

Amendments to the Service Regulations and to the Instructions for the CSD Service

The following amendments to the Service Regulations and to the Instructions for the CSD Service are proposed as regards the regulation of the corporate events management service and the shareholder identification service, reporting on covered warrants and certificates and DVP Issuance centralisation procedure.

The following amendments shall entry into force on **17th July 2023**.

❖ Amendments relating to the regulation of the corporate events management service and the shareholder identification service

Post-trading Regulation was amended to incorporate the new rules provided by the *Shareholder Rights Directive II* (Directive (EU) 2017/828) and the relevant Implementing Regulation (Implementing Regulation (EU) 2018/1212).

Therefore, the following amendments are provided to the regulation of the corporate events management service and the shareholder identification service to adapt the provisions of the Service Regulations and the Instructions for the CSD Service to the new regulatory framework.

Rules on sending of balance list

The discipline on the communication of identification data of intermediaries and balances of centralized management accounts is aligned with the new provisions referred to in Article 48-bis of the Post-trading Regulation which provides for the sending of the balances of the central depository to issuers. In particular, the new article 35-bis is inserted within the Service Regulations to regulate in a systematic way and with reference to all corporate events the sending of the cd. "list of balances" at the request of issuers, which was previously regulated in the context of attendance in shareholders' meetings (Article 29) and identification of shareholders (Article 43). According to the current provisions of the Regulation and the Instructions, the "balance list" includes – in addition to the balances of third party accounts – also the the data relating to proprietary accounts of intermediaries holding financial instruments who do not prohibit the communication of their identity.

Taking into account the threshold provided to the 83-duodecies, paragraph 1of the Consolidated Law on Finance, it is also specified in article 35-bis, paragraph 2, that in cases in which the issuer requires the list of balances for the purpose of managing the shareholders identification request, the list of balances include also the data relating to proprietary accounts of intermediaries holding shares of a size above the number specified by the issuer in the identification request. The data related to

proprietary accounts of intermediaries holding shares of a number lower than the number specified by the issuer in the identification request shall be communicated by intermediaries according to the methods set out in the Instructions.

Rules on shareholder identification service

As regards shareholder identification service, some structural amendments are provided in order to: (i) implement the changes adopted by Post trading Regulation which distinguishes several identification cases (shares of Italian issuers, bonds, saving shares and units of funds); (ii) specify the provisions applicable to identification requests from issuers having their registered office in another member state of the European Union and relating to directly managed shares.

In addition, a recasting of the provisions concerning identification requests relating to financial instruments by link with other central securities depositories is provided.

Further fine-tuning to the rules on events management service

Some fine-tuning changes on the rules on information flows in the management of corporate events, in particular of shareholders' meetings, are provided, recalling the related provisions in the Post - Trading Regulation. These amendments are necessary to clarify that the information flows conveyed by Monte Titoli (Euronext Securities Milan) are compliance to obligations provided by European legislation as regards the content and format to transmit information.

❖ Amendments relating to reporting on covered warrants and certificates

It is specified relating the rules on covered warrants and certificates that Monte Titoli (Euronext Securities Milan) sends the certifications containing the necessary data to fulfil reporting obligation referred to Section 871(m) IRC also in relation to "accumulating" certificates even in cases where the Issuer did not appointed Monte Titoli for the execution of payment transactions.

❖ Amendments relating to DVP Issuance centralisation procedure: exemptions.

The issue of promissory notes referred to Law 13 January 1994, no. 43 is inserted in the cases of exemptions of the application of the "DVP Issuance" centralisation procedure, taking into account the related legal safeguards, as well as the information requested from issuers of these instruments during admission to centralized maintenance service.

SERVICE REGULATIONS

Article 23 – Exclusion of financial instruments

1. Financial instruments are excluded from the notary service:
 - a) if they no longer satisfy the admission requirements;
 - b) if the issuing company is dissolved or liquidated.
2. If the dematerialized financial instruments are excluded, Monte Titoli provides the Issuer with a statement of its accounting records showing the amount of each issue, ~~and~~ the identification data of the intermediaries who hold the financial instruments excluded and the balances of the relevant securities accounts, **in accordance with the provisions contained in the Instructions** so that the issuer may carry out the transactions that are necessary as a result of the change in the form and circulation system of the financial instruments.

Omissis

Article 28 – Characteristics of the Service

1. The service processing corporate transactions relevant to financial instruments initially registered in the accounting records system of Monte Titoli. The service is carried out on the basis of the appointments and notifications sent to Monte Titoli by issuers, **also in accordance with article 40-bis, paragraphs 1, 2 and 3 of Bank of Italy – Consob Provision**, and intermediaries, in the manner and within the deadlines specified by the Instructions.
2. The service is carried out in favour of issuers and intermediaries that participate in the notary and Centralised Maintenance Service.

Article 29 – Attendance at shareholders' meetings

1. After receiving a specific appointment from the issuer, Monte Titoli:
 - a) provides operational and technical support for the management of information flows relating to Shareholders' Meetings, including the collection of votes and relating reports, also by the use of electronic means;
 - b) performs the role of appointed representative pursuant to Article 135-undecies TUF and ~~106 of Decree n. 17/2020 as transposed by Law no. 27/2020 and subsequent amendments.~~
 - c) communicates to the intermediaries, **also in accordance with article 40-bis of Bank of Italy – Consob Provision**, all the information

required to issue the communications provided by the applicable law, including the record date if applicable.

~~d) communicates, with reference to the record date, the ID data of the Intermediaries on whose accounts the financial instruments are registered and the relevant quantities.~~

2. For the activities indicated at letters a) and b), issuers grant Monte Titoli a mandate by signing a specific contract that shall specify the activities performed by Monte Titoli on their behalf. These Regulations and the relating Instructions are an integral part of this contract.

[...]

Article 35 bis – Sending the balances of intermediaries’ account to issuers

1. **For the purpose of corporate transactions management, at the request of issuers, Monte Titoli shall communicate the identity of the intermediaries together with the number of financial instruments registered in the securities accounts at the CSD, in accordance with the provisions contained in the Instructions. The list of intermediaries and relevant balances shall also include the data relating to proprietary accounts of intermediaries holding financial instruments who do not prohibit the communication of their identity.**
2. **Without prejudice to article 47-bis, paragraph 5, of Bank of Italy – Consob Provision, in cases in which the issuer requires the list of balances for the purpose of managing the shareholders identification request in accordance with article 43, paragraph 1, of the present Regulations, Monte Titoli shall include within the list of balances also the data relating to proprietary accounts of intermediaries holding shares of a size above the number specified by the issuer in the identification request. The data related to proprietary accounts of intermediaries holding shares of a number lower than the number specified by the issuer in the identification request shall be communicated by intermediaries according to the methods set out in the Instructions.**

Article 43 – Identification of financial instrument holders

1. ~~For financial instruments~~ **shares of Italian issuers** managed directly, Monte Titoli, ~~having been duly appointed by the Issuer,~~ shall send the Intermediaries the information required, including the record date, to identify ~~the financial instrument holders~~ **shareholders, having been duly appointed by the Issuer for the purpose of the identification request** according to article 83-duodecies, **paragraphs 1 or 5,** of the Consolidated Law on Finance and

article **47-bis of Bank of Italy – Consob Provision** and ~~article 26-bis of the Bank of Italy – Consob Provision.~~

2. **For shares of issuers having their registered office in another Member State of the European Union, Monte Titoli executes the identification requests as provided by the above paragraph, taking into account the foreign law applicable to the issuer.**
3. **For bonds, saving shares and units of funds referred to in article 48 of Bank of Italy – Consob Provision, Monte Titoli shall communicate to intermediaries the information required, including the record date, to identify the financial instruments holders, having been required to do so by the issuer or by the asset management company.**
- ~~3. In addition, at the request of Issuers, Monte Titoli shall communicate, with reference to the record date, the ID data of the Intermediaries that hold the financial instruments on their central securities depository accounts and the number of financial instruments registered in the accounts assigned to them.~~
- ~~4. For financial instruments managed through connections, Monte Titoli provides the information referred to by paragraphs 1 and 2, if provided by the agreements entered by Monte Titoli and with which the financial instruments are centralised or at the request of the Issuer.~~
- ~~5. In cases of identification requests concerning financial instrument holders as mentioned by paragraph 2, Monte Titoli sends to the Issuer only the data of the Intermediary holders of the financial instruments who have not expressly forbidden the communication of ID data and/or the number of financial instruments registered in their own accounts.~~
4. **For financial instruments managed through links, Monte Titoli:**
 - a) provides **the intermediaries with the identification request**, if provided by the agreements entered between Monte Titoli and the central securities depositories where the financial instruments are centralized or at request of the Issuer;
 - b) **responds to the identification requests sent by issuers according to article 83-duodecies, , paragraphs 1 or 5, of the Consolidated Law on Finance and article 47-bis, paragraphs 5 or 6 of Bank of Italy – Consob Provision for shares, and article 48 of Bank of Italy – Consob Provision for the other financial instruments;**
 - c) **responds to the identification requests sent by issuers having their registered office in another Member State of the European Union, according to article 83-duodecies of the Consolidated Law on Finance and the foreign law applicable to the Issuer.**

Article 43 bis – Participants to the Service

- 1. Entities issuing financial instruments in accordance with article 43 and asset management companies with reference to units of funds managed by them can participate to the Service.**
- 2. Where the issuer is not a participant to the Notary Service, the participation to the service is regulated by an *ad hoc* contract that refers to the provisions of the present Rules and the relevant Instructions.**

Article 51 - Characteristics of the Service for the Management of Notices and Communications

1. The Services for the Management of Notices and Communications, according to the procedures provided by the Services Manual:
 - a) make it possible to pre-determine and/or manage, according to the accounting data processed by the central securities depository service, standard information flows related to: the notices and communications which Intermediaries are required to send to Issuers in the circumstances covered by the Consolidated Law on Finance and the Bank of Italy – Consob Provision; the personal data of eligible shareholders who intend to attend meetings, **in case of identification request in accordance with article 43**;
 - b) manage the electronic transmission of the information flows relevant to the above notices, supporting each step of the preparation and submission process through control, monitoring, reconciliation tools and/or consistency checks;
 - c) prepare reports on the quality of the information processed and submit specific information to facilitate management of the flows processed;
 - d) permit the storage, organisation and management of all information flows transmitted and provide prompt updates on the progress of the completion of the process to transmit and manage information flows;
 - e) ensure the authentication of the parties authorised to operate on the system and the confidentiality of the information flows transmitted;
 - f) ensure matching of the information with the RCC service to pay the fees due by the Issuer to the Intermediary in respect of the information flows transmitted.

Article 57 – Characteristics of the Service

1. As part of the service for the solicitation of delegations, at the request of the promoter, Monte Titoli:
 - transmits to intermediaries prior notification of the solicitation after receipt of the notice pursuant to article 136 of the Consolidated Law on Finance;

- communicates to the promoter, for a specific accounting date, the ID data of the Intermediaries that hold the financial instruments on their central securities depository accounts and the number of financial instruments registered on the accounts assigned to them, **in accordance with the provisions contained in the Instructions.**

Omissis

INSTRUCTIONS

1. NOTARY SERVICE INSTRUCTIONS

[...]

1.8 Initial registration in dematerialised form

1.8.0 General provisions

Registration shall be on the basis of:

- nominal value, equal to or a multiple of the minimum denomination established by the prospectus or the terms and conditions or the issue regulations, for bonds and other debt instruments;
- quantity, for shares and other financial instruments.

Financial instruments issued in euro shall be registered on the basis of the following procedures:

- a) the "DVP Issuance" (delivery versus payment) centralisation procedure, which provides for the debiting/crediting of newly-issued financial instruments at the same time as the crediting and debiting of the cash amount corresponding to the amount subscribed/placed;
- b) the "FOP Issuance" (free of payment) centralisation procedures, which provides for the debiting and crediting of the financial instruments via the message "Financial instruments centralisation order".

The "DVP Issuance" centralisation procedure is used to register all newly-issued financial instruments, excluding:

- a) financial instruments for which an application for admission to trading on a regulated market or MTF has been submitted;
- b) financial instruments issued against securitisation operations governed by Law No. 130/1999;
- c) financial instruments issued or assigned to employees;
- d) financial instruments issued by banks or investment companies and credited to an intermediary account of the same issuer;

- e) financial instruments whose issue has been subscribed, in whole or in part, by the vehicle referred to in Article 27 of Law Decree no. 34/2020 as converted by law 17 July 2020, n. 77 or by the fund referred to in Article 26, paragraph 12 of the aforementioned decree;

f) promissory notes referred to Law 13 January 1994, no. 43 and subsequent modifications.

Issuers of the financial instruments set out in letters a), b), c), d), and e) **and f)** shall specify, at the time of admission, whether they intend to apply the "DVP Issuance" or the "FOP Issuance" procedure.

Financial instruments that are managed by the issuer and issued in a currency other than euro, as well as financial instruments which include a deferral clause with the capitalisation of interest (so-called PIK note), can only be registered through the "FOP Issuance" procedure.

In order to ensure the proper functioning of the "System", Monte Titoli may establish deadlines for centralisation operations, in particular for financial instruments affected by corporate transactions, the deadlines usually expected or indicated from time to time by Service Notices must be observed.

Registration may be performed with a value date on sight or with deferred maturity.

Financial instruments credited to the securities account of the beneficiary intermediary are immediately available for settlement of operations with the same value through the Settlement Service.

1.13 Exclusion and withdrawal of ~~non-dematerialised~~ financial instruments

1.13.1 Exclusion of dematerialised financial instruments

In cases of exclusion of dematerialised financial instruments, Monte Titoli provides the Issuer with the statement representing the amount of each issue, which includes:

- **the name and BIC code of the Intermediaries holding the excluded instruments;**
- **the balances of the securities accounts of the Intermediaries;**

Exclusion entails the debit of the financial instruments from the securities account of the Intermediaries. Monte Titoli shall promptly inform the intermediaries by means of a Service Notice.

~~1.13~~ 1.13.2 Withdrawal of non-dematerialised financial instruments

3. SUPPORT FOR THE PROCESSING OF CORPORATE TRANSACTIONS

[...]

3.12 Covered warrants and certificates

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3.12.9 Covered warrants and certificates subject to the Section 871(m) IRC

Based on the data communicated by the issuer required to apply the withholding tax on the so-called Dividend Equivalent Payment (DEP) as per Section 871 (m) Internal Revenue Code, Monte Titoli sends monthly to intermediaries with balances on financial instruments at the date of payment of the DEP, the necessary data to fulfil their reporting obligations and any request for reimbursement from the Internal Revenue Service (forms 1042-S and 1042). **These certifications are issued also in relation to "accumulating" certificates even in cases where the Issuer did not appointed Monte Titoli for the execution of payment transactions.** Under no circumstances does Monte Titoli handle redemption requests on behalf of intermediaries.

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3.15 Sending the list of balances to issuers

*On the Record Date, Monte Titoli ~~sends will compose and send~~ the Issuer **the list of balances** exclusively file "Reporting of balances at the record date for the identification financial instruments' holder identification" which contains:*

- **the name and ABI code of Intermediary;**
- **the number and type of account (own account/ third party omnibus account/third party, individual account);**
- *the detail of balances of the each financial instrument concerned **for each account.** ~~and registered on the Intermediaries' accounts.~~*

As regards proprietary accounts, *To this end Monte Titoli maintains and updates a dedicated database of the information provided by intermediaries concerning the Intermediaries that have prohibited the communication of such information. In the first application phase, and, in any case, unless when a specific contrary indication is sent to Monte Titoli, the Intermediaries' consent is assumed and given on a general basis to **all corporate events, including all ID operations** regarding any Issuer and any financial instrument in a CSD and it is also extended to third parties data managed by the Intermediary.*

*Whereas the assignment by the Issuer is given to Monte Titoli at least 15 days before the **record date** day in which the identification has to be done, Monte Titoli through a specific Service Provision asks Participants if they intend to modify, in relation to the specific operation that has been communicated, **the indication given regarding***

the communication of data relating to property account ~~the possible prohibition expressed to communicate its data.~~ Whereas the assignment by the Issuer is not given with the prior notice mentioned above, *Monte Titoli* gives notice of the Issuer data at the latest one business day after receiving the request **or as of the record date.** , ~~taking into account the registered information on the prohibition to communicate data.~~

4. INSTRUCTIONS OF THE FINANCIAL INSTRUMENTS MANAGEMENT SERVICE THROUGH LINK OPERATIONS OF THE SERVICE

[...]

4.4. Shareholders' meetings and identification of financial instruments' holders

[...]

4.4.2 Identification of financial instruments' holders

~~Following the notification of the Issuer CSD or following the Issuer's request, Monte Titoli shall communicate to Intermediaries participant to the System through a Service Disposition the following:~~

- ~~▪ information on the operation;~~
- ~~▪ financial instruments subject of the identification;~~
- ~~▪ terms and methods for sending data, as well as the reference provisions based on which the identification operation is done;~~
- ~~▪ specific notes and instructions that the Issuer considers appropriate to circulate to the System in order to ease the exact and prompt identification as well as the communication done according to the law (e.g. on the reasons for an identification request of bond holders).~~

~~The data contained in the Service Disposition are used by Intermediaries to properly manage their obligations towards financial instruments' holders, Monte Titoli and the Issuer.~~

~~Intermediaries are allowed to expressly prohibit to Monte Titoli to communicate their ID data as well as the number of financial instruments registered in their own securities accounts by sending a specific written communication. Such a prohibition however is always revertible by the intermediary.~~

~~To this end, Monte Titoli maintains and updates a specific database on the Intermediaries that have prohibited the communication of such information. In the first application phase and, in any case, unless when a specific contrary notice is~~

~~given to Monte Titoli, the consent by intermediaries is assumed and given on a general basis to all the ID operation regarding any issuer and any financial instrument in a CSD and it is also extended to third parties data managed by the Intermediary.~~

~~Whereas the notification of the Issuer CSD or the assignment by the Issuer is given to Monte Titoli at least 15 calendar days before the day in which the identification has to be done, Monte Titoli through a specific Service Provision asks Participants if they intend to modify, in relation to the specific operation that has been communicated, the possible prohibition expressed to communicate its data. Whereas the assignment by the Issuer is not given with the prior notice mentioned above, Monte Titoli gives notice of the Issuer data within the business day indicated, taking into account the registered information on the prohibition to communicate data.~~

6. SOLICITATION OF PROXIES

Promoter as provided by Article 138 of CLF are required to send Monte Titoli the notice and a copy of the final version of the prospectus together with the proxy form and any changes to them, according to article 136 of Consob Regulation n.11971, implementing provision on issuers.

According to this communication, Monte Titoli informs Participants of the solicitation underway by means of a properly Services Communication.

On promoter's request, Monte Titoli, *within one working day from the receipt of the request*, provides **the balance list which contains:**

- ~~– the ID data of the Intermediaries~~ **the name and BIC code of the intermediaries;**
- the number and type of account (own account/ third party omnibus account/third party, individual account);**
- ~~– balances relating to the number of shares registered on the accounts of each intermediary;~~*within one working day from the receipt of the request*

In order to apply for the service offered by Monte Titoli, the promoter:

- shall subscribe the contract "Proxy solicitation" available on Monte Titoli website www.montetitoli.it;
- shall submit the service contract and documents attesting payment of service fees.

7. IDENTIFICATION OF FINANCIAL INSTRUMENTS' HOLDERS

7.1 Identification of holders of financial instruments admitted to central securities depository service

The Issuer intending to request the identification of financial instruments' holder, gives the general mandate to Monte Titoli by message "Mandate for identification of financial instruments' holder".

Monte Titoli informs Intermediaries via message "Service Notice (SHI) MSG724" about:

- information on the transaction;
- financial instruments subject to Identification;
- terms and procedures for the submission of ID information, as well as the reference rules based on which the identification operation is done (that is, if in accordance with the article 83 duodecies of the Consolidated Law on Finance and in accordance with the article 48 of the Single Provision on Post-trading or in accordance with article 22(5) quinquies of Law decree no. 91 of 24 June 2014 enacted with Law no. 116 of 11 August 2014);
- notes and special instructions that the Issuer considers appropriate to disclose to the System in order to enable proper and timely identification as well as the communications done according to the law (e.g. on the reasons for an ID request of bonds holders).

Data contained in the Service Notice are used by Intermediaries to properly manage their obligation towards financial instruments' holders, Monte Titoli and the Issuer of financial instruments.

~~On the Record Date, Monte Titoli will compose and send the Issuer exclusively file "Reporting of balances at the record date for the identification financial instruments' holder identification" which contains balances of each financial instrument concerned and registered on the Intermediaries' accounts.~~

~~Intermediaries are allowed to expressly prohibit to Monte Titoli the communication of their ID data as well as the number of financial instruments registered in their accounts by sending a specific communication through CLIP platform. Such prohibition is always revertible by the Intermediary.~~

~~To this end Monte Titoli maintains and updates a dedicated database of the Intermediaries that have prohibited the communication of such information. In the first application phase, and, in any case, unless when a specific contrary indication is sent to Monte Titoli, the Intermediaries' consent is assumed and given on a general basis to all ID operations regarding any Issuer and any financial instrument in a CSD and it is also extended to third parties data managed by the Intermediary.~~

~~Whereas the assignment by the Issuer is given to Monte Titoli at least 15 days before the day in which the identification has to be done, Monte Titoli through a specific Service Provision asks Participants if they intend to modify, in relation to the specific operation that has been communicated, the possible prohibition expressed to communicate its data. Whereas the assignment by the Issuer is not given with the prior notice mentioned above, Monte Titoli gives notice of the Issuer data at the latest one business day after receiving the request, taking into account the registered information on the prohibition to communicate data.~~

7.2 Identification of holders of linked financial instruments

Upon receipt of the identification request from the Issuer or the Issuer CSD, Monte Titoli shall communicate to the intermediaries participating in the system the relative Service Provision containing:

- **information on the operation;**
- **the financial instruments to be identified;**
- **the terms and methods for sending personal information, as well as the provisions on the basis of which the identification request is carried out;**
- **notes and special instructions that the issuer deems appropriate to disclose to the system to facilitate correct and timely identification, as well as the communications made in accordance with the law (for example, the reasons for the bondholders identification request).**

Data contained in the Service Provision are used by intermediaries to correctly manage the obligations within their remit towards the holders of financial instruments, Monte Titoli and the issuer.