

GUIDE TO THE PARAMETERS

for trading on the markets organised
and managed by Borsa
Italiana

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BORSA ITALIANA

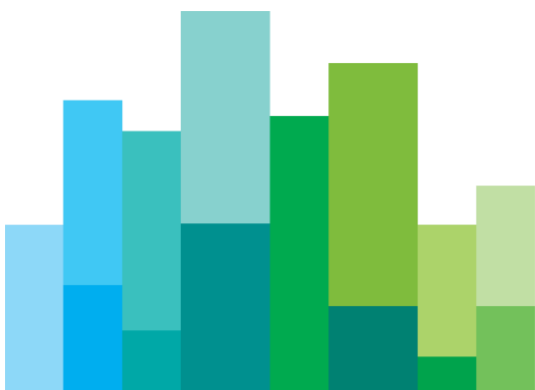
TABLE OF CONTENTS

- 1. Equity MARKETS 4**
 - A – Price variation limits 5
 - B - Limits to the quantity and countervalue of orders..... 6
 - C - Obligations of specialists, liquidity providers and market makers..... 7
 - D – Stressed market conditions 8
- 2. ETFplus MARKET 10**
 - A - Price variation limits 11
 - B - Limits to the quantity and countervalue of orders..... 12
 - C – RFQ..... 13
 - D – Obligations of market makers 13
 - E – Stressed market conditions 14
- 3. Fixed Income MARKETS 16**
 - A - Price variation limits 17
 - B - Limits to the quantity and countervalue of orders..... 20
 - C – RFQ..... 21
 - D – Obligations of specialists, liquidity providers and market makers..... 21
 - E – Stressed market conditions 23
- 4. Securitised Derivatives MARKETS 25**
 - A - Price variation limits 26
 - B - Limits to the quantity and countervalue of orders..... 29
 - C - Refresh period for RFE model 29
 - D - Obligations of liquidity providers, secondary liquidity providers and market makers 30
 - E - Stressed market conditions 32
- 5. Trading Ticks FOR EuroTLX MARKET 33**
 - A - Trading Ticks for EuroTLX Market 34
- 6. Euronext Derivatives Milan MARKET 35**
 - A - Price variation limits 36
 - B – Limits to the quantity of orders 40
 - C – Deviation limits and minimum thresholds for negotiated transactions (*wholesales*) 40
 - D – RFC Orders: price limits, quantity limits and duration 41

| | |
|---|-----------|
| E – Obligations of market makers and liquidity providers | 41 |
| F – Stressed market conditions | 44 |
| 7. ORDER TO TRADE RATIO | 46 |
| A - OTR METHODOLOGY | 47 |

1. EQUITY MARKETS

**EURONEXT MILAN,
EURONEXT MIV MILAN,
EURONEXT GROWTH MILAN,
EURONEXT GEM,
TRADING AFTER HOURS,
EUROTLX EQUITY SEGMENT**



A – Price variation limits

1. For the purpose of automatic control of the regularity of trading, the following trading conditions are established:
 - a) maximum price variation limits of the orders with respect to the static reference price (X parameter);
 - b) maximum price variation limits of the trades respect to the static reference price (Y parameter);
 - c) maximum price variation limits of the trades respect to the dynamic reference price (Z parameter).

| Instruments | X | Y | Z |
|---|------|-------|-------|
| FTSE MIB index shares | ±50% | ±5% | ±3% |
| Other shares | ±50% | ±10% | ±5% |
| Shares of closed-end funds | ±50% | ±7.5% | ±3.5% |
| Warrants | ±90% | ±30% | ±5% |
| Rights | ±90% | ±30% | ±15% |
| Convertible bonds | ±25% | ±5% | ±2.5% |
| TAH market | ±30% | ±5% | ±3% |
| Euronext MIV Milan (Generalist) | ±30% | ±10% | ±5% |
| Euronext MIV Milan (Private Debt) | ±30% | ±7.5% | ±2.5% |
| Euronext MIV Milan (Private Equity) | ±50% | ±15% | ±5% |
| Euronext MIV Milan (Venture Capital) | ±50% | ±20% | ±5% |

2. The trading conditions referred to in paragraph 1 may be altered or temporarily disabled.

B - Limits to the quantity and countervalue of orders

1. The maximum countervalue (amount) limits of the orders are set in the following table.

| Markets and instruments | Maximum countervalue (EUR) in continuous phase | Maximum countervalue (EUR) in call phase |
|--|--|--|
| Euronext Milan market | 50,000,000 | 50,000,000 |
| Euronext Milan market, Euronext STAR Milan segment | 50,000,000 | 50,000,000 |
| Euronext MIV Milan, Euronext Growth Milan, Euronext GEM and TAH markets | 10,000,000 | 10,000,000 |
| Un-exercised rights | Set in the start of trading Notice | Set in the start of trading Notice |
| Instruments of Euronext Milan and Euronext MIV Milan markets traded in a single call phase | 10,000,000 | 10,000,000 |
| EuroTLX Equity segment | 15,000,000 | 15,000,000 |

2. The maximum quantities of financial instruments in an order are computed on the basis of the maximum countervalues referred to in paragraph 1 and adjusted periodically on the basis of the price of the individual financial instrument.
3. For instruments traded in currencies other than the euro, the limits referred to in paragraph 1 shall be periodically adjusted on the basis of the exchange rate against the euro.
4. In order to guarantee the regularity of trading, Borsa Italiana can establish different countervalues or maximum quantities even at instrument level.
5. The maximum quantities and countervalues referred to in the previous paragraphs are made available through the static data files of the trading platform.
6. For iceberg orders the following limits are set:

| Minimum order amount in EUR | Disclosed quantity (<i>minimum disclosed lots * instrument lot size</i>) |
|-----------------------------|--|
| 10,000 | 10 * instrument lot size |

C - Obligations of specialists, liquidity providers and market makers

1. The obligations of specialists (SPE), liquidity providers (LPU) and market makers (MMA, MMS, MMX) on Equity markets are set as follows:

| Markets and instruments | Minimum countervalue of the orders (EUR) | Maximum spread (%) | Minimum time presence (%) (SPE*) | Minimum time presence (%) (LPU*) | Minimum time presence (%) (MMA**, MMS*, MMX*) | Obligations time (CET/CEST) |
|--|--|--------------------|----------------------------------|----------------------------------|---|-----------------------------|
| Euronext Milan: FTSE MIB index shares | 10,000 | 0.5% | - | 60% | 55% (MMA, MMS) | 8:50:00 – 17:35:30 |
| Euronext Milan: Euronext STAR Milan shares | 2,500 | 3% | 60% | 60% | 55% (MMA, MMS) | 8:50:00 – 17:35:30 |
| Euronext Milan: other shares | 2,500 | 3% | 60% | 60% | 55% (MMA, MMS) | 8:50:00 – 17:35:30 |
| Euronext Milan: convertible bonds | 2,500 | 4.5% | - | 60% | 55% (MMA, MMS) | 8:50:00 – 17:35:30 |
| Euronext MIV Milan | 2,500 | 4.5% | 60% | 60% | 55% (MMA, MMS) | 8:50:00 – 17:35:30 |
| Euronext Growth Milan | 2,500 | 4.5% | 60% | 60% | 55% (MMA, MMS) | 8:50:00 – 17:35:30 |
| Euronext GEM | 2,500 | 3% | - | 60% | 55% (MMA, MMS) | 8:50:00 – 17:35:30 |
| TAH | 2,500 | 3% | - | 60% | 50% (MMA, MMS) | 18:00:00 – 20:30:00 |
| EuroTLX Equity segment | 2,500 | 3% | - | - | 50% (MMX) | 9:00:00 – 17:30:00 |

* with relaxed obligations during stressed market conditions

** with normal obligations during stressed market conditions

2. The maximum percentage spread is calculated as the ratio between the offer-bid difference and the midpoint (bid-offer average).
3. Borsa Italiana may adapt the table referred to in paragraph 1 in any circumstance that requires technical interventions or if market conditions have changed.
4. The daily and monthly performance values are made available to each member with quotation obligations through the "Market Making Performance Report". Daily reports are made available at T+1.
5. Quotation obligations during stressed market conditions are defined in paragraph D.
6. OTR (*Order to Trade ratio*) limits for members with quotation obligations are set in the dedicated chapter.

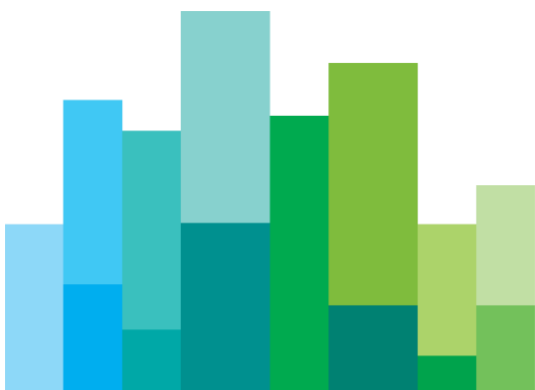
D – Stressed market conditions

1. A financial instrument negotiated in the Equity Markets is subject to stressed market conditions in the 15 minutes following the restart of trading after a volatility interruption.
2. Borsa Italiana may declare stressed market conditions, with communication to the market, when the price and volume changes in a given timeframe on single or multiple financial instruments jointly exceed the following thresholds:

| Instruments | Conditions that shall occur jointly | |
|---|---|---|
| FTSE MIB shares and liquid shares | Change of the average price over the last 30 minutes respect to the closing price exceeding 15% in absolute value | Traded countervalue > 2.5 times the average countervalue of the previous 5 days |
| Euronext GEM market, EuroTLX Equity segment, other shares | Change of the average price over the last 30 minutes respect to the closing price exceeding 25% in absolute value | Traded countervalue > 3.5 times the average countervalue of the previous 5 days |
| TAH market | Change of the average price over the last 30 minutes respect to the closing price exceeding 4% in absolute value | Traded countervalue > 3 times the average countervalue (TAH) of the previous 5 days |

3. Borsa Italiana may also declare stressed market conditions, with communication to the market, if required by the trading conditions of the affected instruments.
4. During stressed market conditions, specialists, liquidity providers and market makers (if provided for in the market making agreements) are required to quote with halved quantities and with doubled spreads.

2. ETFPLUS MARKET



A - Price variation limits

1. For the purposes of the automatic control of the regularity of trading the following trading conditions are established:
 - a) maximum price variation limits of the orders with respect to the static reference price, defined by instrument type (X parameter);
 - b) maximum price variation limits of the trades respect to the static reference price, defined by instrument type (Y parameter);
 - c) maximum price variation limits of the trades respect to the dynamic reference price, defined by instrument type (Z parameter).

| Fixed income ETFs and similar | | X | Y | Z |
|-------------------------------|---|------|--------|--------|
| Without leverage | Underlying on overnight rate (euro) | ±1% | ±0.25% | ±0.15% |
| | Underlying with maturity 0-1 year (euro) | ±10% | ±0.7% | ±0.35% |
| | Underlying with maturity 0-1 year (other than euro) | | ±1.5% | ±0.75% |
| | Underlying with maturity 1 – 3 years | | | |
| | Underlying with maturity 3-10 years | | ±2.5% | ±1.25% |
| | Underlying with maturity more than 10 years | | ±3.5% | ±1.75% |
| | Underlying on corporate non investment grade | | | |
| | Underlying emerging markets | | | |
| With leverage | | | ±30% | ±5% |

| Equity ETFs and similar | | X | Y | Z |
|-------------------------|--|------|------|-------|
| Without leverage | | ±30% | ±5% | ±2.5% |
| With leverage | | ±40% | ±10% | ±5% |

| ETCs/ETNs | X | Y | Z |
|---|------|--------|-------|
| Underlying bonds maximum leverage equal to 3 | ±30% | ±5% | ±2.5% |
| Underlying bonds leverage more than 3 | ±40% | ±10% | ±5% |
| On currency without leverage | ±20% | ±10% | ±5% |
| On currency with leverage | ±30% | ±12.5% | ±5% |
| On single stocks (or basket of stocks) without leverage | ±50% | ±10% | ±5% |
| On single stocks (or basket of stocks) with leverage | ±60% | ±30% | ±10% |
| On equity indices without leverage | ±30% | ±5% | ±2.5% |
| On equity indices maximum leverage equal to 2 | ±40% | ±10% | ±5% |
| On equity indices leverage greater than 2 and less than or equal to 3 | ±60% | ±15% | ±7.5% |
| On equity indices leverage greater than 3 | ±70% | ±20% | ±10% |
| Other underlyings without leverage | ±40% | ±10% | ±5% |
| Other underlyings maximum leverage equal to 2 | ±60% | ±12.5% | ±5% |
| Other underlyings leverage more than 2 | ±60% | ±15% | ±7.5% |

- For financial instruments traded in the ETFplus market, Borsa Italiana may establish, with communication to the market, price variation limits other than those referred to in paragraph 1, taking into account the historical volatility of the underlying and the presumable liquidity of the financial instrument.
- The trading conditions referred to in the previous paragraphs may be altered or temporarily disabled.

B - Limits to the quantity and countervalue of orders

- The maximum countervalue (amount) limits of the orders are set in the following table.

| Instruments | Maximum countervalue (EUR) of orders and RFQ in continuous phase | Maximum countervalue in call phase (EUR) |
|-------------|--|--|
| ETF | 80,000,000 | 80,000,000 |
| ETC/ETN | 40,000,000 | 40,000,000 |

| Underlying category | Maximum spread (%) | MMS (*) | | MMA (**) | |
|--------------------------|--------------------|----------------------|---------------------------|----------------------|---------------------------|
| | | Minimum amount (EUR) | Minimum time presence (%) | Minimum amount (EUR) | Minimum time presence (%) |
| ETF-Structured | 3.00% | 50,000 | 50% | 50,000 | 50% |
| ETC/ETN with leverage | 6.00% | 25,000 | 50% | 25,000 | 50% |
| ETC/ETN without leverage | 3.00% | 50,000 | 50% | 50,000 | 50% |

* with relaxed obligations during stressed market conditions

** with normal obligations during stressed market conditions

- The maximum percentage spread is calculated as the ratio between the offer-bid difference and the midpoint (bid-offer average).
- Borsa Italiana may adapt the obligations referred to in the previous paragraphs in any circumstance requiring technical interventions or in case of changed market conditions.
- The daily and monthly performance values are made available to each member with quotation obligations through the "Market Making Performance Report". Daily reports are made available at T+1.
- Quotation obligations during stressed market conditions are defined in paragraph E.
- OTR (*Order to Trade ratio*) limits for members with quotation obligations are set in the dedicated chapter.

E – Stressed market conditions

- A financial instrument traded in the ETFplus market is subject to stressed market conditions in the 15 minutes following the restart of trading after a volatility interruption.
- Borsa Italiana may declare stressed market conditions, with communication to the market, when the price and volume changes in a given timeframe on single or multiple financial instruments jointly exceed the following thresholds:

| Instruments | Conditions that shall occur jointly | |
|-----------------------------------|--|---|
| Instruments of the ETFplus market | Change of the average price over the last 30 minutes respect to the closing price exceeding $1.5 * Y\%$ in absolute value [where Y represents the price variation limit set in chapter A] | Traded countervalue > 3 times the average countervalue of the 5 previous days |

3. Borsa Italiana may also declare stressed market conditions, with communication to the market:
 - for ETFs on Italian stocks indexes, in case of declaration of stressed market conditions on the related index derivatives traded on Euronext Derivatives Milan market;
 - for all the instruments, if required by the trading conditions of the instruments.
4. During stressed market conditions, market makers - if provided for in the market making agreements - are required to quote with halved quantities and with doubled spreads.

3. FIXED INCOME MARKETS

**MOT,
EURONEXT ACCESS MILAN,
EUROTLX BOND-X SEGMENT**



A - Price variation limits

1. For the purpose of automatic control of the regularity of trading, the following trading conditions are established:

a) maximum price variation limits of the orders with respect to the static reference price, set by class of instrument and residual life (X parameter):

| Class of residual life | DomesticMOT (Italian government securities class) | DomesticMOT (Other debt securities) Bond-X (Corporate and Financials, Government Bonds) | EuroMOT (Eurobond, ABS, securities of foreign issuers and other debt securities class) | Euronext Access Milan Bond-X (Branded Bonds, Emerging Markets Bonds, debt securities in currencies other than EUR, ITL, DEM, GBP, USD, AUD, CAD) |
|-------------------------------|---|--|--|---|
| 0 – 180 (6 months) | 5.00% | 5.00% | 5.00% | 5.00% |
| 181 - 365 (1 year) | 5.00% | 10.00% | 10.00% | 10.00% |
| 366 – 730 (2 years) | 5.00% | 10.00% | 10.00% | 10.00% |
| 731 – 1095 (3 years) | 10.00% | 10.00% | 10.00% | 15.00% |
| 1096 – 1825 (5 years) | 10.00% | 15.00% | 15.00% | 15.00% |
| 1826 – 2556 (7 years) | 10.00% | 15.00% | 15.00% | 15.00% |
| 2557 – 3650 (10 years) | 15.00% | 15.00% | 15.00% | 15.00% |
| 3651 – 5475 (15 years) | 15.00% | 15.00% | 15.00% | 20.00% |
| 5476 and more | 15.00% | 20.00% | 20.00% | 20.00% |

b) maximum price variation limits of the trades respect to the static reference price, set by class of instrument and residual life (Y parameter):

| Class of residual life | DomesticMOT (Italian government securities class) | DomesticMOT (Other debt securities) Bond-X (Corporate and Financials, Government Bonds) | EuroMOT (Eurobond, ABS, securities of foreign issuers and other debt securities class) | Euronext Access Milan Bond-X (Branded Bonds, Emerging Markets Bonds, debt securities in currencies other than EUR, ITL, DEM, GBP, USD, AUD, CAD) |
|-------------------------------|---|--|--|---|
| 0 – 180 (6 months) | 0.25% | 1.00% | 1.00% | 2.00% |
| 181 - 365 (1 year) | 0.50% | 1.25% | 1.25% | 2.00% |
| 366 – 730 (2 years) | 0.75% | 1.50% | 1.50% | 3.00% |
| 731 – 1095 (3 years) | 1.50% | 2.00% | 2.00% | 3.00% |
| 1096 – 1825 (5 years) | 2.00% | 2.50% | 2.50% | 4.00% |
| 1826 – 2556 (7 years) | 2.00% | 3.00% | 3.00% | 5.00% |
| 2557 – 3650 (10 years) | 2.00% | 3.00% | 3.00% | 5.00% |
| 3651 – 5475 (15 years) | 2.50% | 3.50% | 3.50% | 5.50% |
| 5476 and more | 2.50% | 4.00% | 4.00% | 7.00% |

- c) maximum price variation limits of the trades respect to the dynamic reference price, set by class of instrument and residual life (Z parameter):

| Class of residual life | DomesticMOT (Italian government securities class) | DomesticMOT (Other debt securities) Bond-X (Corporate and Financials, Government Bonds) | EuroMOT (Eurobond, ABS, securities of foreign issuers and other debt securities class) | Euronext Access Milan Bond-X (Branded Bonds, Emerging Markets Bonds, debt securities in currencies other than EUR, ITL, DEM, GBP, USD, AUD, CAD) |
|-------------------------------|---|--|--|---|
| 0 – 180 (6 months) | 0.25% | 1.00% | 1.00% | 1.50% |
| 181 - 365 (1 year) | 0.25% | 1.00% | 1.00% | 1.50% |
| 366 – 730 (2 years) | 0.50% | 1.00% | 1.00% | 2.50% |
| 731 – 1095 (3 years) | 0.75% | 1.50% | 1.50% | 2.50% |
| 1096 – 1825 (5 years) | 1.00% | 1.50% | 1.50% | 3.00% |
| 1826 – 2556 (7 years) | 1.00% | 1.50% | 1.50% | 4.00% |

| Class of residual life | DomesticMOT (Italian government securities class) | DomesticMOT (Other debt securities) Bond-X (Corporate and Financials, Government Bonds) | EuroMOT (Eurobond, ABS, securities of foreign issuers and other debt securities class) | Euronext Access Milan Bond-X (Branded Bonds, Emerging Markets Bonds, debt securities in currencies other than EUR, ITL, DEM, GBP, USD, AUD, CAD) |
|-------------------------------|---|--|--|---|
| 2557 – 3650 (10 years) | 1.00% | 2.00% | 2.00% | 4.00% |
| 3651 – 5475 (15 years) | 1.50% | 2.00% | 2.00% | 4.50% |
| 5476 and more | 1.50% | 2.50% | 2.50% | 5.00% |

2. The following trading conditions are established on the Professional segment of Euronext Access Milan market:

| Instruments | X | Y | Z |
|---|----------|----------|----------|
| Euronext Access Milan Professional segment | 30.00% | 5.00% | 2.50% |

3. The trading conditions referred to in the previous paragraphs may be altered or temporarily deactivated.

B - Limits to the quantity and countervalue of orders

1. The maximum countervalue (amount) and quantity limits of the orders are set in the following table:

| Instruments | Maximum countervalue (EUR) of orders and RFQ in continuous phase | Maximum countervalue in call phase (EUR) | Maximum quantity (nominal value in EUR) of orders and RFQ in continuous phase | Maximum quantity (nominal value in EUR) in call phase |
|----------------------------------|--|--|---|---|
| MOT market | 50,000,000 | 50,000,000 | 50,000,000 | 50,000,000 |
| Euronext Access Milan market | 25,000,000 | 25,000,000 | 25,000,000 | 25,000,000 |
| Bond-X segment of EuroTLX market | 25,000,000 | 25,000,000 | 25,000,000 | 25,000,000 |

2. For instruments traded in currencies other than the euro, the limits referred to in the previous paragraph shall be periodically adjusted on the basis of the exchange rate against the euro.
3. In order to guarantee the regularity of trading, Borsa Italiana can establish different countervalues or maximum quantities even at instrument level.
4. The maximum quantities and countervalues referred to in the previous paragraphs are made available through the static data files of the trading platform.
5. For the iceberg orders the following limits are set:

| Minimum nominal order amount in EUR | Disclosed quantity (<i>minimum disclosed lots * instrument lot size</i>) |
|-------------------------------------|--|
| 10,000 | 10 * instrument lot size |

C – RFQ

1. RFQ proposals may be executed at prices within the Y and Z limits set in Chapter A.
2. RFQ proposals can be entered without minimum size constraints.

D – Obligations of specialists, liquidity providers and market makers

1. The obligations of specialists (SPE), liquidity providers (LPU) and market makers (MMA, MMX) in the Fixed Income markets are set as follows:

Table A: minimum quantity (nominal value)

| Markets | TABLE A.1.a Government securities Italy | TABLE A.2.a Other debt securities guaranteed by central counterparty | TABLE A.3.a Other debt securities not guaranteed by central counterparty |
|----------------------------|--|---|---|
| MOT, Euronext Access Milan | 50,000 EUR | 50,000 EUR | 25,000 EUR |

| Markets | TABLE A.1.b Debt securities in currencies other than EUR, ITL, DEM, GBP, USD, AUD, CAD | TABLE A.2.b Corporate and Financials, Government Bonds | TABLE A.3.b Branded bonds, Emerging Markets Bonds |
|----------------------------------|---|---|--|
| Bond-X segment of EuroTLX market | 25,000 EUR | 50,000 EUR | 25,000 EUR |

Table B: maximum spread (MOT and Euronext Access Milan markets)

| Residual life | TABLE B.1 Government securities Italy | TABLE B.2 Other debt securities guaranteed by central counterparty | TABLE B.3 Other debt securities not guaranteed by central counterparty |
|-----------------------|--|---|---|
| 0 -180 (6 months) | 1.00% | 1.00% | 3.00% |
| 181 - 365 (1 year) | 1.00% | 1.50% | 3.00% |
| 366 - 730 (2 years) | 1.00% | 2.50% | 5.00% |
| 731 - 1095 (3 years) | 2.00% | 3.00% | 5.00% |

| Residual life | TABLE B.1 Government securities Italy | TABLE B.2 Other debt securities not guaranteed by central counterparty | TABLE B.3 Other debt securities not guaranteed by central counterparty |
|------------------------|--|--|--|
| 1096 - 1825 (5 years) | 2.00% | 3.00% | 6.00% |
| 1826 - 2556 (7 years) | 3.00% | 4.00% | 6.00% |
| 2557 - 3650 (10 years) | 3.00% | 5.00% | 7.00% |
| 3651 - 5475 (15 years) | 3.50% | 5.00% | 7.00% |
| 5476 and more | 3.50% | 6.00% | 8.00% |

Table C: maximum spread (Bond-X segment of EuroTLX market)

| Residual life | TABLE C.1 Debt securities in currencies other than EUR, ITL, DEM, GBP, USD, AUD, CAD | TABLE C.2 Corporate and Financials, Government Bonds | TABLE C.3 Branded bonds, Emerging Markets Bonds |
|------------------------|---|---|---|
| 0 -180 (6 months) | 3.00% | 1.00% | 2.00% |
| 181 - 365 (1 year) | 3.00% | 2.00% | 2.00% |
| 366 - 730 (2 years) | 6.00% | 2.00% | 3.00% |
| 731 - 1095 (3 years) | 6.00% | 3.00% | 4.00% |
| 1096 - 1825 (5 years) | 7.00% | 3.00% | 6.00% |
| 1826 - 2556 (7 years) | 8.00% | 5.00% | 7.00% |
| 2557 - 3650 (10 years) | 8.00% | 6.00% | 8.00% |
| 3651 - 5475 (15 years) | 9.00% | 6.00% | 10.00% |
| 5476 and more | 11.00% | 7.00% | 11.00% |

Table D: minimum time obligations and quoting hours

| Market | Minimum time presence % (Specialist*) | Minimum time presence % (Liquidity Provider*) | Minimum time presence % (Market Maker Agreement MMA*, Market Maker MMX*) | Obligations time (CET/CEST) |
|-------------------------------------|--|--|--|--------------------------------|
| MOT | 50% (bid-ask, bid-only, SPE) | 50% (bid-only, LPU) | 50% (bid-ask, MMA) | 09:00:00 – 17:30:00 |
| Euronext Access Milan | 50% (bid-ask, bid-only, SPE) | 50% (bid-only, LPU) | 50% (bid-ask, MMA) | 09:00:00 – 17:30:00 |
| Bond-X segment of EuroTLX market | 50% (bid-ask, bid-only, SPE) | - | 50% (bid-ask, bid-only, MMX) | 09:00:00 – 17:30:00 |

* with relaxed obligations during stressed market conditions

- For instruments traded in currencies other than the euro, the obligations set in the previous paragraph shall be periodically adjusted on the basis of the exchange rate against the euro.
- The maximum percentage spread is calculated as the ratio between the offer-bid difference and the midpoint (bid-offer average).
- Bid-only specialists comply with the obligations related to the minimum quantity set in paragraph 1, table A.
- Borsa Italiana may adapt the obligations referred to in paragraph 1, in case of amendments to the minimum lot size and in case of any other circumstances requiring technical interventions or in case of changed market conditions.
- The daily and monthly performance values are made available to each member with quotation obligations through the "Market Making Performance Report". Daily reports are made available at T+1.
- Quotation obligations during stressed market conditions are defined in paragraph E.
- OTR (Order to Trade ratio) limits for members with quotation obligations are set in the dedicated chapter.

E – Stressed market conditions

- A financial instrument negotiated in the Fixed Income markets is subject to stressed market conditions in the 15 minutes following the restart of trading after a volatility interruption.

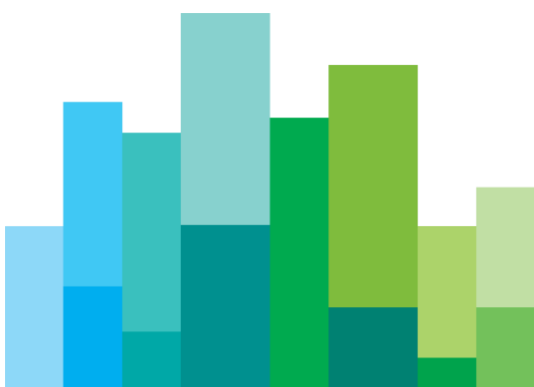
2. Borsa Italiana may declare stressed market conditions, with communication to the market, when the price and volume changes in a given timeframe on single or multiple financial instruments jointly exceed the following thresholds:

| Instruments | Conditions that shall occur jointly | |
|--|--|---|
| MOT market, Euronext Access Milan market, Bond-X segment of EuroTLX market | Change of the average price over the last 30 minutes respect to the closing price exceeding $2*Y\%$ in absolute value [where Y represents the price variation limit set in chapter A] | Traded countervalue > 3 times the average countervalue of the 5 previous days |

3. Borsa Italiana may also declare stressed market conditions, with communication to the market, if required by the trading conditions of the affected instruments.
4. During stressed market conditions, specialists, liquidity providers and market makers (if provided for in the market making agreements) are required to quote with halved quantities and with doubled spreads. Members with bid-only obligations are required to quote with halved quantities.

4. SECURITISED DERIVATIVES MARKETS

SEDEX,
EUROTLX CERT-X SEGMENT



A - Price variation limits

1. For the purposes of the automatic control of the regularity of trading, the following trading conditions are established:
 - a. X parameter: maximum price variation limit of the orders with respect to the static reference price, equal in general to the previous Closing Price or to the Valuation Price.

Table 1.a: X parameter for the instruments other than *leverage certificates*, class B (SeDeX, Cert-X)

| Static reference price | X parameter |
|----------------------------|---------------------------|
| Less than or equal to 0.03 | 0.3 (in trading currency) |
| 0.0301 - 0.1 | 500% |
| 0.1001 - 0.3 | 400% |
| 0.3001 - 1.5 | 350% |
| 1.5001 - 5 | 250% |
| 5.0001 - 10 | 150% |
| 10.0001 - 30 | 90% |
| 30.0001 - 70 | 50% |
| 70.0001 - 100 | 40% |
| 100.0001 - 300 | 30% |
| 300.0001 - 1000 | 25% |
| 1000.0001 - 10000 | 25% |
| Above 10000 | 20% |

Table 1.b: X parameter for *leverage certificates*, class B (SeDeX)

| Underlying type | Static reference price | X parameter (Leverage 1,2,3) | X parameter (Leverage 4,5) | X parameter (Leverage 6,7) |
|--------------------|----------------------------|------------------------------------|----------------------------------|----------------------------------|
| Commodities | Less than or equal to 0.01 | 180% | 240% | 300% |
| | 0.01 – 0.05 | 120% | 160% | 200% |
| | Above 0.05 | 60% | 80% | 100% |
| Volatility indices | Less than or equal to 0.01 | 300% | 300% | - |
| | 0.01 – 0.05 | 200% | 200% | - |
| | Above 0.05 | 100% | 100% | - |
| Bonds and FX rates | Less than or equal to 0.01 | 90% | 120% | 150% |
| | 0.01 – 0.05 | 60% | 80% | 100% |
| | Above 0.05 | 30% | 40% | 50% |
| Equities | Less than or equal to 0.01 | 240% | 300% | 300% |
| | 0.01 – 0.05 | 160% | 200% | 200% |
| | Above 0.05 | 80% | 100% | 100% |
| Other underlyings | Less than or equal to 0.01 | 180% | 240% | 300% |
| | 0.01 – 0.05 | 120% | 160% | 200% |
| | Above 0.05 | 60% | 80% | 100% |

- For instruments traded in currencies other than the euro, the limits referred to in the previous paragraph shall be periodically adjusted on the basis of the exchange rate against the euro.
- During the continuous phase, the Valuation Price is computed and disseminated at least every 5 minutes, provided that at the end of the calculation period the quotes of the liquidity provider are displayed on the orderbook.
- The trading conditions referred to in the previous paragraphs may be altered or temporarily disabled.
- In case of bid-only liquidity provider, the upper price limit for the execution of trades (Virtual Offer Price, VOP) is set in function of the bid price (b) of the liquidity provider as per the following table:

| Bid price (b) of the liquidity provider | Upper price limit for the execution of trades (VOP = b + price difference expressed in trading currency) |
|--|---|
| $b < 0.003$ | $b + 0.005$ |
| $0.003 \leq b < 0.03$ | $b + 0.02$ |
| $0.03 \leq b < 0.1$ | $b + 0.04$ |
| $0.1 \leq b < 0.2$ | $b + 0.05$ |
| $0.2 \leq b < 0.3$ | $b + 0.07$ |
| $0.3 \leq b < 0.75$ | $b + 0.1$ |
| $0.75 \leq b < 1.5$ | $b + 0.2$ |
| $1.5 \leq b < 3$ | $b + 0.3$ |
| $3 \leq b < 5$ | $b + 0.5$ |
| $5 \leq b < 10$ | $b + 0.8$ |
| $10 \leq b < 30$ | $b + 1.5$ |
| $30 \leq b < 70$ | $b + 4$ |
| $70 \leq b < 90$ | $b + 7$ |
| $90 \leq b < 110$ | $b + 9$ |
| $110 \leq b < 200$ | $b + 12.5$ |
| $200 \leq b < 300$ | $b + 20$ |
| $300 \leq b < 500$ | $b + 30$ |
| $500 \leq b < 750$ | $b + 50$ |
| $750 \leq b < 1,000$ | $b + 75$ |
| $1,000 \leq b < 5,000$ | $b + 90$ |
| $5,000 \leq b < 10,000$ | $b + 150$ |
| $10,000 \leq b < 25,000$ | $b + 200$ |
| $25,000 \leq b < 50,000$ | $b + 500$ |
| $50,000 \leq b < 80,000$ | $b + 1,000$ |
| $80,000 \leq b < 100,000$ | $b + 1,600$ |
| $b \geq 100,000$ | $b + 2,000$ |

- The attempt to execute trades at prices exceeding the VOP determines the automatic activation of a reservation phase with a minimum duration of 30 seconds. This phase can be reiterated.

B - Limits to the quantity and countervalue of orders

- The maximum quantity and countervalue (amount) limits of the orders are set in the following table.

| Maximum quantity of the orders (number of instruments) | Maximum countervalue of the orders (euro) |
|---|--|
| 50,000,000 | 25,000,000 |

- For instruments traded in currencies other than the euro, the maximum countervalue limit referred to in the previous paragraph shall be periodically adjusted on the basis of the exchange rate against the euro.
- In order to guarantee the regularity of trading, Borsa Italiana can establish different countervalue or quantity limits even at instrument level.
- The maximum quantity and countervalue limits referred to in the previous paragraphs are made available through the static data files of the trading platform.
- For the iceberg orders the following limits are set:

| Minimum order amount in EUR | Disclosed quantity (<i>minimum disclosed lots * instrument lot size</i>) |
|--------------------------------|---|
| 10,000 | 10 * instrument lot size |

C - Refresh period for RFE model

- In case of potential matching between an order and the passive quote of the liquidity provider, the liquidity provider can update the quotes until the end of the RFE refresh period set for the instrument. The refresh periods are configurable as per the below table:

| Configuration | RFE refresh period |
|---------------|--------------------|
| RFE0 | 0 seconds |
| RFE1 | 0.6 seconds |
| RFE2 | 3 seconds |

D - Obligations of liquidity providers, secondary liquidity providers and market makers

1. Quotation obligations of liquidity providers (LPU), secondary liquidity providers (LPS, SLM) and market makers (MMA) on securitised derivatives markets are applied during the continuous trading and are defined as follows:

Table 1.a: minimum amount of the orders or quotes, maximum applicable spread and time presence obligations

| Session | Instruments | Minimum amount (EUR) | Maximum spread (%) | Minimum time presence % (Liquidity Provider*) | Minimum time presence % (Secondary Liquidity Provider*) | Minimum time presence % (Market Maker*, only on SeDeX market) |
|--|------------------|----------------------|--------------------|---|---|---|
| Trading session until 09:05 (CET/CEST) | SeDeX | 2,500 | Maximum spread 2 | 80% (bid-ask, bid-only, LPU) | 50% (bid-ask SLM , bid-only LPS) | 50% (bid-ask MMA) |
| Trading session from 09:05 to 17:30 (CET/CEST) | SeDeX and Cert-X | 5,000 | Maximum spread 1 | <u>Phases with obligations:</u> - continuous; | <u>Phases with obligations:</u> - continuous | <u>Phases with obligations:</u> |
| Trading session from 17:30 (CET/CEST) | SeDeX | 2,500 | Maximum spread 2 | - Reserved waiting for LPU; - Reserved due to VOP breach | | - continuous |

* with relaxed obligations during stressed market conditions

Table 1.b: spread tables

| Previous closing price (EUR) | Maximum spread 1 (SeDeX and Cert-X) | Maximum spread 2 (SeDeX) |
|---------------------------------|--|-----------------------------|
| Less than or equal to 0.003 | 200% | 270% |
| 0.0031 – 0.3 | 60% | 75% |
| 0.3001 – 1.5 | 25% | 30% |
| 1.5001 – 3 | 17.5% | 25% |
| 3.0001 – 30 | 7.5% | 10% |
| Above 30 | 3.5% | 5% |

2. For instruments traded in currencies other than the euro, the obligations referred to in the previous paragraph shall be periodically adjusted on the basis of the exchange rate against the euro.
3. The minimum quotation amount defined in paragraph 1, table 1.a, in any case shall not exceed 20,000 instruments.
4. The maximum percentage spread is calculated as the ratio between the offer-bid difference and the midpoint (bid-offer average).
5. Borsa Italiana, taking into account the characteristics of the instrument, can establish different obligations from those indicated in the tables in paragraph 1, communicating it with a Notice.
6. Borsa Italiana may adapt the obligations referred to in the previous paragraphs in any other circumstance requiring technical interventions or in case of changed market conditions.
7. The daily and monthly performance values are made available to each member with quotation obligations through the "Market Making Performance Report". Daily reports are made available at T+1.
8. Quotation obligations during stressed market conditions are defined in paragraph E.
9. OTR (Order to Trade ratio) limits for members with quotation obligations are set in the dedicated chapter.

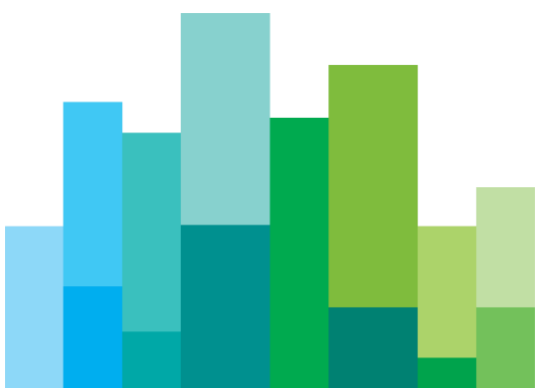
E - Stressed market conditions

1. Stressed market conditions on the financial instruments traded on the securitised derivatives markets occur in the following circumstances:

| | |
|---|---|
| Instruments on shares traded on the Euronext Milan market | During the 15 minutes of continuous trading following a volatility trading interruption of the underlying shares; in cases where stressed market conditions on the underlying have been declared |
| Instruments on other shares | During the 15 minutes of continuous trading following the activation of the Reservation phase on securitised derivatives, due to the volatility trading interruption of the underlying shares in the reference market |
| Instruments on Italian stock indices | In cases where stressed market conditions on index derivatives traded on Euronext Derivatives Milan market have been declared |

2. Borsa Italiana may also declare stressed market conditions, with communication to the market, if required by the trading conditions of the affected instruments.
3. During stressed market conditions liquidity providers, secondary liquidity providers and market makers (if provided for in the market making agreements) are required to quote with halved quantities and with doubled spreads. Members with bid-only obligations are required to quote with halved quantities.

5. TRADING TICKS FOR EUROTIX MARKET



A - Trading Ticks for EuroTLX Market

1. Pursuant to EuroTLX market Rules, the prices of orders shall be multiples of the ticks established for financial instruments in relation to the order prices as follows:

a) **Equity** segment: ticks defined in Commission Delegated Regulation (EU) 2017/588 are applied, determined considering liquidity classes and price ranges of the orders;

b) **Cert-X** segment:

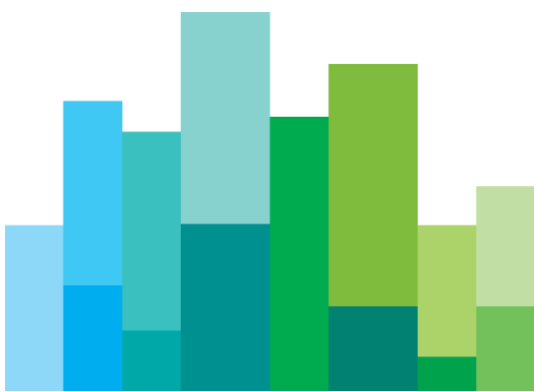
| Order prices | Tick |
|--------------------------|--------|
| Below or equal to 0.0029 | 0.0001 |
| 0.0030 – 0.2995 | 0.0005 |
| 0.300 – 1.499 | 0.001 |
| 1.500 – 2.995 | 0.005 |
| Equal to or above 3.00 | 0.01 |

c) **Bond-X** segment:

| Residual life | Tick |
|-----------------|------|
| All instruments | 0.01 |

The prices of responses to RFQs shall be multiples of the tick value 0.01.

6. EURONEXT DERIVATIVES MILAN MARKET



A - Price variation limits

1. For the purpose of the automatic control of the regularity of trading, Borsa Italiana establishes the following price limits:
 - a. Dynamic Collar: maximum price variation limit for orders and trades respect to the Dynamic Collar Reference Price (DCRP). Buy orders are rejected if entered at prices higher than the upper Dynamic Collar; sell orders are rejected if entered at prices lower than the lower Dynamic Collar. Any attempt to execute trades at prices outside the Dynamic Collar triggers a reservation;
 - b. Static Collar: maximum price variation limit for the execution of trades respect to the Static Collar Reference Price (SCRP). Any attempt to execute trades at prices outside the Static Collar triggers a reservation;
 - c. Semi-static Collar: maximum price variation limit for the execution of trades respect to the semi-static price (Future Limit Interruption Protection, FLIP functionality). Any attempt to execute trades at prices outside the Semi-static Collar triggers a reservation.

A.1 – Dynamic Collar

2. The Dynamic Collar is applied to all instruments traded on the Euronext Derivatives Milan market and is defined as the product of the following factors: market making spread,¹ Collar Multiplier, Collar Expansion Factor.
3. The Dynamic Collar defined in the previous paragraph determines the maximum range of price variation for orders and trades around the DCRP.²
4. The default values of the multipliers referred to in paragraph 2 and the maximum number of reopening attempts as per Article 5.3.8, paragraph 2, of the Rules (TPV mechanism) are established in the following table:

¹ Also known as Reference Spread or Market Quality Spread (MQS).

² As an example, a Dynamic Collar of 10% with a DCRP of 100 determines a lower limit of 95 and an upper limit of 105. Similarly, a Collar of 0.1 euro with a DCRP of 0.4 determines a lower limit of 0.35 and an upper limit of 0.45.

| Contracts | Reference Spread | Collar Multiplier (*) | Collar Expansion Factor (default value) | Maximum number of reopening attempts in case of Dynamic Collar breach (TPV mechanism) |
|--|--|---|---|---|
| FTSE MIB index futures, mini-futures and micro-futures | Market making spread determined based on the DCRP price and expiry of the instrument (*) | 20 | 1 | 232 |
| FTSE Italia PIR PMI TR index futures | | 10 | 1 | 232 |
| FTSE MIB index options | | 3 | 1 | 15 |
| Single stock futures | | between 2 and 20, set at contract level | 1 | 232 |
| Single stock options | | between 2 and 5, set at contract level | 1 | 15 |
| FTSE MIB Dividend index and stock dividend futures | | between 2 and 5, set at contract level | 1 | 232 |

(*) Values disseminated in the Reference Spreads file of the standing data files.

5. Borsa Italiana updates the DCRP along the trading session taking into account the following elements:
 - trading phases;
 - market prices;
 - market *bid-ask* spread;
 - theoretical prices computed based on widely accepted models;
 - trading conditions.
6. The market bid-ask spread is taken into account for DCRP calculation if the bid-ask spread is lower than the Reference Spread multiplied by the following factors: Actual Quality Spread (AQS) Multiplier and AQS Expansion Factor.
7. According to the trading conditions, Borsa Italiana may interrupt, modify or limit the update of the DCRP, even for a single financial instrument.
8. The DCRP for strategies is calculated as a linear combination of the DCRPs of the instruments that are part of the strategy. The dynamic collar for strategies is calculated taking into

account the Reference Spread of the instrument with the furthest expiry date within the strategy.

9. Any changes to the Collar Expansion Factor and AQS Expansion Factor parameters are disseminated in real-time through the public market data (MDG) at contract level.
10. For the determination of the maximum deviation thresholds in case of an extraordinary error handling procedure referred to in Article IA.9.1.3, Table 2, of the Instructions to the Rules, any changes to the Collar Expansion Factor occurring during the day are applied. In the event that the AQS Multiplier³ is equal to one, a Collar Expansion Factor equal to one is applied.⁴

A.2 – Static Collars

11. Pursuant to Article 5.3.8, paragraph 1, of the Rules, notwithstanding what is established in the preceding paragraphs, Borsa Italiana applies static collars to futures contracts.
12. The static collar is defined as a static price range (Static Spread) relative to the SCRCP (Static Collar Reference Price).
13. The SCRCP on the first futures expiry is initialized with the Official Closing Price (OCP) from the previous day and updated at the end of the opening call phase with the uncrossing price. The SCRCP for subsequent expiries is calculated considering the price difference between expiries (Inter-Month Spread, IMS).
14. The Static Spread⁵ is defined in general as follows:

| Contracts | Static Spread |
|--|---------------|
| Futures, mini-futures, micro-futures on FTSE MIB index | 8% |
| FTSE Italia PIR TR index futures | 8% |

³ Parameter referred to in paragraph E.2.

⁴ As an illustrative example, the dynamic collar for futures contracts on the FTSE MIB index – assuming a spread obligation of 30 index points – is calculated at the beginning of the session as follows: Reference Spread * Collar Multiplier * Collar Expansion Factor = 30 * 20 * 1 = 600 index points. The upper dynamic limit in this example is equal to DCRP + 300 points (i.e. 600 / 2) and the lower limit is DCRP – 300 points.

In the event of an intraday modification of the Collar Expansion Factor from 1 to 3 with an AQS Multiplier of 1, the new upper dynamic limit becomes DCRP + 900 points, and the lower limit becomes DCRP – 900 points. The deviation threshold for the error handling procedure in this example remains unchanged at 300 points respect to the theoretical reference price. In the event the AQS multiplier parameter referred to in paragraph E.2 is also modified, the deviation threshold for the error handling procedure is recalculated taking into account the Collar Expansion Factor, resulting in 900 in the example.

⁵ As an illustrative example, a Static Spread of 10% with an SCRCP of 1000 points determines a lower limit of 950 and an upper limit of 1050 points; a Static Spread of 1000 points with an SCRCP of 30000 determines a lower limit of 29500 and an upper limit of 30500 points.

| Contracts | Static Spread |
|---------------------------------|---------------|
| Single stock futures | 15% |
| FTSE MIB Dividend index futures | 20% |
| Stock dividend futures | 20% |

15. The maximum and minimum permissible prices with respect to the Static Collar are published through market data (MDG).

A.3 – Semi-static Collars (FLIP functionality)

16. Pursuant to Article 5.3.8, paragraph 1 of the Rules, notwithstanding what is established in the preceding paragraphs, Borsa Italiana applies the FLIP functionality to futures, mini-futures, and micro-futures contracts on the FTSE MIB index.

17. The FLIP functionality consists of a semi-static collar defined as the maximum price range (FLIP spread) of the trades relative to the FLIP Reference Price.

18. The FLIP Reference Price is calculated as the average of a sample of DCRP prices observed over a significant time interval. The FLIP spread⁶ is generally established as follows:

| Contracts | FLIP Spread |
|--|-------------|
| Futures, mini-futures, micro-futures on FTSE MIB index | 4% |

19. Any changes to the FLIP spread made during the trading session are not published in the market data.

A.4 – General provisions

20. Pursuant to Article 5.3.8 of the Rules, the trading conditions outlined in the previous paragraphs can be modified or temporarily deactivated.

⁶ The functioning of the FLIP Spread is similar to that of the Static Spread.

B – Limits to the quantity of orders

1. For the purpose of the automatic control of the regularity of trading, Borsa Italiana establishes the following quantity limits for orders:

| Contracts | Single orders | | |
|----------------------------------|--|-------------------------------------|--------------------------------------|
| | (Central OrderBook, Request for Cross, Strategies different from calendar spreads) | Strategy orders on calendar spreads | Negotiated transactions (Wholesales) |
| FTSE MIB index futures | 500 | 2,500 | 5,000 |
| FTSE MIB index mini-futures | 500 | 2,500 | 25,000 |
| FTSE MIB index micro-futures | 500 | 2,500 | 50,000 |
| FTSE Italia PIR TR index futures | 500 | 2,500 | 2,500 |
| FTSE MIB Dividend index futures | 500 | 2,500 | 5,000 |
| Stock futures | 10,000 | 10,000 | 60,000 |
| Stock dividend futures | 5,000 | 5,000 | 30,000 |
| FTSE MIB index options | 5,000 | 25,000 | 30,000 |
| Stock options | 10,000 | 10,000 | 30,000 |

2. The maximum quantities as referred to in the previous paragraph are made available through the trading platform's standing data files.

C – Deviation limits and minimum thresholds for negotiated transactions (*wholesales*)

1. The price of negotiated transactions as per Article 5.3.5, paragraph 1, of the Rules, must fall within at least one of the following price limits:
 - a. Dynamic collars as specified in Section A, paragraph 1, letter a;
 - b. Range determined by the maximum and minimum prices of the trades executed in the same trading session on the Central Order Book.

2. The minimum size for the execution of negotiated transactions must be at least equal to the quantity specified by Borsa Italiana for each contract and published on Euronext website.
3. The minimum size of negotiated transactions as per the previous paragraph is also available in the standing data files of the trading platform.
4. The price of each leg part of Package Orders as per Article 5.3.5, paragraph 2, of the Rules, must fall within the deviation limits specified in paragraph 1. Each leg must also comply with the minimum quantity specified in paragraph 2, except for strategies considered illiquid as indicated in Article 4.5.8 of Euronext Derivatives Trading Procedures.

D – RFC Orders: price limits, quantity limits and duration

1. RFC orders are eligible only for options and their related strategies.
2. The following limits are defined for RFC orders as per Article 5.3.2, paragraph 5, of the Rules:
 - a. Initiator Minimum Volume: the minimum quantity limit for placing RFC orders, set at 1 lot;
 - b. Maximum quantity limits for RFC orders, equal to the maximum limits defined in Section B, paragraph 1, for single orders.
3. The price of the RFC proposal - on a single instrument or on a strategy - must be included within the Dynamic Collars referred to in Section A, paragraph 1. The price of the RFC proposal, in the presence of proposals on the Central Orderbook, must also be included within the best market bid-ask prices, extremes included.
4. The duration of the RFC order (Period Duration) is made available in the standing data files.

E – Obligations of market makers and liquidity providers

E.1 – Market making obligations and roles

1. The obligations of Market Maker Agreement (MMA), Market Maker Scheme (MMS), and Market Maker Extended (MME) in the Euronext Derivatives Milan market are defined as follows:

| Minimum obligations | MMA (**) | MMS (*) | MME (*) |
|---|---------------|---------------|---------------|
| Obligations time on FTSE MIB futures, mini-futures and micro-futures (CET/CEST) | 08:00 – 22:00 | 08:00 – 17:30 | 17:30 – 22:00 |

| Minimum obligations | MMA (**) | MMS (*) | MME (*) |
|---|--------------------|---|--|
| Obligations time on the other products (CET/CEST) | 09:01 – 17:30 | 09:01 – 17:30 | N.A. |
| Phases with obligations | Continuous trading | Continuous trading | Continuous trading |
| Minimum time presence (%) | 50% | Index futures and index options: 70% Stock derivatives and dividend futures: 60% | Futures, mini-futures and micro-futures on FTSE MIB index: 70% |

* with relaxed obligations during stressed market conditions

** with normal obligations during stressed market conditions

E.2 – Obligations related to spread, quantities and expiries to quote

2. The expiries to quote, the maximum spread obligations and the minimum quantity obligations are defined for each derivative contract and are made available on Euronext website.
3. With reference to futures contracts, the rolling of quoting obligations to the next expiration date occurs on the day prior to the expiration itself.
4. With reference to option contracts:
 - a. quotation obligations on monthly index or stock option contracts do not apply on the day prior to expiration and on the expiration day;
 - b. limited to weekly option contracts on indices or stocks, halved quantities and doubled spreads apply on the day prior to expiration; quotation obligations do not apply on weekly options on the expiration date.
5. Spread obligations can be defined in absolute value or as a percentage, based on the market maker's bid price.

6. Percentage spread obligations are checked against the market maker's bid-ask average.⁷
7. Spread obligations can be modified during the session through a multiplier called AQS multiplier, published in real-time in the MDG market data.

E.3 – Definition of the minimum number of series subject to quotation obligations per expiry for option contracts

8. The minimum number of series subject to quotation obligations for option contracts is defined based on the Near-The-Money (NTM) area, calculated separately for each expiry subject to obligations.
9. The NTM area is defined as the $\pm 10\%$ range around the underlying price and is continuously updated throughout the trading session based on the underlying price.⁸
10. The minimum number of series subject to obligations is determined at start of day as a percentage $X\%$ of the number of series falling within the NTM area, computed on the basis of the previous day's closing price of the underlying. The number of series to quote is rounded up to the nearest whole number, cannot be less than the minimum number N and cannot exceed the number of series within the NTM area.⁹
11. Without prejudice to the minimum number of series subject to obligations within the NTM area, market maker and liquidity provider operators can quote series that are not necessarily consecutive or symmetric with respect to the at-the-money strike.
12. The parameters $X\%$ and N mentioned in the previous paragraph are made available on Euronext website.
13. The minimum number of series to be quoted, determined as described in the previous paragraphs, remains unchanged throughout the session, while the NTM area, defining the eligible series to quote, is continuously updated during the trading session based on the underlying price.

⁷ As an example, let's consider a 10% spread obligation applicable to bid prices ranging from 0.2 to 1 euro. If a bid-ask of 0.5 - 0.55 euros is entered, the spread measured for compliance with quoting obligations is 9.5%, calculated as $\frac{0.55-0.5}{(0.5+0.55)/2}$. In this example, the spread obligation is considered to be correctly met.

⁸ At start of day, the NTM area is defined as $\pm 10\%$ of the option's underlying previous day closing price; afterwards, it is dynamically updated based on the last trading price of the underlying shares or the last index fixing in case of index options.

⁹ As an example, consider a derivative contract that has 10 series in the NTM area at the market opening (5 calls and 5 puts) for a specific expiry, based on the last available closing price. Also, consider $X\% = 60\%$ and $N = 4$. In this case, the minimum number of series to be quoted in the NTM area is 6. This number of series includes both call and put options. In the same example, if $N = 8$, the number of series to quote is 8. If $N = 12$, all 10 series falling within the NTM area for the relevant expiry must be quoted.

E.4 – General provisions

14. Borsa Italiana may adjust the obligations outlined in the previous paragraphs in any circumstance requiring technical actions or when market conditions change.
15. Daily and monthly performance values are made available to each market maker through the “Market Making Performance Report” service. Daily performance reports are generated on T+1.
16. Quotation obligations during stressed market conditions are defined in Section F.
17. Order to Trade ratio (OTR) limits for market makers are established in the dedicated chapter.

F – Stressed market conditions

1. Stressed market conditions occur on financial instruments traded on the Euronext Derivatives Milan market when the conditions outlined in the following table are met:

| Contracts | Stressed market conditions |
|--------------------|---|
| Equity derivatives | In the 15 minutes following the resumption of continuous trading after the volatility interruption in the underlying shares. In any other case of declaring stressed market conditions in the underlying shares. |

2. Borsa Italiana may declare, through a communication to market participants, that stressed market conditions occur if, for individual financial instruments or groups of financial instruments, price and volumes variations in a given time frame are above the following thresholds:

| Contracts | Conditions that shall occur jointly | Other conditions |
|-------------------|---|--|
| Index derivatives | Change in the average price of the first expiry of the futures contract in the last 30 minutes compared to the Daily Settlement Price of the previous session exceeding 5% in absolute value Traded lots > 3 times the average traded lots in the previous 5 days. | Change in the underlying index exceeding 3.5% in absolute value. Volatility reservation on a number of index constituents with a total weight of at least 30% of the index. |

3. Borsa Italiana may also declare, through communication to market participants, that stressed market conditions occur based on the trading activity in derivatives or underlying instruments.
4. During stressed market conditions, where specified in the market making agreements, market makers and liquidity providers are required to quote with halved quantities and doubled spreads.

7. ORDER TO TRADE RATIO



A - OTR METHODOLOGY

Pursuant to Borsa Italiana Rules, the ratio between non-executed orders and trades for each intermediary ("OTR") is defined in terms of volume and number of transactions. The rules for the calculation of OTR ratios are defined pursuant to the guidelines provided in Annex I of CDR 566/2017.

The OTR, both in terms of volumes and number of transactions, is calculated daily for (i) every instruments (i.e. ISIN code), (ii) every market participant, (iii) trading venue where the instrument is traded and (iv) separately for the order flow transmitted by a participant to the trading venue under a market making role.

| Markets and asset classes | OTR type | Max. OTR Permitted Value | Floor Value | Max. OTR Permitted Value for members with a market making role ⁽¹⁾ | Floor Value for members with a market making role ⁽¹⁾ |
|--------------------------------------|--------------|--------------------------|-------------|---|--|
| Equity Markets | Number terms | 2,000 | 75,000 ord. | 10,000 | 150,000 ord. |
| | Volume terms | 10,000 | | 50,000 | |
| Index futures | Number terms | 2,000 | 75,000 ord. | 10,000 | 150,000 ord. |
| | Volume terms | 10,000 | | 50,000 | |
| Index options | Number terms | 2,000 | 75,000 ord. | 10,000 | 150,000 ord. |
| | Volume terms | 10,000 | | 50,000 | |
| Single name derivatives ² | Number terms | 1,000 | 75,000 ord. | 10,000 | 150,000 ord. |
| | Volume terms | 5,000 | | 50,000 | |
| ETFPlus | Number terms | 4,000 | 200,000 ord | 20,000 | 400,000 ord. |
| | Volume terms | 20,000,000 | | 100,000,000 | |
| Fixed Income Markets | Number terms | 75,000 | 150,000 ord | 150,000 | 300,000 ord. |
| | Volume terms | 750,000 | | 1,500,000 | |

| Markets and asset classes | OTR type | Max. OTR Permitted Value | Floor Value | Max. OTR Permitted Value for members with a market making role ⁽¹⁾ | Floor Value for members with a market making role ⁽¹⁾ |
|---------------------------------|--------------|--------------------------|-------------|---|--|
| Securitised Derivatives Markets | Number terms | 4,000 | 200,000 ord | 20,000 | 400,000 ord. |
| | Volume terms | 20,000,000 | | 100,000,000 | |

(1) Participants providing liquidity pursuant the rules under a specific agreement with Borsa Italiana, such as Specialists, Liquidity Providers, Secondary Liquidity Providers and Market Makers; (2) Stock options, stock futures and stock dividend futures.



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