

AMENDMENTS TO EURONEXT CLEARING'S REGULATIONS AND INSTRUCTIONS

OPTIQ PHASE 3 MIGRATION

In the context of the Borsa Italiana Optiq migration programme, the derivatives markets operated by Borsa Italiana will be migrated to the new Optiq platform, alongside the markets already migrated to the platform during the course of 2023.

Therefore, certain amendments are performed to the regulations and instructions of Euronext Clearing, in order to support the migration's project. The following amendments relate in particular to (a) changes to the calculation framework for daily settlement prices and (b) the winding down by the CCP of the IDEX and AGREX Sections, following the winding down of the two related Borsa Italiana's markets.

The amendments will enter into force as from March 25, 2024, in line with the timeframe shared by the Borsa Italiana.

i. Calculation of derivatives daily settlement prices

In the context of the above mentioned migration project, certain regulatory amendments have been carried out with respect to Borsa Italiana's Rules, pertaining, among others, the calculation process of the daily derivatives settlement prices on the IDEM market. Following the migration, it is provided that the settlement prices will be calculated by the trading venue, instead of the central counterparty.

In continuity with the amendments to the Borsa Italiana Rules resulting from the migration to the Optiq trading platform, certain amendments to Euronext Clearing's Regulations and related Instructions are deemed necessary to ensure consistency with the new price calculation process concerning the financial instruments guaranteed by the latter.

In particular, the amendments to the rules concern the current process and methodology for calculating the daily settlement prices, referred to in Articles B.4.1.4 of the Euronext Clearing's Regulations and art. B.3.1.3 of the relevant Instructions.

The Rules are amended in order to specify that the daily settlement prices used by Euronext Clearing to calculate the margins are determined according to the Trading Rules of the relevant Market which are communicated to the CCP, in accordance with the provisions of the Instructions.

The Instructions have been revised and supplemented in order to contain the overall framework concerning the determination of the daily settlement prices of all financial instruments traded on the Italian markets guaranteed by the CCP, by repealing the provisions contained under Annex B.313. The mentioned provisions are now consolidated in the Instructions and provide, in particular:

- i. Bond and ICSD Sections: the daily settlement price for financial instruments guaranteed within the Bond Section and the ICSD Bond Section is set on

the basis of the prices determined by the markets, taking into account their level of liquidity;

- ii. BITA Share section and Euronext Equity Section: the daily settlement price for financial instruments guaranteed within the BITA Share and Euronext Equity Section is equal to the reference price calculated in accordance to the Trading Rules by the Market and communicated to The CCP.
- iii. Derivatives Section: in coherence with the new framework provided under Borsa Italiana's Rules, the daily settlement price for financial instruments guaranteed within the Derivatives Section is determined by the market and communicated to the CCP according to the Trading Rules of the market.
- iv. In continuity with the current framework, it is provided that Euronext Clearing, for the purpose of calculation of margins, may set a different price for the instruments described above, in the event it considers that the daily settlement price is not representative of existing market conditions at the close of trading, by taking into account the respective theoretical value of the mentioned financial instruments or use the last available daily settlement price.

ii. Ceasing of the clearing service on IDEX and AGREX Sections

Currently, derivatives negotiated on the two mentioned IDEM segments, are cleared within segregated sections of the System, namely the IDEX and AGREX derivatives sections.

In light of the decision of the market operator to discontinue the two markets, the provision of clearing services for these two sections will also be discontinued. Hence the related provisions regulating the clearing and guarantee services for the two sections are removed from Euronext Clearing's Regulations and Instructions and Annexes.

The above described amendments will enter into force in coordination with the timeline of the market's activities related to the discontinuation of the service.

Article A.1.1.1 Definitions

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~~**“Energy Derivatives Section”**: shall mean, in the context of the System, the section relating to contracts on Derivative Financial Instruments of energy and the related indices, admitted to trading on the Markets organized and managed by the Management Companies according to the provisions of the Instructions. The section is also managed by Euronext Clearing by virtue of Agreements stipulated between Euronext Clearing and the said Management Companies.~~

~~**“Agricultural Commodity Derivatives Section”**: shall mean, in the context of the System, the section relating to contracts on Derivative Financial Instruments based on agricultural commodities admitted to trading on the markets organised and managed by the Management Companies in accordance with the Instructions. The section is managed by Euronext Clearing including by virtue of Agreements stipulated between Euronext Clearing and said Management Companies.~~

Omissis

(* The provisions relating to the Energy Derivatives Section and to the Agricultural Commodity Derivatives Section are deemed to have been repealed from the text of the Regulations, Instructions and related Annexes of Euronext Clearing.

PART B.4 Guarantee System

Chapter B.4.1 Margins

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Article B.4.1.4 Daily Settlement Prices

1. The daily settlement prices used by Euronext Clearing to calculate the Margins are **determined according to the Trading Rules of the relevant Market and communicated to Euronext Clearing, according to the provisions of the Instructions.** ~~calculated by Euronext Clearing according to the provisions of the Instructions.~~

Article B.4.1.5 Calculation of Margins

1. ~~The Margins and the daily settlement prices~~ which are calculated by *Euronext Clearing* and reported to *Clearing Members* shall be valid exclusively for relationships between *Euronext Clearing* and the said *Members*.
2. The *Margins*, where requested by *Members* of the *System* to their *Clients*, shall be directly calculated by the *Members* themselves, without any intervention or responsibility on the part of *Euronext Clearing*.

CHAPTER B.3 Guarantee System

Heading B.3.1 Margins

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Article B.3.1.3 Daily Settlement Prices

- ~~1. The daily settlement prices of the *Guaranteed Financial Instruments* traded on the Markets and guaranteed by the System shall be determined by the methods indicated in Annex B.313.~~
- 1. The daily settlement price for *Financial Instruments* guaranteed within the *Bond Section* and the *ICSD Bond Section* is set on the basis of the prices determined by *Markets*, taking into account their level of liquidity.**
- 2. The daily settlement price for *Financial Instruments* guaranteed within the *BITA Share Section* and *Euronext Equity Sections* is equal to the reference price calculated in accordance to the Trading Rules by the *Market* and communicated to Euronext Clearing.**
- 3. The daily settlement price for *Financial Instruments* guaranteed within the *Derivatives Section* is determined by the *Market* and communicated to Euronext Clearing according to the Trading Rules of the *Market*.**
- 4. Notwithstanding the preceding paragraphs, in the event *Euronext Clearing* considers that the daily settlement price for *Financial Instruments* of each *Section*, determined and communicated in accordance with this *Article*, is not representative of existing market conditions at the close of trading, *Euronext Clearing*, for the purpose of calculation of**

***Margins*, may set a different price, taking into account the respective theoretical value of the above mentioned *Financial Instruments* or use the last available daily settlement price.**

- 5.2 The daily settlement prices are made available on the *Euronext Clearing* Internet site. The prices are also reported to *Members* through the *Technological Infrastructure*.

ANNEXES TO THE INSTRUCTIONS

ANNEX B.313

METHOD OF CALCULATION

EQUITY DERIVATIVES SECTION

~~FUTURES ON THE FTSE MIB INDEX~~

~~The daily settlement price for futures on the FTSE MIB Index shall be the quantity-weighted average of the last 5% of the contracts concluded on the Market until 17:38:00. The daily settlement price of the maturities after the nearest is determined on the basis of the algebraic sum of the daily settlement price of the previous maturity and the price difference between maturities observed in the market in a significant trading period. In the absence of transactions, the daily settlement price shall be the arithmetic mean of the best bid and ask prices of the last ten minutes of trading.~~

~~The daily settlement price for futures for which the value of the index point is a submultiple of futures having the same underlying shall be equal to the latter's.~~

~~FUTURES ON THE FTSE MIB DIVIDEND INDEX~~

~~The daily settlement price for futures on the FTSE MIB Dividend Index shall be determined on the basis of the quantity-weighted average contract prices or the best bid/ask quotations observed on the Market during a significant trading period. In case of unavailability of market prices, the theoretical price is calculated.~~

~~STOCK FUTURES AND FUTURES ON FTSE ITALIA PIR MID CAP TR INDEX~~

~~TRADING DAYS PRECEDING THE LAST TRADING DAY:~~

~~The daily settlement price for stock futures and futures on FTSE Italia PIR Mid Cap TR Index shall be determined on the basis of the theoretical value taking into account the reference price of the underlying Financial Instruments and the other factors influencing the theoretical value of the futures contracts.~~

~~LAST TRADING DAY:~~

~~The daily settlement price on the last trading day shall be the settlement price defined by the Market Management Company.~~

~~SINGLE STOCK DIVIDEND FUTURES~~

~~The daily settlement price for Single Stock Dividend futures shall be determined on the basis of the quantity-weighted average contract prices or the best bid/ask quotations observed on the Market during a significant trading period. In case of unavailability of market prices, the theoretical price is calculated.~~

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ANNEX B.313

METHOD OF CALCULATION

STOCK INDEX OPTIONS

The daily settlement price for stock index options shall be determined on the basis of the theoretical value of the implied volatility calculated from the best bid and ask quotations observed on the Market during a significant trading period, taking into account the other factors influencing the theoretical value of the options contracts.

INDIVIDUAL STOCK OPTIONS

The daily settlement price for option on individual stocks is determined on the basis of the theoretical value of the implied volatility calculated from the best bid/ask quotations observed on the Market during a significant trading period, taking into account the other factors influencing the theoretical value of the options contracts.

ENERGY DERIVATIVES SECTION

ENERGY FUTURES

The daily settlement price for energy futures shall be determined on the basis of the average contract prices or the best bid/ask quotations observed on the Market during a significant trading period or on the basis of the average contract prices or the best bid/ask quotations of similar instruments in the relevant markets.

AGRICULTURAL COMMODITY DERIVATIVES SECTION

FUTURES ON AGRICULTURAL COMMODITIES

The daily settlement price for futures on agricultural commodities shall be determined on the basis of the quantity-weighted average contract prices or the best bid/ask quotations observed on the Market during a significant trading period.

SHARE SECTION

The daily settlement price for financial instruments traded on Euronext Milan/ETFplus and After Hours guaranteed by the system is equal to the "reference price" calculated by Borsa Italiana S.p.A.

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ANNEX B.313

METHOD OF CALCULATION

BOND AND ICSD BOND SECTIONS

~~The daily settlement price for financial instruments guaranteed within the Bond Section and the ICSD Bond Section is set on the basis of the prices determined by Markets taking into account their level of liquidity.~~

~~If CC&G considers that the daily settlement price for financial instruments of each Sections, determined by the methods previously set out, is not representative of existing market conditions at the close of trading or in case of unavailability of the inputs necessary to determine them, CC&G may set a different price, taking account of the respective theoretical value of the above mentioned financial instruments or using the last available daily settlement price.~~