MEDIOBANCA

ORDER EXECUTION AND TRANSMISSION STRATEGY

February 2020

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Contents

1. Introduction

1.1. Purpose of document

The purpose of this document is to illustrate the order execution and transmission strategy (the "Strategy") adopted by Mediobanca (the "Bank"), i.e. the rules which the Bank has adopted to manage clients' orders and obtain the best possible result in their execution.

The Bank provides potential new clients with the Strategy at the client acquisition stage, along with the pre-contractual and contractual information. The Strategy is accepted by clients when they sign the contract.
The Bank publishes the Strategy on its official website at www.mediobanca.com (MiFID section), and informs clients of relevant changes made to the Strategy by publishing the new version on the same website. The Bank informs clients (by email or other means) that a new version of the Strategy has been published on the website.

1.2. Regulations

Directive (EU) 2014/65 and the regulations enacting it ("MiFID II") oblige investment firms to adopt sufficient measures to obtain the best possible result when executing clients' orders, regardless of whether or not the instruments to which the orders refer are admitted to trading and/or traded at a trading venue or otherwise.

Investment firms are bound to adopt the above measures in order to obtain the best possible execution of the clients' orders, taking due account of the following factors:

- ◆ Price of the financial instrument;
- ◆ Costs of execution;
- ◆ Speed of execution;
- ◆ Probability of execution and settlement;
- ◆ Size of order;
- ◆ Nature of order;
- ◆ Other characteristics of the order of relevance to its execution.

If the investment firms execute orders on behalf of retail clients, the best result is established in terms of "**total consideration**", i.e. in terms of the "price" of the financial instrument and the "costs" related to the execution, including all expenses incurred by the clients which are directly attributable to execution of the order.

Investment firms are required to classify the above factors in order of importance, having regard to the following aspects:

- ◆ Characteristics of the client, including whether or not it is classified as "retail" or "professional";
- ◆ Characteristics of the client's order, including when the order includes securities financing transactions (SFT);
- ◆ Characteristics of the financial instruments covered by the order;
- ◆ Characteristics of the execution venues to which the order may be directed.

Investment firms are required to meet the obligations in terms of adopting sufficient

measures to obtain the best result possible for the client if they execute an order or a specific aspect of an order, complying with the **specific instructions issued by the client** regarding the order or the specific aspect of the order in question.

When investment firms execute orders or decide to trade **OTC products** which include bespoke products, they verify the fairness of the price offered to the client by collecting the market data used in the estimate of the price of the product, and where possible compare it with similar or comparable products.

Investment firms **review** their order execution and transmission strategy, and also the devices they use to execute the orders, at least once a year, and assess on an ongoing basis whether material changes have occurred that could impact on the execution parameters to obtain the best terms, and consider the possibility of making changes to the execution venues or to the entities used by them to meet the requirement for execution on the best terms possible.

"Material change" for the purpose hereof is defined as a significant event which is potentially able to affect the best execution parameters, such as price, costs, speed, probability of execution and settlement, size, nature or other characteristics of the order of relevant to its execution, that impacts on the Bank's capability to continue to systematically obtain the best possible result for the client's order execution.

Investment firms are also bound to **publish:**
- ◆ **annually**, reports on the first five execution venues at which they executed their clients' orders, and the first five investment firms by trading volumes to which they transmitted their clients' orders for execution in the previous year, along with a report on the quality of execution obtained, and
- ◆ **quarterly**, reports on the quality of the execution of OTC transaction on instruments for which the investment firms are market maker or liquidity provider.

1.3. Glossary

Regulated Markets ("RM"): multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems;

Multilateral Trading Facilities ("MTF"): a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments – in the system and in accordance with non-discretionary rules – in a way that results in a contract;

Organized Trading Facilities ("OTF"): multilateral system which is not a regulated market or an MTF and in which multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract;

Systematic Internalizers ("SI"): investment firms which, on an organized, frequent and substantial basis, deal on own account when executing client orders outside a regulated market, an MTF or OTF, without managing a multilateral facility;

Market Maker: a person who holds himself out on the financial markets on a continuous basis as being willing to deal on own account by buying and selling financial instruments against that person's proprietary capital at prices defined by that person;

Trading Venues: an RM, an MTF or an OTF;

Execution Venues: an RM, an MTF, an OTF, an IS, a market maker or another provider of liquidity;

OTC: execution of orders "over-the-counter", i.e. outside a trading venue.

2. Scope of application

The Bank applies the measures and rules stated in this document to obtain the best possible result for clients classified for MiFID purposes as retail and professional (the best execution obligations do not apply to clients classified as qualified counterparties), and to manage orders from clients (retail, professional and qualified counterparties) as part of the provision of the following investment services: order receipt and transmission, client order execution and trading on own account.

2.1. OTC (over-the-counter) trading and counterparty risk

The Bank – without prejudice to the obligations provided for under Regulation (EU) 2014/600 and the regulations enacting it (MiFIR) on trading obligations for shares and derivatives – may execute clients' orders outside a trading venue only if the client concerned has provided their explicit consent to such end.

Clients may provide such consent in the form of general agreement, or trade by trade.

The Bank executes clients' orders over-the-counter (OTC) in the following cases:
- ◆ in operations with clients in OTC derivatives instruments or instruments which are not traded in any trading venue; or
- ◆ in cases which involve instruments that can be traded at trading venues but only if certain conditions apply[1]; or
- ◆ In the event of specific instructions from the client.

In OTC trades, the Bank considers the price of the financial instruments and the costs of execution as the prevailing best execution factor.
Prices of financial instruments are determined:
- ◆ financial instrument not traded at any trading venue - on the basis of the instrument's value, which is defined on the basis of the Bank's own internal models, using market data. In determining the price for the client, the Bank considers also the market value of similar or comparable instruments, where these exist;
- ◆ financial instruments traded at a trading venue – on the basis of the instruments' market value.

The Bank carries out regular checks to ascertain that the costs charged to clients are compliant with the maximum limits defined internally.

OTC trading entails counterparty risk for the client. In particular, in cases which involve proprietary OTC trading, if the Bank were to become insolvent, it might not be able to meet its obligations in respect of trades concluded or make the relevant payments, at which point the client could lose all or part of the payments made or suffer unlimited losses. Furthermore, when the Bank is unable to pay its own debts, the client is subject to the risk of resolution measures being taken against the Bank by the authority under the terms of Directive

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[1] Such conditions are met when:
1. the bank is able to provide the client with better conditions compared to those applicable in respect to dynamic best execution;
2. notwithstanding point 1 above, the trading book is unable to cover the whole volume of the order, on the condition that the execution price is coherent with market prices

2014/59/EU ("bail-in"), including the early termination of contracts that have been concluded, or a reduction in their amounts or conversion to risk capital.

2.2. Trading in requests for quotes (RFQ)

In trading that follows a "request for quote" ("RFQ"), at the client's initiative, the Bank assesses whether or not the client is due best execution protections based on the following "fourfold test:[2]

- ◆ If it is the client which has launched the trade/RFQ; this can be checked by the communications with the client;

- ◆ If there is a particular market practice for the instrument in question and a convention for the client to "shop around": these factors may be observed from the historical records of trades for the instrument and/or interactions between the Bank and the client;

- ◆ If price transparency is assured in the relevant market; this can be observed from the current and historical levels of the bid/ask spread and the volumes traded on the specific market; and

- ◆ If the agreements with the client or the information provided to the client do not make clear that the client should have the benefit of such protections in RFQ trading;

If the above conditions are met, the Bank may feel that the client is not due the above protection of best execution in RFQ trading.

If the above conditions are not met, the Bank – when providing the prices to the client – seeks the best possible conditions for the execution of orders by comparing the conditions/the execution quality offered by counterparties/market makers/MTFs with those offered by the best execution system.

2.3. Specific client instructions

Best execution obligations do not apply when the Bank receives specific instructions from the client, because they are considered to have been already met.

If the specific instructions regard only part of the order, Mediobanca is bound to continue applying the principles illustrated in this document with regard to every other aspect of this order not covered by the client's instruction. When the instruction given by the client refers to a specific order execution strategy (VWAP, TWAP, VP, etc.), Mediobanca applies this instruction to the execution of the order as a whole.

With regards to orders transmitted telematically by CIB Division clients and related to equities and similar instruments, Mediobanca considers an instruction as being specific when the trading venue indicated by the client is different from the "market of reference". Such market is determined daily by bank[3] on the basis of information provided by a specialised infoproviding service and which is published on its public website (www.mediobanca.com), in the MiFID section.

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[2] Cf. European Commission working document ESC-07-2007.

[3] Conversely, Mediobanca doesn't consider an instruction as being specific when the trading venue indicated by the client is the one regarded by the bank as the market of reference.

3. Rules for managing client orders and allocation procedure for Equity Capital Markets and Debt Capital Markets transactions

3.1. Rules for managing client orders

Mediobanca receives orders exclusively through authorized communications systems and channels which are subject to recording, as required by the regulations in force.

The Bank ensures a rapid, fair and efficient execution of retail and professional clients' orders relative to other client orders and to the Bank's own trading interests.

The Bank executes and/or transmits retail and professional clients' orders which are comparable, in succession and quickly, unless the order's characteristics or the prevailing market conditions make it impossible or the clients' interests require it to proceed differently.

The Bank informs retail clients of any relevant difficulties that could impact on correct execution of the orders as soon as it is aware of them.

The Bank, in order to ensure that orders with price limits – for shares admitted to trading in a regulated market or traded at a trading venue – not executed immediately at the prevailing market conditions, are executed as quickly as possible, unless the client provides instructions to the contrary, publishes the orders immediately by means that are easily accessible to the other market participants. For this purpose, the Bank may transmit client orders with price limits to a trading venue. The obligation to publish orders with price does not apply in cases where the volume is high compared to the normal size for the market.

The Bank combines retail and professional clients' orders in accordance with the rules set out in Annex C.

3.2. Allocation procedure for Equity Capital Markets/Debt Capital Markets transactions

During the allocation procedure, the offering of securities – including, without limitation, Initial Public Offerings (IPO), Accelerated Bookbuilding (ABB), Reverse Accelerated Bookbuilding (RAB) and any other private placement or public offering – may give rise to situations of conflict of interests. With this in mind, Mediobanca adopts an allocation strategy which is intended to prevent such situations from arising as provided by the Directive process for order collection, allocation and post-allocation for ECM-DCM transactions.

Allocation decisions depend on various factors. It should be emphasized that expressions of interest/orders which the Bank receives from investors must be consistent with the real demand for securities that the investors concerned will actually request. Mediobanca undertakes to ensure that the allocation will be compliant with the related allocation strategy.

Investors accept the above principles and in accordance with the respective regulations and internal procedures, act in good faith to enable lawful and regular allocation.

4. Monitoring and revising the order execution and transmission strategy

Mediobanca monitors the effectiveness of its order execution and transmission strategy, and the quality of the execution obtained from the execution venues and brokers identified on an ongoing basis, seeking to rectify any shortcomings noted. When requested by the client, the Bank is able to demonstrate that it has executed an order in conformity with the provisions set forth in the Strategy.

The checks are intended to ascertain that:

- ◆ The correct strategy has been applied to the client's order;
- ◆ The orders have been executed/transmitted at approved execution venues or with approved brokers;
- ◆ The brokers have executed the orders in accordance with the relevant strategy;
- ◆ The approved execution venues and brokers continue to guarantee the terms provided and assessed at the acquisition stage and have not undergone serious malfunctions during the year in progress;
- ◆ For OTC products, that clients have been offered a fair price, checking that the costs charged to clients fall within the limits defined internally to the Bank.

Without prejudice to the foregoing, the Bank reviews the Strategy, along with the order execution devices, once a year, including on the basis of the checks described above.

The Bank also revises the Strategy under extraordinary circumstances, to incorporate changes in the performance of its activities in connection with execution services, and every time a significant change occurs which implies that it is impossible to continue to deliver the best possible result in client order execution over the long term.

If significant changes are made to the Strategy as a result of the review activities, the Bank notifies its clients of such changes by publishing the new version of the Strategy in summary form on its website at www.mediobanca.com (MiFID section). The Bank also informs its clients that the Strategy has been revised (by email or other means).

As required by MiFID II, the Bank also publishes on its website at www.mediobanca.com (MiFID section):

- ◆ once a year in the month of April reports on the first five execution venues by trading volumes at which it has executed client orders and the first five investment firms by trading volumes to which it has transmitted client orders for execution in the past year, along with a report on the quality of execution obtained;
- ◆ quarterly reports on the quality of the execution of OTC transaction on instruments for which the Bank is liquidity provider.

5. Issues which impact on the functioning of the order execution and transmission model

5.1 Best execution factors and their relative importance

The Bank adopts sufficient measures to obtain the best execution, taking into account the following execution factors:

◆ **Price** of the financial instrument;

◆ **Costs** associated with execution: more specifically, the Bank considers the "total consideration", which consists of the sum of the price of the financial instrument itself and all costs incurred by the client and directly attributable to execution of the order, including the trading commissions charged by the Bank. The following cost items are considered relevant and consist of:

  ◆ Costs of accessing the execution venues and/or otherwise connected to such venues;

  ◆ Costs of clearing and settlement;

  ◆ Any cost payable to third parties involved in execution of the orders;

  ◆ Tax charges;

  ◆ The Bank's own commissions.

◆ **Probability of execution**: this factor varies depending on the structure and depth of the market on which the instrument is traded, and depends on the quantity of securities involved in the order. For OTC trades, the probability of execution is one of the criteria which distinguishes the service offered by the Bank to its clients, as it depends on its willingness to execute trading on own account, and/or on the strategies adopted to execute the orders via other intermediaries.

◆ **Speed of execution**: this factor may vary based on the methods used to make the trade, the structure and characteristics of the market, the connection devices used, and based on other variables as well, such as the liquidity of the instrument being traded.

◆ **Nature of order**: certain other characteristics of an order are relevant to achieve the best execution, such as for example: i) the size of the order, which can impact on both the methods used to obtain the best execution and on other factors as well, such as price, speed and probability of execution; ii) the type of instrument: i.e. if the instruments are illiquid or highly personalized.

In defining the hierarchy of execution factors, the Bank has taken the following issues into account: client classification (retail/professional); order type/venue (orders immediately/not immediately tradable at the venues depending on market conditions); type of financial instruments to which the client orders refer (bonds/shares and similar instruments).

Notwithstanding the following Sections 5.2 and 6.2, in general terms the following factors are treated as priority by Mediobanca:

  ◆ For retail clients: the total consideration, in terms of the price of the instrument and costs of execution. For large orders and/or orders which involve illiquid instruments, the execution of which may be impacted negatively by market prices, Mediobanca may consider other factors to have priority, such as speed and probability of execution;

◆ For professional clients: the "price" factor, in each case assigning a significant weighting to other factors, such as "speed of execution" or "probability of execution".

5.2. Order execution strategies

In general terms, Mediobanca allows a dynamic execution strategy to be adopted in order to execute orders for all categories of instruments.

◆ For **Private Banking Division** clients, Mediobanca always adopts a dynamic execution strategy which takes account primarily of the "total consideration" factor, which consists of the "price" of the financial instrument and the "costs" relating to execution, including all expenses incurred by clients directly attributable to the execution of the order [**Lit venue only** (No Dark Ping) – Dynamic Best Execution operating model].

For all Private Banking Division clients (retail and professional) the total consideration is the main execution factor, regardless of the instrument involved.

◆ For **Corporate & Investment Banking Division** clients, (including interconnected clients), Mediobanca allows a choice to be made, both at the start of the relationship and on an ongoing basis, between various different execution strategies:

   ◆ **Reference market only** – static best execution model for equities and similar instruments (this model identifies the most liquid market on a daily basis, based on historical data on volumes traded);

   ◆ **Lit venue only** (No Dark Pool) – dynamic best execution operating model;

   ◆ **Lit venue only** (No Dark Pool) & **Systematic Internalizer** – dynamic best execution operating model;

   ◆ **Dark & Lit venues** (Smart IOI) – dynamic best execution operating model;

   ◆ **Dark, Lit venues** (Smart IOI) & **Systematic Internalizer** - dynamic best execution operating model.

In the absence of instructions from Corporate & Investment Banking division customers, the Bank always applies the "**Dark & Lit venues**" strategy, which gives priority to the "price" factor while in each case assigning significant weight to the other factors as well, such as "speed of execution" or "probability of execution".

◆ With reference to the Legal Entities belonging to the Group:
   ◆ CheBanca!: has applied for a best execution strategy reference market only[4], regardless of the MIFID classification of their clients;
   ◆ Spafid: has applied for a dynamic best execution strategy, and in particular for retail clients the strategy Lit venue only, and for professional clients the strategy Dark & Lit venues, unless otherwise indicated by the clients.

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[4]Mediobanca determines the "market of reference" on a daily basis by using the information provided by a specialised infoproviding service and publishes the said information on its public website (www.mediobanca.com), in the MiFID section.

5.3. Execution venues and brokers

5.3.1. Direct execution or execution via brokers

Mediobanca can execute client orders at execution venues either directly or via brokers.

The Bank transmits orders to the brokers for execution in the following cases:

- For bonds: residually when the Bank does not have direct access to the trading venues[5];

- For equities and similar instruments: always, save in cases where the order is issued by the client with specific instructions that require execution to be performed at a given venue to which the Bank has direct access;

- For exchange traded derivatives (ETDs): always, unless Mediobanca has direct access to the venue, acts as a liquidity provider for the financial instruments on which the clients wish to operate and is able to guarantee the same quality of execution offered by brokers. If such conditions are cumulatively met, the bank may directly execute the order.

5.3.2. Selection of trading venues and brokers

The Bank selects the trading venues, and carries out regular assessments of them, taking into account the following aspects in particular: type of instruments tradable at the venue, liquidity, bid/ask spread level, depth and resilience of market, fee structure and other relevant information (e.g. evidence of serious malfunctions that have occurred during the year).

The Bank selects the brokers, and carries out regular assessments of them, taking into account the following aspects in particular: reputation, credit standing, fee structure, execution venues to which they have access (and their liquidity, bid/ask spread level, depth and resilience of market, fee structure), execution strategies – which must be consistent with the Strategy adopted by the Bank -, and clearing system.

The introduction of new trading venues and brokers, and/or changes to the venues/brokers already selected, are proposed by the business units themselves on the basis of the criteria set forth above and approved by the Compliance unit.

The list of execution venues and brokers selected by the Bank are contained in Annexes A and B respectively.

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[5] The Bank residually could receive orders on bond instrument exclusively tradable on a venue without direct access by the Bank. In these cases, the Bank identifies for each individual order the broker for the transmission of the order

Order Execution and Transmission Strategy

6.   Order execution model for bonds

6.1 Rules for routing orders

When an order is received without specific instructions as to the trading venue, the Bank, via the AOR system, checks:

- If the financial instrument is tradable at only one trading venue to which it has access; in which case the Bank directs the order straight to that venue;

- If the financial instrument is tradable at more than one trading venue: in which case the Bank selects the best venue to which it has direct access based on the conditions prevailing at the time when the order is received (known as "dynamic" best execution, or "DBE", see par. 6.2);

  - If the order can be executed immediately, the Bank executes the order based on dynamic best execution criteria, and sends the result of the trade to the client. The order may be executed in whole or in part;

  - If the order or part of it cannot be executed immediately, the Bank publishes the order at the reference venue (chosen based on having the highest liquidity). In this case the order may become executable at a later stage and therefore:

    - If the order is subsequently executed in full or in part at the same venue where it was published (the reference venue), the Bank sends the client confirmation of the results of the trade;

    - If the order or part of it becomes executable at a later stage at an alternative venue included in the Strategy, the Bank activates the function to move the order to the venue offering the best trading conditions compatible with the order. Once the order has been moved to the alternative venue:
      i) If it is not executed: the order is published at the reference venue;
      ii) If it is executed in part: the unexecuted part of the order continues to be published at the alternative venue where the partial execution took place;

    - If the order does not become executable at any venue within the time limits set by the client, the Bank informs the client that the transaction has not been executed.

6.2. Dynamic best execution model

The dynamic best execution operating model for the bond component which the Bank has adopted is based on an algorithm integrated into the order management system which, at the execution stage, assesses the quality of the execution offered by the individual trading venues to which the Bank has direct access.

Dynamic assessment is based on an algorithm which takes the following factors into consideration:
- Price and costs;
- Probability of execution;
- Speed of execution.

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The importance of these factors is contained in the algorithm and is compliant with Section 5.1 of the Strategy. The parameters are assessed on the basis of information available in real time. The quality of execution provided by the individual venues is measured by means of a synthetic indicator which, based on an algorithm, combines the values of the individual best execution factors, the relative weighting of which is measured by means of a weighting vector of the "price and costs", "probability of execution" and "speed of execution" scores.

This vector, in accordance with the weighting assigned by the Bank, assigns the following weightings for all clients (i.e. retail and professional):

◆ 98% for the "price and costs" factor;
◆ 1.9% for the "probability of execution" factor;
◆ 0.1% for the "speed of execution" factor.

Other parameters that could impact on the order execution method are:

◆ The liquidity of the financial instrument traded: this parameter is considered implicitly in the "probability of execution" factor;
◆ The size of the order: insofar as this may affect other factors such as the execution price and the speed or probability of execution.

With reference to the financial instruments in the bond segment that are tradable at trading venues, it has been observed that the national regulated markets and the MTFs to which the Bank has direct access (MOT/EXTRAMOT/EUROTLX) are able to offer competitive trading conditions and high liquidity levels, guaranteeing coverage of the majority of the range of instruments currently and historically traded by clients.

Unless a different instruction is given by the client, the Bank shall take into account the possibility of executing the order either on trading venues other than those highlighted in the above paragraph or OTC (see par. 2.1), on the condition that prices are lower than those offered by the said venues (MOT/EXTRAMOT/EUROTLX). With regard to interconnected clients such assessment is only conducted when the volume of the order is above the thresholds agreed with the client.

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7. Order execution model for equities, similar instruments and derivatives

Notwithstanding Section 5.2, the dynamic best execution operational model for executing orders in respect of listed equity instruments, ETF/ETC and listed derivatives is that of the brokers selected from time to time by Mediobanca, whose strategy is assessed as being aligned with the factor rankings determined by the Bank, which for retail clients considers the principal factor to be "total price".

With regards to orders for which the trading book is unable to cover the whole volume and in relation to which the client has requested the execution for the complete volume, the bank may execute it either OTC (see par. 2.1) or on a MTF on the condition that the prices are coherent with the market ones.

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Annexes

Annex A: Approved Execution venues

Execution venue	Region	Type	Access mode	Instrument type
NEW YORK STOCK EXCHANGE, INC.	AMRS	RM	Indirect	Equities/ETF/ETC
NASDAQ - ALL MARKETS	AMRS	RM	Indirect	Equities/ETF/ETC
NYSE MKT LLC – AMEX	AMRS	RM	Indirect	Equities/ETF/ETC
NYSE ARCA	AMRS	RM	Indirect	Equities/ETF/ETC
OTC PINK MARKETPLACE	AMRS	RM	Indirect	Equities/ETF/ETC
OTCBB	AMRS	RM	Indirect	Equities/ETF/ETC
TORONTO STOCK EXCHANGE	AMRS	RM	Indirect	Equities
HONG KONG EXCHANGES AND CLEARING LTD	APAC	RM	Indirect	Equities
TOKYO STOCK EXCHANGE	APAC	RM	Indirect	Equities
NEW ZEALAND EXCHANGE LTD	APAC	RM	Indirect	Equities
ASX - ALL MARKETS	APAC	RM	Indirect	Equities
SINGAPORE EXCHANGE	APAC	RM	Indirect	Equities
BORSA ITALIANA S.P.A. - ELECTRONIC SHARE MARKET	EMEA	RM	Direct/Indirect	Equities
BORSA ITALIANA S.P.A. – ELECTRONIC BOND MARKET (MOT)	EMEA	RM	Direct	Bond
BORSA ITALIANA S.P.A. - EXTRAMOT	EMEA	RM	Direct	Bond
BORSA ITALIANA S.P.A. - EUROTLX	EMEA	MTF	Direct	Bond
XETRA	EMEA	RM	Direct/Indirect	Equities/ETF/ETC
DEUTSCHE BOERSE AG – Frankfurt	EMEA	RM	Indirect	Equities/ETF/ETC/Bond
BOERSE MUENCHEN	EMEA	RM	Indirect	Equities/ETF/ETC
IRISH STOCK EXCHANGE - ALL MARKET	EMEA	RM	Indirect	Equities/ETF/ETC
WIENER BOERSE AG AMTLICHER HANDEL (OFFICIAL MARKET)	EMEA	RM	Indirect	Equities/ETF/ETC
EURONEXT - EURONEXT BRUSSELS	EMEA	RM	Direct/Indirect	Equities/ETF/ETC
EURONEXT - EURONEXT PARIS	EMEA	RM	Direct/Indirect	Equities/ETF/ETC
EURONEXT - EURONEXT AMSTERDAM	EMEA	RM	Direct/Indirect	Equities/ETF/ETC
EURONEXT - EURONEXT LISBON	EMEA	RM	Direct/Indirect	Equities/ETF/ETC
LONDON STOCK EXCHANGE (including IOB)	EMEA	RM	Indirect	Equities/ETF/ETC
OSLO BORS ASA	EMEA	RM	Indirect	Equities/ETF/ETC
SIX SWISS EXCHANGE	EMEA	RM	Indirect	Equities/ETF/ETC
SIX SWISS EXCHANGE - BLUE CHIPS SEGMENT	EMEA	RM	Indirect	Equities/ETF/ETC
NASDAQ STOCKHOLM AB	EMEA	RM	Indirect	Equities/ETF/ETC
NASDAQ HELSINKI LTD	EMEA	RM	Indirect	Equities/ETF/ETC
NASDAQ COPENHAGEN A/S	EMEA	RM	Indirect	Equities/ETF/ETC
MERCADO CONTINUO ESPANOL - CONTINUOUS MARKET (SIBE)	EMEA16	RM	Indirect	Equities/ETF/ETC
ATHENS EXCHANGE S.A. CASH MARKET	EMEA	RM	Indirect	Equities

Order Execution and Transmission Strategy

WARSAW STOCK EXCHANGE/EQUITIES/MAIN MARKET	EMEA	RM	Indirect	Equities
CHI-X	EMEA	MTF	Direct/Indirect	Equities
BLOOMBERG TRADING FACILITY LIMITED MTF	EMEA	MTF	Direct	Bond/ETF/ETC
BATS	EMEA	MTF	Indirect	Equities
TURQUOISE	EMEA	MTF	Indirect	Equities
CITI MATCH	EMEA	MTF	Indirect	Equities
POSITNOW ITG	EMEA	MTF	Indirect	Equities
UBS MTF	EMEA	MTF	Indirect	Equities
BLOCKMATCH MTF	EMEA	MTF	Indirect	Equities
CREDIT SUISSE AES CROSSFINDER ER EUROPE	EMEA	MTF	Indirect	Equities
JPM X	EMEA	MTF	Indirect	Equities
MS POOL ATS	EMEA	MTF	Indirect	Equities
DEUTSCHE BANK SUPER X EU	EMEA	MTF	Indirect	Equities
SIGMA X MTF	EMEA	MTF	Indirect	Equities
CHVX BLINK MTF	EMEA	MTF	Indirect	Equities
DB SUPER X BCN	EMEA	MTF	Indirect	Equities
AQUIS EXCHANGE	EMEA	MTF	Indirect	Equities /ETP
LIQUIDNET SYSTEMS	EMEA	MTF	Indirect	Equities /ETP
UBS MTF	EMEA	MTF	Indirect	Equities /ETP
SEB LIQUIDITY POOL	EMEA	MTF	Indirect	Equities
EUREX	EMEA	RM	Direct/Indirect	Derivatives
EURONEXT-MONEP	EMEA	RM	Indirect	Derivatives
EURONEXT-AEX	EMEA	RM	Indirect	Derivatives
EURONEXT-BELFOX	EMEA	RM	Indirect	Derivatives
IDEM	EMEA	RM	Direct/Indirect	Derivatives
MEFF	EMEA	RM	Indirect	Derivatives
EURONEXT LIFFE-LTOM	EMEA	RM	Indirect	Derivatives
BORSA ITALIANA S.P.A. – ALTERNATIVE INVESTMENT MARKET (AIM ITALIA)	EMEA	MTF	Direct/Indirect	Equities
BORSA ITALIANA S.P.A. – MERCATO DEGLI INVESTMENT VEHICLES (MIV)	EMEA	RM	Direct/Indirect	Equities/ Funds
Johannesburg Stock Exchange	EMEA	RM	Indirect	Equities
BORSA ITALIANA S.P.A. – EQUITY MTF (MTAH)	EMEA	MTF	Direct/Indirect	Equities
BORSA ITALIANA S.P.A. – SEDEX	EMEA	MTF	Direct/Indirect	CW/Certificates
BORSA ITALIANA S.P.A. - ELECTRONIC OPEN-END FUNDS MARKET	EMEA	MTF	Direct	Funds
BORSA ITALIANA S.P.A. - ELECTRONIC ETF, ETC/ETN	EMEA	RM	Direct/Indirect	ETF/ETC
BONDVISION EUROPE MTF	EMEA	MTF	Direct	Bond
CITADEL CONNECT EUROPE - SYSTEMATIC INTERNALISER	EMEA	SI	Indirect	Equities/ETF/ETC

Order Execution and Transmission Strategy

HUDSON RIVER TRADING - SYSTEMATIC INTERNALISER	EMEA	SI	Indirect	Equities/ETF/ETC
IMC - SYSTEMATIC INTERNALISER	EMEA	SI	Indirect	Equities/ETF/ETC
JANE STREET FINANCIAL LTD - SYSTEMATIC INTERNALISER	EMEA	SI	Indirect	Equities/ETF/ETC
JUMP LIQUIDITY - SYSTEMATIC INTERNALISER	EMEA	SI	Indirect	Equities/ETF/ETC
SSW MARKET MAKING - SYSTEMATIC INTERNALISER	EMEA	SI	Indirect	Equities/ETF/ETC
TOWER RESEARCH CAPITAL EUROPE LTD	EMEA	SI	Indirect	Equities/ETF/ETC
VIRTU FINANCIAL IRELAND LIMITED - SYSTEMATIC INTERNALISER	EMEA	SI	Indirect	Equities/ETF/ETC
TSX VENTURE EXCHANGE	CA	RM	Indirect	Equities /ETP
XTX MARKETS	EMEA	SI	Indirect	Equities/ETF/ETC
CBOT	AMRS	RM	Indirect	Derivatives
CME/Globex	AMRS	RM	Indirect	Derivatives
CFE/VIX	AMRS	RM	Indirect	Derivatives
NYSE LIFFE US	AMRS	RM	Indirect	Derivatives
ICE	AMRS	RM	Indirect	Derivatives
CBOE	AMRS	RM	Indirect	Derivatives
OCC	AMRS	RM	Indirect	Derivatives
HKFE	APAC	RM	Indirect	Derivatives
TSE	APAC	RM	Indirect	Derivatives
OSE	APAC	RM	Indirect	Derivatives
SGX	APAC	RM	Indirect	Derivatives
ASX	APAC	RM	Indirect	Derivatives

MEDIOBANCA

Annex B: List of brokers

The list of brokers is currently as follows:

Broker
Instinet
ITG
ACG
Banca IMI (placed orders)
Intermonte (placed orders)
BNP Paribas (listed derivatives)

Annex C: Procedures for order aggregation and assignation

According to Article 68 of Commission Delegated Regulation 2017/565 supplementing Directive 2014/65/EU (MiFID II), investment firms shall not carry out a client order or a transaction for own account in aggregation with another client order unless the following conditions are met:

◆ It is unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any client whose order is to be aggregated;

◆ It is disclosed to each client whose order is to be aggregated that the effect of aggregation may work to its disadvantage in relation to a particular order;

◆ An order allocation policy is established and effectively implemented, providing for the fair allocation of aggregated orders and transactions, including how the volume and price of orders determines allocations and the treatment of partial executions.

Where an investment firm aggregates an order with one or more other client orders and the aggregated order is partially executed, it shall allocate the related trades in accordance with its order allocation policy.

In view of the above, Mediobanca may aggregate client orders, being careful to check rigorously that the following conditions have been met:

◆ That the orders are of the same type (e.g. sale, acquisition, exchange, etc.);
◆ That the orders regard the same financial instrument;
◆ That the orders present the same execution policy (specifically, the same execution venues);
◆ Same execution parameters (e.g. "fill or kill" orders);
◆ Same specific instructions – same algorithm strategy (VWAP, TWAP, VP);
◆ For VWAP or TWAP strategies, same expiry periods;
◆ For volume participation strategies, same participation rates.

By way of further clarification, it should be noted that aggregation is not permitted in the following cases:

◆ Orders presented on different working days or with different periods of validity;
◆ Orders which make provision for different execution venues.

The allocation procedure must also comply with the following principles:

◆ In cases which involve full execution of an aggregated order, the assignation must be made based on the characteristics of the individual clients' orders;
◆ In cases which involve partial execution of an aggregated order, the assignation must be pro rata to the volume for each individual order without any damage to any client whose orders have been aggregated;
◆ In cases where the order is executed at a better price than the limit price originally set by the client, the entire profit will go to the client themself;
◆ In cases where orders are made at different times and aggregated subsequently, the first order will contribute to form the result of the aggregated order only for that portion which has not yet been executed at the time when the orders are aggregated (it being understood that the orders will be executed in a timely manner and in sequence: if client A makes an order at 9:00 and client B makes another at 9:10, with aggregation starting from 9:10, any results obtained in relation to client A's order between 9:00 and 9:10 will be assigned to client A alone and not shared pro rata with client B).

For purposes of clarity, it should be noted that aggregated orders cannot be executed, even partially, in cases where the Bank is acting as principal.

Order Execution and Transmission Strategy

Furthermore, order aggregation must be performed rigorously at the execution venue, hence OTC trades are not permitted.

The procedure will be reviewed annually, in conjunction with the review of the Order execution and transmission strategy.