

# Vorvel Market Rule Book



## Harmonised Part (Book 1)

*Valid from 12<sup>th</sup> February 2024*

*The Italian text shall prevail over the English version*

## Contents

|  |    |
|--|----|
| <i>Chapter 1 GENERAL PROVISIONS</i> .....  | 4  |
| Article 1 Purpose and structure of the Market Rule Book.....   | 4  |
| Article 2 Amendments to the Rule Book .....  | 4  |
| Article 3 Market Participants .....  | 5  |
| Article 4 Financial Instruments and Issuers .....  | 5  |
| Article 5 Liquidity Providers' and Order Flow Providers' Committees.....   | 5  |
| <i>Chapter 2 PARTICIPATING ENTITIES</i> .....  | 5  |
| Article 6 General conditions for participating in the market .....   | 5  |
| Article 7 Procedure for admission to the market .....  | 8  |
| Article 8 Admission Requirements .....   | 9  |
| Article 9 Outcome of the admission procedure and the related order.....  | 9  |
| Article 10 Rules of conduct.....   | 10 |
| Article 11 Conditions for continuing to be authorised to trade .....   | 10 |
| Article 12 Compliance with requirements.....   | 11 |
| <i>Chapter 3 TRADING RULES</i> .....   | 12 |
| Article 13 General conditions.....   | 12 |
| Article 14 Minimum Tradable Quantities .....   | 12 |
| Article 15 Trading calendar and settlement.....  | 12 |
| Article 16 Quotes entered by the Liquidity Provider .....  | 12 |
| Article 17 Orders .....  | 12 |
| <i>Chapter 4 FINANCIAL INSTRUMENT DISTRIBUTION AND COLLECTION OF BUY, SELL OR SWITCH OFFER ACCEPTANCES</i> ..... | 14 |
| Article 18 General conditions.....   | 14 |
| Article 19 Distribution Characteristics .....  | 14 |
| Article 20 Offer Price .....   | 15 |
| Article 21 Trading phase.....  | 15 |
| Article 22 Daily Trading Section.....  | 16 |
| Article 23 Result of Distribution.....   | 17 |
| Article 24 Information to the Public .....   | 17 |
| Article 25 Settlement .....  | 17 |
| Article 26 Collection of buy, sell or switch offer acceptances .....   | 18 |
| <i>Chapter 5 MARKET SUPERVISION</i> .....  | 18 |
| Article 27 General Conditions .....  | 18 |
| Article 28 Controls and intervention in trading .....  | 18 |

|   |           |
|---|-----------|
| Article 29 Intervention on parameters, trading hours and conditions.....  | 19        |
| Article 30 Compliance with the Rules of Conduct .....   | 20        |
| Article 31 Management of technical malfunctions .....   | 20        |
| Article 32 Suspension of securities from trading .....  | 21        |
| <i>Chapter 6 REMOVAL AND EXCLUSION OF SECURITIES FROM TRADING.....</i>  | <i>21</i> |
| Article 33 Removal of securities from trading.....  | 21        |
| <i>Chapter 7 CONTROLS AND SANCTIONS .....</i>   | <i>22</i> |
| Article 34 General conditions.....  | 22        |
| Article 35 Procedure for verifying a breach.....  | 22        |
| Article 36 Procedure for the application of measures.....   | 23        |
| Article 37 Appeals .....  | 24        |
| Article 38 Arbitration clause .....   | 24        |
| Article 39 Board of Wise Men .....  | 24        |
| <i>Chapter 8 ANCILLARY SERVICES TO TRADING.....</i>   | <i>26</i> |
| Article 40 Market Data .....  | 26        |
| Article 41 Information to the public via website .....  | 26        |
| Article 42 Post Trading services .....  | 27        |
| Article 43 Arrangements for checking, rectification, offsetting and settlement systems adopted by Vorvel Sim..... | 28        |
| Article 44 Recording transactions .....   | 33        |
| <i>Definitions .....</i>  | <i>33</i> |

## Chapter 1 GENERAL PROVISIONS

### Article 1 Purpose and structure of the Market Rule Book

The Market Rule Book governs the organization and management of the multilateral trading system called "Vorvel" (here in after "Vorvel" or the "Market"), organized by Vorvel Sim S.p.A. (hereinafter Vorvel Sim).

In the management of the Market, Vorvel Sim equips itself and maintains an organizational structure suitable to prevent, identify and manage potential conflicts of interest, in order to prevent them from being prejudicial in any way.

The Vorvel Rule Book is composed of a harmonised part ("**Book 1**"), common to all the Market Segments and a part which is Market Segment-specific ("**Book 2**").

As a whole, this Rule Book lays down:

- The conditions and procedures for the admission, exclusion, dismissal and suspension from trading of Market Participants and their respective obligations and requirements for participation in the Market;
- The conditions and procedures for the admission, exclusion, suspension and removal of the financial instruments from trading;
- The conditions and procedures of trading execution and of the functioning of the related services;
- The procedures for monitoring and detecting breaches of the regulations and the related procedures for sanctioning breaches of the rules;
- -The procedures of verifying, publishing, and disseminating information.

The Rule Book includes a series of definitions, made available in the final part of Book 1 and Book 2 of each Market Segment. The definitions form an integral part of the Rule Book.

This Rule Book and the relations with Market Participants are subject to the Italian Law.

### Article 2 Amendments to the Rule Book

The amendments to the Vorvel Market Rule Book are approved by the Board of Directors of Vorvel Sim and are promptly communicated to all Market Participants.

The text of the Rule Book, as well as its subsequent amendments and additions, is published on the Vorvel Sim website ([www.vorvel.eu](http://www.vorvel.eu)). In the text of the Rule Book, where applicable, Detailed Rules are stated after the articles of the Rule Book to which they refer. The Detailed Rules implement the contents of the articles of the Rule Book to which they refer.

On its website, Vorvel Sim also makes available guidelines, intended for Market Participants, concerning procedural aspects of interaction with the Market and specification of the parameters indicated in the Rule Book and eventually in the Detailed Rules (i.e. the Listing Guide and the Negotiation Guide).

The Detailed Rules and the guidelines mentioned above are approved by the General Manager.

## Article 3 Market Participants

Depending on the specificities of each Segment, Market Participants (also defined as Participating Parties) can take on one or more of the following roles:

- a) Order Flow Providers  
Order Flow Providers can carry out trading activities on behalf of third parties and *on principal basis*.  
Only in the cases expressly provided for in Book 2 of each Segment, Order Flow Providers may also carry out activities on their own account.
- b) Liquidity Providers  
The Liquidity Providers support the liquidity of the financial instruments traded on Vorvel, in compliance with the terms provided in Book 2 of each Market Segment. In the event that the Liquidity Provider undertakes to comply with the obligation to present on an ongoing basis proposals for trading financial instruments traded on Vorvel, it will qualify as a Specialist or Market Maker, according to whether it is acting/not acting on the basis of a relationship with the Issuer

In the Price List related to each Segment, the roles specified above can be further divided according to specificities of the activity that the Market Participants intend to carry out on the Market. Different economic conditions may apply depending on these specificities.

## Article 4 Financial Instruments and Issuers

According to the specificities of each Segment, admission of financial instruments to the Vorvel Market may be requested by the Issuers, the Order Flow Providers, the Liquidity Providers or it may take place on initiative of Vorvel Sim.

## Article 5 Liquidity Providers' and Order Flow Providers' Committees

Vorvel Sim aims to be particularly attentive to the needs of its Market Participants.

Among the various concrete initiatives in this regard, at least once a year Vorvel Sim arranges the Liquidity Providers' Committee and the Order Flow Providers' Committee, which have merely consultative purposes. Each Liquidity Provider and each Order Flow Provider which is active on the Market can participate in the relevant Committee.

The Committees aim to facilitate the dialogue between Vorvel Sim and its Market Participants regarding the quality of the services provided, any area of improvement and new possible business opportunities.

## Chapter 2 PARTICIPATING ENTITIES

### Article 6 General conditions for participating in the market

They can participate in the Vorvel Market, pursuant to art. 67 paragraph 2 of Legislative Decree no. 58 of 24 February 1998 (and its subsequent updates):- Italian Sim and Banks;

- EU Banks and Investment Firms;
- Undertakings from third countries authorized to carry out trading services or activities on their own account or to execute orders on behalf of customers pursuant to Art. 28 and 29-ter of Legislative Decree No 58 of 24 February 1998 (and its subsequent updates);

- Other persons complying with the requirements of Article 67 paragraph 2 of Legislative Decree no. 58 of 24 February 1998, which fall into the following categories: entities authorised for the collective management of savings and EU pension funds, insurance companies.

The procedures for submitting requests and providing declarations referred to in this article are detailed in the chapter "Procedure for admission to the Market". Admission to each Market Segments can be subject to additional specific requirements.

Operators that apply to be admitted to Vorvel have to own the authorizations required by the current legislation for investment services and activities, with respect to which they ask for being admitted to the market.

Persons applying to be admitted to Vorvel must have:

- (a) The authorizations provided for by current legislation for services and investment activities for which they apply to be admitted to the market;
- b) Adequate technological systems for trading and related activities, with respect to the nature of the activities carried out and the type of connection with the Vorvel Market;
- c) A sufficient number of employees with adequate professional qualifications in relation to the type of activities carried out, as well as the number and type of connections with the Vorvel Market;
- d) Adequate internal procedures and control of trading activity, also in order to ensure compliance with the rules of conduct contained in the Vorvel Market Regulation;
- (c) Appropriate clearing and guarantee procedures, as well as liquidation, taking into account the characteristics of the financial instruments on which they intend to operate in the Vorvel Market.

Each Market Participant admitted to Vorvel undertakes to pay the fees provided in the Price List.

Market Participants are responsible for all interactions, with Vorvel technological and telematic support structures, including those that take place through interconnections.

Market Participants must continuously equip themselves with systems, procedures and controls to prevent the entry of abnormal proposals in terms of price, quantity, turnover and number, including trading proposals forwarded to the market also through interconnections.

The Order Flow Provider commits himself not to offer to his clients the Sponsored Access (SA) modality for accessing the Vorvel market platform. In case of "direct market access" (so-called "*Direct Market Access – DMA*"), the Order Flow Provider is required to provide Vorvel Market for the information relating to the offer of DMA indicated in the Detailed Provisions, aimed at guaranteeing Vorvel Sim adequate due *diligence* both at the time of admission and on going to comply with the requirements and conditions for "direct market access" set out in the Application for Admission to Trading in the Vorvel Market.

In particular, the Vorvel Market Participant is required to provide itself with procedures that allow effective controls of its systems and procedures to be put in place to ensure:

- The suitability and recognition of customers using the service; Adequate *on-going monitoring and* appropriate controls regarding the negotiations carried out by its clients, such as to prevent an activity from prejudicing a fair and orderly trading, or being contrary to Regulation (EU) 596/2014 or the rules of the Vorvel Market; Interventions on the operation carried out in this way to allow the cancellation of orders; The identification of orders entered by the individual customer in this way, with the relative Market Participant responsibility of the messages sent through its identification code; The provision of any other procedure that ensures that the subjects to whom access can be offered comply with the requirements of art. 22 of Regulation 2017/589/EU.

If a Market Participant becomes aware that a customer connected to the Vorvel Market through its "direct market access" no longer meets the conditions required for the performance of that service, in addition to suspending access to it, it has to promptly notify it to Vorvel Sim.

Market Participants using trading algorithms have to certify, before using and whenever substantial updates occur to them, that the trading algorithms have been tested in order to avoid contributing or creating abnormal trading conditions and have to indicate the environments used for these tests. To this end, they sign a specific confirmation to Vorvel Sim. In Book 2 of each Market Segment, there may be restrictions on the use of trading algorithms, even limited to some type of operators.

Market Participants are required to communicate the information specified in the following Detailed Rules to Vorvel Sim, necessary to complete the content of the proposals that Vorvel Sim is required to register according to Regulation no. 2017/580 on the conservation of data relevant to orders relating to financial instruments.

With regard to the Financial Instruments on which they intend to operate, Market Participants have to:

- Directly or indirectly adhere to the CSD in which the same financial instruments are centralized and, where required by the same CSD, to their routing services of settlement instructions; Provide, where requested and in the manner specified, the power of attorney by which the Market is authorized or the subject appointed by the Market itself to transmit the settlement instructions to the relevant CSD;
- Join directly or indirectly Cassa di Compensazione & Garanzia, if the same financial instruments are guaranteed by the same CCP. For the same financial instruments, Market Participants also have to directly or indirectly adhere to the X-TRM service provided by Euronext Securities Milan (formerly Monte Titoli).

Market Participants referred to in this article undertake to ensure the correct clearing of the transactions concluded on the Market itself.

Vorvel Sim may request further elements, in addition to what is contained in this chapter, in order to reach a well-founded judgment about the reliability and solidity of the Market Participants.

## **Detailed Rules**

*Information to be communicated to Vorvel Sim:*

- a) Customer identification code;*
- b) Code used to identify the person or algorithm within the operator who is responsible for the investment decision;*
- c) Code used to identify the person or algorithm that is responsible for the execution of the proposal;*
- d) Information relating to the identification of operators who, if necessary, place orders via direct electronic access to the market.*

*Market Participants ensure that each of these codes (so-called long code) corresponds, in the trading proposals, to a single code (so-called short code) and vice versa.*

*The communication of the information referred to in letters b) and c) represents confirmation that the trading algorithms indicated have been previously tested.*

*In case they offer "direct market access", Market participants ensure:*

- There is a binding written agreement with the customer regarding rights and obligations arising from the provision of the interconnection service;*
- An adequate assessment and periodic review of the suitability of customers using the service;*
- Adequate monitoring of trading on customers using the service;*
- Customers who use direct market access comply with the requirements and rules of the trading venue. To this end, in particular, it is ensured that the transactions carried out for the purpose of identifying violations of the rules, abnormal trading conditions or behaviour attributable to market abuse are monitored;*
- The recognition of entities operating through interconnections and the origin of the proposals entered.*

*Participants who offer "direct access to the market" and those who have access to the market in this way have to be duly authorized to provide investment services and activities, in accordance with the provisions of the current regulatory provisions.*

## **Article 7 Procedure for admission to the market**

The procedure for the admission of a new Market Participant (hereinafter the "Applicant") starts with the presentation of an admission application. This application is to be taken as complete and correct when it is sent to Vorvel Sim, accompanied by all the requested attachments, duly compiled and signed by the person with the necessary powers.

The Applicant has to deliver documents in which it confirms that it has the professional, technological and organisational expertise specified in the preceding Article.

Vorvel Sim verifies the completeness and formal correctness of the same application and, in the presence of irregularities and/or incompleteness in the documentation, promptly informs the Applicant.

The application for admission is considered expired if, within the term of 60 days from the communication, the application is not modified or completed with the required documentation.

## **Detailed Rules**

*The Application has to include the following data:*



- a) *Information concerning the participation requirements;*
- b) *Information concerning the offer of interconnections in general and the "direct market access" service;*
- c) *Confirmation showing that before the use of each trading algorithm, and whenever a substantial update is made to each of them, the Market Participant has to run tests as appropriate to avoid creating abnormal trading conditions and it indicates the environment in which the tests of these algorithms were run;*
- d) *Information about "high frequency algorithmic trading";*
- e) *Information concerning the systems of accessing the market, including the indication of any third parties and/or Service Providers including the order of technological infrastructure and confirmation of the execution of technical-functional tests;*
- f) *confirmation showing that specific procedures for the use of the order cancellation function has been implemented, and which also shows whether the technical procedures for cancelling orders are available on the Market Participant systems;*
- g) *with regards to trading non-guaranteed instruments, in case of indirect participation in Euronext Securities Milan, a declaration also including the attestation that its settlement agent participates on its behalf to the X-TRM service.*

## Article 8 Admission Requirements

After verifying that the application is complete and correct, Vorvel Sim checks whether the applicant meets the specified requirements in terms of its characteristics and role as set out in the application. If Vorvel Sim sees that one or more requirements are partially lacking or totally unsatisfied, or if there are shortcomings in the information necessary for a proper check to be carried out, it informs the Applicant promptly, requesting further clarification, supplementary information and/or documents, if it considers necessary to do so, and interrupting the deadlines set.

Vorvel Sim examines the applications, according to the chronological order in which they are received, based on the date on which it confirms their receipt as mentioned in the previous Article.

## Article 9 Outcome of the admission procedure and the related order

Vorvel Sim, after having verified the presence of all the necessary requirements, as well as reliability and solidity of the Applicant, approves admission to the Market as Liquidity Provider (Market Maker and/or Specialist) and/or Order Flow Provider or, otherwise, deliberates the rejection of the application.

The admission decision is promptly communicated to the Applicant by Vorvel Sim, as well as to all the Participants in Vorvel and to the Public through Notice published on the website [www.vorvel.eu](http://www.vorvel.eu).

The admission decision is immediately effective and, as of the date of receipt of this provision, the Applicant assumes the obligations attributable to the qualification to which it has been authorized, as better specified in these Rule Book.

## Article 10 Rules of conduct

Markets Participants have to comply with all the rules of these Rule Book and any other requirement stated by Vorvel Sim in order to ensure the proper functioning of Vorvel.

Market Participants have to adopt all the organizational and technological measures to preserve a fair and regular execution of trades, consistently with their obligations, specified in the market admission application. Participants shall promptly notify the Market of any circumstance known to them, including any technical malfunction of their systems, which affects or could affect the compliance with this Rule Book.

Market Participants have not to engage in behaviours which are harmful to the integrity, interest, and image of the Market, with particular reference to actions that may:

- Create false or misleading impressions on the other Market Participants;
- Obstacle or distort other Market participants' activities.

Market Participants are required to act on their behalf and on behalf of their customers, even if interconnected, in strict compliance with the rules of this Rule Book and with the regulation on market abuse.

Market Participants have to refrain from carrying out manipulative activities and/or activities which, as such, may in any case be harmful to the liquidity conditions of the market as well as they have to do everything possible so that their customers, even those interconnected, abstain from these activities.

Order Flow Providers are required to obtain from their customers, even interconnected, any information that Vorvel Sim deems appropriate to acquire for the compliance verification with the standards above specified.

Liquidity Providers are required to develop and maintain efficient price formation processes on the financial instruments for which they guarantee liquidity, ensuring independence and autonomy from the prices generated by the other Liquidity Providers.

## Article 11 Conditions for continuing to be authorised to trade

Market Participants are required to satisfy the conditions specified in Chapter 2 on a continuative basis.

The admission of a Market Participant may be suspended, terminated or inhibited from the Market if a resolution is adopted:

- a) After a disciplinary measure under Articles 34, 35 and 36 of these Rule Book;
- b) As a result of technical circumstances that may be of prejudice to the normal course of trading and of the settlement of the transactions executed on the Vorvel Market;
- c) In the event of Market Participant insolvency;
- d) Following the suspension or revocation of the authorization for the exercise of the trading activity by the competent Authority;
- e) If they no longer satisfy the requirements laid down in Chapter 2;

- f) Following the detection of conducts not complying with the principle of a fair and regular execution of the trading activity.

In order to prevent abnormal trading conditions, Vorvel Sim also provides to monitor the relationship between orders not executed and transactions executed by each Market Participant on financial instruments admitted to trading to the market (so-called "order to trade ratio" - O.T.R.), according to a method compliant with the provisions of the relevant legislation and of article 3 of the provisions of the Delegated Regulation (EU) 2017/566.

This methodology, in particular, is based on the calculation of an O.T.R., defined for the Participating Party and by financial instrument, at the end of each trading session.

Upon exceeding the threshold, Vorvel Sim performs the appropriate check.

In the event of disruption to the smooth running and functioning of the market, the Company may decide to temporarily suspend the Market Participant from the market.

Vorvel Sim temporarily prohibits a Market Participant from trading if requested to do so by Cassa di Compensazione & Garanzia.

If Cassa di Compensazione & Garanzia asks Vorvel Sim to proceed immediately, Vorvel Sim prohibits the Market Participant to operate in the shortest possible time and cancels any contracts executed on the Vorvel Market by the Market Participant itself during the period between the prohibition request and the actual technical effectiveness of the prohibition on the market.

A Market Participant may also be prohibited from trading after its Settlement Agent informs Vorvel Sim that it has stopped settlement activities on its behalf, if rightly authorised by the Market Participant itself.

After having suspended or inhibited a Market Participant, Vorvel Sim cancels any orders on the market, that the Market Participant has entered.

## Article 12 Compliance with requirements

Market Participants ensure compliance with the requirements for the participation in the Market and, should they no longer meet these requirements, Vorvel Sim may suspend them or terminate their participation in the Market. The Board of Directors of Vorvel Sim is responsible for the termination decision.

## Chapter 3 TRADING RULES

### Article 13 General conditions

Financial Instruments are traded through the automatic matching of trading proposals, as specified in Book 2 of each Market Segment.

### Article 14 Minimum Tradable Quantities

When a financial instrument is admitted to trading, Vorvel Sim shall determine the minimum tradable quantity of each Order/Quote and its multiples.

The minimum tradable quantity of each financial instrument cannot be defined for quantities below its minimum size, where envisaged, by the financial instrument regulation.

The minimum tradable quantity may be changed after Vorvel Sim has admitted the financial instrument to trading; notifying this information immediately in a communication published on Vorvel Sim's website ([www.vorvel.eu](http://www.vorvel.eu)), stating the date on which the new minimum tradable quantities come into effect.

### Article 15 Trading calendar and settlement

Vorvel Sim adopts, for each Market Segment, its own calendar for trading. For settlement, Vorvel Sim adopts the Target calendar, that is the Forex calendar for investment services negotiated in currencies other than Euro.

Calendars referred to in this article are published on the Vorvel Sim website ([www.vorvel.eu](http://www.vorvel.eu)).

Vorvel Sim notifies any changes to the trading and settlement calendars in a notice sent to all the Market Participants and published it on Vorvel Sim website ([www.vorvel.eu](http://www.vorvel.eu)).

### Article 16 Quotes entered by the Liquidity Provider

Liquidity Providers' Quotes have to contain at least the information regarding:

- The financial instrument.
- The quantity (buy or sell);
- The price (buy or sell).

Quotes may be entered only with specific indication of the price. Depending on the specific features of each Market Segment, the Quotes may be firm or indicative.

Each Liquidity Provider may only display one Quote for each financial instrument order-book, furthermore, whether specified in the Book 2 for each Market Segments, with other quotes in buy and sell.

### Article 17 Orders

Specific types of orders can be enabled or inhibited only for specific Market Segments.

Orders entered by Market Participants contain at least information necessary to allow Vorvel Sim to comply with the Regulation 2017/580 (EU) on the conservation of relevant data about orders of financial instruments, relatively:

- The financial instrument;
- The quantity, in compliance with its minimum tradable quantity;
- The type of operation (buy or sell);
- The price (buy or sell for limited price Orders);
- Customer identification code (if any);
- Code used to identify the person or algorithm within the operator who is responsible for the investment decision;
- Code used to identify the person or algorithm that is responsible for the execution of the proposal;
- The methods of execution and they must have a specific indication when they originate from an algorithm.

In general, and in line with exceptions and/or limitations expressly provided for in Book 2 of each Market Segment, Orders can enter:

- At "*limited price*" (limit order): orders that can be executed at an equal or better price compared to their limit price;
- As a "Market to Limit order": without a limit price; the limit price is assigned by the Market at injection and represents the worst price that can be executed on the basis of the order quantity and of the book liquidity, not beyond the LP price, if it's present. For "Market to Limit" orders in purchase, the Quote with a lower price than those on the book is considered better. For orders "Market to Limit" in sale, the Quote with a higher price among those present in the book is considered better. If there is no Quote on the book at the time of placing the "Market to Limit" order, Vorvel automatically rejects the order. This rejection shall be communicated to the participant by a message;
- Without a price limit (market order), executable at any price.

Entering orders without price limit can only be done if there is at least one proposal (quote or order) of an opposite sign with a price limit.

Orders may specify the following methods of execution:

- "*Immediate or cancel*": the order is executed, even partially, for the available quantities and at the price stated or at the best price on the other side of the market if the Order has no price limit; any remaining quantity is cancelled automatically,
- "*Good till day*" or "*day*": the Order is executed, even partially, for the available quantities and at the price stated; any remaining quantity stays on the book until it has been executed fully, until the end of the trading session and/or until the subjects referred to this article cancels it. If a residual quantity of an order entered without a price limit remains on the book, it takes the price of the last contract executed. This order is visible on the trading book;
- "*Good for auction only*": the Order can be placed only on the auction day and is executed, even partially, for the available quantities and at the Auction Price; any remaining balance is cancelled at the end of the auction;
- "*Good till date*": the order is executed, even partially, for the available quantities and at the price stated; any remaining quantity remains on the book until it has been executed fully, i.e. for a period not exceeding the indicated date and/or until revoked by the person who entered the order. The date indicated may not exceed what is stated in the Trading Guide for each Market Segment;

- “*Good till hour*”: the order is executed, even partially, for the available quantities and at the price stated; any remaining quantity remains on the book until it has been executed fully, i.e. for a period not exceeding the time indicated within the same trading session and/or until revoked by the person who entered the order;
- “*All or nothing*” (“*fill or kill*”): the order is executed only for the entire quantity and at the price stated when it is entered; if this is not possible, it is cancelled automatically.

In order to ensure the smooth running of negotiations, Vorvel Sim determines a maximum quantity and a maximum turnover of orders and quotes on financial instruments, as reported in the Trading Guide for each Market Segment.

## **Chapter 4 FINANCIAL INSTRUMENT DISTRIBUTION AND COLLECTION OF BUY, SELL OR SWITCH OFFER ACCEPTANCES**

### **Article 18 General conditions**

This Chapter is dedicated to the functionality that Issuers of financial instruments may use whether, through an appointed Market Participant, they intend to proceed with the direct distribution of such instruments in the Vorvel Market. If the Issuer is also a Market Participant, authorised to carry out the distribution or the collection of interest in buy, sell or switch, it may itself hold the status of Appointed Intermediary.

The financial instruments that can be distributed on Vorvel are: Bonds, Certificates and Covered Warrants.

The distribution activity on the Market Placement Section may take place through a continuous trading phase, eventually followed by an auction phase.

The auction phase is optional and is communicated to the Market by the Appointed Market Participant, when this latter asks for the admission to trading of the relevant Financial Instruments.

### **Article 19 Distribution Characteristics**

The Appointed Market Participant who asks for distribution through the Market, shall notify the characteristics of the distribution referring to Issuers already having financial instruments admitted to trading on the Vorvel Market, at least 3 days before the starting distribution date. In case of issuers not already having financial instruments listed in Vorvel Market, the name of the new Issuers has to be notified at least 10 days before the starting distribution date.

The distribution may be limited to distributors specifically identified or identifiable on the basis of criteria defined by the Issuer.

If the distributors who can participate in the transaction are not Market Participants, but are channeled by Order Flow Providers, the latter are required to report to Vorvel Sim the identification code (so-called "short code") of each admitted distributor, as well as taking care not to involve other of their customers.

Vorvel Sim can perform checks on the short codes of orders sent and executed.

Any orders mistakenly submitted by subjects who were not eligible for the operation will be cancelled by Vorvel Sim.

If the error is only found when one or more trades are executed, the trades will be cancelled.

### **Detailed Rules:**

*In the event of the request to distribution, the characteristics to be communicated have to be at least:*

- *ISIN code of the financial instrument;*
- *Issuer Name;*
- *Nominal value of the financial instrument, in case of bond;*
- *Total amount of the offer;*
- *Settlement Currency;*
- *Settle Date;*
- *Maturity Date;*
- *Settlement Date;*
- *Method of repayment;*
- *Gross annual interest rates;*
- *Fixed offer price;*
- *Start date of distribution;*
- *Closing date of distribution;*
- *Dates, timetables and negotiation phases;*
- *Minimum subscription amount.*

### **Article 20 Offer Price**

The offer price of the financial instrument is fixed and is communicated to the Market, at the start of the distribution period, by the Appointed Market Participant.

The offer price will have to be stated in recent official documentation.

### **Article 21 Trading phase**

#### **Continuous Trading phase**

The Appointed Market Participants are the only Market Participants enabled to submit offer proposals at the fixed offer price.

Each Appointed Market Participant may enter one offer proposal; the sum of the quantities of the proposals submitted by all the Appointed Market Participants may not exceed the total amount of the offer.

Order Flow Providers may only submit "limited price" orders, equal to the fixed bid price or "without price limit", and these orders cannot be modified.

The orders will be of the following type:

- *"Good till day", i.e. valid for the day the order was placed,*



- *“Good till cancel”*, i.e. valid for the day of entering the order and the subsequent ones until the end of the offer period or cancellation.

Vorvel Market automatically rejects the placing of orders that:

- Have prices not consistent with the offer price;
- Have amounts that are not equal or multiple of the minimum subscription amount.

This rejection is communicated with a special message.

Purchase orders will remain on the book even in the case of a temporary absence of the Appointed Market Participants.

If the Issuer chooses for any early closure or decides to extend the offer period, it has to promptly send the relevant notice to the Market via an Appointed Market Participant.

### Auction Phase

The Appointed Market Participants are the only Participants authorized to submit offer proposals in the auction phase.

Order Flow Providers can only enter "limited priced" proposals, equal to the fixed bid price, or "without price limit", and cannot be modified.

The end of trading, in the auction phase, is through the automatic matching of the Orders to the auction price equal to the only offer price.

The orders entered will be of the following type:

- *“Good till day”*, i.e. valid for the day the order was placed,
- *“Good till cancel”*, i.e. valid for the day of entering the order and the subsequent ones until the end of the offer period or cancellation.

Vorvel Market automatically rejects the placing of orders that:

- Have prices not consistent with the offer price;
- Have amounts that are not equal or multiple of the minimum subscription amount.

This rejection is communicated with a special message.

At the end of the auction, if the amount of orders in buy is higher than that of the orders placed for sale, there is a pro-quota split if the Intermediary has applied for it at the admission stage. If the pro quota allocation has not been announced, the standard rule will be followed, therefore orders will be matched by time priority.

### Article 22 Daily Trading Section

The time of the daily trading section is set from 9:00 to 17:30.

If the Issuer, through the Appointed Market Participant, has announced the presence of an auction after the continuous trading phase, the latter will take place at 17:30.



Timetables and days of the continuous trading and auction phases are specified by the Issuer, through the Appointed Market Participant, within the documents of each offer and communicated via Hi.Mtf Sim website ([www.vorvel.eu](http://www.vorvel.eu)).

Vorvel Sim may establish trading times that are different from those indicated above for specific trading days, by giving notice in advance.

## Article 23 Result of Distribution

When submitting the Application for Financial Instruments as set out in Article 18, the Appointed Market Participant has the right to request the start of trading on the secondary market at the end of the placement. At the end of the distribution period, if the outcome of the placement is positive and, subject to the compliance with requirements and modalities set forth in this Rule Book, Vorvel Sim will start trading on the secondary Market by providing communication via its own website.

Vorvel Sim will establish the start trading date of the financial instrument on the Market that, unless otherwise specified by the Appointed Market Participant, will coincide with the first settlement date of the financial instrument itself.

Vorvel Sim has to be promptly informed by the appointed Intermediary of any fact or circumstance relating to the financial instrument subject to the placement that could significantly affect the valuation and thus affect the trading on the secondary Market.

## Article 24 Information to the Public

Vorvel Sim publishes on its website:

- The characteristics of the Distribution;

Any further distribution conditions. ***Detailed Rules:***

*The Market Information available on the website [www.vorvel.eu](http://www.vorvel.eu) gives the opportunity to display, in addition to the information referred to in Article 41 of this Rule Book, the following distribution information both in the continuous trading phase and auction phase:*

- *Current phase: trading/auction;*
- *Start of current phase;*
- *End date of the current phase;*
- *Amount issued;*
- *Settlement date;*
- *Starting trading time;*
- *Closing trading time.*

## Article 25 Settlement

Without prejudice to what has been established in this Rule Book, the settlement of trades carried executed in the Market shall be published on the website [www.vorvel.eu](http://www.vorvel.eu), in accordance with the terms of the distribution.

## Article 26 Collection of buy, sell or switch offer acceptances

The provisions of this chapter also apply, insofar as applicable, for the collection of buy, sell or switch offer acceptances. The details of each operation are defined by Vorvel in a special Notice available to the public.

## Chapter 5 MARKET SUPERVISION

### Article 27 General Conditions

Vorvel Sim supervises that trading is carried out fairly and orderly, verifies compliance with this Rule Book and adopts all the measures needed to ensure the proper functioning of Vorvel, in particular, making use of a specialized department called Market Supervision Function.

The measures that Vorvel Sim can take pursuant to this Rule Book may also concern individual Market Segments or may be different according to their specificities.

Book 2 of each Market Segment includes rules related to:

- The error management procedure;
- The exclusion from the liquidity obligations assumed by Liquidity Providers;
- The exclusion from trading of financial instruments traded in the Market.

Additional rules relating to the supervisory items can be specified in Book 2 of each Market Segment.

### Article 28 Controls and intervention in trading

In order to ensure that trading is carried out fairly and orderly, Vorvel Sim inter alia:

- Monitors the performance of Vorvel Market and each financial instrument admitted to trading;
- Monitors the behaviour of the Market Participants and verifies their compliance with the rules of this Rule Book and the provisions of applicable laws and regulations;
- Monitors the functioning of the Market technological infrastructure, the procedures and all the elements necessary to ensure that trading is carried out orderly;
- Asks the Market Participants for the information it considers necessary in order to carry out its control duties correctly.

After carrying out the monitoring activities described above, Vorvel Sim adopts the actions needed for the integrity of the Market and a fair and orderly conduct of trading.

Vorvel Sim may adopt automatic mechanisms to limit orders and quotes entered into the Market by Market Participants, like the Throttling functionality (a technological tool that permits to limit the capability to insert trading proposals during a pre-established time unit referred to each Market Participant) aiming to provide for a fair and orderly trading.

Vorvel Sim may also cancel orders and trades that prevent a fair and orderly trading.

Vorvel Sim promptly informs the public about any relevant intervention in an announcement published on the company's website ([www.vorvel.eu](http://www.vorvel.eu)).

## Article 29 Intervention on parameters, trading hours and conditions

During unusual market conditions, also in relation to each Market Segments, Vorvel Sim may:

- Modify trading hours;
- Extend the duration of the pre-trading phase;
- Amend other trading conditions;
- Suspend or resume trading;
- Exempt Liquidity Providers from the liquidity obligations assumed.

Vorvel Sim may act as above if at least one of the following circumstances arise:

- The price variation limits are exceeded;
- It notices anomalies in prices, in the behaviour of the Market Participants and/or in the market conditions;
- It becomes necessary to obtain information on the specific market conditions of a financial instrument;
- Political, economic and social events or events specifically related to capital markets occur that are likely to have a material effect on the market conditions;
- Technical reasons or other circumstances that affect the proper functioning of Vorvel Market occur;
- Circumstances inherent with the entry of orders by Market Participants that could affect a fair and orderly trading are identified.

In order to adopt one of the actions considered in this article, Vorvel Sim may take into account:

- The volumes of trading proposals on Vorvel Market, the prices or variations in price of each financial instrument;
- The liquidity of each financial instrument and the volumes traded;
- The degree of transparency of the information provided by the issuer;
- The order to trade ratio of each Market Participant on financial instruments traded into Vorvel Market.

In order to prevent abnormal trading conditions and ensure an orderly trading, Vorvel Sim can adopt specific measures to deal with any particular market volatility. The measures may also concern a single Financial Instrument and, where applicable, also taking into account the performance of its underlying.

Once identified, the exceptional circumstances or stressed market conditions are communicated to the Market Participants and to the public via a notice on the company website ([www.vorvel.eu](http://www.vorvel.eu)). A similar communication is made when these conditions are removed.

The Trading Guide indicates the parameters to which Vorvel Sim refers to for each category of financial instruments negotiated for the identification of stressed market conditions.

If there are liquidity obligations for Liquidity Providers, in Book 2 of each Market Segment it is also indicated how the same obligations change in the presence of exceptional circumstances or stressed market conditions.

Vorvel Sim may also provide for the temporary suspension of trading of financial instruments or classes of financial instruments subject to exceptional circumstances or stressed market conditions.

## Article 30 Compliance with the Rules of Conduct

Vorvel Sim monitors the activity of its Market Participants in order to check compliance with the rules of the Rule Book and, in general, compliance with the Market functioning procedures.

To identify any market abuse or activities that are detrimental to the market liquidity conditions, Vorvel Sim activates itself:

- a) On its own initiative, in accordance with its control procedures;
- b) On the basis of any reports sent by the Market Participants on their own initiative.

For the identification of manipulation activities detrimental to the liquidity conditions of the market, in particular Vorvel Sim refers to the behaviour of Market Participants, also through the verification of several cases of transactions characterized by temporary and significant price misalignments on the same financial instrument (also with respect to the quotation prices on the reference markets). To this end, merely by way of example, it may constitute an indication of abusive activities detrimental to the market liquidity conditions:

- a) The conclusion of close transactions on the same financial instrument to take advantage of temporary and significant price misalignments;
- b) The conclusion of several close transactions on the same financial instrument taking advantage of the temporary and significant price misalignments with respect to the markets on which the instrument is traded.

Vorvel Sim adopts the provisions and actions necessary to prevent market abuse and to identify suspicious transactions.

## Article 31 Management of technical malfunctions

In order to provide equal opportunities of access to Vorvel Market and assure transparent trading, Vorvel Sim verifies the efficiency of the technological structure through precise and constant monitoring.

In detail, Vorvel Sim verifies that:

- Orders and Quotes are correctly matched;
- The Market Participants' connection to the system is working efficiently;
- The procedure for the transmission of information related to trading is working efficiently;
- Post-trading procedures are working efficiently.

In the event of any malfunction, Vorvel Sim decides for the action necessary for the normal conduct of trading to resume correctly and promptly.

If any technical malfunction is identified, Vorvel Sim may intervene on the trading activity in order to limit its effect or take the necessary actions to ensure that trading continues in an orderly manner and that the market retains its integrity.

Vorvel Sim may suspend negotiations on the market and/or a Market Participant, at the same time considering if cancelling any offers on Vorvel Market is advisable.

Notice of the action taken is given promptly under the Market Information section and on Vorvel Sim website ([www.vorvel.eu](http://www.vorvel.eu)).

## Article 32 Suspension of securities from trading

Based on a motivated decision, Vorvel Sim may suspend a security from trading in order to ensure that trading on the security remains regular or in the case that the continuation of negotiations may be of serious detriment to investor interests.

In taking a decision to suspend a security from trading, Vorvel Sim makes an analysis of the situation, considering the following factors:

- Events concerning the issuer which may affect regular trading;
- A declaration of insolvency and/or the initiation of insolvency proceedings involving the issuer;
- Any suspension measure taken by a company managing any other market on which the security is admitted to trading;
- The transformation of the security's characteristics;
- The loss of one or more of the requirements for its admission to trading;
- Limited to the securities supported by a clearing and guarantee system, any notice sent by Cassa di Compensazione e Garanzia regarding the possibility of them being guaranteed through the central counterparty guarantee system;
- Information disclosed by the issuer, or information that the issuer fails to disclose, regarding the securities;
- The behaviours eventually carried out by Market Participants that are not consistent with a fair and regular trading on the security.

Vorvel Sim will abide promptly by any Consob instruction to suspend a security from trading.

Notice of suspension measures is given promptly in an announcement published on Vorvel Sim website ([www.vorvel.eu](http://www.vorvel.eu)).

While the security is suspended, trading offers entered by Participants in the Market will be rejected automatically.

A security may not be suspended from trading for more than 12 months; after this period has passed and the conditions for it to be re-admitted have not been satisfied, Vorvel Sim starts the procedure for its removal.

## Chapter 6 REMOVAL AND EXCLUSION OF SECURITIES FROM TRADING

### Article 33 Removal of securities from trading

Based on a motivated decision, Vorvel Sim removes a security from trading if it has not been traded for a prolonged length of time and/or if the circumstances that led to its suspension become definitive.

In taking the decision to remove a security from trading, Vorvel Sim considers the following factors:

- Repeated suspensions or serious anomalies;
- Events concerning the issuer which may affect regular trading;
- A declaration of insolvency and/or the initiation of insolvency proceedings with regard to the issuer;

- Any suspension/termination measure taken by a company managing any other market on which the security is listed;
- Information disclosed by the issuer, or information that the issuer fails to disclose, regarding the security;
- The absence of trade execution concerning the financial instrument, starting from the date of admission of the same security;
- Limited to the securities supported by a clearing and guarantee system, any notice sent by Cassa di Compensazione e Garanzia regarding the possibility of their being guaranteed through the central counterparty guarantee system;
- The loss of one or more of the requirements for its admission to trading;
- The absence of trade execution in the Vorvel Market for a period of not less than 6 months, for Financial Instruments whose liquidity is not supported by Liquidity Providers that have assumed liquidity obligations.

Vorvel Sim gives prompt notice of the removal of a security in an announcement on its website ([www.vorvel.eu](http://www.vorvel.eu)). In the latter hypothesis previously indicated, Vorvel Sim will inform the public with 30 calendar days' notice.

## **Chapter 7 CONTROLS AND SANCTIONS**

### **Article 34 General conditions**

Vorvel Sim may initiate the procedure described in this Chapter to assure the integrity of the market if it considers that an Vorvel Market Participant has acted in breach of the Rule Book or of any other provisions specifically related to the market.

Vorvel Sim monitors the activity done by the Market Participants, to check compliance with the provisions of the Rule Book and, in general, with the procedures for the functioning of the Market. To this end, as non-exhaustive examples, it may:

- Ask operators for information or documents related to their activities in the Market;
- Convene representatives of the operators to request further information regarding specific behaviours or situations.

If apparent breaches have been detected, the General Manager obtains the necessary material for examination and, in front of the Board of Wise Men, starts the procedure set out in the following Article. If this procedure is started, the General Manager:

- Immediately informs the Board of Directors of Vorvel Sim and the entity concerned whatever is the case;
- Informs Consob immediately if a market abuse is suspected.

### **Article 35 Procedure for verifying a breach**

After it has obtained all the necessary information, Vorvel Sim sends to the Market Participant subject to the procedure a written notice in which:

- The alleged breach is described;
- The deadline, not shorter than 30 days, to submit a written memorandum and/or request to be heard by the Board of Wise Men for a joint examination of the matter.

If the Participant concerned submits a request to be heard by the Board of Wise Men or if the Board of Wise Men deems that such a hearing is necessary, Vorvel Sim sets a date and informs the entity concerned, which may attend through its legal representative or through a delegate and which also has the right to be assisted by its lawyer. If the entity does not attend the hearing without a valid justification, the Board of Wise Men proceeds based on the available information and data. At the end of the hearing, at the request of the entity concerned, Vorvel Sim may give permission for a further memorandum to be filed within no more than 30 days after the date of the hearing.

Based on the information and data obtained, the Board of Wise Men prepares a motivated decision setting out the reasons for its proposal regarding a sanction against the entity concerned. The decision of the Board of Wise Men is taken within 15 days after the hearing or any subsequent time limit granted in the event of permission being given for a further memorandum to be filed as mentioned in the paragraph above or, finally, if a hearing has not been requested nor required by Vorvel Sim, within 30 days after expiration of the time limit specified in the first paragraph of this Article.

The decision of the Board of Wise Men is promptly notified to the entity concerned and to the Board of Directors of Vorvel Sim for the application of a measure if appropriate.

### Article 36 Procedure for the application of measures

At the end of the procedure described in Article 34 and at the proposal of the Board of Wise Men, the Board of Directors of Vorvel Sim may take one or more of the measures below against the entity concerned, considering the seriousness of the breach and any other breaches committed during the preceding 24 months:

- a) A written warning;
- b) A fine from 500 to 100,000 euro;
- c) Suspension from trading on a security, a type of security or suspension from the Market;
- d) Exclusion from trading of the Market Participant.

If one of the measures referred to in c) or d) is applied, the measure adopted by the Board of Directors of Vorvel Sim states its duration, which may, however, not exceed 6 months. These sanctions may be combined with the fine referred to in b).

The entity concerned may submit a short memorandum to the Board of Directors of Vorvel Sim with its observations on the measures within 10 days after being notified of the decision.

Within 30 days after expiration of the time limit laid down above, the Board of Directors of Vorvel Sim takes a motivated decision confirming the measures against the entity concerned.

The measure is promptly notified to the entity concerned, to the Board of Wise Men and, if Consob has been informed that an investigation into a breach has been started, also to Consob.

The notice of the measure specifies:

- The reasons for the decision to apply a fine;
- Whether the sanction is to be made public;
- The date on which it is to be made public, if the measure specifies a date;
- Any period of time granted to the entity concerned for the purpose to make the necessary changes to its organisational and/or technological processes, if the measure has been taken in connection with these processes;



- The amount of the fine if one has been decided.

The Board of Directors of Vorvel Sim makes a measure public if:

- The Participant concerned is used not to comply with the Vorvel rules;
- In cases c) and d) of the first paragraph of this Article.

The Board of Directors of Vorvel Sim makes the measure public, if this measure is envisaged, within the time specified in the sanction notice by means of an announcement on Vorvel Sim website ([www.vorvel.eu](http://www.vorvel.eu)).

### Article 37 Appeals

A Participant which receives the notification of a measure decision taken by the Board of Directors of Vorvel Sim may appeal against the notice within 30 days after the notification by recourse to the arbitration procedure set out in the following Article.

An appeal does not suspend the measure notice. Nevertheless, if there are serious reasons for doing so, the Board of Arbitration may order the suspension of the measure pending its decision.

### Article 38 Arbitration clause

All disputes regarding the interpretation of and compliance with this Rule Book, unless the disputes are specifically excluded from arbitration, and all appeals against measures adopted by Vorvel Sim, shall be resolved by a Board of Arbitration, which shall take its decision in formal proceedings and according to law. The arbitration proceedings shall take place at the head office of Vorvel Sim in Milan and shall be conducted in Italian. Arbitration proceedings may not start unless there has been previous recourse to the procedure before the Board of Wise Men described in Article 34.

The Board of Arbitration shall be composed of three members designated as follows:

- the party promoting the procedure notifies a document to the other in which:
  - a) It states its intention to take arbitration proceedings;
  - b) It specifies the subject of the dispute or appeal;
  - c) It names its arbitrator and requests the other party to do so;
- The party that has been notified as above designates its arbitrator within 20 days after receiving the document; if it does not do so, the provisions of Article 810, paragraph 2, c.p.c apply;
- The third arbitrator, who acts as Chairman, is appointed by the two arbitrators that have already been designated in agreement; if they do not agree, the third arbitrator is chosen by the President of the Chamber of Commerce of Milan.

### Article 39 Board of Wise Men

The Board of Wise Men is composed of three members appointed by the Board of Directors of Vorvel Sim, which also chooses its Chairman. The Board of Wise Men sits at the Vorvel Sim head office.

The members of the Board of Wise Men are selected from among independent persons with proven experience in financial market matters.



They serve for 3 years and may be re-appointed twice at most. Should a member of the Board of Wise Men leave office before the end of his term of office, the Board of Directors of Vorvel Sim fills the missing place on the Board of Wise Men by appointing a replacement, who serves until the Board's term of office ends.

The Board of Wise Men reaches its decisions by a majority in accordance with the law and allowing open debate, within 30 days after being called. Decisions are promptly notified to the parties. The proceedings are held in Italian.

Decisions taken by the Board of Wise Men are not binding on the parties and, if a party brings an arbitration proceeding in accordance with the provisions of this Rule Book, they are not binding on the Arbitrators either; the Arbitrators retain the fullest rights and powers necessary for a total review of the dispute without any preclusion.

## Chapter 8 ANCILLARY SERVICES TO TRADING

### Article 40 Market Data

Vorvel Sim arranges for the distribution of all information regarding trading conditions and market transactions to facilitate investment or disinvestment decisions.

Operators can access to market data through Vorvel IT and telematic structures. In case of operators other than Market Participants, the relationships for data provision between them and Vorvel are governed by specific contracts.

Vorvel makes available to Liquidity Providers, in real time, with at least the following information for them to carry out their trading functions correctly:

- The trading Book with each buy and ask Quote and Order, specifying their quantities and prices;
- Trading conditions (trading parameters, last trade, best buy and ask price, trades volumes);
- Their position as regards Quotes and trades;
- Total trades executed for each security, specifying the time, quantity and price of execution.

Vorvel provides Order Flow Providers with the same information in real time by means of an information flow.

Market data are available to the public, under the terms and procedures provided by the relevant regulations, also through publication on the Market website.

### Article 41 Information to the public via website

In Book 2 of each Market Segment, it is specified any addition or change to the information laid down in this article.

During trading phases, Vorvel Sim provides the public in real time with the following pre-trade information regarding each security, as far as technically possible:

- the quantities of the aggregate buy and sell proposals, for the five best level prices.

Once a trade is executed, with a maximum delay stated by the applicable regulation, Vorvel Sim provides the following post-trade information:

- Price, quantity, date and time of all trades executed;
- Number of trades executed;
- Total quantities and values traded;
- Minimum and maximum prices of the trades executed;
- Average weighted price.

Within the beginning of the following day, for each traded financial instrument, the summary data of the previous trading day are published.

Within the third business day of each month, the following information is published for each security traded during the previous month:

- Number of trades executed;
- Total quantities and turnover;

- Minimum and maximum prices of the trades executed;
- Average weighted price about trades.

As regards to the information to the public, it is also guaranteed compliance with the indicators duly provided by the legislation for the purpose of transparency regime and those related to the cancellation and/or modifications of the trades executed in Vorvel Market.

If specified in Book 2 of each Market Segment, Vorvel Sim also makes available the “information sheet” related to each financial instrument admitted to trading on the market.

Vorvel informs the public and the Market Participants of the market of the changes made to the list of Market Participants admitted to negotiation on Vorvel and the financial instruments traded, as a result of admissions, revocations and exclusions.

Vorvel shows the name of Liquidity Providers with the relative obligations for each financial instrument.

Vorvel publishes data on the quality of execution of transactions, as required by the Delegated Regulation (EU) 2017/575.

## Article 42 Post Trading services

Settlement Systems of each Market Segment are defined and characterized by different Post-Trading Systems.

Depending on what is specified in Book 2 of each Market Segment, the following settlement methods are possible for each financial instrument:

- Automatic. In this case, the Market forwards the individual trades or settlement instructions corresponding to daily balances of the trades executed in the market on each Financial Instrument, eventually through to the X-TRM or equivalent daily check and correction services, if the case;
- Manual. The Market Participants independently manage the settlement of trades executed on the Market (i.e.: as in case of OTC settlement instructions).

For the purpose of forwarding to the CSDs, the trades can be aggregated in the cases and according to the criteria defined in Book 2 of each Market Segment.

Vorvel Sim applies the measures set up in this Rule Book to Market Participants, if anomalies, related to them, regarding the correct and efficient settlement of transactions are detected.

The Market Participants are therefore required to report to Vorvel Sim any impediment which can generates these anomalies.

The cancellation of trades executed in the market that, pursuant to this Rule Book can only be carried out by Vorvel Sim, has also effect on the settlement system.

## Detailed Rules

*The settlement services of financial instruments are services managed by:*

- Euronext Securities Milan (T2S);
- Euroclear and from Clearstream Banking Luxembourg.

Vorvel Sim provides all Market Participants with a detailed daily report, in order to help them to control operations on the contracts executed on the Market, including the following information:

- Financial instrument Isin Code
- Execution date and time
- Settlement currency
- Transaction sign (buy/sell)
- Price
- Quantity
- Counterparty
- Prop. Trading vs Third Party Trading
- Settlement date
- Settlement amount

## Article 43 Arrangements for checking, rectification, offsetting and settlement systems adopted by Vorvel Sim

Vorvel Sim sends the information necessary for settling trades executed in the Market to the CSDs. The times and manner of the transmission of the information are governed by arrangements agreed with each CSD.

Vorvel Sim decides what method to use to transmit the information to each CSD.

Checking and rectifying trades and their subsequent settlement are carried out in accordance with arrangements agreed with each CSD.

To facilitate the work of checking and rectifying trades executed in the Market, Vorvel Sim may use services dedicated to specific functions, provided that they work consistently with each CSD.

As regards trades executed on the types of security specified in Book 2 of each Market Segment, Cassa di Compensazione e Garanzia (CC&G) acts as central counterparty (CCP) from the time that the trades are executed on Vorvel Market, according to what stated in CC&G Regulations. Cassa di Compensazione e Garanzia acts in compliance with this Rule Book, as well as according to the procedures established on its own.

The buy in and sell out procedures prescribed in the CC&G Rule Book are applied in the interests of Market Participants that have not been able to settle the trades executed in the Vorvel Market, due to non-fulfilment by their market counterparties, if the financial instruments are guaranteed by the central counterparty and guarantee system.

With regard to financial instruments traded in Vorvel that cannot be guaranteed by the central counterparty and guarantee system, the procedures described below in the Detailed Rules apply if the purchase and sale contracts are not settled within the deadline due to the unavailability of the securities or cash.

With regard to financial instruments traded on Vorvel for which manual settlement procedures are in place, Market Participants independently take care of sending to the relevant CSDs the information

necessary to settle the trades executed in the Market. In this case, the terms, the way the information are transmitted, the transfer of the information to the CSDs, the receipt, the possible correction of the trades and the subsequent liquidation follow the provisions agreed by the Vorvel Market Participants with each CSD.

### ***Detailed Rules***

In order to send the information necessary for settling trades executed in the Market to the CSDs, Vorvel Sim uses, where specified in the relevant Book 2:

- a) X-TRM feedback and rectification service, with regard to:
  - o Financial instruments guaranteed by CC&G, centralized at Euronext Securities Milan or EuroClear and Clearstream;
  - o Financial instruments not guaranteed by CC&G, centralized at Euronext Securities Milan;
- b) The transmission of settlement instructions service provided by of BFF Bank (formerly DepoBank), with regard to:
  - o Financial instruments not guaranteed by CC&G, centralized at EuroClear and Clearstream.

### **Activation timing and start of the buy in procedure**

The buyer (hereinafter the "Buyer") can initiate the Buy-in procedure starting from the third day following the settlement date (S + 3), in the case of a trade (or a bilateral balance) having as subject a financial instrument not guaranteed by a central counterparty.

An individual buy-in process may also cover more than one trade (or more than one bilateral balance) if the following conditions apply:

- a) Trades are executed on the same Financial Instrument with the same Operator;
- b) For each trade, the above period has elapsed without non-delivery of securities.

The Buyer starts the buy-in procedure by e-mailing a Buy-in Notice to the seller in fail (hereinafter the "Seller") to Vorvel Sim (to Vorvel Sim to the e-mail address [governance@vorvel.eu](mailto:governance@vorvel.eu)) and, if already appointed, to the Buy-in Agent who accepted the appointment.

If no Operator has accepted the appointment, the Buyer shall specify the appointment by authority request in the Buy-in Notice.

The appointment by authority is made by Vorvel Sim and the selection shall be based among the Operators who expressed their willingness to be included in the Buy-in or Sell-out Agent List to be appointed by authority. A Buy-in Agent shall not belong to the same Group as the Buyer and, if appointed by authority, to the same Group as the Seller.

### **Terms and conditions of the Buy-in mandatory execution procedure**

The Buy-in Agent cannot operate before the second day after the sending of the Buy-in Notice to the Seller.

In this period, the Seller can settle the trade or of the trades covered by the Buy-in; should it deliver the securities due, the Seller has to promptly inform the Buy-in Agent, the Buyer and Vorvel Sim through a communication stating the executed settlement. In this case, the Buy-in procedure is immediately cancelled.

After the same period, the Buy-in Agent can purchase a quantity of securities equal to that covered by the Buy-in. The Buy-in Agent has to send to the Operator in bonis, the Operator in fail and Vorvel an e-mail setting out:

- a) the performance of the mandatory execution procedure;
- b) the terms of the agreed trades;
- c) the costs incurred and the requested fees.

The Buy-in Agent cannot purchase the quantity of securities necessary for the execution of the Buy-in procedure from the Seller. The Buy-in Agent who purchases OTC the quantity of securities necessary for the execution of the Buy-in procedure has to preliminary ensure that the market counterparty can make the delivery.

If it is not possible to perform the Buy-in procedure for the entire necessary quantity but only for a part, the Buy-in Agent can purchase this partial quantity of securities.

The Buyer has to deliver the cash necessary for the successful performance of the mandatory execution procedure, along with the costs and fees dues, to the Buy-in Agent.

No later than the day after the Buy-in Agent's communications, the Seller has to pay to the Buyer the negative differential, if any, between the tel-quel price of the Buy-in execution trade/s and the tel-quel<sup>2</sup> price/s of the original trade/s. The negative differential has to be paid through a settlement instruction in favour of the Buyer with the same value date as that of the settlement of the original trade/s.

After the Buy-in execution, the Buyer and the Seller have to delete the Settlement Instructions of the original contract/s from the settlement system.

### Cash settlement

If, within 30 days from the settlement date of the original trade/s the Buy-in Agent fails to execute the Buy-in procedure buying all or part of the necessary quantity of securities, the Buy-in Agent has to determine the current value of all or of the residual quantity covered by the Buy-in and communicate such amount via e-mail to both parties involved in the operations in fail (the Buyer and the Seller), as well as to Vorvel Sim.

No later than the first day following that of the Buy-in Agent's communication, the Seller has to pay the Buyer the differential, if any, between the price as per the amount determined by the Buy-in Agent and the price/s as per the original trade/s. The differential has to be paid through a Settlement Instruction in favour of the Buyer, with the same value date as that of the settlement.

If the Buy-in Agent does not carry out the buy-in transaction before the securities maturity, Buy-in Agent's value shall be equal to the cash differential between the redemption value and the tel quel price of the original trade/s, calculated considering any coupon payment.

### Activation timing and start of the sell-out procedure

The Seller can initiate the Sell-out procedure from the day following to the settlement date (S+1).

Each Sell-out procedure can cover several trades subject to the following conditions:

- a) Trades are executed on the same financial instrument with the same counterparty;
- b) For each trade the above period of time has elapsed without non-delivery of cash.

The Seller starts the Sell-out procedure by e-mailing a Sell-out Notice to the buyer in fail, to Vorvel Sim (to the e-mail address [governance@vorvel.eu](mailto:governance@vorvel.eu)) and, if already appointed, to the Sell-out Agent who accepted the appointment. The Seller can specify, in the Sell-out Notice, whether he intends to wait to appoint the Sell-out Agent within the day following to that of the Sell-out Notice, and within such term the Buyer can deliver the due cash.

If no Operator has accepted the appointment, the Seller shall specify the appointment by authority request in the Sell-out Notice.

The appointment by authority request is made by Vorvel Sim and the selection shall be based among the Operators who expressed their willingness to be included in the Buy-in or Sell-out Agent List to be appointed by authority. A Buy-in Agent shall not belong to the same Group as the Buyer and, if appointed by authority, to the same Group as the Seller.

In any case, a Sell-out Agent shall not belong to the same Group of the Seller and, if appointed by authority, as the Buyer.

#### Terms and conditions of the Sell-out mandatory execution procedure

The Sell-out Agent cannot operate before the second day following to the sending of the Sell-out Notice to the Buyer.

On the first day after the sending of the Sell-out Notice, the Buyer can settle the trade/s covered by the Sell-out procedure.

Over this period, the Sell-out Agent can sell a quantity of securities equal to that covered by the Sell-out. The Sell-out Agent has to send to the counterparties (Seller and Buyer) and to Vorvel an e-mail setting out:

- a) The performance of the mandatory execution procedure;
- b) The terms of the agreed trades;
- c) The costs incurred and the requested fees.

The counterpart in bonis has to deliver the securities necessary for the successful performance of the mandatory execution procedure, along with the costs and fees dues, to the Sell-out Agent.

No later than the day following to the Sell-out Agent's communications, the Buyer has to pay to the Seller the differential, if any, between the tel quel price of the Sell-out execution trade/s and the tel quel price/s of the original trade/s. The differential has to be paid through a settlement instruction in favour of the Seller with the same value date as that of the settlement of the original trade/s.

Following to the Sell-out execution, the Seller and the Buyer have to delete the Settlement Instructions of the original contract/s from the settlement system. Should it be impossible to sell all or part of the securities on the first business day, the Sell-out Agent can do so in the next few days.

#### Buy-in or Sell-out Notice format

The Buy-in or Sell-out Notice may be prepared as summary tables and shall provide the following information:

a) Information about each trade (or bilateral balance) covered by Buy-in or Sell-out:

- Settlement instruction number
- Complainant counterparty
- Counterparty in Fail
- Financial instrument ISIN
- Financial instrument description
- Trading date (dd/mm/yyy)
- Settlement date (dd/mm/yyyy)
- Quantity
- Price
- Turnover

b) The Buy-in or Sell-out Agent (if already appointed) or the Request for appointment by authority (only with respect to Sell-out), the Request to appoint to the Sell-out Agent on the day after that of the Sell-out Notice.

#### Adjustment procedure for transactions in fail in case of corporate events

Where the contracts are not settled within the prescribed time limits and a corporate event occurs in the meantime, the procedures provided by the settlement system are applied. If the settlement system does not provide the management of relevant corporate action, the operators have to deliver the securities together with the any related coupon or reimbursement payment to the counterparty, based on the original settlement date of each contract executed on Vorvel Market, adjusted to reflect any financial or tax effect.

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

For the purpose of buyer protection request, the forms available in the website of the settlement system shall be used. Furthermore, the counterparties, directly or through the intermediaries that settle respectively on their behalf, have to insert in the settlement system the settlement instructions on the resulting and eventually cancel the original settlement instruction.



## Article 44 Recording transactions

All the trades executed in Vorvel are recorded in a special database in which at least the following identifying data appear:

- Trade identification number
- Proposal record time
- Trade execution time
- Code number of the security traded
- Quantity involved
- Unit price
- Details of the parties (seller and buyer)
- Account: own or third party

Similarly, information regarding all Orders and Quotes entered by the Participating Parties in Vorvel are also recorded.

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## Definitions

### **Admission to trading**

It means the admission of a security to trading in Vorvel Market.

### **Algorithmic trading**

It means – as specified in Article 4(1) of Directive 2014/65/EU - a negotiation of financial instruments in which a computerized algorithm automatically determines the individual parameters of orders, such as whether to initiate the order, timing, price or quantity of the order or how to manage the order after its presentation, with minimal or no human intervention and does not include the systems used solely to transmit orders to one or more trading venues, to process orders that do not involve the determination of trading parameters, to confirm orders or to perform post-trade processing of the trades executed.

### **Appointed Market Participant**

The Market Participant authorized to perform the financial instrument distribution, collection of buy, sell or switch offer acceptance service, according to the provisions of Vorvel Rule Book.

### **Boards of Directors**

The Board of Directors of Vorvel Sim.

### **Book or Trading Book or Order Book**

It means the electronic list of orders and quotes concerning a specific Financial Instrument.

### **Book 1**

It means the harmonized part of Vorvel Rule book, common to all its Market Segments.

### **Book 2**

It means the market-segment specific part of Vorvel Rule book, dedicated to each Vorvel Market Segment.

### **Buy-in**

It means a request made by a Member for the mandatory execution of one or more contracts executed on the Vorvel Market when the securities have not been delivered.

### **Cassa di Compensazione e Garanzia**

It stands for Cassa di Compensazione e Garanzia S.p.A. (CC&G), which is the central counterparty guarantee system for the settlement of transactions on the securities traded on Vorvel.

### **Central counterparty**

Indicates Cassa di Compensazione e Garanzia S.p.A. (CC&G), designated as the central counterparty for the settlement of transactions on securities traded on Vorvel.

### **Circuit breaker**

It means the volatility management mechanism defined in Article 19, of Regulation 2017/584/EU.

### **Consob**

The Italian Regulator.

### **Compulsory quote**

A bid and/or ask price which is entered into the Vorvel system by a Liquidity Provider and which is subject to quotation obligations set by Vorvel Sim.

### **Continuous trading**

A method of trading involving entering and cancelling bid or ask quotes with the aim of executing trades.

### **CSD (Central Securities Depository)**

It indicates the legal subject authorized to operate a securities settlement system, according to Regulation 2014/909/EU.

### **Data or Information sheet**

The document that summarizes the main characteristics of the securities admitted for trading on Vorvel Market.

### **Direct or indirect participation to Cassa di Compensazione e Garanzia**

It indicates the participation in the Compensation and Guarantee System, in accordance with the Regulation of Cassa di Compensazione e Garanzia.

### **Direct Market Access**

It means an agreement under which – as specified in Article 4(1)(41) of Directive 2014/65/EU - a member of a trading venue or a participant or client allows a person to use its own trading code in order to electronically submit orders relating to a financial instrument directly to the trading venue and includes arrangements involving the use of the infrastructure of the member, participant or client, or any connecting system provided by the member, participant or customer to transmit orders.

### **Exceptional circumstances**

It means the exceptional circumstances defined in Article 3, of Regulation 2017/578/EU.

### **General Manager**

The General Manager of Vorvel Sim.

### **Guaranteed Securities**

The set of securities for which the trades, executed in Vorvel Market, are subject to the guarantee system whereby Cassa di Compensazione e Garanzia acts as central counterparty (CCP).

### **High frequency algorithmic trading**

It means – as specified in Article 4(1) of Directive 2014/65/EU - an algorithmic negotiation technique characterized by:

- a) infrastructures designed to minimize network and other latencies, including at least one of the algorithmic ordering facilities: co-location, proximity hosting or high-speed direct electronic access;
- b) determination by the system of the generation, transmission or execution of the order without human intervention for the individual order or negotiation;
- c) high intraday traffic of messages consisting of orders, quotations, or cancellations.

### **Vorvel Market**

The multilateral trading facility market managed by Vorvel Sim.

### **Vorvel Sim**

The Company that organizes and manages the multilateral trading facility named Vorvel.

### **Interconnection**

It means the linking to Vorvel Market, via an order Flow provider, of customers of the same order Flow Provider, including Interconnected Intermediaries, whose connection may take place in “direct electronic access” mode or in another mode; of organizational units of the same Order Flow Provider other than units assigned to the activities of trading in the markets and settlement and the control thereof; of automatic generation’s system of orders even if they are installed in an organisational unit of the same Order Flow Provider or of its Interconnected Intermediaries.

### **Interconnected Intermediary**

It means an Intermediary having an indirect linking to Vorvel Market through an Order Flow Provider authorized to operate thereon.

### **Limit Order or with price limit**

A trading proposal entered in Vorvel Market specifying the maximum price at which it can be executed if it is a bid to buy or the minimum price at which it can be executed if it is an offer to sell.

### **Liquidity Provider**

The Vorvel Market Participant which supports the liquidity of financial instruments traded in Vorvel, as specified in Book 2 of each Market Segment. If it commits, on a continuing basis, to display trading proposals with regard to financial instruments admitted to trading in Vorvel, the Liquidity Provider assumes the qualification of Specialist or Market Maker, depending on whether it acts or not on the basis of a relevant relationship/agreement with the Issuer.

### **Listing Guide**

It means the operational Guide dedicated to Issuers and Market Participants who intend to apply for admitting Financial Instruments in the Vorvel Market.

### **Market hours and phases**

Indicate those adopted by Vorvel Sim for Vorvel Market.

### **Market Maker**

The Liquidity Provider which undertakes to observe the liquidity requirements with regard to financial instruments, in the absence of a relationship with the Issuer, by assuming the obligation to display, on a continuing basis, trading proposals as specified in Book 2 of each Market Segment.

### **Market Making Agreement**

It indicates the market making agreements that Vorvel Sim is required to offer, in accordance with the Delegated Regulation 2017/578 (EU), to the Market Participants that pursue a market making strategy in line with the typical activity carried out by the Liquidity Providers of the Vorvel Market.

### **Market Participant**

It indicates the generic category of Market Participants that may be Liquidity Providers, Order Flow Providers and Appointed Market Participants.

### **Minimum Quantity**

It means the minimum quantity of each security that the Market Maker is obliged to display during continuous trading hours in order to support liquidity in Vorvel Market.

### **Market trading day**

It means a day on which the Vorvel Market is open for trading.

### **Monitoring and Market Supervision Function**

The duty of Vorvel Sim Monitoring and Market Supervision Function is to ensure that the rules stated by the Market Rule Book are applied and complied with by Market Participants.

### **Post-Trading**

All the activities that take place after trades have been executed in Vorvel Market.

### **Proposal without price limit or “Best” proposal**

A trading proposal entered in Vorvel Market without indication of the price.

### **Order Flow Provider**

The authorized Vorvel Market Participant that sends Client Orders (on account of third party), unless otherwise state in Book 2 relating to each Segment of Vorvel Market.

### **Order**

A proposal to buy or sell entered the Vorvel system by an Order Flow Provider and, if the case, by a Liquidity Provider, containing all the data necessary for trading and for displaying in the book.

### **Rule Book concerning a Vorvel Market Segment**

Refers to the set of rules of Book 1 (harmonized part common to all Vorvel Market Segments) and of Book 2 (specific part of a single Vorvel Market Segment).

### **Security**

A financial instrument as defined in Article 1, paragraph 2, of the Consolidates Law of Finance (T.U.F.), traded on Vorvel.

### **Sell-out**

A request by a Member for the compulsory execution of one or more contracts executed on the Vorvel Market when cash has not been delivered in settlement of a trade.

## **Settlement Agent**

The subject (s) appointed by a Market Participant for the settlement of trades executed in Vorvel Market by the same Member.

## **Specialist**

The Liquidity Provider which supports the liquidity of a financial instrument issued by itself or by an Issuer having a relevant relationship with itself, and that it submits itself to the liquidity obligations specified in Book 2 dedicated to each Market Segment.

The relationship with the Issuer is considered relevant in the following cases:

- 1) The Financial Instrument is issued by its controlled, controlling affiliated company, as per article 2359 of the Italian Civil Code, or by a company being part of the same group, as per article 6 of the Legislative Decree 385/93, or similar foreigner rules;
- 2) The Financial Instrument is issued by other Issuers and is placed by the Specialist and/or companies having with itself the relationship specified at point 1;
- 3) The Liquidity Provider has in place an agreement with the Issuer for supporting the liquidity of the Financial Instrument;
- 4) The Financial Instrument is distributed through Vorvel.

## **Sponsored Access**

Mechanism by which an investment firm that is a trading platform member or user, permits to specific clients (among which the eligible counterparts) the direct and electronic transmission of orders to a specified platform with the trading ID of the investment firm himself, not letting orders to transit through the investment management firm's electronic trading system.

## **Spread**

The difference in price, expressed in percentage terms, between bid and ask prices.

## **Tick**

For each category of security admitted for trading in Vorvel, the smallest possible fluctuation in buy or ask prices.

## **Throttling**

FTX market's technological platform functionality that limits the transmission frequency of transactions from Participating Parties to the market.

## **Trading calendar**

The days on which trading on Vorvel Market is allowed.

## **Trading Guide**

It means the Guide dedicated to the Market Participants, mainly including trading parameters, other useful details for trading and other specifications of elements concerning trading indicated in the Vorvel Rule Book.

## **Trading minimum quantity**

The minimum quantity and its multiples tradable in Vorvel for each financial instrument

The principle whereby, at the same price conditions, the first trade entered first on trading book is executed.

## **Trading Proposal**

Quotes or Orders placed on Vorvel.

**T.U.F. or Consolidated Law of Finance**

Italian Legislative Decree n. 58 of 24 February 1998 as subsequently amended and added to.

**Throttling**

Functionality of the technical platform of FTX market that limits the frequency of transmission of transactions from Market Participants to the market.

**Tick**

Indicates, for each financial instrument category admitted to trading on Vorvel Market, the minimum price deviation of each Order/Quote.

**X-TRM**

Indicates the daily feedback and adjustment service through which trades are sent to the post-trading phase.