

# TRADING GUIDE



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*The Italian text shall prevail over the English version*

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## ***Introduction***

This Guide to Trading:

1. Must be read jointly with the Vorvel Market Rule-Books;
2. It consists of Chapters. Each chapter refers to a specific Segment;
3. Is constantly updated, published on Vorvel website and always communicated with an Vorvel Notice.

## Chapter 1 Vorvel Certificates Segment – Certificates and Covered Warrants

### 1. Vorvel Certificates Segment

Vorvel Certificates Segment is divided into two macro-classes, depending on whether the securities are Covered Warrants and Leveraged Certificates, or Investment Certificates.

The following table displays the composition of these macro-classes.

Leveraged Certificates	Type of Certificate	Description
Covered Warrants	ESOT	Covered Warrant Esotico
	CALL	Covered Warrant Call
	PUT	Covered Warrant Put
Leveraged Certificates	BULL	Bull Leveraged Certificates
	BEAR	Bear Leveraged Certificates
	FIXLEV	Fixed Leveraged Certificates
	LEV	Other Leveraged Certificates
Investment Certificates	INV CP	Capital Protection Invest. Cert.
	INV CCP	Conditionally Protected Capital Invest. Cert.
	INV NP	Not Protected Capital Invest. Cert.

### 2. Price variation limits

Pursuant to article 19 of Book 2 of Vorvel Certificates Segment, price variation limits are assigned to each financial instrument based on the reference price defined at the end of the previous trading session, and on the basis of the different before mentioned macro-classes to which they belong, as shown below.

The following table illustrates the percentage values assigned as maximum price variation limits with regards to the Static Price (Limit 1) and with regards to the Dynamic Price (Limit 2). The downside of each limit is maximum 100% in all cases it exceeds that value.

Previous day Reference Price (in currency)	Limit 1	Limit 2	
		CW and Lev Cert	Investment Certificates
≤ 0,005	2000%	800%	400%
0,0051 – 0,10	600%	300%	150%
0,1001 – 1	300%	150%	75%
1,0001 – 3	200%	100%	50%
3,0001 – 30	100%	50%	25%
30,0001 - 70	60%	20%	10%
70,0001 - 90	30%	12%	6%
90,0001 - 300	20%	10%	5%
more than 300	15%	6%	3%

The trading parameters referred to this paragraph may be modified or temporarily deactivated, and they are subject to annual review. Changes are communicated by Notice and the percentage value of each financial instrument's limit is communicated through the website and the usual info channels of the Market.

Vorvel Sim may establish a different price variation limit from that specified in this paragraph, considering the characteristics and the liquidity of each financial instrument; it shall announce such a decision in a Notice.

### 3. Features of some types of orders

In accordance with article 16 of Book 2 of Vorvel Segment Market, the available execution methods are "execute and cancel" (also called IoC), "valid until canceled" (within the same trading session), "Good till hour" (within the same trading session) or "all or nothing" (also called FoK). In case an order placed with "all or nothing" execution mode could be partially filled with a quote with RFE Quote Flag active, an RFE phase will be triggered before the execution of any trade, even if one or more trades could be executed with proposals having higher price-time priority.

### 4. Trading Tick, trading hours and updates of Dynamic Prices

Pursuant to article 16 of Book 2 of Vorvel Certificates Segment, prices of proposals (quotes or orders) shall be multiples of the values ("tick") established for each financial instrument and each market session in relation to the prices of the proposal entered, and according to the following table:

Prices of the orders/quotes entered	Tick
$\leq 0,005$	0,0001
0,0051 – 0,10	0,0005
0,1001 – 1	0,001
1,0001 – 3	0,005
more than 3	0,01

Furthermore, pursuant to article 7 of Book 2 of Vorvel Certificates Segment, the Specialists can indicate one of the following start and end time of the Continuous Trading Phase:

- Start time of the Continuous Trading Phase: 08:10, 09:05, 14:30, 15:30;
- End time of the Continuous Trading Phase: 17:30, 18:30, 20:00, 21:55, 22:55.

Finally, pursuant to article 18 of Book 2 of Vorvel Certificates Segment, the Dynamic Price shall be the average price of a number of bids and offers entered by the Specialist in the order book, if any, 7 times per trading session: at 08:10, at 9:05, at 9:35, at 14:30, at 15:30, at ~~17:30~~ and at 20:30.

For Fixed Leveraged Certificates only, the price calculated at 17:30 is also referred to as the Intraday Reference Price and published on the website [www.vorvel.eu](http://www.vorvel.eu) and to Participants who request it.

### 5. Spread obligations of the Specialists

Pursuant to article 8 letter a) of Book 2 of Vorvel Certificates Segment, in relation to the spread obligations of the Specialists which undertake to place on the market bid and offer quotes in accordance with either the bid-offer voluntary market making agreement or the MiFID 2 market making agreement, the maximum spread allowed for each quote on the book, is calculated as the ratio of the difference between the bid and offer prices divided by the offer price, and shall be determined on the basis of the following table:

Previous day Reference Price (in currency)	Max Spread
≤ 0,005	200%
0,0051 – 0,10	50%
0,1001 – 1	30%
1,0001 – 3	20%
3,0001 – 30	10%
30,0001 - 90	6%
Oltre 90	4%

Vorvel may establish a maximum spread that differs from that specified above, considering the characteristics of each financial instrument; it shall announce such a decision in a Notice. The spread percentage value applicable on each financial instrument is communicated through website.

## 6. Stressed Market Conditions and Exceptional Circumstances

### a) Stressed Market Conditions

Pursuant to article 9 of Book 2 of Vorvel Certificates Segment, Vorvel Sim may declare that stressed market conditions occur on individual financial instrument or group of financial instruments, if, following the triggering of each Circuit Breaker, the price variations with respect to the relative Dynamic Price exceed the 10% thresholds for investment certificates, and 20% for leveraged certificates and Covered Warrants. Vorvel Sim can also declare that stressed market conditions occur if the trading trend on financial instruments makes it necessary. Such stressed market conditions will be communicated by the Market via Notice.

### b) Exceptional Circumstances

Exceptional circumstances, with the exception of those provided for in letter d) of article 3 of EU Regulation n.578 of 2017 (regarding technical problems, risk management or short selling bans applicable to Specialists), will be communicated by the Market via Notice. With regards to the above-mentioned letter d), and to obtain exemption from trading obligations, Specialists communicate the start and end of these circumstances via email to [governance@vorvel.eu](mailto:governance@vorvel.eu)

## 7. Limits to maximum quantity and countervalue of an order/quote

Pursuant to article 16 of Book 2 of Vorvel Certificates Segment, the following table defines the maximum quantity and countervalue that each order/quote must respect. In any case, the maximum quantity value cannot exceed the 10.000.000 pieces.

Macro-classes	Maximum Quantity	Max Turnover (in currency)
<i>Leveraged Certificates and Covered Warrant</i>	<i>5.000.000/ Previous day Reference Price (in currency)</i>	<i>5.000.000</i>
<i>Investment Certificates</i>	<i>10.000.000/ Previous day Reference Price (in currency)</i>	<i>10.000.000</i>

## 8. OTR

Vorvel Sim defines the daily calculation of the order to trade ratio for each Order Flow Provider or Specialist on each financial instrument in terms of volume and in term of number, on the basis of the following table:

<b>Market Participant</b>	<b>OTR in terms of number</b>	<b>Min. number of Orders</b>	<b>OTR in terms of volume</b>
<i>Order Flow Provider</i>	5.000	100.000	50.000.000
<i>Specialist</i>	50.000	500.000	500.000.000

In particular:

- OTR in terms of number, represents the maximum order/quote entry threshold, and is calculated as the ratio between the Total Number of Orders and Total Number of Trades, minus one;
- OTR in terms of volume, represents the maximum order/quote entry threshold, and is calculated as the ratio between the Total Volume of Orders and the Total Volume of Trades, minus one;
- Min. Order Number is the minimum number of orders/quotes necessary for an OTR violation to be considered.

In absence of trades, the Number of Trades is set equal to 1, while the Volume of Trades is set equal to the minimum lot of the instrument. The violation of the OTR consists in exceeding one of the two limits indicated above. In the event that a violation occurs, Vorvel Sim notifies the Order Flow Provider or Specialist of the violation, requesting all the information necessary for further investigation. Vorvel Sim can intervene, according to the provisions of the Rules, if OTR thresholds are repeatedly violated.

## 9. Transactional Capacity

As reported in the Price List for Liquidity Providers, the Membership package assigned to a Specialist includes transactional capacity per second (tps), which is assigned by Vorvel Sim on quarterly basis, on the basis of the number of financial instruments on which the Specialist undertakes Liquidity Obligations, as set out in the following table:

<b>Total number of instruments per macro-classes in which the Specialist undertakes the liquidity obligations</b>		<b>Assigned TPS</b>
<i>Leveraged Certificates and Covered Warrants</i>	1 - 25 instruments	25
	26 - 50 instrum.	50
	51 - 150 instrum.	150
	151 - 300 instrum.	200
	More than 300 instrum.	250
<i>Investment Certificates</i>	1 - 50 instrum.	10
	51 - 150 instrum.	25
	151 - 300 instrum.	50
	301 - 600 instrum.	100
	More than 600 instrum.	150

## 10. Handling of errors

Pursuant to article 22 of Book 2 of Vorvel Certificates Segment, Vorvel Sim proceed to cancel all trades executed at prices that differ from the relevant theoretical reference price, calculated as defined in the same above-mentioned article, by more than the threshold levels set out in the following table.

Comparison price	Threshold	
	CW and Lev Cert	Investment Certificates
$\leq 0,005$	<i>UP 100%, DOWN 50%</i>	
0,0051 - 3	40%	20%
3,0001 - 70	10%	7,50%
more than 70	5%	3,50%