

## **MTS IMPLEMENTATION PROVISIONS OF THE NON GOVERNMENT BONDS MARKET REGULATION**

Implementation provisions of the 1st Title of the Regulation

### **Clause 1. Definitions (clause 1. Reg.)**

The definitions contained in clause 1. of the Regulation are to be included in the following provisions with the same meaning.

2. Moreover, in the present provisions the expression:

- “Dealers” indicates the Dealers which are not registered in the Primary Dealers' Register.
- "Regulation" indicates the Regulation of the Market deliberated by the managing companies assembly and approved by the Ministry of the Treasury and the CONSOB
- "Servizio di Liquidazione" indicates the compensation and liquidation service carried out by the institutions chosen by the managing company in the Provisions;
- “T.U.F.” indicates the Governmental decree dated the 24th February 1998, n. 58.
- “Market Segment” identifies the compartment within the wholesale Market where it is possible to trade non government bonds issued by international bodies participated by countries whose trades are settled using the same procedure

3. According to clause 1 of the Regulation, should the buying back price of the bonds which are the object of the contracts as in clause n. 21, section 1, letter b, of the Regulation have been agreed by the indication of a interest rate, the price is hence determined by making use of the following conversion formula:

$$P=100/(1+R)^t$$

In this formula:

P= percentage price;

R= gross yield at term/100 (pee. 5%=0,05)

T= number of calendar days between the date of the settlement of the transaction and the expiry date /365 (for German Government bonds and Eurobonds the denominator is 360).

4. The same formula is also applicable to the money considerations expressed in interest rates in the contracts mentioned in clause n. 21, section 1, letter a);

5. The phrase "previous solar year" in clauses 9, section n. 2, letter d, of the Regulation, indicates the period comprising of the twelve months preceding the first day of the month in which the request is made to the Managing Company.

### **IMPLEMENTATION PROVISIONS OF THE II TITLE OF THE REGULATION.**

#### **Clause 2. Conditions of admission to the negotiations (clause 5 Reg.)**

1. The securities which can be admitted to quotation are the ones for which the issuer has communicated the issuance., for the admission to the negotiation of those securities, the amount of the announces issuance is taken into consideration.

2. The execution of the trades having as object securities for which the issuer has announced the issuance, takes place starting from the day foreseen for the settlement of the operations of subscription (on the primary market) of the securities of the same type.

3. In case of missed issuance in the terms announced, the Managing Company immediately cancels the correspondent Proposals.

### **IMPLEMENTATION PROVISIONS OF THE III TITLE OF THE REGULATION.**

#### **Clause 3. Clearing and settlement systems (clause 9.2 Reg.)**

1. The direct subscription to the Clearing and settlement systems takes place with the modalities set by the subjects that manage the settlement service.
2. The indirect subscription to the Clearing and settlement systems is made by contract, stipulated with another subject (the regulator) - which is a direct subscriber to the above mentioned service and an underwriter to the relevant contract with MTS S.p.A. - on the basis of which the regulator will provide a service of payment and collection, in money and bonds, required for the execution, by way of the Clearing and settlement systems, of the contracts sealed in the Market by the indirect subscriber.

**Clause n.4 Criteria for calculating the net assets (Clause 9.2 Reg.)**

1. Should there not be any public regulatory instructions for the determination of the Dealer's net assets, for reasons of monitoring, this is calculated on the basis of the criteria indicated by the international accounting principles compiled by the International Accounting Standards Committee (I.A.S.C.).

**Clause n.5 Assessment of the requisites required for admission (Clauses n. 9.2 and 10 Reg.)**

1. The existence of the requisites stated in clause n. 9, section 2, of the Regulation, is verified when the request for admission is examined.
2. The net assets requisite is verified by the Management Company, by taking into account the requesting subject's last approved balance sheet or the last monitoring.
3. The Management Company carries out the verification of the net assets by acquiring a certification released by the from an auditing company which must be registered in the Register mentioned in section n. 161 of the T.U.F. European community Dealers can substitute this certification with equivalent certification released by a auditing company empowered to release such obligatory certification in their country of origin.
4. Direct subscription to the Clearing and settlement systems is ascertained by the acquisition of certification released by manager of the previously mentioned service.  
However, the Managing Company may exempt the Dealer from presenting this certification if it is possible for the manager of the service to give the Managing Company a list of the direct subscribers to the Service. Indirect subscription to the Clearing and settlement systems is ascertained by the acquisition of an original copy of the contract sealed between the indirect subscriber and the direct-regulator subscriber, indicated in clause n. 3, section 2.
5. The organizational adequacy requisite is verified on the basis of the data and information stated in the questionnaire compiled by the Managing Company. The Company also has the right to verify directly what has been stated by the applicant.

**Clause n.6 Procedure regarding the admission to negotiations (Clause 10 Reg.).**

1. The subject who wishes to be admitted to the negotiations must file a request to the Management Company, as described in the present Provisions. The subject will be able to start negotiating from the day which will be indicated by the Management Company on the admission acceptance, or from the day that will be communicated via the Informative Pages.
2. Should the documentation proving the requirements for admission be incomplete, the Management Company will give written notice to the interested subject and will invite him to supply the missing documents. The deadline indicated in clause 10, section 3 of the Regulation is suspended, until the missing documents are supplied. Should two months pass after the notification without the missing documentation being handed over then the admission request is to be considered rejected.
3. The Management company will examine the admission requests according to the order in which they are presented.

**Clause n.7 Detrimental acts to the good working order of the Market (clause 11.1 c Reg.) and suspected state of insolvency (clause 13.1.c Reg.).**

1. Any act carried out to alter the correct price determination is considered detrimental; One typical but not exclusive example are negotiations that are carried out only to augment market shares without any relevant financial movements and hence fall into the category of detrimental acts. In the same manner are considered detrimental those actions or omissions that obstruct or prevent the accomplishment of obligations arising from transactions executed on the Market
2. Should the above mentioned occur, then the Management Company, should it think it necessary can, by way of the relevant means, intervene and ask for explanations - according to clause n. 31 section 1, of the Regulation.
3. According to clause n. 13, section 1 of the Regulation it is right to believe that the Dealer who has subscribed indirectly to the Clearing and settlement systems, finds himself in a state of insolvency when the direct subscriber to said service, to whom the indirect Dealer answers, communicates that said Dealer has not met the obligations assumed in his regard on time.

**Clause n. 8 Tariffs (clause n. 11.1k Reg.)**

1. The money consideration owed by each Dealer to the Management Company for the services provided is determined by applying the tariffs listed in the enclosed price list.

**Clause n.9 Verification that the admission conditions still exist. (clause n. 12 Reg.).**

1. The yearly period to be considered in the verification of the continuing existence of the admission conditions, begins from the first working day of the month following the date from when the Dealer has been admitted to the negotiations in the Market. For the months following the first, the yearly period begins from the first working day following the last working day of the previous period.
2. The verification of the continuing existence of the assets requisite, is carried out every year by the Management Company, on the basis of the last approved balance sheet, or should it be more recent: the last monitoring.
3. Should an Dealer on the basis of the last approved balance sheet or should the last monitoring be more recent, be found to have net assets inferior by 1.5 times the minimum assets required for the admission, then he may be subjected to inter-annual verifications.
4. Clause n. 5, section 3 should be applied for the verifications described in the above sections.
5. The three month term mentioned in clause 13., section 2 of the Regulation, runs from the date in which the nonexistence of the assets requisite is verified, or should it be before, from the date when the Management Company verifies the nonexistence of the above mentioned requisite. The subject which has been found not to meet the assets requisite, must promptly reply to the request for information concerning his assets state, made to him by the Management Company in this period and he must demonstrate, out of his own initiative, by way of certification released as described in clause n. 5, section 3, that his assets have grown back to the required minimum amount as described in clause n.9, section 2, letter D, of the Regulation. The subject may request to be suspended from the negotiations and the Management Company must comply immediately. This suspension does not regard the obligations described in clause n.8.
6. The verification of the continuing existence of the admission conditions stated in clause n.9, section 2, letter A and B, of the Regulation, is made by way of a certification issued by the manager of the Clearing and settlement systems. However, the Management Company may exempt the Dealer from presenting this certification, should the manager of the Service produce a list of all the direct subscribers to the Service, for the Company. The Indirect subscription to the Clearing and settlement systems is verified by way of the original copy of the contract sealed between the indirect subscriber and the direct-regulator subscriber, described in clause n. 3, section 2.
7. The verification of the organizational adequacy requisite is carried out as described in clause n. 5, section 5, or according to other simplified formalities devised by the Management Company.

**IMPLEMENTATION PROVISIONS OF TITLE IV OF THE REGULATION.**

**Clause n. 10. Registration in the Primary Dealers' Register procedure (clause n. 16.1 Reg.).**

1. The Dealer that wishes to be registered in the Primary Dealers' Register, must apply to the Management Company together with the documentation proving the possession of the requirements. The registration in the Primary Dealers' Register will be effective from the date indicated in the Management Company's acceptance act, which usually coincides with first day of the calendars' semester (1 January - 1 July) following the date of the acceptance of the request.

2. For those members wishing, as per art.12 point 2, to limit their quoting obligation, described by art.17 of the Regulation, to products traded in specific Market Segments, the application form for inclusion in the Register of Primary Dealers must report specifically the chosen market segment.

**Clause n.11 Verification of the existence of the requisites required to be registered in the Primary Dealers' Register (Clause n.16.1, 16.2 Reg.)**

1. The existence of the requisites needed for the registration in the Primary Dealers' Register, is verified when the admission request is being examined.

2. The verification of the above requisites is carried out as described in clause n.5, sections 2, 3, and 5.

**Clause n. 12 Limitation of Quoting Obligations for Primary Dealers (Art. 17.1 Reg)**

1. Under specific request of the Dealer, the commitment to quote referred to art.17, point 1, can be extended or restricted by the Managing Company to specific categories of financial instruments belonging to a specific Market Segment.

2. The Primary Dealer requests the extension of the quoting obligation as described by the previous paragraph by submitting to the Managing Company a specific request.

3. If request for the inclusion of the Primary Dealer's register is presented from other operators belonging to the same group of a subject already registered in the mentioned register, controlled or controlling by 90%, the group, after the allocation of securities from the Managing Company, must communicate the repartition in its internal of the quoting obligations as per clause 17 of the Regulations. The missed respect of these obligations can cause the appliance of the actions foreseen in Clause 30 of the regulations towards all the Primary Dealers of the group. With regard to the present clause, "subjects belonging to the same group" means Italian or foreign companies controlled directly or indirectly by the same Italian or foreign controlling company, and the controlling company itself according to clause 2359 of the Italian Civil Law.

**Clause n. 13 Allocation of the types of Financial Instruments (Clauses 17.3, 17.4, 17.8 Reg.)**

1. The allocation of the types of Financial Instruments to each of the Primary Dealers takes place, apart from on the basis of the procedure described in clause 17, section 3 and 4, of the Regulation, also according to the prior identification, within each type of bond, of the most traded types of bonds; these being the types that have issuance conditions suitable for a wholesale market (large issued amount). This condition can be verified also on the basis of the issuer's indications.

2. In detail, the allocation of Financial Instruments to each Primary Dealer takes place:

- In order to guarantee the listing of a number of bonds for each of the different types, proportionately to the composition of the list.

- For each type and degree of liquidity, allocating a number of bonds in a fixed proportion, set by the Board in relation with the different types of bonds admitted to quotation

**Clause n.14. Operational Conditions (Clause 17.5 Reg.).**

1. As far as the amount of exchanges of bonds goes, it is the Managing Company that determines by way of a board of directors meeting, the amount and the types of bonds, which each Primary Dealer must exchange for a certain time period which is determined by the Managing Company itself.

**Clause n. 15. Primary Dealer's proposals concerning Financial Instruments different from those allocated to them. (Clause n. 17.8 Reg.)**

1. Each Primary Dealer can formulate one or more proposals on securities, described by art. 6 of the Regulations, belonging to the Segment on which the Primary Dealer has quoting obligations, even if the same securities differ from

those actually assigned to the Primary Dealer by the managing Company. In case the Primary Dealer formulates such proposals, he must commit to quote two-way prices, respecting the rules described by art.23, point 5 and 6, of the Regulations, and by art.19 of the Dispositions, for a minimum period of time as defined by the Managing Company.

2. Article 17, point 8, of the Regulations, which defines the concept of occasional quoting, is respected as long as the Primary Dealer does not formulate proposals, as referred to point 1 of this clause, more than 10 (ten) times per any working week.

**Clause n. 16 Verification of the existence of the requisites for the admission to the Primary Dealers (Clause n.18 Reg.)**

1. The verification of the existence of the requisites for the admission to the Primary Dealers' Register occurs according to the same procedures to those mentioned in clause n. 9, sections 1, 2, 3, 4, 5, and 7.

**IMPLEMENTATION PROVISIONS OF TITLE V OF THE REGULATION.**

**Clause n. 17 The Telematic System pages. (Clause n.22.2 and 22.3 Reg.).**

1. The Telematic System is composed of specific pages, which show the details of the quoted securities and all the information necessary for the activity.

**Clause n. 18. Negotiation Timetable (Clause n.22.5 Reg.).**

1. The operational times of the Market and the specific technical phases, are as follows:

7.30 a.m. - 8.00 a.m.: Pre-Market phase, in which only the Primary Dealers are operative; During this time period the Primary Dealers can insert and change their Proposals by way of the Insertion Page. Each Primary Dealer can only see his own Proposals.

8.00 a.m. - 8.15 a.m.: Preliminary Market phase in which all the Dealers can operate, on the basis of the user profile assigned to them; It is possible for the Primary Dealers and the Dealers to send Applications. During this time period the automatic matching of Proposals is not operative. In particular:

- \* Proposals can be inserted;
- \* There is no automatic matching of Proposals;
- \* The Best Page is supplied and the updated aggregates are calculated;
- \* Both Primary Dealers and Dealers can send Applications;
- \* Applications that meet the requirements and are superior or equal to 2,5 million euro are accepted automatically by the Telematic System;
- \* The Primary Dealers can decide themselves in the case of amounts that are inferior to 2,5 million euro ( only in this case the matching remains on the peripheral system).

8.15 a.m. - 5.30 p.m.: Open Market phase, in which all the Dealers can operate on the basis of the user profile assigned to them; In particular, the Primary Dealers and the Dealers can send Applications. The automatic matching of proposals is operative until the Market closes. The System will send to the Dealers signaling messages before the start of the automatic matching. Should there be a black-out, the System will use it to clear the automatic matching and promptly re-constitute the Best Page.

5.30 p.m. - 7.30 a.m.: Closed Market phase, in which the Market is completely inoperative. During this time period the Dealers can only send and receive messages, examine statistics concerning the days negotiations, receive reports, lists and indexes and load new peripheral software.

During this phase, there is a technical break from 8.30 p.m. to 12.00 p.m.

in which the reorganization of the files for the following day of negotiations and for the maintenance of the applications and of the systems takes place.

**Clause n.19 Proposals (Clauses 8, 23.6, 23.7, 23.8, 23.9 Reg.)**

1. The Proposals can be changed at any time. So as to make these changes, the Dealer can suspend the Proposal. However, should the Proposal have been put into force before its suspension, then the proponent is obliged to conclude at least one contract at the conditions originally stated on the Telematic System.

2. The Proposals for each type of Financial Instrument are sorted by the Telematic System according to price; if the price is the same then, the amounts which are object of the Proposals are grouped in the same amount/value on both the Best 5 Page and on the Best Page. The processing priority is determined by the chronological insertion order of each one in the Telemetric System.

3. It is possible for the Dealers to limit the visualization of the proposed Proposals to a quantity that must not be inferior to the minimum negotiable batch

4. The management company can select benchmark securities quarterly, for which the minimum negotiation lot (quotation/application) is fixed at 5 million in euro.

**Clause n. 20 Conclusion of the contracts ( Clause n. 24.1 Reg.)**

1. The Applications are made by indicating the quantity and the "exclusion price". The "exclusion price" indicates the price up to which the best conditions exist for he who sends the Application and hence the price up to which he is willing to seal the contracts. The Application is carried out automatically up to the "exclusion price" (included).

2. With the limit of the "exclusion price" standing firm, the meeting of a Proposal with an Application which results in the conclusion of a contract, occurs, until the desired quantity is reached, according to the following criteria:

- a). Firstly the "Best Price" of the moment is applied;
- b). should there be more Proposals for the "Best Price" of the moment, then the matching occurs according to when the Proposals were inserted, starting from the least recent, to the most recent.
- c). If applying the above mentioned criteria the entire quantity of the application is not fulfilled, then the closest price to the "Best Price" is applied and so on.

3. The provisions contained in the preceding section are also to be applied for the conclusion of contracts by the meeting of two Proposals.

4. It is at the Primary Dealers discretion whether or not to accept Applications that are inferior to 2,5 million euro or equivalent amount.

**Clause n.21 Registration of contracts (Clause n. 24.4 Reg.).**

1. The Management Company creates an electronic file in which the data regarding the contracts sealed in the Market are registered in real time. Each one has an identification number, for:

- a). the contracting parties;
- b). type, object and time of conclusion of the contract;
- c). Quantity and price.

2. The authorized subjects, have guaranteed access, at any time, to this file.

**Clause n.22. Execution of the contracts ( Clause n. 25.1, 25.5 Reg.)**

1. The contracts are automatically checked, by way of the relevant function of the Telemetric System, before the forwarding of the balances.

2. The terms for the execution of contracts are stated in accordance to the relative common Market practices.

3. The execution of the trades having as object securities for which the issuer has announced the issuance takes place starting from the day foreseen for the settlement of the subscription operations (on the primary market) of securities of the same type.

### **Clause n. 23 Rules governing repurchase agreements (Art. 21.1. b)Reg.)**

The present article contains the rules governing the operations of the repurchase agreements segment (*Money Market Facility – MMF*) of the Market.

MTS S.p.A. also offers, on the telematic system, a function for bilateral trading between participants (*Request For Quote – RFQ*), providing market participants with the possibility of stipulating contracts of the type accepted for trading on the MMF segment. These trading operations are considered not to be concluded on the MMF segment, meaning that they are not included in the public information report referred to under article 26 of the Provisions.

#### 1. Tradable Contracts and Securities

Repurchase contracts are tradable in the MMF segment in both the “classic repo” and the “buy sell back” forms, determined according to the standard procedures of the market, for securities referred under article 4 of the Regulation.

The repurchase contracts can be traded either in the “general collateral” version (with a “general collateral” contract, the main purpose of the operation performed is a cash loan, with a commitment to make repayment on a set date, in return for which securities are presented as a guarantee), either in the “specific repo” version (with a “specific repo” contract, the main purpose of the operation is the purchase of a specific security, for a cash payment, with a commitment to sell it back upon expiration of a set period).

In terms of the conditions, as well as the procedures for the admission, suspension and exclusion from trading of financial instruments, application is made of the provisions of articles 5, 6 and 7 of the Regulations.

Article 8 of the Regulation is applied to determine the minimum tradable lot: proposals may not be entered for a quantity lower than the minimum tradable lot, though the Proposals may be increased by amounts that are lower than the minimum lot. A Proposal may receive an Application that absorbs only a portion of the sum offered. If the residual value of the Proposal, following this partial Application, turns out to be lower than the minimum tradable lot, the Proposal remains tradable.

#### 2. Participants admitted for trading

Participants admitted in the MMF segment are subject to the same conditions and admission procedure found in arts. 9, 10 and 12 of the Regulation.

The Participants of the MMF segment are required to respect the obligations stipulated under art. 11 of the Regulation. Application is also made of the provisions of articles 13, 14, 15 and 18 of the Regulation regarding the suspension, exclusion and withdrawal from the market, as well as periodic control of the requisites.

The Participants admitted in the MMF segment can access all the trading functions, regardless of role distinctions. This means that, in the MMF segment, each participant can enter Proposals, even single side proposals (either only bid or only ask proposals) and send Applications.

Participants that participate in the MMF segment are not committed to formulating purchase and sale Proposals.

#### 3. Trading

Trading is performed under the provisions of art. 22 of the Regulation. In addition to what was specified in paragraph 2 of the present article, the Proposals are subject to the provisions of art. 23 of the Regulation.

For the conclusion, registration and settlement of contracts, application is made of the provisions of articles 24 and 25 of the Regulation.

#### 4. Guarantee systems

Application is made of the provisions of art. 26 of the Regulation.

#### 5. Operating procedures

- a) orders sent on active proposals are valid for a maximum of 2 minutes;
- b) the participant must accept or refuse the proposal before expiry of the two minutes;
- c) execution of orders equal to the minimum amount or multiples thereof may be refused by the proposing party only if motivated by lack of credit line; each participant has the option of inserting limits on the maximum exposure towards a given counterparty or of preventing in advance trading with a counterparty with which it does not have a credit line;
- d) if the proposals and orders are made by two participants that both utilise the guarantee systems referred to under paragraph 4, then the execution of orders equal to the minimum amount or a multiple of the same is automatic;
- e) if the proposals are made by a participant that utilises the guarantee systems referred to under paragraph 4 but the orders are sent by a participant that does not utilise these systems, then execution of orders for the minimum amount or a multiple of the same may be rejected by the proponent only with the motivation of "because of credit line". A participant that utilises the systems of guarantee has the option of configuring its proposals in such a way that applications can be received only from other participants that utilise the aforementioned systems.
- f) as far as general collateral repos are concerned, securities with coupon payment during the repo duration are deliverable; therefore acceptance of such securities is mandatory;
- g) a minimum amount of securities to be delivered in general collateral repos has been established as follows:
  - for each general collateral repo, only tickets equal or bigger than 25 mln € can be allocated, with the exception of 1 ticket;
  - for each general collateral only 1 ticket smaller than 25 mln € can be allocated.

- h) general collateral contracts must be defined by specifying the securities to be delivered within two hours of execution of the contract. Naturally, all transactions performed less than two hours from market closing must be defined before the closing time;

#### 6. Cancellation of transactions

Cancellation of erroneous transactions is carried out by Management Company on the basis of agreed written requests by the involved parties sent by fax to the Company before market closing;

Where the trade cancellation request is made by only one counterparty to a trade, the following procedure shall apply:

- a) the cancellation request must be notified to MTS and the other counterparty via telephone, and either e-mail or fax within 15 minutes from the execution of the trade. Upon receipt of the notification, MTS will immediately contact the trade counterparty with regard to the cancellation request;
- b) if the counterparty confirms to MTS within 15 minutes of receipt that it agrees with the trade cancellation request, the request shall be treated as a bilateral request and the cancellation of the trade shall be performed by MTS;
- c) in the case the executed trade is blind because made between two counterparties that use central counterparty services, the cancellation request must be notified by one counterparty to MTS via telephone, via e-mail or fax within 15 minutes from the execution of the trade. MTS, as soon as possible, will notify the other counterparty of the trade and request if it agrees to the cancellation. If there is agreement, the request shall be treated as a bilateral cancellation and it shall be performed by MTS;
- d) if the counterparty does not respond within such time or does not agree with the trade cancellation request, in order to proceed with the cancellation MTS must verify that the trade in question was executed at repo rate level which is inconsistent with the market value at the time of execution;
- e) to be “inconsistent” with the market value, the trade price must have differed from the last trade executed on the product (security and term) in question within the previous 5 minutes, by a minimum number of:
  - 10 basis points for “general collateral repos”
  - 25 basis points for “special repos”;

f) to identify the market value in the absence of trades executed within the previous five minutes on the System, MTS will verify the second-best Proposal (considering the appropriate side of the market, i.e. buy/sell) present in the System at the time of execution;

g) in the absence of a Proposal on the System, MTS will decide whether to proceed with the cancellation by decision of the CEO on the basis of the powers given by the Board, to “do everything necessary to ensure the orderly functioning of the market”; the CEO will inform the Executive Committee thereof;

h) MTS will inform the interested parties via telephone (with confirmation via fax) of its decision regarding the cancellation request within 60 minutes of the decision.

## 7. Information provided to the authorities, Supervision, Sanctions, Final Provisions

The measures contemplated under sections VI, VII and VIII of the Regulation apply to the MMF segment.

### IMPLEMENTATION PROVISIONS OF THE VI TITLE OF THE REGULATION.

Clause n.24 Prices survey (Clause n. 27.2. e Reg.).

1. In accordance to clause n. 27, section 2, letter E, of the Regulation, the minimum, maximum and weighted average price, as well as the quantities negotiated of each type of financial instrument, are calculated with regard to the contracts sealed within the current referring to an evaluation period equal to 5 minutes before; and concerning those sealed in the previous hours, with reference to an evaluation period equal to an hour.

Clause n. 25 Information for the investors (Clause n. 27.4 Reg.)

1. The Management Company provides the Dealers with the information described in clause n. 27, sections 2, 3, of the Regulation, by way of the relevant Statistics Page on the Telematic System.

Clause n. 26 Price List (Clause n. 27.5 Reg).

1. The list described in clause n. 27, section 5, of the Regulation is compiled at the end of each operational day (date of reference) and is divided in sections.

2. For cash negotiations the list indicates, for each type of bond:

- a). Identification code of the type of bond;
- b). description of the type of bond;
- c). the minimum price;
- d). the maximum price;
- e). the average weighted price;
- f). the quantities negotiated.

3. The above mentioned information is provided with reference to all the contracts concluded in the Market during the referred to date, except for those contracts worth less than 2,5 million euro, or equivalent amount, those that are reversed and those concluded at prices which the Management Company has found to be clearly incoherent with the tendency of the Market.

### IMPLEMENTATION PROVISIONS OF TITLE VII OF THE REGULATION:

Clause n. 27. The reversal of operations (Clauses 29.2, 32.1.b Reg).

1. The reversal of incorrect operations is carried out by the Management Company on the basis of mutually agreed written requests presented to the Management Company, before the closure of the Market.

2. Should the reversal be presented by only one of the parties, the Management Company, in virtue of the mandate with which it has been invested by the parties at the time of admission to the Market, assesses whether the transaction should be considered irregular in the light of clause n. 22 section 3, of the Regulation. The assessment is carried out by verifying the coherence of the conditions on which the contract was sealed, to the market tendency. Should the Management Company find that the contract was concluded on conditions which are incoherent with the tendency of the Market and however superior to a price variance of 3% compared to the price of the last contract, then it informs the parties and proceeds to carry out the reversal of the operation.

Clause n. 28 Procedure for the re-admission to the Primary Dealers' Register (Clause n. 30.8 Reg).

1. Should the person which has been canceled from the Primary Dealers' register apply for re-admission, then Management Company will evaluate case by case, together with the reasons that resulted in the cancellation and their seriousness.

#### PARTICULAR CASES.

Clause n. 29 The "Switch" procedure for the admission to the negotiations between members belonging to the same group (Clause n. 9, 10, 15 Reg.).

1. It is possible to withdraw from the subscription to the Market during the year, if the withdrawal is tied to the entry in the negotiations or the admission to the Primary Dealers' Register, of another Dealer, which belongs to the same group, as described in the present and following clause.

2. Should the admission request be presented by one subject (Incoming Subject), who belongs to the same group as the other subject who is already a Dealer and intends to withdraw from the subscription to the Market (Outgoing Subject) contemporarily to the entry of the Incoming Subject, then it is possible for both of them to present a jointly-signed document together with the Incoming Subject's admission demand and the Outgoing Subject's withdrawal from the Market declaration, which should be effective from the Incoming Subject's admission to the Market.

3. If the Incoming Subject is a Primary Dealer and he intends to withdraw from the Market and the Incoming Subject wishes to be admitted to the negotiations by committing himself to presenting an admission request for the Primary Dealers' Register within 20 days from the date when he is informed of his admission to the negotiations, then together they can give the Management Company a jointly-signed document together with the Incoming Subject's admission demand and the Outgoing Subject's withdrawal from the Market declaration, which should be effective from the date of the Incoming Subject's admission to the Primary Dealers' Register.

4. The expression "subjects belonging to the same group" indicates those Italian or foreign companies, that are controlled directly or indirectly by the same Italian or foreign holding-company, and in accordance to the definition of "control" found in article 2359 of the civil code, and the definition of "dominant influence" found in article 23, paragraph 2 of the Governmental decree dated the 1st of September 1993 n. 385.

5. The acceptance of the admission request is subjected to a rescission condition if the request for admission to the Primary Dealers' Register is not presented on time as described in section 3, and if the admission to the Primary Dealers' Register is not obtained within 30 days from the date of presentation of the admission request.

6. The date from which the Incoming Subject's admission to the negotiations will be effective ("Switch Date"), will be determined by the Management Company when examining the admission request.

7. The first periodical verification of the continuing existence of the Incoming Subject's admission requisites in accordance to clause n.9, will occur, taking into account the time period that would have been used for the periodical verification, had the Outgoing Subject not withdrawn from the negotiations.

8. As described in section 7, the amount of activity (see clause n.9, section 2, letter e, of the Regulation), can be made up of the sum of the contracts sealed during the referred to period mentioned in section 7, by the Outgoing Subject up until the "Switch Date" and by the Incoming Subject after this date.

Clause n.30. "Switch" procedure for the admission to the Primary Dealers' Register between subjects belonging to the same group (Clause n.16 Reg.)

1. Should the admission request be presented by one subject (Incoming Subject), who belongs to the same group as the other subject who is already an Dealer and intends to withdraw from the subscription to the Market (Outgoing Subject) contemporarily to the admission to the Primary Dealers' Register of the Incoming Subject, then it is possible for them to present a jointly-signed document containing the request for enrolment and the declaration of withdrawal from the market of the Outgoing Subject with effect from the date of enrolment on the Register of Primary Dealers on the part of the Incoming Subject.

2. For the purposes of the present clause, by "subjects belonging to the same group" are meant companies, foreign or Italian, and units of the same, applying the notion of control as in article 2359, c.c. and the notion of influence as in article 23, section 2, of the decree law of September 1, 1993, no. 385.

3. The date from which the Incoming Subject's admission to the Primary Dealers' Register ("Switch Date") will be effective is determined by the Management Company whilst deciding whether or not to admit the subject.

4. The Incoming Subject will, starting from the above mentioned date, have the same obligations described in clause n.17 of the Regulation (for the time-period left), which the Outgoing Subject had.

5. The first periodical verification of the continuing existence of the Incoming Subject's admission requisites in accordance to clause n.16, will occur, taking into account the time period that would have been used for the periodical verification, had the Outgoing Subject not withdrawn from the negotiations.

Clause n. 31 Remote Connection (Clauses n. 9, 16, 22 Reg.).

1. In accordance to clauses n. 9, 16 and 22 of the Regulation, the Dealers are allowed - within the norms and principles that are applicable to each type - to install their computer terminals outside of the Italian Republic's territory and to connect them to the Telematic System by way of remote connections, that are compatible to the working order of the System.

2. So as to ensure the correct development of the negotiations, the Management Company can issue indications regarding local and net technical modes of connection.