lowest price among those referred to in the previous subparagraphs.
2. The indicative uncrossing price shall be equal to the dynamic price, referred to in Article 4.3.10, paragraph 2, where only buy and sell orders without a limit price are present.
3. The pre-auction phase shall end at a time within an interval specified by Borsa Italiana in the Instructions.
4. The last indicative uncrossing price shall be considered valid and adopted as the auction price for the conclusion of contracts if it differs from the static price by less than the maximum percentage variation established by Borsa Italiana and provided the indicative auction prices and corresponding volumes remained stable in a predefined period (final validation period). This check is repeated for a limited number of times within the time referred to in paragraph 3. The final validation

period duration and the stability criteria of indicative auction prices and corresponding volumes are established in the Guide to the Parameters.

5. If the difference between the indicative uncrossing price and the static price exceeds the maximum percentage variation referred to in the previous paragraph, the volatility auction phase shall be started for a period established by Borsa Italiana in the Instructions.
6. The conclusion of contracts referred to in paragraph 4 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.
7. At the end of the opening auction or of the volatility auction, limit orders which are partly or wholly unfilled shall be automatically transferred to continuous trading as limit orders and with the price and time priority of the original order. Unfilled market orders shall be automatically cancelled at the end of the auction. The partially or wholly unfilled market to limit orders shall be transferred to the continuous trading phase as orders with limit price equal to the auction price or in the absence of the latter at the static price and with the time priority of the original order.
8. At the end of the closing auction, limit orders which are partly or wholly unfilled shall be automatically transferred to the trading at the closing auction price phase, if provided, or to the first trading phase of the following day with the price and time priority of the original order, if the validity parameters specified for the order allow it. Unfilled market orders shall be automatically cancelled at the end of the auction. Partially or wholly unfilled market to limit orders, where the validity parameters specified in the order allow it, are transferred to the trading at the closing auction price phase, if provided for and compatibly with the price conditions of such orders, or to the first trading phase of the following day; in such case with a limit price equal to the auction price, or in the absence of the latter to the static price, and with the time priority of the original order.

Article 4.3.4 **(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 displayed on the book and ranked according to the criteria referred to in Article 4.3.2, paragraph 7, 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 the most advantageous prices on the book at the moment the market order is entered until the quantities available are exhausted; conversely, the entry of a sell market order shall result in its being matched with one or more buy orders with the most advantageous prices on the book at the moment the market order is entered until the

quantities available are exhausted. Market orders may be entered only where there is at least one limit order of the opposite sign on the book.

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 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. 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.
5. Where the trading of a financial instrument does not provide for a closing auction, at the end of continuous trading limit orders which are partly or wholly unfilled shall be automatically transferred to the first phase of trading of the following day with the price and time priority of the original order, if the validity parameters of the order so allow.

Article 4.3.5

(Trading at the closing auction price)

1. During trading at the closing auction price, contracts shall be concluded, up to the quantities available, at the auction price established in the previous closing auction phase through the automatic matching of orders of the opposite sign displayed on the book and ranked according to the time priority of their entry.
2. 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 time priority of the original order.
3. The orders entered during the trading at the closing auction price phase which are partly or wholly unfilled shall be cancelled at the end of the phase. Limit orders coming from the previous trading phase that are wholly or partly unfilled at the end of trading at the closing auction price shall be automatically transferred to the first trading phase of the following day, if the validity parameters specified for the order so allow, with the price and the time priority of the original order.
4. Trading at the closing auction price shall take place only if the closing auction established a valid auction price in accordance with Article 4.3.3, paragraph 4.

Article 4.3.6

(Special procedures for the conclusion of contracts)

1. For the MOT and ETFPlus markets, so-called “committed cross” orders may be entered with the aim of concluding contracts where the counterparty is a specific approved intermediary, provided the price falls within the current volume-weighted average spread, including such prices. Where it is not possible to determine the current volume-weighted average spread, the price shall fall within a percentage difference from the dynamic price, indicated in the Instructions.

2. For the MOT and ETFPlus markets, so-called “internal cross” 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 falls within the current volume-weighted average spread, including such prices. Where it is not possible to determine the current volume-weighted average spread, the price shall fall within a percentage difference from the dynamic price, indicated in the Instructions. “Internal cross” contracts cannot be executed where the buy and sell counterparty is the same approved intermediary on its own account.
3. For the MTA, MIV and SEDEX markets, so-called “committed cross” 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, including such prices.
4. For the MTA, MIV and SEDEX markets, so-called “internal cross” 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, including such prices. “internal cross” contracts cannot be executed where the buy and sell counterparty is the same approved intermediary on its own account.
5. The price of contracts concluded using the procedures referred to in preceding paragraphs may fall outside the range established therein if:
 - the order quantity exceeds that specified in the Instructions, on a general basis or for typology of instrument (“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, on a general basis or for type of instrument.
6. The execution of orders referred to in paragraph 1 to 4 shall count towards the dynamic price formation under article 4.3.10, whereas this shall not count towards the reference and official price formation, under articles 4.3.8 and 4.3.9.
7. The execution of orders under paragraph 5 shall not count towards the reference price, the official price and the dynamic price formation referred to in articles 4.3.8, 4.3.9 and 4.3.10.

Article 4.3.7

(Closing price for the purpose of application of Article 2437-ter, paragraph 3, of the Italian Civil Code)

In the MTA and MIV markets, the closing price to be taken into consideration for the purposes of calculating the withdrawal price pursuant to Article 2437-ter, paragraph 3, of the Italian Civil Code, is equal to:

- a) the closing auction price;
- b) where it is not possible to determine the closing auction price, the weighted average price of the contracts concluded in an interval of the continuous trading phase, as specified in the Instructions;
- c) where it is not possible to determine the closing auction price and no contracts were concluded during the interval of the continuous trading

phase referred to in the preceding letter, the price of the last contract concluded during the entire trading session;

In calculating the arithmetic average of the closing prices in the six months identified pursuant to art. 2437-ter, paragraph 3, of the Civil Code does not take into account of the days in which no contracts have been concluded during the entire trading session.

Article 4.3.8
(Reference price)

1. In the MTA and MIV markets the reference price is equal to:
 - a) the closing auction price;
 - b) where it is not possible to determine the closing auction price, the reference price shall be the weighted average price of the contracts concluded in an interval of the continuous trading phase, as specified in the Instructions;
 - c) if it is not possible to determine the closing-auction price and no contracts were concluded during the interval of the continuous trading phase referred to in the preceding letter, the reference price shall be the price of the last contract concluded during the entire trading session;
 - d) where no contracts have been concluded during the entire trading session, the reference price shall be that of the previous session.

2. In the MOT market the reference price is equal to:
 - a) the weighted average of the contracts concluded in an interval of the continuous trading phase as specified in the Instructions;
 - b) if no contracts were concluded during the interval of the continuous trading phase referred to in letter a), the reference price shall be equal to the price of the last contract concluded during the entire trading session;
 - c) where no contracts have been concluded during the session, the reference price shall be that of the previous session.

3. In the SEDEX market the reference price is equal to:
 - a) a significant number of best bids and offers displayed on the order book during the continuous trading phase, giving greater weight to the most recent;
 - b) where it is not possible to determine the reference price pursuant to letter a), the reference price shall be equal to a significant number of best bids displayed on the order book during the continuous trading phase, giving greater weight to the most recent;
 - c) where it is not possible to determine the reference price pursuant to letter b), the reference price is equal to that of the previous session.

4. In the ETFplus market the reference price is equal to:
 - a) the closing-auction price;
 - b) where it is not possible to determine the closing-auction price, the reference price shall be equal to a significant number of best bids and offers displayed on the order book during the continuous trading phase, giving greater weight to the most recent;
 - c) where it is not possible to determine the reference price pursuant to letter b), the reference price shall be equal to a significant number of best bids

- displayed on the order book during the continuous trading phase, giving greater weight to the most recent;
- d) where it is not possible to determine the reference price pursuant to letter c), the reference price shall be put equal to that of the previous session.
5. In order to guarantee the regularity of trading and the significance of prices, Borsa Italiana may establish, on a general basis and with reference to specific trading segments or a single financial instrument, that the reference price shall be determined in a manner having a different sequence to that laid down in the previous paragraphs and announce the decision in a Notice.
 6. The contracts concluded with the methods under article 4.3.6 do not count towards the formation of the reference price.

Article 4.3.9
(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, without taking into account the contracts concluded during the trading at the closing auction price and with the methods under article 4.3.6.

Article 4.3.10
(Static and dynamic price)

1. The static price shall be:
 - a) the previous day's reference price in the opening auction;
 - b) the price at which contracts are concluded in the auction phase, after each auction phase; if an auction price is not determined, the static price shall be the price of the first contract concluded in the continuous trading phase.
2. The dynamic price shall be:
 - a) the price of the last contract concluded in the current session;
 - b) the previous day's reference price if no contracts have been concluded in the current session.

Article 4.3.11
(Automatic controls on trading)

1. For the purpose of the automatic control of trading, the following types of price variation limits have been established:
 - a) the maximum price variation limit of orders with respect to the static price, referred to in Article 4.3.2, paragraph 10, of the Rules, activated both in auction phases and in the continuous trading phase;
 - b) the maximum price variation limit with respect to the static price, referred to in Article 4.3.3, paragraph 4, and Article 4.3.11, paragraph 2, of the Rules, activated both in auction phases and in the continuous trading phase;

- c) the maximum price variation limit of contracts with respect to the dynamic price referred to in Article 4.3.11, paragraph 2, of the Rules, activated only in the continuous trading phase.

Borsa Italiana shall establish on a general basis the maximum percentage variations referred to above in the Parameter Guide notified in a Notice.
2. 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 paragraphs 1, letters b) and c):
 - a) for the MTA, MIV and MOT markets, the continuous trading of that financial instrument shall be automatically suspended and a volatility auction phase begun, which shall be carried out as provided in this Title for opening auctions;
 - b) for the SEDEX and ETFplus markets the continuous trading of the financial instruments shall be automatically suspended for a period whose duration shall be established in the Instructions and the order that caused the suspension shall be automatically cancelled.
3. During the temporary suspension of trading referred to in paragraph 2, letter b) orders may not be entered or modified. At the end of the temporary suspension, trading shall restart with the continuous trading method unless Borsa Italiana provides otherwise pursuant to article 6.1.2.

Article 4.3.12

(Method of trading of open-end CIUs, other than ETFs)

1. Trading in open-end CIUs other than ETFs shall be through the entry of market orders. The buy and sell orders entered by market intermediaries in accordance with Article 3.3.1, paragraph 7, of the Rules shall be automatically ranked on the book according to their time priority, determined by the time of entry, and, if modified, they shall lose their time priority if the modification implies an increase in the quantity.
2. At the end of the entry phase buy and sell orders shall be matched according to the time priorities of the individual orders.
3. The difference between the buy and sell quantities shall be taken up by the appointed intermediary. In exceptional cases where the appointed intermediary fails to take up the quantity difference, the unfilled orders shall be cancelled.
4. The appointed intermediaries shall inform Borsa Italiana in the event that they are unable to fulfil the undertaking referred to in paragraph 3.
5. Contracts shall be concluded at the net asset value (NAV) of the share/unit of the open-end CIU on the day of trading and notified by the issuer pursuant to Article 2.6.2, paragraph 5, of the Rules.
6. Contracts on open-end CIUs other than ETFs shall be valued by Borsa Italiana on the basis of the price referred to in paragraph 5 and transmitted to X-TRM, to be sent to the settlement services on the day following the day they were concluded and in any case in compliance with the time limits established for settlement.
7. Trading in open-end CIUs other than ETFs shall take place only on days when the issuer is required to calculate the net asset value (NAV) of the share/unit.

Article 4.3.13***(Method of trading unexercised rights)***

1. Intermediaries may offer unexercised rights on the market only on behalf of the issuer and may not resell on the market unexercised rights acquired during the offering period.
2. Unexercised rights shall be offered using the auction method referred to in Article 4.3.1, paragraph 2 and in accordance with the operational methods indicated in the Instructions. 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.

Article 4.3.14***(Method of collection of acceptances of purchase and exchange tender offers and of execution of purchase obligations)***

1. The collection of acceptances of purchase and exchange tender offers for listed financial instruments and the execution of purchase obligations referred to in Article 108 of the Consolidated Law on Finance may be carried out using the electronic trading support system, unless Borsa Italiana deems that the characteristics of the operation and/or the offeror do not permit the collection of acceptances using the support system. To this end the issuer and/or the offeror shall contact Borsa Italiana without delay.
2. The collection of acceptances and the execution of purchase obligations referred to in the preceding paragraph shall be at the price established by the offeror or the person subject to the obligation and entered on a special book. Acceptances and request to sell shall be entered on the book as orders without a limit price and with the method of execution specified in the Trading Service Manual; they may be cancelled by Borsa Italiana upon receipt of a reasoned request from approved intermediaries.
3. The contracts concluded shall be handled by the X-TRM trade-checking service and settled 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 provided the consideration consists exclusively of cash; if even part of the consideration consists of securities, the acceptances shall not be transmitted to the settlement service referred to in Article 69 of the Consolidated Law on Finance.

TITLE 4.4

SPECIALISTS

Article 4.4.1 **(Specialists)**

1. Specialists are intermediaries admitted to trading which undertake to support the liquidity of the financial instruments for which they act as specialist.
2. For the financial instruments whose liquidity it undertakes to support, the specialist is required to display continuously bid and offers with a percentage spread that does not exceed the limit established by Borsa Italiana in the Instructions.
3. The presence of specialist shall be mandatory in the following markets and/or the segments:
 - a) MTA market, STAR segment;
 - b) MIV market, with the exception of the Professional Segment;
 - c) SEDEX market;
 - d) ETFplus market, except for the *open-end CIUs segment*.
4. For each market and/or segment and/or category of instruments, Borsa Italiana specify in the Instructions the following elements:
 - a. the minimum quantity, the spread, times and manners for entering the bids and offers referred to in paragraph 2 and, if envisaged, the minimum duration of the undertaking;
 - b. the daily quantity for which the specialist is required to trade.
 - c. the possibility to display only bids and relevant conditions;
 - d. circumstances of relief from obligations and/or modification of them;
 - e. the relation with the issuer.
5. Before the start of the activity referred to in paragraph 1, Borsa Italiana shall issue a Notice announcing the name of the specialist.
6. The termination of the activity of the specialist is notified to Borsa Italiana, within the time limits and in the manner specified in the Instructions.

TITLE 4.5

INFORMATION TO INTERMEDIARIES – MTA, MIV, MOT, SEDEX AND ETFPLUS MARKETS

Article 4.5.1

(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.

Article 4.5.2

(Information available to intermediaries)

1. In the opening pre-auction phase market intermediaries shall have access to information updated in real time relative to the theoretical opening prices that are determined and the total quantities tradable at such prices.
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; only for the SEDEX market, such information shall be updated at the intermediary's request;
 - b) a summary of the trading conditions for each financial instrument, containing the trading parameters, the market phase, the opening price, the last price, the best buy price, the best sell price and the cumulative volume of trades;
 - c) the situation regarding the market intermediary's own orders on the book 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 theoretical closing prices that are determined and the total quantities tradable at such prices.
4. For CIUs traded in the manner referred to in Article 4.3.12, the information on prices, made available pursuant to the previous paragraphs, shall refer to the conventional price.

5. For shares admitted to trading upon request of the issuer, Borsa Italiana shall provide an annual calendar of corporate events notified by the issuers themselves pursuant to article 2.6.2.

TITLE 4.6

TRANSPARENCY OF MARKETS - MTA, MIV, MOT, SEDEX AND ETFPLUS MARKETS

Article 4.6.1

(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 including via 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 4.6.2

(Information available to the public on the MTA, MIV, MOT, SEDEX and ETFplus markets)

1. In the opening pre-auction phase, if envisaged, 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 at least the five best buy and sell orders;
 - c) the buy and sell quantities on the book for at least 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 at least the five best buy and sell orders;
 - b) the buy and sell quantities and number of aggregate orders on the book for at least the five best prices;
 - c) the price, day and the time of execution and quantity of the last contract concluded and the ID of the financial instrument;
 - d) the cumulative quantity and value traded.
3. In the closing pre-auction phase, if envisaged, 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 at least the five best buy and sell orders.
 - c) the buy and sell quantities on the book for at least the five best prices.
4. During trading at the closing auction price, if envisaged, the following information shall be available to the public in real time for each financial instrument:
 - a) the closing auction price;

- b) the aggregate quantity and number of buy and sell orders on the book;
 - c) the price, day and the time of execution and quantity of the last contract concluded and the ID of the financial instrument;
 - d) the cumulative quantity and value traded.
5. For CIUs traded in the manner referred to in Article 4.3.12, the information on the quantities of all the buy and sell orders and the conventional price shall be available to the public in real time for each financial instrument. The information on the contracts concluded in relation to the price at which they were concluded, the number of contracts and the quantities traded shall be provided in the Official List published at the end of the trading day subsequent to the trading day and available on Borsa Italiana's website.
6. Without prejudice to the previous paragraph, 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.
7. The information regarding the opening auction price and the closing auction price referred to in paragraph 5(d) shall be included in the Official List only when the Instructions provide for the actual performance of the opening and closing auction phases for the relevant market.

Article 4.6.3
(Dissemination of news)

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.

PART 5

ELIGIBLE INSTRUMENTS AND TRADING METHODS ON THE IDEM MARKET

TITLE 5.1

TRADABLE CONTRACTS

Article 5.1.1

(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, yields, currencies, goods, financial measures and related indexes.
2. Futures contract shall mean a financial instrument referred to in Article 1.2 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 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. Binary options contract shall mean a financial instrument referred to in Article 1.2 of the Consolidated Law on Finance by means of which one of the parties, against payment of a consideration (premium), ensures for itself, on or by the maturity date, the payment of a predetermined amount when a specific value of the underlying asset is reached.
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 5.1.2

(Contractual features)

1. In specifying the features of contracts, Borsa Italiana shall make explicit reference to:
 - a) the underlying asset;
 - b) the notional 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;
 - j) 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, whether it does not refer to a predetermined amount, 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.

TITLE 5.2
TRADING SEGMENTS

Article 5.2.1
(Trading segments for the IDEM market)

1. Borsa Italiana may divide the derivative instruments traded on the IDEM market into homogeneous segments on the basis of the features of the underlying assets. The derivative instruments within each segment may be divided into homogeneous classes in terms of the methods and hours of trading.

TITLE 5.3

TRADING METHODS

Article 5.3.1 ***(Trading methods and phases)***

1. Trading on the IDEM market shall take place using the auction and continuous trading methods.
2. The trading phases are as follows:
 - a) opening auction, divided in turn into the opening theoretical auction price determination phase (“pre-auction”) and the conclusion-of-contracts phase (“opening”);
 - b) continuous trading.
3. The trading hours shall be established in the Instructions.

Article 5.3.2 ***(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, price and method of execution as specified in the Trading Service Manual of the IDEM market.
2. Orders may be entered in the pre-auction and continuous trading phases with a limit price or without a limit price (“market orders”).
3. Approved intermediaries may enter, modify and cancel orders in both the pre-auction and the continuous trading phases.
4. Orders entered with a limit price in the continuous trading phase may be specified as being iceberg orders. The partial quantity displayed is established according to the criteria set by Borsa Italiana in the Instructions. The execution of the whole displayed quantity 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. 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.
6. 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” (Combo), 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) “quotations”, corresponding to bids and offers entered by the market makers referred to in Article 5.4.1 and the specialists referred to in Article 5.4.2 in compliance with their obligations;
- d) “flexible combination order” (FLEXCO), 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.

The types of orders referred to in subparagraphs b) and d) may be entered exclusively for the trading segments specified in the Instructions.

7. Single orders referred to in paragraph 6a), may also specify the “stop-loss” method of execution in the continuous trading phase. 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 only be 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 price of the last contract concluded;
 - b) the best bid price or the best ask price.
8. Standard combination orders referred to in paragraph 6b) shall be displayed, with the methods of execution specified in the Trading Service Manual of the IDEM market, in a special book. FLEXCOs referred to in paragraph 6d) 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 5.
9. Any single orders referred to in paragraph 6a) deriving from standard combination orders or FLEXCOs referred to in paragraphs 6b) and 6d) respectively vary automatically with market conditions. Single orders not deriving from standard combination orders or FLEXCOs shall have time priority with respect to any single orders deriving from standard combination orders or FLEXCOs.
10. The quotations referred to in paragraph 6c) may be entered exclusively with a limit price and without specifying a method of execution and shall be “valid for the session”.
11. Where the orders referred to in paragraph 6 relative to series of options contracts admitted to trading 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.
12. Intermediaries other than market makers and IDEM specialists may request them to display quotations.

13. Limit orders may not be entered with prices above or below the maximum percentage limits for price variations established in the Guide to the Parameters notified in a Notice by Borsa Italiana.
14. In order to ensure the regularity of trading in a financial instrument, Borsa Italiana may establish on a general basis in the Guide to the Parameters notified in a Notice the maximum number of contracts that may be the subject of an order.
15. 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.

Article 5.3.3

(Functioning of the auction and phase change rules)

1. In the pre-auction phases, the theoretical opening price shall be computed and updated in real time. It shall be determined as follows:
 - a) the theoretical opening 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 opening 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 opening price shall be the price, identified in the interval of executable prices with the extremes determined by the prices of the orders on the book, that minimizes the divergence with respect to the reference price.The theoretical opening price shall be equal to the price of the last valid contract where only buy and sell orders without a limit price are present.
2. The pre-auction phase shall end at a time within an interval specified by Borsa Italiana in the Instructions.
3. The last theoretical opening price shall be considered valid and adopted as the auction price for the conclusion of contracts if it differs from the static control price by less than the maximum percentage variation established by Borsa Italiana.
4. If the divergence between the theoretical opening price and the static control price exceeds the maximum percentage variation referred to in the previous paragraph, the volatility auction phase shall be started for a period established by Borsa Italiana in the Instructions.
5. The conclusion of contracts referred to in paragraph 3 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. Market orders shall always have higher priority than limit orders.

6. If it is not possible to determine the opening price, the continuous trading phase shall start, to which only the limit orders shall be transferred while the market orders shall be cancelled.
7. If no orders of any kind are entered in the auction phase, the continuous trading phase shall nonetheless start.
8. At the end of the opening auction or of the volatility auction:
 - a) limit orders which are partly or wholly unfilled shall be automatically transferred to continuous trading with the price and time priority of the original order, unless different functionality is specified in accordance with the Trading Service Manual of IDEM market;
 - b) market orders which are partly or wholly unfilled shall be automatically transferred to continuous trading as limit orders with price equal to the auction price and time priority of the original order, unless different functionality is specified in accordance with the Trading Service Manual of the IDEM market.

Article 5.3.4 ***(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 5.3.2, paragraph 5, 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, unless a special method of execution specified in the Trading Service Manual of the IDEM market. 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 FLEXCOs shall be executed:
 - a) through automatic matching with “single orders” referred to in Article 5.3.2, paragraph 6 (a) of the opposite sign present on the market; or
 - b) on the special trading book referred to in Article 5.3.2, paragraph 8, through automatic matching with other standard combination orders and FLEXCOs of the opposite sign present on that book and ranked according to the criteria referred to in Article 5.3.2, paragraph 5.

Article 5.3.5

(Special procedures for the conclusion of contracts)

1. The orders referred to in article 5.3.2, paragraph 6, letter a), b) and d) 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, including such prices (so called “committed cross”).
2. The orders referred to in article 5.3.2, paragraph 6, letter a), b) and d) 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, including such prices (so called “internal cross”).
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
 - for futures and option contracts having financial instruments and the related indexes as their underlyings, the difference between the order price and the best prices on the trading book does not exceed the limit specified in the Instructions.
4. The execution of orders under the above paragraphs 3 does not count towards the of the dynamic price formation.
5. The orders concluding *committed cross* and *block trades* contracts as of previous paragraphs 1 and 3 can be entered by the Non-executing Broker in the name and on behalf of two approved intermediaries to the IDEM market, with which a specific contractual agreement has been concluded. The contract is concluded on the market between the two intermediaries participating to the IDEM Market. To this end the Non-executing Broker while undertaking its activity shall not deal on own account and/or execute orders on behalf of clients. The derivatives financial instruments of the IDEM market for which such functionality is active are indicated in the Instructions. Borsa Italiana shall give Consob advance notice of the financial instruments referred to in the previous sentence; the entry into force of the rules shall be subject to Consob granting its explicit consent.

Article 5.3.6

(Reference price)

The reference price of each instrument traded shall be the daily closing price computed by the management company of the clearing and guarantee system specified in the Instructions.

Article 5.3.7
(Control prices)

1. The static control price shall be the reference price of the previous day. Borsa Italiana may modify such price to ensure regular trading.
2. The dynamic control price shall be the price of the last contract concluded in the current session.

Article 5.3.8
(Automatic controls on trading)

1. For the purpose of the automatic control of trading, the following types of price variation limits have been established:
 - a) the maximum price variation limit of orders with respect to the static control price, referred to in Article 5.3.2, paragraph 13, of the Rules, activated both in auction phases and in the continuous trading phase;
 - b) the maximum price variation limit of contracts with respect to the static control price, referred to in Articles 5.3.3, paragraph 3, and Article 5.3.8, paragraph 2, activated both in auction phases and in the continuous trading phase;
 - c) the maximum price variation limit of contracts with respect to the dynamic control price, referred to in Article 5.3.8, paragraph 2, activated only in the continuous trading phase.

Borsa Italiana shall establish on a general basis the maximum percentage variations referred to above in the Guide to the Parameters notified in a Notice.
2. 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 paragraphs 1b) and 1c), the continuous trading of that financial instrument shall be automatically suspended. For series that have been suspended, approved intermediaries may cancel orders already entered but may not modify them nor enter new orders. Borsa Italiana may activate a volatility auction phase, which shall be carried out as provided in this Title for opening auctions.

Article 5.3.9
(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 specified in the Instructions.

TITLE 5.4

MARKET MAKERS AND SPECIALISTS

Article 5.4.1 **(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 5.4.2 **(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 5.5

INFORMATION PROVIDED TO APPROVED INTERMEDIARIES

Article 5.5.1

(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.

Article 5.5.2

(Information provided in the derivatives market - IDEM)

1. In the opening pre-auction phase approved intermediaries shall have access to information updated in real time relative to the theoretical opening prices that are determined and the total quantities tradable at such prices.
2. During the continuous trading phase approved intermediaries shall have access, for each series, to information on the single price levels on the book, with an indication of the corresponding total aggregate quantities of the orders.
3. 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, when the underlyings are financial instruments, the prices and market phases of the underlying instruments or related indexes.
4. Borsa Italiana shall provide an annual calendar of corporate events regarding the underlying shares of the traded contracts in the IDEM market and that are admitted to trading in the markets organised and managed by Borsa Italiana upon the issuer's request.

TITLE 5.6

TRANSPARENCY OF MARKET

Article 5.6.1

(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 including via 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 5.6.2

(Information available to the public)

1. In the auction phase the following information shall be available to the public in real time for each series traded, the theoretical opening-auction prices and the corresponding aggregate quantities.
2. During trading the following information shall be available to the public in real time for each series traded:
 - a) at least the five best buy and sell prices and related aggregate orders and quantities;
 - b) the price, day and time of execution, and quantity of the last contract concluded and the ID of the financial instrument;
 - 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 5.3.5, paragraph 3 (block trades) and the procedures referred to in Article 5.3.4, paragraph 3(b) (exclusively for FLEXCOs);
 - d) the closing price of the previous session and the first price of the current session;
 - e) the number of contracts concluded.
3. 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 5.3.5, paragraph 3 (block trades) and the procedures referred to in Article 5.3.4, paragraph 3(b) (exclusively for FLEXCOs);
 - c) the number of contracts concluded;
 - d) the open interest;

- e) for options contracts, the implied volatility with respect to the closing prices.
4. 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 5.3.5, 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 5.3.5, paragraph 3, (block trades) ;
 - c) the lowest and the highest price, excluding the prices of contracts concluded using the procedures referred to in Article 5.3.5, paragraph 3 (block trades) and the procedures referred to in Article 5.3.4, paragraph 3(b) (exclusively for FLEXCOs);
 - d) the closing price;
 - e) the open interest;
 - f) for options contracts, the implied volatility with respect to the closing prices.

Article 5.6.3
(Dissemination of news)

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.

PART 6

MARKET SURVEILLANCE

Article 6.1.1 **(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, SEDEX specialists, MIV specialists, specialists and appointed intermediaries on the ETFplus market, MOT specialists;
 - c) shall monitor intermediary compliance with the rules of conduct referred to under article 3.3.1, paragraph 9, for the MTA, MIV, SEDEX and ETFplus markets;
 - d) 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;
 - e) shall verify the updating of records, procedures and any other matters necessary to ensure orderly trading;
 - f) shall monitor the operation of the technical equipment and transmission networks of the electronic data processing and telecommunication systems;
 - g) shall regulate trading conditions in accordance with the procedures and criteria referred to in Articles 6.1.2, 6.1.3 and 6.1.4;
 - h) shall promptly inform the market of the measures it adopts that affect trading in the markets or the performance of financial instruments;
 - i) 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;
 - j) shall promptly suspend the intermediary following the latter's suspension or exclusion by the management company of the clearing and guarantee system identified for each market and immediately inform Consob;
 - k) may suspend intermediaries at the request of the management company of the clearing and guarantee system identified for each market.

Article 6.1.2

(Measures concerning trading parameters, hours and phases)

1. 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 maximum price variation limits, the static price, the dynamic price and the other trading conditions (“parameters”);
 - d) suspend or reactivate trading.
2. Borsa Italiana may adopt the measures referred to in the preceding paragraph:
 - a) where the price variation limits 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 company of the clearing and guarantee system identified for each market.
3. In adopting the measures referred to in paragraph 1, 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.

4. 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.

Article 6.1.3
(Handling of input errors)

1. Borsa Italiana may order or effect:
 - a) the cancellation of contracts concluded in the markets upon receipt of a joint explained request from the approved intermediaries concerned;
 - b) the cancellation of transactions erroneously entered in the X-TRM service up to the day following that of the transmission of the contracts upon receipt of an explained request from approved intermediaries; exclusively for the EuroMOT segment the cancellation of transactions erroneously entered in the X-TRM service may take place within the day of the transmission of the contracts.

Without prejudice to what stated in the previous point a), for the contracts concluded with the modalities as of paragraph 5.3.5, paragraph 5, Borsa Italiana can dispose or proceed to the cancellation of the contracts concluded on the markets:

- a) on the specific request of the Non-executing Broker;
 - b) upon receipt of a joint explained request by one of the contracting counterparties and the Non-executing-Broker.
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 X-TRM service.
3. In order to permit the handling, in the X-TRM service of contracts deriving from entry errors, Borsa Italiana may inform authorised intermediaries of the identities of counterparties, with reference to the markets where they are not displayed.
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. The provisions of this article apply only to continuous trading phases.

Article 6.1.4

(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 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 provided for in these Rules and those arising in connection with the denial of admission to listing or the revocation from listing 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 2.6.10, paragraph 5, Article 3.4.3, paragraph 5, or Article 3.4.4, paragraph 7.

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 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 petition for review referred to in Articles 2.3.11, 2.6.12 or 3.4.6 or, in other cases, the act submitted to the Appeals Board 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.
7. The fees of the members of the Appeals Board shall be borne by the losing party.

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 case;
 - 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 60 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.

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