

VORVEL MARKET RULES



Vorvel Bonds, dedicated to Bonds

**and Vorvel Equities Segment, dedicated
to ETFs, ETCs/ETNs, Investment Funds
and Shares already admitted to trading on
other Markets**

(Book 2)

Into force starting from June 9th, 2025

The Italian text shall prevail over the English version

Summary

Chapter 1 General Provisions	4
Article 1 Vorvel Bonds and Vorvel Equities Market Segments – Specific Part (Book 2)	4
Article 2 Vorvel Bonds and Vorvel Equities Market Participants	4
Article 3 Market Model Overview	5
Article 4 Market participation requirements and rules of conduct	6
Chapter 2 Admission to trading of Financial Instruments	8
Article 5 Admission to trading of Financial Instruments	8
Article 6 Information about Liquidity Obligations and the possible configuration of the RFE to be included in the request for admission to trading of Specialists on ETFs, ETCs/ETNs and Investment Funds	12
Article 7 Procedure for the admission of Financial Instruments to trading	12
Chapter 3 Liquidity Providers Obligations and Support to Liquidity	13
Article 8 Liquidity Providers Support to Liquidity and Liquidity Obligations to be assumed by Market Makers and Specialists	13
Article 9 Exceptional circumstances and stressed market conditions	15
Article 10 Information obligations relating to financial instruments admitted to trading on the Vorvel Market with the consent of the Issuer	15
Article 11 Other Information Obligations	16
Chapter 4 Trading Rules	17
Article 12 Trading phases and Trading methods	17
Article 13 Settlement Segments and Central Counterparty and Guarantee System	17
Article 14 Pre-Trading	18
Article 15 Continuous Trading	19
<i>Alternative matching methods for ETFs, ETCs/ETNs and Investment Funds in case of activation of the RFE Instrument Flag</i>	19
Article 16 Orders, Quotes and Tick Size	21
Article 17 Reference price	23
Article 18 Static and Dynamic price	23
Article 19 Price variation limits	23
1. Limit 1	23
2. Limit 2	23
Article 20 Cancellation of financial instruments at maturity	24
Article 21 Measures concerning the trading of ETFs and ETCs/ETNs subject to resolution terms	24
Chapter 5 Market Surveillance – Specific Rule for Vorvel Bonds and Vorvel Equities	24
Article 22 Handling of mistrades	24
Article 23 Preservation of liquidity conditions	25

Article 24 Changes to the trading parameters and checks on the correct use of the quote validation mechanism by the Specialist on ETFs, ETCs/ETNs and Investment Funds	26
Chapter 6 Ancillary Services to Trading	27
Article 25 Facility Services for Financial Instrument distribution and collection of buy, sell or switch offer acceptances.....	27
Article 26 Post Trading Services	27
Chapter 7 Vorvel ESG Portfolio Section	28
Article 27 Inclusion of Financial Instruments in the Vorvel ESG Portfolio Section.....	28
Chapter 8 Transitional and final provisions	28
Article 28 Measures applicable at the launch of the Vorvel Equities Segment.....	28
Definitions of the terms used in the Book 2 dedicated to the Vorvel Bonds and Vorvel Equities Market Segments	29

Chapter 1 General Provisions

Article 1 Vorvel Bonds and Vorvel Equities Market Segments – Specific Part (Book 2)

The Vorvel Market Rule Book is composed of a harmonized general part (hereinafter referred to as “**Book 1**”), common to all Market Segments, and a part which is Market Segment-specific (“**Book 2**”).

This document represents the Book 2 of the following Market Segment (the “Segments”):

- Vorvel Bonds Market Segment, the segment of the Vorvel Market dedicated to the trading of Bonds and other debt securities;
- Vorvel Equities Market Segment, the segment of the Vorvel Market dedicated to the trading of Shares, Certificates representative of shares and other securities representative of risk capital already admitted to trading on other Markets, and of ETFs, ETCs/ETNs and Investment Funds.

This Book 2 includes specific rules for the single aforementioned Segments.

The Vorvel Equities Segment is aimed at meeting the needs of exclusively retail users.

The Vorvel Bonds and Vorvel Equities Segments include a Section dedicated to ESG Financial Instruments, called the “Vorvel ESG Portfolio”.

Unless otherwise specified, references to articles, chapters or sections of the Market Rule Book shall be considered as referred to articles, chapters or sections of the same Book.

References to “Financial Instruments” or “Securities” in this Book 2 are to be understood as limited to financial instruments tradable in the Segments governed therein.

References to the “Vorvel Market” in this Book 2 are limited to the Segments governed therein.

References to law, regulation, directive or any other rule are to refer to the same rules in force during a given time, as eventually amended.

Article 2 Vorvel Bonds and Vorvel Equities Market Participants

Market Participants (also referred to as Participant Entities) may assume one or more of the following roles:

1. Order Flow Providers;
2. Liquidity Providers.

Liquidity Providers, when they assume liquidity obligations on a specific financial instrument, entering into one of the market making agreements provided for in this Book 2, assume the qualification of:

b.1) Market Makers (if they act in the absence of an agreement with the Issuer);

b.2) limited to Bonds and other debt securities, ETFs and ETCs/ETNs, Specialists (if they act on the basis of an agreement or relationship with the Issuer, subject to the conditions set out in the definition of “Specialist”);

Order Flow Providers may only operate on Instruments traded in the Vorvel Market on behalf of clients, while they may also operate on their own account solely on Branded Securities without Specialists and Bonds without Market Makers (i.e. liquidity providers with liquidity obligations referred to as BSS macro-class of the Bonds Section in the Trading Guide).

The Order Flow Provider who also qualifies as "Gold" is authorized to send orders on its own account in bid and offer, on each Bond and other debt security, for a maximum of 2% of the duration of the continuous trading session on each trading day. Branded Notes without Specialists and Bonds without Market Makers are excluded from this limitation. Should they exceed the thresholds defined by MiFID 2 and its implementing regulations, the "Gold" Order Flow Providers must also qualify as Liquidity Providers and assume, on the financial instruments on which they have exceeded these thresholds, the liquidity obligations set out in the MiFID 2 Market Making Agreement in article 8 of this Book 2.

Article 3 Market Model Overview

The Vorvel Market Model is based on a transparent Central Limit Order Book (CLOB), where orders from Order Flow Providers (the "Orders"), the Liquidity Providers' Quotes (the "Quotes"), as well as any orders placed by the latter, compete with each other.

Orders and Quotes are anonymous trading proposals. Entered trading proposals can be deleted or modified. In the latter case, the trading proposals lose their initial time priority if the price has changed or the quantity increased.

Trading proposals on Vorvel Bonds are matched on the basis of the following priority criteria:

1. Price;
2. Time.

Trading proposals on Vorvel Equities, with the exception of the cases described in the following paragraph, are matched on the basis of the following priority criteria:

1. Price;
2. Member (understood as a possible association with a Liquidity Provider operated by an Order Flow Provider);
3. Time.

Limited to ETFs, ETCs/ETNs and Investment Funds, Specialists are granted the possibility of making use of a mechanism for validating their quotes (hereinafter "Request for Execution" or "RFE" or "RFE facility"). In this case:

- a. The trading proposals are matched on the basis of the following priority criteria:
 1. Price;
 2. Time;
- b. Orders can only be entered into the order book and execute trades ("matching") with each other in the presence of the Specialist's Quotes. In the event that Quotes are temporarily absent in the CLOB, matching is suspended.

During the admission phase of each Financial Instrument, or even subsequently, the Specialists communicate to Vorvel Sim if, as an alternative to the Price-Member-Time combination, they intend to make use of this functionality ("RFE Instrument Flag"). This information is made available by Vorvel Sim through its website.

During the continuous trading phase ("Continuous Trading Phase"), and if they have requested it in the manner indicated above, Specialists may freely activate or deactivate the RFE facility mechanism on each individual Financial Instrument, according to their needs, through the use of the "RFE Quote Flag". In such a case, an RFE Phase opens whenever a trade is about to be executed between an Order and the bid or offer side of a Quote. The RFE has a very limited maximum duration, defined in the Detailed Provisions of Article 15 of this Book 2.

During an RFE Phase, orders can be placed, cancelled or modified, and matching is only possible once the RFE phase is terminated (e.g., when the Specialist has validated his Quota, even possibly updating the price).

Details regarding the functioning of the quote validation mechanism are provided in Article 15 of this Book 2. On the Vorvel Equities Segment, with regard to financial instruments on which there is the simultaneous presence of at least two Liquidity Providers, possible trades between Liquidity Providers are prevented through the impossibility for the incoming (aggressive) Quote/Order on its own account to cross the other Liquidity Provider generating one or more trades. Financial Instruments classified as Branded Securities, whose liquidity is supported by one or more Specialists, cannot be contributed by other Liquidity Providers and Market Makers, unless otherwise expressly consented by the Issuer, including through an appointed Specialist. Limited to ETFs, ETCs/ETNs and Investment Funds with an active RFE Instrument Flag, liquidity on these financial instruments is supported by a single Specialist and cannot be contributed by other Liquidity Providers and Market Makers. The following financial instruments are not considered Branded Securities:

1. Shares;
2. Eurobonds;
3. ETFs and ETCs/ETNs if the circumstances identified in this book's Definition of Branded Security do not apply.

The other Financial Instruments may be traded by Liquidity Providers and Market Makers, within the terms and limits set forth in article 8 of this Book 2, with the assumption of the liquidity obligations provided for by one of the possible market making agreements, as well as the consequent qualification of Market Maker.

Article 205 of the Testo Unico della Finanza (the Italian Financial Act) applies to buy and sell trading proposals entered in the Vorvel Market.

With regard to each financial instrument, Vorvel Sim makes available on the website www.vorvel.eu the list of Market Makers and/or Specialists who have assumed liquidity obligations on it, indicating the relevant market making agreement.

On the www.vorvel.eu website, Vorvel Sim also makes available the indication of the Financial Instruments included in the Vorvel ESG Portfolio Section, as better specified in article 27.

Further details are provided in subsequent articles.

Article 4 Market participation requirements and rules of conduct

Requirements for the participation in the Vorvel Market for Order Flow Providers and Liquidity Providers on financial instruments for which no liquidity obligations are assumed:

In addition to the requirements specified in Book 1, the Order Flow Providers wishing to operate in the Vorvel Market, or, limited to Vorvel Bonds Segment, the Liquidity Providers operating on financial instruments for which liquidity obligations are not assumed, undertake to:

- a) comply with the following rules of conduct, aimed at preserving the liquidity conditions of the Market or its specific Segments through measures to protect the activity of Market Makers/Specialists;
- b) require possible Interconnected Operators to comply with the same rules of conduct, in order to achieve the same purposes.

Any repeated violation of the same rules of conduct will be considered as a violation of the requirement described above and may lead to the exclusion of the Liquidity Provider, Order Flow Provider or the Interconnected Operator from either the specific Segment or the Vorvel Market.

Requirements for Market Makers to participate in the Vorvel Equities Segment:

In addition to the requirements specified in Book 1, the activity of Market Maker on Vorvel Equities is reserved to the Participant who also adheres to this Segment as an Order Flow Provider and includes the same Segment in its Execution Policy dedicated to the Asset Classes that can be traded therein. This commitment can be considered fulfilled even if it is fulfilled by more than one company in the Market Maker's group.

In addition,

- 1) on ETFs and ETCs/ETNs, the Market Maker must undertake to assume liquidity obligations on a portfolio of securities of at least 10 financial instruments belonging to these Asset Classes, if it has not already committed to undertake the commitment described in point 2 below;
- 2) on Shares, the Market Maker must undertake to assume liquidity obligations on a portfolio of securities of at least 30 shares. This commitment grants the Market Maker the right to request the assumption of liquidity obligations on all types of financial instruments included in the Vorvel Equities Segment.

The requirements described in points 1) and 2) above are verified on the last trading day of each month of permanence in the role. These commitments can be considered satisfied even if they are fulfilled by more than one company in the Market Maker's group. As provided for in Article 8 of this Book 2, the MiFID 2 Market Making Agreement applies to all financial instruments traded by the Market Maker. The application of the MiFID 2 market making agreement on any financial instrument traded in the event of exceeding the MiFID II thresholds, as better specified in Article 8 of this Book 2, also remains unaffected.

Requirements for Specialists on ETFs, ETCs/ETNs and Investment Funds with RFE Instrument Flag active

In addition to what is specified in Book 1, Specialists on ETFs, ETCs/ETNs and Investment Funds who intend to make use of the quote validation mechanism ("RFE facility") must:

- 1) configure its quotation systems and operational processes in such a way as to use this functionality and manage the messages sent to it by the Market properly;
- 2) commit to Vorvel Sim, in accordance with the provisions of the application for membership in the Vorvel Equities Segment:
 - i) to use the RFE facility exclusively for the purpose of validating the correctness of the prices of their Quotes;

- ii) to reasonably limit the number of cases of non-validation of its Quotes in the event of activation of the RFE Phase.

Specialists on ETFs, ETCs/ETNs and Investment Funds who do not intend to use the RFE facility do not have any additional technical requirements, but the only obligation to communicate this decision to Vorvel Sim.

Vorvel Market Conduct Rules for Order Flow Providers and Liquidity Providers on financial instruments for which they do not assume liquidity obligations:

Order Flow Providers and their Interconnected Operators, as well as, limited to the Vorvel Bonds Segment, Liquidity Providers on financial instruments for which liquidity obligations have not been assumed, are also required to contribute to preserving the liquidity conditions of the Vorvel Market:

1. Avoiding activities that could jeopardize the sustainability of the Market Maker/Specialists' activities;
2. Endeavoring to cease, without delay, activities that are not in line with this obligation;
3. Cooperating promptly with Vorvel Sim, if required, pursuant to article 23 of this Book 2.

Indicators of behavior not in line with this obligation are:

- a) The entry, modification or cancellation of multiple orders in rapid succession;
- b) The division of a large order into multiple orders sent to the market;
- c) Any behavior considered manipulative under applicable law.

Rules of conduct specific to the Vorvel Equities Segment for Order Flow Providers:

On all financial instruments traded in the Vorvel Equities Segment, the Order Flow Providers and their Interconnected Operators may not carry activities of:

- 1) High Frequency Trading;
- 2) algorithmic trading;
- 3) trading on own account by authorized Intermediaries;
- 4) funds, insurance companies and investors classified as professionals who are not natural persons.

Smart Order Routing services are permitted and do not count as algorithmic trading activities for the purposes of these Regulations.

Chapter 2 Admission to trading of Financial Instruments

Article 5 Admission to trading of Financial Instruments

Pursuant to this Book 2 and within the limits specified in this article, may be admitted to trading on the Vorvel Market:

1. Bonds and other debt securities, including government bonds and securities issued by local or supranational authorities, debt securities resulting from securitization,;
2. ETFs, ETCs/ETNs and Investment Funds that may be marketable in Italy to retail investors. The same condition is applied to individual units or shares of UCIs that may be underlying other instruments subject to admission to trading, as may be the case for ETPs;
3. Shares, certificates representative of shares and other risk capital securities.

Admission to trading of Financial Instruments in the Vorvel Market may take place:

- 1) Upon request from a Market Maker acting in the absence of an agreement or relationship with the Issuer and assuming liquidity obligations on them, by entering into one of the market making agreements provided for in this Book 2;
- 2) Limited to Bonds and other debt securities, ETFs, ETCs/ETNs and Investment Funds, on the basis of a request with the Issuer's consent, or if the request is sent to Vorvel Sim by:
 - a) The Issuer itself;
 - b) A Specialist, acting on the basis of an agreement or relationship with the Issuer and assuming liquidity obligations on them, entering into one of the market making agreements provided for in this Book 2;
 - c) an Order Flow Provider acting on the basis of an agreement with the Issuer, but with further limitation only to Bonds and other debt securities, of;
- 3) Limited to Bonds and other debt securities, upon initiative of Vorvel Sim.

The Specialist or Order Flow Provider may coincide with the Issuer of the Financial Instruments for which they apply for admission to the Vorvel Market.

In the cases under 2), the request for admission of one or more Financial Instruments entails, concerning them and depending on the cases, the subjection of the Issuer, the Specialist or the Order Flow Provider to the fulfilment of the information obligations provided for in Articles 10 and 11 of this Book 2.

Market Makers may only apply for the admission of Financial Instruments already admitted to trading on other EU Regulated Markets, EU MTFs or markets of OECD countries. The information obligations requirements set out in articles 10 and 11 of this Book 2 do not apply to Market Makers, as the latter requires the admission of financial instruments in the absence of an agreement with the Issuer.

Financial Instruments may be eligible for trading if:

- 1) Already admitted to trading on EU regulated markets, EU MTFs or markets of OECD countries;
or
- 2) Limited to Bonds and other debt securities, ETFs, ETCs/ETNs, if they are:
 - a) Freely negotiable and suitable for liquidation;
 - b) With a document relating to the issuance, listing or offer to the public (such as, for example, the prospectus, the offering circular or other similar documents), available to the public in Italian or English;
 - c) Suitable for fair and orderly negotiation;
 - d) Compliant as may be specified below.

For shares, certificates representative of shares and other securities representing risk capital already admitted to trading on a market of an OECD country, Vorvel Sim verifies that these financial instruments are freely tradable and suitable for liquidation, as well as suitable for fair and orderly trading, and also verifies that this market is subject to information obligations towards the public equivalent to those applicable in the European Union.

The following Financial Instruments may be admitted to trading on the Vorvel Market:

- i) Bonds structured or indexed to a financial value or asset, provided that the issuer has entrusted the quantification of the coupon remuneration and/or the premium at maturity to a calculation agent, or acts as a calculation agent;

- ii) Bonds convertible into shares, provided that the shares are traded on at least one market of an OECD Member State at the start date of trading on the Vorvel Bond Segment;
- iii) Upon request with the Issuer's consent, bonds convertible into other financial instruments issued by stock companies whose object is to forecast investment in other companies (such as small and medium-sized enterprises, innovative enterprises) as also holding companies of industrial participations and special purpose vehicle companies created for such investment purposes, with any forecast of complementary activities and business advice, if, alternatively:
 - The instruments have already been the subject of a public offer or a private placement;
 - the cases of exemption from the obligation to publish a prospectus according to the applicable law are met;
 - The financial instrument in question has already been admitted to trading on another regulated market or MTF within the European Union;
- iv) Upon request made with the Issuer's consent, bonds issued by non-listed companies other than banks and by micro-enterprises (Minibonds), which have been issued in compliance with the limits set by law and, where applicable, initially also placed with non-professional investors in compliance with the limits set out in art. 24, paragraph 2-quarter of the Consob Regulation on capital raising through online portals, adopted by resolution 18592 of 2013 or any subsequent updates. In this latter case, the applicant shall provide Vorvel Sim with information on the initial placement operation and its outcome;
- v) Debt securities resulting from securitizations (Asset-backed securities):
 - Whose residual amount in circulation is not less than €50 million or equivalent amount in foreign currency valued at the time of submission of the application for admission. Vorvel Sim may admit to trading Debt securities deriving from securitizations whose residual amount is less than this amount if it believes that a sufficiently liquid market can still be generated;
 - That are subject to assessment by at least one independent international rating agency;
- vi) Units or shares of closed-end investment funds. For the purposes of admission to trading of closed-end investment funds, Vorvel Sim verifies that, at the time of admission to trading, the following requirements are met:
 - Availability of an amount equal to at least €5 million of assets raised through the offer of shares or units and/or assets valued at NAV (if the admission to trading coincides with the issue of the financial instrument, and such financial instrument has already been allocated, this requirement must be met after its issuance);
 - Distribution to non-professional investors and/or professional investors of at least 25% of the subscribed capital.

If the requirements defined above are not met, Vorvel Sim will proceed to assess whether the admission to trading of units or shares of closed-end investment funds is consistent with the requirements of an orderly conduct of trading and investor protection. As part of this assessment, Vorvel Sim takes into account:

- Of the assets of the financial instrument;
 - The degree of diffusion of the financial instrument among investors, professional and non-professional, in percentage terms;
 - The number of investors who have already subscribed to the units of the fund.
1. ETFs and ETCs/ETNs, with a prospectus approved by a European authority, which meet at least one of the following requirements:
- The benchmark index or basket of securities is transparent in its calculation methods and the value of the index is made available to the public at least once a day;
 - Where there is an active management policy, this policy is transparent and adequately described.

In case of:

- Convertible bonds issued by stock companies whose object is to invest in other companies (such as small and medium-sized enterprises, innovative enterprises) as also holding companies of industrial participations and special purpose vehicle companies created for such investment purposes,
- Minibonds,

The issuance document must contain sufficient information for an investor to make an informed evaluation about:

- 1) The financial position, economic results and prospects of the issuer and any guarantors;
- 2) The rights attached to the securities (with particular regard to the description of the terms and conditions envisaged for conversion)
and
- 3) The reasons for the issuance.

This information may vary depending on the following:

- a) The nature of the issuer;
- b) The type of securities;
- c) The issuer's situation.

The information must be drafted and presented in an easily analyzable, concise and comprehensible form.

The Issuer, or the applicant, may draw up the document in the form of a single document or multiple documents.

In addition, the following applies to all financial instruments.

The application, if submitted by Issuers that do not already have instruments admitted to regulated markets or MTFs within the EU, must contain the commitment to comply with the information obligations provided for in articles 10 and 11 of this Book 2.

Vorvel Sim may subject the admission to trading to further specific conditions, relating to the issuer and the financial instrument, which it deems appropriate and which are explicitly communicated to the applicant. Vorvel Sim may refuse the application for admission to trading taking into account, inter alia, the characteristics of the financial instrument, the characteristics of the transaction and the related liquidity conditions of the market where the financial instrument is traded. Vorvel Sim notifies the applicant its decision.

Financial Instruments may be admitted to trading by indicating their compliance with ESG (environmental, social and/or governance) criteria, where a third party certifies the ESG nature of such financial instruments or where they are listed, with this indication, on other Regulated Markets or MTFs within EU that require admission and transparency requirements similar to those set out in this Book 2. The certifying entity must be independent from the Issuer (including directors, managers and consultants of the same), remunerated in such a way as to prevent conflicts of interest and with expertise also in the field of the assessment of ESG projects. By way of example, green bonds, social bonds, and sustainability bonds fall into this category. Any additional categories of bonds with an ESG nature can be specified in the Listing Guide.

Article 6 Information about Liquidity Obligations and the possible configuration of the RFE to be included in the request for admission to trading of Specialists on ETFs, ETCs/ETNs and Investment Funds

If the Specialist or Market Maker applies for admission to trading on the Vorvel Market of a Bond, an ETF, ETC/ETN or an Investment Fund, the Specialist or Market Maker is required to indicate whether it intends to support its liquidity by assuming bid-offer or bid-only liquidity obligations.

On Shares, the Market Maker can only assume bid-offer liquidity obligations.

On ETFs, ETCs/ETNs and Investment Funds, Specialists who have configured their systems to make use of the RFE facility must choose the RFE Instrument Flag of the Financial Instrument, specifying – in the required form – whether or not they intend to use this facility for the same Financial Instrument.

The same obligations may also be requested on financial instruments already admitted to trading, within the limits set for each role.

Article 7 Procedure for the admission of Financial Instruments to trading

Admission on request

The procedure for admission of the financial instrument to trading on the Vorvel Market begins with the submission of the application for admission by the requesting party in the manner set out in the Listing Guide for the Vorvel Market. The application form is considered complete when all the required documentation is received by Vorvel Sim.

In the case of financial instruments issued under an issuance program, the applicant party may preliminarily request the issuance of a declaration of admissibility of the financial instruments to be issued under the program. For the financial instruments issued under the program to be admitted to trading, the documentation shall be considered complete submitting an integrative Program's Notice.

In case the program is integrated or amended, the requesting party has to apply for confirmation of the declaration of admissibility of the financial instruments already achieved.

In case the documentation is not complete or contains irregularities, the applicant is promptly informed.

The application shall be deemed withdrawn if the requesting party fails to correct or complete it as requested within 60 days.

The applications are examined on a time priority basis.

The declaration of admissibility, the financial instrument admission or the application rejection are issued within 7 business days from the day the documentation accompanying the request is submitted or subsequently completed (the Admission Period).

In case of exceptional circumstances, the term specified above may be differed. In such a case Vorvel Sim informs the applicant and establishes a new term.

The Admission Period is interrupted in case of irregularities, omissions, if requested by the applicant or when Vorvel Sim needs further information or documents.

When all the requirements are fulfilled, Vorvel Sim admits the Financial Instruments to trading on the Vorvel Market, informs the applicant and makes the information available to the public through its website. If the requirements are not fulfilled, Vorvel Sim rejects the application and informs the requesting party accordingly.

Admission on the initiative of Vorvel Sim

Subject to verification that the admission requirements are fulfilled, in the cases set out in this Book 2, Vorvel Sim may admit the Financial Instruments to trading on the Vorvel Market on its own initiative. Vorvel Sim makes the information available to the public through its website.

Chapter 3 Liquidity Providers Obligations and Support to Liquidity

Article 8 Liquidity Providers Support to Liquidity and Liquidity Obligations to be assumed by Market Makers and Specialists

Liquidity Providers support to liquidity without assumption of liquidity obligations, limited to Bonds and other debt securities:

1) During the WarmUp Period:

During the WarmUp Period, Liquidity Providers may act on Financial Instruments not quoted by Specialists, without assuming liquidity obligations and without time limitations, through the entry of Orders and/or Quotes, as specified in article 3 of this Book 2 and in the Trading Guide.

The start and duration of the WarmUp Period are determined as specified in the Trading Guide.

2) After the WarmUp Period:

After the Warmup Period, Liquidity Providers may act on the same Financial Instruments, without assuming liquidity obligations, up to a maximum of 50% of the total trading hours on a monthly basis, through the entry of Orders and/or Quotes, as specified in the Trading Guide.

If they exceed this threshold, starting from the following month, the Liquidity Providers on the same Financial Instruments are required to sign one of the market making agreements provided, and to comply with the related liquidity obligations. If Market Makers exceed the thresholds set out in MiFID 2 and its implementing regulations, they will have to assume the liquidity obligations set out in the MiFID 2 Market Making Agreement.

Undertaking of Liquidity Obligations:

A Specialist or Market Maker can support the liquidity of a Financial Instrument by assuming liquidity obligations:

1. Bid-offer, entering into the MiFID 2 Market Making Agreement;

Or, limited to Bonds and other debt securities, ETFs, ETCs/ETNs and Investment Funds

2. Bid-only, entering into the Bid-Only Market Making Agreement;
or, limited to ETFs and ETCs/ETNs, Investment Funds
3. Voluntary Bid-Offer market making agreement.

Description of possible Market Making Agreements:

1) MiFID 2 Market Making Agreement

According to this agreement, Specialists or Market Makers have to display continuously simultaneous firm bid and offer for comparable quantities, as well as at competitive prices, exclusively under the form of Quotes with specialist technical origin. Specialists or Market Makers are required to comply with these obligations for at least 50% of the duration of the continuous trading session for each trading day. For these purposes, on ETFs, ETCs/ETNs and Investment Funds with an active RFE Instrument Flag, only the Quotes for which the RFE Quote Flag is not active are considered.

In the event that a Liquidity Provider has opted not to assume any liquidity obligations and, despite such choice, has exceeded the thresholds set out in MiFID 2 and its implementing rules during the month, as set out in article 3 of this Book 2, the MiFID 2 Market Making Agreement shall apply from the month following the month in question.

The minimum quantities are published on the Vorvel Sim website, the maximum spread allowed is indicated in the Trading Guide.

2) Bid Only Market making Agreement

According to this agreement, Specialists or Market Makers have to display continuously bid, with quantity at least equal to the minimum ones, exclusively in the form of Quote with specialist technical origin. Minimum quantities can be found on the Vorvel Sim website.

Specialists or Market Makers are required to comply with these obligations for at least 50% of the duration of the continuous trading session for each trading day.

3) Voluntary Bid-Offer market making agreement

Limited to ETFs, ETCs/ETNs and Investment Funds with an active RFE Instrument Flag, on the basis of this voluntary market making agreement, the Specialists must present simultaneous proposals on the market, regardless of whether they are firm or indicative, in bid and offer, for comparable quantities, as well as at competitive prices, exclusively under the form of Quotes. Specialists are required to comply with the obligations indicated, for at least 50% of the duration of the continuous trading session for each trading day. For these purposes, all Quotes are considered, regardless of whether the RFE Quote Flag is active or inactive.

Liquidity Providers, Specialists and Market Makers may change these choices during the life of each Financial Instrument. In such cases, Vorvel Sim updates the corresponding information on its website (www.vorvel.eu).

Vorvel Sim verifies that Specialists and Market Makers comply with their liquidity obligations. When assessing possible violations of liquidity obligations, Vorvel Sim also considers monthly performance.

Exclusion from liquidity obligations and consequent exit from the corresponding market making agreements:

Specialists and Market Makers may request an exclusion from the liquidity obligations assumed on a Financial Instrument, which will be granted in compliance with the following notice periods, which will be calculated from the date of publication on the website www.vorvel.eu of the corresponding notice:

- 7 calendar days in the case of financial instruments traded on other regulated markets or MTFs within Italy;
- 15 calendar days in the case of financial instruments traded on other regulated markets or MTFs out of Italy;
- 30 calendar days in the case of financial instruments not traded on other regulated markets or MTFs (so-called "single listing").

Exclusion from liquidity obligations on a given Financial Instrument entails, for that instrument, the termination of the corresponding market making agreement.

Article 9 Exceptional circumstances and stressed market conditions

Specialists and Market Makers are not required to comply with the obligations set out above, in the event of the exceptional circumstances specified in the Detailed rules, verified and communicated by Vorvel Sim through its website.

During stress market conditions, set out in the Trading Guide, they have to quote with reduced obligations, consisting of half the minimum quantities and doubling the maximum allowed spreads.

Detailed Rules

The exceptional circumstances are those defined in article 3 of EU Regulation no. 578 of 2017.

Article 10 Information obligations relating to financial instruments admitted to trading on the Vorvel Market with the consent of the Issuer

The information obligations set out in this article may be fulfilled by e-mail to the address governance@vorvel.eu and may be fulfilled by the party that has requested admission or by the Issuer, by the controlling entity or by another appointed party, provided that it is communicated to Vorvel Sim.

The above-mentioned parties must promptly communicate to Vorvel Sim, for each Financial Instrument, where applicable:

1. Any change in the information contained in the documentation provided to Vorvel Sim with the application for admission to listing;
2. The amount and dates of any periodic payments, including discretionary payments (e.g. variable or indexed coupons, premium coupons at maturity);
3. The new nominal value or minimum denomination of the securities not yet redeemed;
4. The modification of the characteristics of the Financial Instrument as a result of a specific market event, the exercise of an option or the decisions of the Issuer or the Assembly of holders of the financial instruments, such as transformation, merger, demerger, dissolution, liquidation, reverse stock split or split;
5. Any change in the composition of the underlying asset and the date on which such change becomes effective;
6. Reimbursement and/or early redemption events, calls and/or any option exercise involving the early reimbursement and/or redemption, including, for closed-end investment funds, any possibility of subsequent issuance and early redemption with periodic updates on a bi-weekly basis for the duration of the reopening period, the number of new subscriptions and the number of units for which redemption has been requested, as well as, at the end of the reopening period, the total number of units outstanding as soon as it becomes available;
7. Events relating to buy-back/repurchase obligations;
8. With regard to the financial instruments admitted to the Vorvel Market in Single Listing, the information required by the relevant national and EU legislation (e.g. the legislation on market abuse provided for by Regulation (EU) 596/2014):
9. The adoption of any measures to temporarily suspend the subscription or redemption of ETPs and investment funds;
10. With regard to ETFs, ETC/ETNs:
 - the value of the unit or share (NAV) in the case of ETFs or the official value in the case of ETCs/ETNs;
 - the number of shares or shares or financial instruments outstanding;
 - the information provider or website, and any subsequent changes, where the value of the ETF's benchmark index and the value of the ETF's iNAV if applicable, or the value of the underlying in the case of ETCs/ETNs is publicly available;
 - any levels of protection, levels of the guarantee and the value of the multiple;
 - the hour, minute and second at which a condition occurs that may determine a change in the price conditions at which the financial instrument is traded (such as restrike/reset events) or a termination condition that leads to its extinction.

The Issuer that directly requests the admission of one or more financial instruments pursuant to this Book 2 and that is not already an Order Flow Provider and/or Liquidity Provider, is required to sign a specific agreement with the Market, for the undertaking of the fulfilment of the information obligations set out in this article 10 and in the following article 11, as well as the rules of Chapter 7 of Book 1. Therefore, failure to comply with articles 10 and 11 of this Book 2 may result in the application of the sanctions set out in Chapter 7 of Book 1.

Article 11 Other Information Obligations

In the case of Financial Instruments admitted at their request, the Issuers undertake to make available on their website:

- The annual balance-sheet;
- For each Financial Instrument that qualifies as PRIIPs, prior to the start of trading, the KID required by applicable law.

If they do not coincide with the Issuers of the Financial Instruments traded, the parties who have requested their admission undertake to request and obtain from such Issuers the fulfilment of the

same obligations. This commitment may also be of a general nature, valid for all Financial Instruments applying for admission in the future.

Chapter 4 Trading Rules

Article 12 Trading phases and Trading methods

The daily trading session is divided into two different phases:

- a) Pre-Trading
- b) Continuous Trading

The Continuous Trading Phase and the ability to execute trades begins with the conclusion of the Pre-Trading Phase.

For Bonds and other debt securities, Shares, certificates representing shares and other securities representing risk capital, the Pre-Trading Phase begins at 8:40 a.m. and ends at 9:00 a.m., while the Continuous Trading Phase begins at 9:00 a.m. and ends at 5:30 p.m.

For ETFs, ETCs/ETNs and Investment Funds, the start and end times of the Continuous Trading Phase, as well as its overall duration, are defined for each Financial Instrument, based on the choices communicated by the Specialist to Vorvel Sim, or defined by the same Vorvel Sim. Vorvel Sim makes this information available in the Notice of Trading Start and through its website. The Pre-Trading Phase has a standard duration of 10 minutes, which precedes the activation of the Continuous Trading Phase of the same Financial Instrument. The Continuous Trading Phase of each Financial Instrument can have a maximum duration of 8:00 – 23:00.

For ETFs, ETCs/ETNs and Investment Funds with an active RFE Instrument Flag, the Continuous Trading Phase is conducted according to the Method of Matching Order Driven or RFE-driven as specified in Article 15 below. The latter is activated whenever, for each individual Quote, the RFE facility is active and an order is about to hit a Specialist's quote. For bonds and other debt securities, trading takes place by expressing the current value as a percentage of the face value of the security. The latter value is conventionally defined as 100 (trading as a percentage). For ETFs, ETC/ETNs, Investment Funds and Shares, trading takes place by number of pieces.

With reference to Financial Instruments with a flat rate interest coupon, the countervalue paid by the buyer and received by the seller following the execution of a trade is increased by accrued interest. Vorvel Sim informs the public by means of a Notice of the trading method of financial instruments with an interest coupon.

Article 13 Settlement Segments and Central Counterparty and Guarantee System

Vorvel Sim assigns each Bond or other debt security admitted to trading in one of the following Settlement Segment:

- Domestic Settlement Segment guaranteed by Central Counterparty (automatic settlement)
- Domestic Settlement Segment not guaranteed by Central Counterparty (automatic settlement)
- Domestic Settlement Segment not guaranteed by Central Counterparty, with manual settlement

- ICSD Settlement Segment guaranteed by Central Counterparty (Automatic Settlement)
- ICSD Settlement Segment not guaranteed by Central Counterparty, with manual settlement

Vorvel Sim includes ETFs and ETCs/ETNs, Investment Funds and Shares in one of the following Settlement Segment, characterized by the elaboration by Vorvel Sim, for each trading day and for each financial instrument, of aggregations for all buy transactions and all sell transactions carried out between two same counterparties:

- Domestic Settlement Segment not guaranteed by a Central Counterparty, with manual settlement
- ICSD Settlement Segment not guaranteed by a Central Counterparty, with manual settlement

Vorvel Sim makes this information available in the Notice of trading start.

For Financial Instruments included in Settlement Segments:

- by automatic settlement mode, the Market submits the trades to the relevant CSD;
- manual, the Participants autonomously take care of the settlement of the trades executed on the Market.

Detailed Rules

The settlement systems used by Vorvel Sim for the Vorvel Market are:

1. *those managed by Euronext Securities Milan or by other CSDs that make use of the T2S platform with which cross-CSD settlement is possible;*
2. *Euroclear e Clearstream Banking Luxembourg.*

The Central Counterparty is Cassa di Compensazione e Garanzia (Clearing and Guarantee Fund). Cassa di Compensazione e Garanzia (CC&G) operates in compliance with these Regulations, as well as in accordance with the procedures established in its own Regulations.

The automatic submission of trades to settlement is carried out through the X-TRM service of Euronext Securities Milan.

Vorvel Sim uses the BFF outsourcer to determine the aggregations for all buy transactions and all sell transactions carried out between two same counterparties. These aggregations are carried out and communicated to the same counterparties within the terms defined in the Trading Guide. The counterparties concerned can always proceed with the partial settlement of the combinations; a notification to the other counterparty is sufficient for this purpose.

Article 14 Pre-Trading

During the Pre-Trading Phase, quotes' insertion, only amendment and cancellation by Specialists and Market Makers is allowed.

Market data transparency is available through the relevant dissemination channel.

Article 15 Continuous Trading

The Continuous Trading phase is the main and only phase in which orders and quotes can automatically match with other orders and quotes in the order book.

Orders and Quotes are ordered according to the criteria set out in Article 3 of this Book 2.

Any modification of an Order or Quote will cause it to lose its initial time priority if the price is changed or the quantity increased.

Alternative matching methods for ETFs, ETCs/ETNs and Investment Funds in case of activation of the RFE Instrument Flag

Whenever the Specialist has requested the right to use the RFE facility for each of the Financial Instruments whose liquidity it supports, the Orders may be placed on the book or modified only if the Specialist's Quotes are present in the order book. In their absence, orders already placed in the order book can be cancelled.

Orders and Quotes are sorted according to a price-time priority criterion. Any modification of an Order or Price will cause it to lose its initial time priority in the event that the price is changed or the quantity is increased.

Trades between Orders can only be executed at a price between the Specialist's Quotes. No matching between them is possible if the Quotes are not present in the order book.

If an Order may be matched to the bid or offer side of a Quote, the following rules apply.

Towards a bid or offer side of a Quote, an Order is conventionally always considered *aggressive*. In any case, the Market Model allows the Order to be executed at the best possible price conditions, based on the following.

1. Order-Driven Matching Method:

Whenever the RFE facility is not active for a Quote, the trade resulting from the crossing between an Order and the bid or offer side of a Quote is immediately executed. Orders and Quotes are sorted in the order book and are executed according to a price-time priority criterion.

2. RFE-Driven Matching Method:

Whenever the RFE facility is active for a Quote, in order to allow the Specialist the opportunity to validate his Quote, an RFE Phase opens in the event that a trade is about to be executed between an Order and the bid or offer side of a Quote.

In the case of a Bid-Only quote, it differs from the one based on Bid-Offer Quotes only to the extent specified below:

1. the trades are executed if their prices are within the price range determined by the price variation limit described in Article 19 and in any case with a price not lower than that of the Specialist's buy Quote;
2. no trade is possible if the buy Quote is absent. In this case, Order Flow Providers are only allowed to cancel their orders.

The partial execution of a Limit Price order or a market to limit order gives rise to the creation of an order for the unexecuted quantity, which remains in the order book with the price-time priority of the initial order.

Description of the RFE Phase

In an RFE Phase, the aggressive Order that might cross the bid or offer side of a Quote is placed in a staging area. Additional Orders can enter the same staging area, once activated and not yet completed.

Orders placed in the staging area are accepted, but not executed, and are ordered according to a price-time priority criterion. Orders that are cancelled are removed from the staging area immediately. An Order placed in the staging area that is modified loses its time priority if other Orders have entered the same staging area.

In the event that an Order is placed in an empty staging area, an opening message of the RFE Phase is sent to the Specialist, indicating the possibility of an imminent trade. No additional information is provided to the Specialist and other Participants regarding the Orders placed during the RFE phase.

The Specialist is required to validate its Quote as quickly as possible, within a maximum time frame specified in the Detailed Provisions.

The RFE Phase may end earlier than this deadline, once the aggressive Order(s) are cancelled, or if the Quotes are cancelled or validated. The update of a Quote received during an RFE Phase, not correctly reported to the Market as validated, through the appropriate use of the RFE Quote Flag, is rejected by the Market as not considered intentional, and the RFE Phase continues to be active on the Financial Instrument.

i) Missed quote validation following an RFE

In cases where no response is received within the maximum time frame, or the Quotes are cancelled or not validated, the Quotes are removed from the order book. If there are buy and sell Orders, in the staging area or in the order book, that can execute trades with each other, one or more trades are executed only if the closing price of the same trades is between the prices of the last Specialist Quote included in the order book (in which case the price of each trade is equal to that of the Order with the highest time priority, considered passive). If the price of these possible trades is not included in the prices of the last Quote, the Order with the lowest time priority is rejected by the Market, and a specific rejection message is sent by the Market to the Participant concerned.

Orders that do not execute trades, and that have not been rejected by the Market as specified above, enter the order book and will be executable within the prices of the Quotes as soon as a new Price is entered by the Specialist.

ii) Validation of Quotes during an RFE

In the event that the Market receives the validation of a Price during an RFE Phase, trades are executed between the updated Price and the Orders present. The Quote always maintains execution priority over the Orders placed during the RFE Phase, even in the event of an update of the Quote prices, while the Orders that were already present in the order book before the start of the RFE Phase compete with the Quote according to a price-time priority.

If, at the end of this RFE Phase, and after any matching between Orders in the staging area and Quotes and Orders in the order book as specified above, there are still buy and sell Orders in the staging area that can execute trades with each other, one or more trades are executed only if the closing price of the same trades is between the prices of the last validated Price (in which case the price of each trade is the same as that of the Order with the highest temporal priority, considered passive). If the price of these possible trades is not included in the prices of the last Quote, the Order with the lowest time priority is rejected by the Market, and a specific rejection message is sent by the Market to the Participant concerned.

Orders that do not execute trades, and that have not been rejected by the Market in accordance with the provisions of the previous paragraph, enter the order book and are executable within the prices of the Specialist's Quotes. Market data transparency is available through the relevant dissemination channel.

During the entire trading session, Participants shall have at least the following information updated in real time, for each financial instrument:

- a) Trading book containing the first five best trading proposals in buy and sell with the concerning quantity and price;
- b) Market phase, reference prices of the previous day, price of the last executed trade, best buying and selling price and related quantities, cumulative trading volume;
- c) The status of its active trading proposals on the trading book and of its executed trades;

During the continuous trading phase, at least the following information shall be available to the public in real time, including through third parties and for each financial instrument:

- a) Prices and quantities of the five best trading proposals in buy and sell;
- b) Prices, quantities and number of aggregated orders for the top five best buy and sell price levels;
- c) Price, quantity and time of the last trade executed on the day, trading parameters;
- d) Cumulative traded quantities and countervalues.

The daily market statistics show, for each financial instrument, at least: number of executed trades, total quantity traded and related countervalue, minimum and maximum prices and reference prices.

Vorvel Sim also makes available to the public the summary of the trades executed in the market for each financial instrument, containing the time, quantity and execution price.

Detailed Rules

If an RFE phase opens, the Specialist has to validate its Quote within a maximum time period of 600 milliseconds.

Article 16 Orders, Quotes and Tick Size

Characteristics and types of Orders to use

Orders must contain at least information regarding the Financial Instrument to be traded, the quantity, the type of transaction, the type of account, the price conditions, the methods of execution and include a specific indication when originated from an algorithm or are entered by a direct electronic access.

Orders may specify different parameters of validity regarding the type of trade, the type of account, the price conditions and the method of execution. Subject to the provisions of Article 17 of Book 1, Orders may be placed with limit price (or limit order), as a "market to limit order" or as a market order or executable at any price. The placing of orders without price limit can only be possible if there is at least one trading proposal (Quotes or Orders) on the book of the opposite sign.

In addition to specifying different validity parameters based on the time or outcome of the trading proposal, the Orders contain the additional information necessary to allow Vorvel Sim to comply with Regulation 2017/580/EU. The parameters admitted for each type of order usable on each Segment of the Vorvel Market are specified in the Trading Guide.

In order to ensure the regularity of trading on a Financial Instrument, Vorvel Sim may establish the maximum quantity and countervalue that each order has to comply with, for each Financial Instrument. The criteria for determining these values are defined in the Trading Guide. Vorvel Sim, in consideration of the unit value of each Financial Instrument, may define quantities and maximum countervalues that are different from those generally indicated in the Trading Guide. Vorvel Sim announces these cases in a specific Notice.

Quotes

Quotes are firm trading proposals.

The Quotes entered by Liquidity Providers shall contain at least the following information:

1. The financial instrument;
2. The quantity (in buy and sell);
3. The price (in buy and sell).

Quotes can only be entered with a specific indication of the price.

Each Liquidity Provider can only expose on the book of a financial instrument a bid and offer Quote with specialist technical origin. In addition to this Quote, the exposure of additional Quotes with a professional technical origin is permitted, up to a maximum concurrent number for each financial instrument, as indicated in the Trading Guide.

Tick Size

Order Prices may be multiples of the ticks established for each Financial Instrument in the Trading Guide.

Considering the unit value of each Financial Instrument, Vorvel Sim may establish a different tick from those generally indicated in the Trading Guide, in cases compatible with current legislation. In this case, Vorvel Sim will give notice in a special Notice.

The value given to the trades could be based on the currency of each Financial Instrument, unless specified otherwise in the Notice of admission to trading.

Article 17 Reference price

The Reference Price is calculated on the basis of a significant number of Quotes in bids and offers placed by Liquidity Providers in the order book during the Continuous Trading Phase, with a preference for the most recent ones. Where it is still not possible to determine the reference price in this way, the reference price shall be equal to the arithmetic average of the trades executed on the day. In the absence of trades, the reference price shall be that of the previous day.

In order to guarantee the regularity of trading and the significance of prices, Vorvel Sim may establish, on a general basis or with reference to specific Financial Instruments, that the reference price is determined in a manner having a different sequence than those described above, and announce the decision with a Notice.

Article 18 Static and Dynamic price

The Static price shall be given by the previous day's reference price.

Dynamic price shall be:

- a) The reference price of the previous day;
- b) At the execution of each trade, the dynamic price shall be the price of the last trade executed in the continuous trading phase;
- c) The average price of a number of bids and offers entered by the Liquidity Provider in the order book, if any, at all times provided in the Trading Guide.

Article 19 Price variation limits

Two price variation limits have been set up.

1. Limit 1

The Limit 1 is the maximum price variation limit for trading proposals with respect to the Static Price. Any Order or Quote whose price exceeds the maximum variation price shall be automatically cancelled.

2. Limit 2

The Limit 2 is the maximum price variation limit for trades with respect to the Dynamic Price.

If the price of a trade that is being executed exceeds the maximum price variation limit provided for in Limits 1 and/or 2, the trading of a financial instrument shall be automatically suspended for a predetermined period and the Order or Quote that caused the suspension is automatically rejected (Circuit Breaker). The duration of each Circuit Breaker for bonds and other debt securities is 120 seconds, while for ETFs and ETCs/ETNs, Investment Funds and Shares it is equal to 60 seconds.

The criteria for determining Limit 1 and 2 of each financial are defined in the Trading Guide.

According to the market and/or financial instrument conditions, Vorvel may modify the maximum price variation limits, the static price, the dynamic price and the other trading conditions (“parameters”).

Article 20 Cancellation of financial instruments at maturity

For Bonds and other debt securities, with the exception of convertible bonds, the cancellation from trading takes place automatically on the second settlement day prior to the redemption day (including early redemption) of the financial instrument.

Vorvel Sim may postpone the automatic cancellation date as a result of similar interventions by the reference market and/or communications or interventions by the settlement system.

For Convertible Bonds, the cancellation from trading takes place automatically on the settlement day prior to the last settlement day useful for the conversion (including early conversion) of the financial instrument.

In all cases where the automatic cancellation day does not correspond to an open market day, the cancellation day starts from the first following trading day.

Article 21 Measures concerning the trading of ETFs and ETCs/ETNs subject to resolution terms

Once it has been received the notification from the Member who has requested admission or from the Issuer, specifying the time (hour, minute, second) of the Price level determining the condition of termination and/or the modification of the contractual characteristics, Vorvel Sim suspends trading on the Financial Instrument concerned and proceeds to cancel any contracts concluded after the time specified above, including those carried out in the second corresponding to that of the fulfilment of the condition.

Furthermore, after receiving the notification of the fulfilment of the termination condition, Vorvel Sim takes action for its delisting.

Chapter 5 Market Surveillance – Specific Rule for Vorvel Bonds and Vorvel Equities

Article 22 Handling of mistrades

Cancellation of trades upon common request of the counterparties:

Upon a motivated joint request from the Market Participants sent to Vorvel Sim by e-mail to the address governance@vorvel.eu, Vorvel Sim cancels the trades subject to the same request, provided that the request is received within two hours of trade’s execution and, in any case, no later than 6:00 pm.

Cancellation of trades upon unilateral request (in absence of agreement of the counterparties):

In the absence of agreement of the counterparties, the Market Participant who intends to cancel one or more trades executed by mistake, shall promptly request Vorvel Sim, by e-mail to the address governance@vorvel.eu, to initiate the error management procedure. The request has to be received within one hour and in any case, no later than 6:00 pm. A single request may not concern more than 5 trades, executed within a maximum time interval of 2 minutes, provided that these trades originated from the same error.

Each request to cancel shall be liable to a fee, as determined by Vorvel Sim in the Price List.

Preliminarily, Vorvel Sim verifies:

- The timeliness of the request and the fulfilment of the above requirements;
- Whether the error underlying the deletion request is manifestly erroneous.

An order for quantity inadequate to the risk and investment profile of the ultimate investor that had placed the order shall not be considered manifestly erroneous.

Secondly, Vorvel Sim shall cancel the trades executed at prices that differ from the relevant theoretical price ("of reference") by more than the threshold levels set out in the Trading Guide.

Such theoretical price shall be determined by Vorvel Sim according to one of the following methods:

- a) If the financial instrument is listed on other Regulated Markets or MTFs in EU, with adequate liquidity, the best buy or sell price of the financial instrument on that market at the time the incorrect trading proposal was executed;
- b) The average of the prices of a maximum of five trades executed on the same day on the same financial instrument on the Vorvel Market and immediately preceding or following the mistake, taking into account any changes that may have occurred in the meantime on the market;
- c) The average of the prices of up to five trades executed on the same day on the same financial instrument on other EU Regulated Markets or MTFs and immediately preceding or following the error, taking into account any changes that may have occurred in the meantime on the market;
- d) The average of the prices of the last five trades made in the previous session on the same financial instrument on the Vorvel Market, taking into account any changes that have occurred in the meantime on the market.

If none of the above cases can determine a theoretical reference price, Vorvel Sim may make use of external disclosure tools or request the support of Market Participants not directly involved in the trade, or of operators outside the Market.

Cancellation of trades made by the Market itself:

Vorvel Sim may cancel the trades executed during the time between the provision and the actual technical effectiveness on the market of a decision of its own in order to avoid a prejudice to investors.

Common part to the three proceedings:

Vorvel Sim informs the Market Participants concerned of the measures taken in the specific case, and, in the event of cancellation of trades, sends the details of such trades to the Market Participants concerned and makes this information available to the public through its website (www.vorvel.eu).

The cancellation of trades executed on the Market, which in accordance with these Regulations can only be carried out by Vorvel Sim, also takes effect in the settlement system.

Article 23 Preservation of liquidity conditions

In order to preserve the liquidity conditions of the Segment, Vorvel Sim:

- 1) Monitors compliance with the rules of conduct defined in article 4, through automatic checks aimed at identifying the indicators described in the same article and also taking action in the event of reports of suspicious cases by one or more Market Makers or Specialists;

- 2) If the conditions indicated in point 1 above are met, it may:
 - a) Send requests for information to the Order Flow Provider in question and, through it, to the Interconnected Operator responsible for the suspicious activity, or, limited to Vorvel Bonds Segment, to the Liquidity Provider who it has not undertaken liquidity obligations on those financial instruments;
 - b) Request, pending investigations, the temporary suspension of the end user responsible for the activity under investigation.

In assessing the existence of an actual violation of the rules of conduct, Vorvel Sim takes into account:

- The speed at which suspicious orders are entered and/or amended, their sequence;
- The quantitative relevance of the total value of the executed trades;
- Information received from or through the Order Flow Provider;
- The extent of the harm caused to one or more Market Makers or Specialists, also in terms of managing their own market risk;
- The dynamics of the set of events encountered and their attribution to a unitary design;
- The repetition of similar behaviour over time.

Once it has been found that there has been a violation of the rules of conduct defined in Article 4 and that the indicators described in letters a), b) and c) of the same Article 4 can be attributed to the same user or to several users linked by a unitary design, Vorvel Sim may proceed:

- i) To cancel the trades with which the detected violation was committed;
- ii) To request the suspension for a period defined in the measure of the identified user or users to the Order Flow Provider and, through him, to the Interconnected Operator, taking into account the severity of the case or the repetition of the behaviors indicated in Article 4;
- iii) If the provisions of point ii) above are not possible, to request the suspension for a period defined in the provision of the Interconnected Operator who has conveyed the activity identified as a violation.

In the event of non-cooperation or in the event of non-compliance with the provisions referred to in points ii) and iii) above, Vorvel Sim reserves the right to proceed against the Order Flow Provider or the Liquidity Provider who has not undertaken liquidity obligations in accordance with the provisions of articles 35 et seq. of Book 1.

Article 24 Changes to the trading parameters and checks on the correct use of the quote validation mechanism by the Specialist on ETFs, ETCs/ETNs and Investment Funds

In addition to the provisions contained in Book 1, in the case of convertible bonds or Minibonds admitted on the initiative or with the consent of the Issuer on the Vorvel Market and on other Regulated Markets or EU MTFs, in the event that the maximum price variation limits are exceeded, reports by operators, or the periodic detection of contracts executed on such markets with a value of at least € 100,000 and with values that differ more than 10% from the minimum/maximum value possible on the Vorvel Market, Vorvel Sim also has the right to intervene on the trading parameters, in terms of modifying both the maximum price variation limits and the reference price.

In the evaluation of interventions on trading parameters, Vorvel Sim takes into account:

1. Execution prices on other markets;
2. The dissemination or lack of dissemination of information available to the market;
3. The volumes traded and prices recorded on the instrument in the last quarter, as well as their variations;
4. The liquidity of the instrument and the significance of the trades as a whole.

Vorvel Sim monitors the correct use of the Quote validation mechanism by each Specialist with an active RFE Instrument Flag, mainly taking into consideration the requirements indicated in Article 4 of this Book 2.

In its assessments regarding the reasonable containment of the number of cases of non-validation of the Quotes in the event of activation of the RFE Phase, Vorvel Sim takes into account the possible existence of exceptional circumstances and situations of market stress.

Chapter 6 Ancillary Services to Trading

Article 25 Facility Services for Financial Instrument distribution and collection of buy, sell or switch offer acceptances

In the case of distribution of specific Financial Instruments through the Vorvel Market, either through the methods provided for in Chapter 4 of Book 1 (fixed price), or directly in the Continuous Trading Phase, through the insertion of Quotes by the Specialist (variable price), if the Issuer, also through the Appointed Person or the Specialist (the "Organizer" or the "Organizers of the Transaction"), intends to facilitate such distribution through the payment of fees to the distributor Order Flow Providers (the "Distributors") and/or the provision of trading fees that are better than the standard ones provided by the Market, may resort to the collaboration of Vorvel Sim.

The Organizers of the Transaction and the Distributors (together the "Participants in the Transaction") who intend to use the service of Vorvel Sim, are required in advance to sign a multilateral framework agreement, kept by the Market.

In this case, for each transaction, the Organizers of the Operation shall communicate to Vorvel Sim the commercial and economic conditions they intend to apply. Vorvel Sim will communicate the same conditions to the Distributors.

At the end of the transaction, Vorvel Sim will determine the fees due and, where applicable, collect and recognize them on behalf of the Participants in the Transaction.

Similar provisions may also apply to the collection of buy, sell or switch offer acceptances provided for in Chapter 4 of Book 1.

In the Trading Guide, Vorvel Sim discloses the types of financial instruments for which the facility services in this article are active.

Article 26 Post Trading Services

In order to reduce the number of settlement instructions sent to custodians, Vorvel Sim allows Vorvel Market Participants the ability to *filter* and not send to CSDs contracts whose two counterparties (buy and sell) are made up of the same Participant.

With regard to the Vorvel Bonds Segment, Vorvel Sim provides for the following settlement methods for each financial instrument:

- Automatic, the Market forwards the contracts to the X-TRM daily matching and correction service;
- Manual, the Participating Parties independently take care of the settlement of the transactions concluded on the Market.

Financial instrument settlement services are services managed by:

- Euronext Securities Milan (T2S);

- Euroclear e da Clearstream Banking Luxembourg.

Vorvel Sim adopts the Central Counterparty Guarantee Scheme, managed by Cassa di Compensazione e Garanzia (Compensation and Guarantee Fund), for financial instruments settled in T2S and for financial instruments settled on foreign CSDs.

Cassa di Compensazione e Garanzia (CC&G) operates in compliance with these Regulations, as well as in accordance with the procedures established in its own Regulations.

With regard to the Vorvel Equities Segment, on the basis of the trades executed on the same trading day, the positions of the individual Participants are aggregated by security, counterparty and side. For the settlement instructions of the transactions corresponding to the aggregates thus determined, the Participants shall independently take care of the settlement. The Detailed Rules specify the possible management methods for the Participating Parties if the settlement of the instructions corresponding to the aggregates cannot take place for the full amount.

Detailed Provisions

If the settlement of the instructions corresponding to the aggregates cannot take place for the full amount, each counterparty may request the other to cancel and manage separately the individual transactions that are not immediately settleable. In such cases, the counterparty is required to accept the spin-off of such transactions and settle the partial aggregate corresponding to the immediately settleable transactions.

Chapter 7 Vorvel ESG Portfolio Section

Article 27 Inclusion of Financial Instruments in the Vorvel ESG Portfolio Section

Financial Instruments with ESG nature are included for reporting purposes in the Vorvel ESG Portfolio Section.

For classification as green, social or sustainability bond or for other classifications that may be used, Vorvel Sim can refer to the classification:

1. of the Issuer;
2. another EU Regulated Market or MTF;
3. made public by specialized international associations or bodies, of high standing, commonly followed by Operators in the field of sustainable finance.

Vorvel Sim does not carry out ESG classifications on its own.

In the Listing Guide, Vorvel Sim indicates the Regulated Markets, MTFs, associations and international bodies to which Vorvel Sim refers.

The list of Financial Instruments included in the Vorvel ESG Portfolio Section is made available on the www.vorvel.eu website. For these Financial Instruments, the classification of the individual Financial Instruments is also made available.

Chapter 8 Transitional and final provisions

Article 28 Measures applicable at the launch of the Vorvel Equities Segment

The requirement for Market Makers to include the Segment in the Execution Policy, described in the paragraph "Requirements for Market Makers to participate in the Vorvel Equity Segment" of Article 4 of this Book 2, shall apply from the twelfth month following the date of effective activation of the new Segment.

Definitions of the terms used in the Book 2 dedicated to the Vorvel Bonds and Vorvel Equities Market Segments

Admission to trading

It means the admission of a Financial Instrument to trading in the Segments governed by this Book 2.

Asset Class

It indicates a specific type of Financial Instruments.

Book or Trading Book or Order Book

It constitutes the set of trading proposals on the market and relating to a financial instrument, with an indication of their characteristics.

Book 1

It means the portion of the Vorvel Market Regulation common to all of its Market Segments.

Book 2

It means the portion of the Vorvel Market Regulation specific to the Segments regulated in this Book.

Branded Security

A financial instrument admitted to trading on the basis of a request with the Issuer's consent, subject to the exceptions provided for in Article 3 of this Book 2. An ETF, ETC/ETN is considered a Branded Security if:

1. is initially admitted to trading on the Vorvel Market with the Issuer's consent;
2. has initially been admitted to trading at the request of at least one Market Maker and within the following six months the Issuer has expressed its consent to trading;
3. Vorvel is the only Italian Multilateral Market in which trading takes place with the consent of the Issuer.

Continuous Trading Phase

It indicates the Phase in which the insertion, amendment and deletion of trading proposals is allowed for the purpose of executing trades.

Convertible Bond

It means a bond that gives the holder the right to convert it, on the terms and in the manner predetermined, into shares of the issuing company or of other companies, or other financial instruments, according to a predetermined ratio.

Eurobonds

Bonds not normally intended for customers of specific banking networks.

Exceptional circumstances

It indicates the exceptional circumstances identified in Article 3 of Regulation 2017/578/EU.

Financial Instrument (or instrument)

It means a financial instrument that is one of the eligible types in the Vorvel Bonds and Vorvel Equities Market Segments.

Guaranteed Financial Instrument

It means a financial instrument traded on the Vorvel Bonds Segment for which executed contracts are settled through the Central Counterparty.

Interconnected Intermediaries (or Interconnected Operators)

It means the intermediary having an indirect connection to the Vorvel Market through an Order Flow Provider authorized to operate thereon.

Liquidity Provider

It means a Market Participant which support the liquidity of financial instruments traded in the Segment regulated in this Book 2 by assuming or without assuming liquidity obligations on a continuous basis on specific financial instruments under the terms set forth in this Book 2. With regard to each financial instrument for which it assumes liquidity obligations, the Liquidity Provider assumes the status of Specialist or Market Maker, if the conditions for one or the other of these two roles are met.

Listing Guide

Means the manual intended for Issuers and Market Participants who intend to apply for the admission of financial instruments to the Vorvel Market, mainly containing procedural clarifications of elements specified in the Vorvel Market Regulations.

Market Hours and Phases

It means those adopted by Vorvel Sim for the Segments governed by this Book 2.

Market Maker

It means the Liquidity Provider that undertakes to support the liquidity of a financial instrument in the absence of a relationship or agreement with the Issuer, assuming the obligation to continuously submit trading proposals in the terms set out in this Book 2, relating to the Segments regulated therein.

Market Making Agreement

It means one of the market making agreements specified in this Book 2, which a Specialist or Market Maker, in the Vorvel Market, is required to observe for each instrument whose liquidity it supports by assuming liquidity obligations.

Market Participants

It means the generic category of Market Participants in the Vorvel Bonds and Vorvel Equities Market Segments, i.e. Liquidity Provider, Market Maker, Specialist, Order Flow Provider and Appointed Intermediary (or Appointed Operator).

Market Regulations for the Vorvel Bonds and Vorvel Equities Market Segments

It means the set of rules in Book 1 (general part common to all Vorvel Market Segments) and Book 2 relating to the Vorvel Bonds and Vorvel Equities Market Segments.

Method of Matching Order-driven

It indicates how the matching system of the Vorvel Equities Market Segment, limited to ETFs, ETCs/ETNs and Investment Funds, behaves when the RFE Instrument Flag has been activated, except when an RFE Phase is opened.

Method of Matching RFE-driven

It indicates how the matching system of the Vorvel Equities Market segment, limited to ETFs, ETCs/ETNs and Investment Funds, behaves when the RFE Instrument Flag has been activated and whenever an RFE Phase is opened.

Non-Branded Security

All securities that do not qualify as Branded Securities.

Open market day

It means a day on which the Segments governed by this Book 2 are open.

Order Flow Provider

The Vorvel Market Participant, which carries out trading activities on behalf of third parties and *on principal basis* on the financial instruments traded in the Segments governed by this Book 2. Limited to Vorvel Bonds Segment, it can also carry out trading activities on its own account on financial instruments without a Specialist/Market Maker.

Order Flow Provider "Gold"

The Vorvel Bonds Market Segment Participant, which, in addition to carrying out trading activities typical of the figure of the Order Flow Provider, carries out trading activities on its own account in bid and offer for an amount of time limited at maximum 2% of the total duration of the trading session.

Pre-Trading Phase

It indicates the Phase in which only Quotes by Liquidity Providers are permitted.

Quote

It indicates in general terms the Quotes with specialist technical origin and/or the Quotes with professional technical origin. A Quote allows the updating of both the buy and sell quotes entered by the Liquidity Provider with a single transaction.

Quotes with specialist technical origin

It indicates the type of bid and/or offer trading proposal monitored by Vorvel Sim for the purpose of fulfilling the liquidity obligations of Liquidity Providers, set forth in this Book 2.

Quotes with professional technical origin

It indicates the type of bid and/or offer trading proposal entered by the Liquidity Providers and not monitored by Vorvel Sim for the purpose of fulfilling the liquidity obligations set forth in this Book 2.

Request for Execution or RFE or RFE facility

It indicates the mechanism for validating the Quotes that Vorvel Sim makes available to Specialists on ETFs, ETCs/ETNs and Investment Funds, in relation to the Vorvel Equities Market Segment.

RFE Instrument Flag

It indicates the information that the Specialists, during the admission phase of each ETF, ETC/ETN or Investment Fund, or even subsequently, communicate to Vorvel Sim if they intend to make use of the RFE functionality.

RFE Phase

It indicates the Phase that opens during the Continuous Trading Phase whenever on a Financial Instrument and for each individual Quote the RFE facility is active and an order is about to hit a Specialist's Quote.

RFE Quote Flag

It indicates the information that Specialists on ETFs, ETCs/ETNs and Investment Funds, when entering or modifying a Quote, communicate to Vorvel Sim if they make use of the RFE functionality.

Single Listing

It means the situation of an Issuer that has requested or authorised the admission to trading of one of its financial instruments in the Vorvel Bonds Market Segment and that does not have the same financial instrument admitted to trading on other multilateral trading facilities or on regulated markets in countries of the European Union, always with the consent of the Issuer.

Specialist

It means the Liquidity Provider that undertakes to support the liquidity of a financial instrument issued by it or on the basis of a relationship with the Issuer, assuming the obligation to continuously present trading proposals within the terms set forth in this Book 2, limited to Bonds and other debt securities, ETFs, ETCs/ETNs and Investment Funds.

The relationship with the Issuer is considered to exist in the following cases:

- 1) The financial instrument is issued by a subsidiary or parent company of the Liquidity Provider, or associated with it pursuant to Article 2359 of the Italian Civil Code or belonging to the same Group pursuant to Article 60 of Legislative Decree 385/93, or equivalent foreign regulations. Alternatively, the control or linking relationship may be defined by reference to Article 22(1)(a), (b) and (d) or Article 2(12) of Directive 2013/34/EU. Companies are considered to belong to the same group if they have the same parent undertaking with which to consolidate pursuant to Article 22(6) of Directive 2013/34/EU;
- 2) The financial instrument is issued by other issuers, but placed by the Specialist or by companies that are with it in one of the circumstances indicated in point 1;
- 3) The Liquidity Provider has undertaken commitments to support the liquidity of certain financial instruments versus the Issuer;
- 4) The financial instrument is placed through the Vorvel Market.

Stressed market conditions

It indicates the conditions set out in the Trading Guide, in the presence of which, once declared by Vorvel Sim, Specialists and Market Makers are required to quote with reduced obligations.

Trading Guide

It means the manual intended for Market Participants, mainly containing specific parameters useful for trading and other clarifications of elements concerning trading, indicated in the Vorvel Market Regulations.

Vorvel Sim

The company that organizes and manages the Multilateral Trading Facility called Vorvel.

Warm Up Period

It indicates, with regard only to Bonds and other Debt Securities admitted to trading without the presence of a Specialist, the initial trading period following admission, the duration of which is defined on the basis of the parameters identified in the Trading Guide, during which Liquidity Providers can place orders and/or quotes in bid and/or in offer without time limitations and without assumption of liquidity obligations.