
Operational Notice

25 February 2019
ON_14/2019

Upgrade on Monte Titoli platform functionalities

For the attention of:
Re:

All Participants and Account Operators
Upgrade of functionalities on the Monte Titoli platform

Dear Client,

We wish to inform you that, as part of our ongoing efforts to improve our services and as expected in the "MT-X implementations" and "CLIMP implementations" sections of the 2019 road map, we have developed the following features:

1.0 MT265: Admission of financial instruments to Monte

The admission request of financial instruments present on MTX is integrated with data on:

- NEW SECURITY TYPE (provision is made for the admission of new types: WARRANTS - STRUCTURED BONDS - ETN)
- PIK (securities with a Payment In Kind clause),
- 871M-USA (for any financial instruments subject to US tax legislation that can be centralised at Monte Titoli. Note that the introduction of this data eliminates the current requirement to attach a paper communication)
- TAX REGIME OF THE COUNTRY TO WHICH THE SECURITY IS SUBJECT (a pre-populated field which cannot be modified)
- TYPE OF WITHHOLDING TAX TO WHICH THE SECURITY IS SUBJECT

2.0 MT23: list of financial instruments

The list of financial instruments present on MTX is integrated with data on:

- PIK (securities with a Payment In Kind clause),



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- 871M DELTA (reports any value other than zero for Covered Warrant or Certificate securities)
- MFBD (reports the date of the next payment event for securities with a Modified Following Business Day agreement)

3.0 Standardisation of Mandate Character

In order to standardise the alphanumeric characters that can be used by the various telematic platforms used by Monte Titoli to communicate with its clients (MTX, RNI, SWIFT), it was necessary to limit the range of alphanumeric characters that can be used for the compilation - on MTX - of mandates by issuers for the following events:

- Cash Distribution
- Reorganisation
- Meeting
- Shareholder Identification

The complete list of usable characters is available on MTX at the following location:

Documentation\ Monte Titoli operating information

4.0 MT-X access and account management

- Account Management: after a period of inactivity that persists for 90 days, the user is disabled. Reactivation requests must be made to the Security Office. The requirement applies immediately as of the date of issue. Therefore, any users with a period of inactivity longer than 90 days will be disabled.
- Authentication: after 5 consecutive unsuccessful login attempts, the user is blocked for 5 minutes. After a further 5 consecutive failed login attempts, i.e. after a total of 10 attempts, the user is disabled and a request for reactivation must be made to the Monte Titoli Security Office by the client's administrator. Please note that disabled users remain

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active for the client. Accordingly, the fee indicated on the fees document shall apply until a formal request for cancellation is submitted.

- Password requirements: the password cannot contain the user ID or abbreviations relating to the London Stock Exchange group (such as LSEG, LSE, LCH, etc.). When updating the password - the new password must be different from the last 5 used.

5.0 Climp Enhancement

- Data management for electronic invoicing: it is now possible to indicate the “Recipient Code” or “Certified Email Address for SDI (Interchange System) purposes”.
- Closed occurrences appear distinct from open occurrences.
- Definition of the coordinates for the Corporate Actions in T2S when requesting the creation of a securities account - cash account (DCA) link.
- Minor enhancements concerning the opening of intermediary and issuer accounts in order to facilitate the usability of the function.

6.0 Test plan

The new features are available in the test environment. Due to the nature of the enhancements, it is not possible to provide the usual test plan. Participants interested in conducting tests can independently check the new features and contact the addresses indicated at the end of this communication if they require further information.

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7.0 Test and release dates

Tests will be conducted between 25 February and 8 March 2019 in the test environment on the MT-X platform.

The release into production, subject to a successful outcome of the testing, is scheduled for 11 March 2019. Users are therefore asked to report any malfunctions by Friday, 1 March 2019.

8.0 Relevant documentation

The user manuals, in their Italian and English versions with track changes, are published in the following directory of the MT-X platform:

Documentation > Technical documentation > User Manuals in Production

9.0 CONTACTS

Please use the following contact addresses for support requests during the test phase:

Client Services

e-mail: ptclient@lseq.com

Post Trade Technology Services - Service Operation

e-mail: ptts-somt@lseq.com

Tel: +39 02 33635566

Membership:

email: mdm@lseq.com