

CORPORATE EVENTS SERVICE

White Paper

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EURONEXT SECURITIES

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1. Executive summary

Corporate Events management always played a key role in the financial industry landscape. The lack of standardization in how those events are structured, announced and processed from market to market led to the fragmentation of the lifecycle process management for all the involved actors, and the flourishing of different market practices and proprietary formats used in communication channels.

It is critical to issuers and investors that Corporate Events are announced and processed by the Central Securities Depositories in a timely, accurate and trustworthy manner.

In this regard, Euronext Securities, through a dedicated initiative, is deploying a harmonised and standardized service for Corporate Events processing across all Euronext CSDs, i.e., Euronext Securities Milan, Porto, Copenhagen and Oslo. The service caters for the full lifecycle of all corporate events processing defined by ISO as well as for General Meetings and Shareholder Disclosure according to SRD II – managing from creation to payment and including transaction management, i.e., market claims, transformations and buyer protection. The service includes corporate event processing for all financial instruments where Euronext Securities acts both as Issuer CSD and as Investor CSD and manages payments in different currencies via central banks and commercial bank money.

The service also ensures compliance with corporate action standards, including CAJWG, CASG and the SCoRE standards - supporting eligibility in the Eurosystem (ECMS) as well as compliance with market practices according to SMPG.

CSD roles structure is going to comply with European standards for Issuer Agents and Paying Agents – the corporate action processing required by each of these roles will be harmonized across Euronext CSDs.

Clients communicate with Euronext Securities through ISO15022 and/or ISO20022 messages adapted to corporate action standards and market practice. The corresponding processing as through ISO messaging is also available through U2A GUIs – common for all Euronext CSDs. Investors having direct accounts in Euronext Securities Oslo can communicate with the CSD through a dedicated U2A GUI.

ISO15022 and ISO20022 messages, formats and usage guidelines will be documented in MyStandards using one common MyStandards instance for all Euronext CSDs.

For the Euronext Securities CSDs where settlement takes place in T2S (i.e. Euronext Securities Milan, Porto and Copenhagen) corporate event cash distributions and cash payments of elective events are executed on instructed DCAs in T2S.

For Euronext Securities Oslo, where settlement takes place in Euronext Securities Oslo's VPO system, settlement instructions are generated and sent to VPO for cash distributions and cash payments of elective events - payment takes place in the Norwegian Central Bank.

Non-corporate events processing, such as processing of Initial Public Offerings, are not part of this initiative and the service offered on this regard is going to remain unchanged.

This White Paper is based on the status of the initiative in June 2023 and is subject to further amendments. Euronext Securities' clients will be updated about the progress of the initiative and the impact it will have on them throughout the project. Clients are invited to provide their feedback, possibly in English, after review of this document by September, 30th, at the following email address: CA4Uproject@euronext.com. A final version of the document will be published at end of December 2023.

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2. Introduction

This White Paper provides clients with extensive information on Euronext's Corporate Events management services across Euronext Securities Oslo, Copenhagen, Porto and Milan. The term 'client' is used here to refer to any actor that has a direct relationship with Euronext Securities (i.e. Participants, Account Controllers, Investor, Issuers, Issuer Agents, etc.)¹.

A corporate event is defined as an action decided by the Issuer of a security which has an impact on the holders of that security. Corporate events can be mandatory, for which no action is required from the holders, or elective, for which the holders are required to submit elections.

Corporate events are grouped into different main categories, rather than individual event types. In particular, we refer to the management of:

- Corporate events on Stocks
 - Mandatory cash distributions
 - Mandatory securities distributions
 - Distributions with options
 - Mandatory reorganisations without options
 - Mandatory reorganisations with options

¹ See full list of actors in [section 3.3](#).

- Information only
 - Voluntary reorganisations
- General Meetings
- Shareholders Identifications
- Corporate events on Flow
 - Market claims
 - Transformations
 - Buyer protection

This document describes the functional logic and sequence of processes, including models for cash and securities bookings for the categories above. All processes are defined in line with all the main international corporate events standards² and from the perspective of Euronext Securities' clients.

If necessary, Euronext Securities might decide to deviate from the international standards to accommodate market specific processes requirements. Any deviations - when known- at the first publication of this document in June 2023 are described and documented in each relevant section of the document. Further deviations, if any, are going to be included in the final version of this document when published in December 2023

For example, for Euronext Securities Oslo, the Investors with securities accounts in the CSD may communicate directly with the Issuer Agents for corporate event processing (election, etc.). This interaction may be subject to additional processes beyond this document description.

The Corporate Event service described in this document also takes into account the possible evolution on the on-exchange settlement cycles from T+2 to T+1.

² Please refer to [section 3.2](#).

3. General information

3.1 Glossary

Below is a definition of terms used in the document. If not otherwise specified:

- All times used in this document are in Central European Time (CET);
- 'We', 'our' and 'us' refer to Euronext Securities.

Terms	Definitions
A2A	Application-to-application connectivity mode (e.g. SWIFT)
CAJWG	Acronym for Corporate Actions Joint Working Group (now renamed CEJWG).
CASG	Acronym for Corporate Action Sub-Group which formulates and monitors the implementation of harmonised rules for the settlement of corporate actions in T2S markets, in particular the rules on corporate actions for pending settlement transactions (flow).
CeBM	Acronym, in relation to corporate events, for Central Bank Money. This refers to the liabilities of a central bank, in the form of either banknotes or bank deposits held at the central bank, which can be used for corporate event payments purposes.
CEJWG	Acronym for Corporate Events Joint Working Group (previously CAJWG)
COB	Acronym for close of business

CoBM	Acronym, in relation to corporate events, for Commercial Bank Money. Commercial bank liabilities that take the form of deposits held at a commercial bank which can be used for corporate event payments purposes.
CSD	Central Securities Depository
DFP	Acronym for Delivery Free of Payment
DVP	Acronym for Delivery Versus Payment
ECB	European Central Bank
ECMS	Eurosystem Collateral Management System
Election to Counterparty Market Deadline	Deadline by which an entitled holder needs to advise their counterparty to a failing settlement instruction of their election for a corporate event, also known as Buyer Protection Deadline.
Election to Counterparty Response Deadline	Date/time the account servicer has set as the deadline to respond, with instructions, prior to the election to counterparty market deadline.
Eligible position	Total balance of securities eligible for a corporate event. The entitlement calculation is based on this balance.
Entitlement	Resulting cash amounts and/or securities quantities receivable to be paid out based on eligible positions.
EOD	Acronym for End Of Day.
Ex Date	Date from which the Underlying Security is traded without the benefit/right attached to it.

FOP	Acronym for Free of Payment. A delivery of securities free of payment, i.e. which is not linked to a corresponding transfer of funds.
FX	Acronym for foreign exchange.
Guaranteed Participation Date/Time	Last date to buy the Underlying Security with the right attached to participate in an Elective Corporate Action.
GUI	Acronym for Graphical User Interface. The interface that allows a user to interact with a software application through the use of graphical elements (e.g. windows, menus, buttons and icons) on a computer screen, using the keyboard and mouse.
ICP	Indirectly Connected Party with the T2S platform
KAR	The Norwegian banks' joint register for payment accounts.
Market Deadline Date/Time	Issuer or Issuer Agent's deadline to respond, with an election instruction, to an outstanding offer or privilege.
MPS	Mastercard Payment Services is a real-time payment infrastructure used in Norway.
Payment Date	Date on which the Payment is due.
PFOD	Acronym for Payment Free of Delivery. A Payment which is not linked to a corresponding movement of securities.
Record Date	Date/time at which positions are struck at the end of the day to note which parties will receive the relevant amount of entitlement, due to be distributed on payment date.

Response Deadline Date/Time	Date/time at which the CSD has set as the deadline to respond, with instructions, to an elective event.
SCoRE	Single Collateral Management Rulebook for Europe
T2S	TARGET2-Securities
U2A	User to application connectivity mode (GUIs)
VPO	Norwegian settlement system for equity instruments, bonds and short-term paper, referred to as the Norwegian market securities settlement system.

3.2 International standards

The processes described in this document comply, when deviations are not explicitly stated, with the standards and market practices defined by:

- ISO 15022 and 20022;
- the Securities Market Practice Group (SMPG);
- the Corporate Actions Subgroup (CASG);
- the Shareholders Rights Directive (EU)2017/828 (SRD II);
- the SCoRE and CAJWG³ standards on corporate events.

The CASG standards pertaining to corporate events are applicable to 'on flow' corporate events and their implementation within T2S markets.

The SCoRE Standards, defined by the ECB, are designed to streamline the exchange of information related to corporate events and meetings amongst various actors connected to the ECMS platform.

These standards encapsulate all transactions on both listed and non-listed financial instruments. This includes financial instruments eligible for settlement in T2S and the

³ Now covered in the Corporate Event Joint Working Group (CEJWG)

Norwegian Settlement System, as well as those in line with the links established with Euronext Securities.

3.3 Actors involved in the Corporate Events processing

The corporate events lifecycles foresee the interaction between different actors involved on each step of the processes. Here's a list of the main ones. One actor can also assume different roles.

Actor	Role
Issuer	<p>Entity that issues its financial instruments via the CSD and that initiates the corporate event on such securities. An Issuer can delegate these activities to an Issuer Agent.</p> <p>The Issuer must also appoint a Paying Agent for the correct distribution/collection of the cash proceeds of the corporate event.</p> <p>An Issuer may act as its own Issuer Agent and/or Paying Agent if it has the appropriate status.</p> <p>Note: In Euronext Securities Copenhagen and Oslo, the Issuer is not directly connected to the CSD but is represented by an Issuer Agent. In Euronext Securities Milan and Porto, the Issuer is directly connected to the CSD.</p>
Issuer Agent⁴	<p>Within Euronext Securities Oslo and Copenhagen, an Issuer Agent is identified as an entity that satisfies the following criteria:</p> <ul style="list-style-type: none"> - It has been designated by an Issuer for one or several financial instruments and is held liable in connection with the CSD, either in place of or alongside the Issuer; - It has been approved by a CSD to act on behalf of the Issuer in matters concerning the CSD. <p>Across all Euronext Securities entities, the Issuer Agent has the authority to initiate the creation of a corporate event. The Issuer Agent is also responsible for supplying all relevant data required for the CSD to facilitate the processing of the corporate event.</p>

⁴ For Euronext Securities Oslo, the Issuer Agent role currently also covers activities that are not in the perimeter of corporate event management and are not addressed in this document.

Paying Agent	<p>An entity that acts on behalf of an Issuer of securities, responsible for collecting the cash outturn from the Issuer and for distributing cash outturn to eligible account holders.</p> <p>A Paying Agent can also be an Issuer Agent and vice versa.</p>
Issuer CSD	<p>Each Euronext Securities entity that, in relation to corporate event processing:</p> <ul style="list-style-type: none"> ▪ has a contractual relationship with the Issuers or its agents; ▪ receives information from the Issuer (or its agent) about corporate events; ▪ distributes this information according to each client’s subscription and key event dates; ▪ processes the corporate events based on that information.
Investor CSD	<p>Each Euronext Securities entity that:</p> <ul style="list-style-type: none"> ▪ has a direct contractual relationship with the Issuer CSD of a specific country thanks to a link structure in place; ▪ has an indirect contractual relationship with the Issuer CSD of a specific country via a Local Custodian.
Local Custodian	<p>Entity with which Euronext Securities can have a contractual relationship when acting as Investor CSD for accessing a specific market via an indirect link.</p>
Participant	<p>An institution, a settlement agent, a clearing house, a system operator or a clearing member of a CCP authorised pursuant to Article 17 of Regulation (EU) No 648/2012 (i.e. Custodian Banks, CCPs, Central Banks, Account Controller, etc.).</p>
Account Controller	<p>Entity that manages an account on behalf of the Participants (i.e. Custodians Banks and /or Investors).</p> <p>In Euronext Securities Oslo and Milan this actor is also known as an Investor Account Operator.</p>
Settlement System	<p>A system that enables cash and securities to be transferred and settled by book entry according to a set of predetermined multilateral rules (e.g. T2S and VPO in Norway).</p>
Payment Bank	<p>Bank that, in relation to corporate events, can be designated by the Participant or Account Controller for the management of the cash payment proceeds related to corporate events.</p>
Proxy Agent	<p>Entity appointed by the Participants to manage their proxy voting processes.</p>
Investor	<p>The natural or legal person owning the underlying security subject to the corporate event with a direct account in the CSD (e.g., in Euronext Securities Oslo) operated by an Account Controller.</p>

3.4 Eligible financial instruments

All financial instruments that are available for settlement via Euronext Securities are subject to corporate events management, including:

- financial instruments primarily issued and with a place of safekeeping in a Euronext CSD;
- All other financial instruments (held through CSD links⁵).

For financial instruments issued within a Euronext Securities CSD, that CSD serves as the Issuer CSD. Conversely, for all other financial instruments held via links by a Euronext Securities CSD, the latter functions as an Investor CSD.

Financial instruments within this document are further categorized by asset class, based on ISO 10962, also known as Classification of Financial Instruments. These include:

- Debt-based, like bonds, asset-backed securities, etc.;
- Equity-based, like ordinary shares, preferred shares, etc.
- Collective Investment Vehicles, like ETFs, Funds, etc.;
- Rights, like subscriptions rights, warrants, etc.

Euronext Securities Copenhagen also currently supports fund order routing for single price funds in the separate FundHub system. It is the intention to manage the corporate events associated with those financial instruments with our new corporate event system.

3.5 Eligible currencies

Corporate events can be processed in various currencies, contingent upon the information provided by the Issuer/Issuer Agent and the links made available by Euronext Securities.

Please refer to the following table for details of the currencies currently managed⁶ by each Euronext Securities location⁷.

⁵ As defined in Regulation (EU) No 909/2014 (the European Central Securities Depositories Regulation, 'CSDR'), a CSD link is an arrangement between CSDs whereby one CSD becomes a participant in the securities settlement system of another CSD in order to facilitate the transfer of securities from the participants of the latter CSD to the participants of the former CSD or an arrangement whereby a CSD accesses another CSD indirectly via an intermediary. CSD links include standard links, customised links, indirect links, and interoperable links.

⁶ This is the situation at the time of the publication of this document. Any new managed currency will be updated on Euronext Securities websites.

⁷ CeBM payments for Euronext Securities Milan are only performed in T2S. No T2 payments are foreseen.

Currency	Euronext CSDs			
	ES Porto	ES Copenhagen	ES Milan	ES Oslo
EUR	● CeBM	● CeBM	● CeBM	● CoBM
DKK		● CeBM	● CoBM	● CoBM
SEK	● CoBM	● CeBM	● CoBM	● CoBM
GBP	● CoBM		● CoBM	● CoBM
NOK	● CoBM		● CoBM	● CeBM
USD	● CoBM		● CoBM	● CoBM
ARS			● CoBM	
AUD	● CoBM		● CoBM	
CAD	● CoBM		● CoBM	
CHF	● CoBM		● CoBM	
CNY	● CoBM		● CoBM	
HKD			● CoBM	
HUF			● CoBM	
IDR			● CoBM	
JPY	● CoBM		● CoBM	
MXN			● CoBM	
NZD			● CoBM	
PLN			● CoBM	
SGD			● CoBM	
TRY			● CoBM	
ZAR			● CoBM	

3.6 Cash and Securities Accounts

3.6.1 Cash account for corporate event processing

3.6.1.1 CeBM cash accounts

Corporate event cash movements are credited or debited using the cash accounts provided by the Participants/Account Controllers/Investors eligible to participate in the corporate

event at membership level⁸. Participants/Accounts Controllers can specify different cash accounts⁹ to be used for the cash management of corporate events on stock or corporate events on flow, and can designate a default cash account.

In Norway, payments to Investors follow a centralised payment flow detached from the Participant/Account Controllers that is detailed in [section 5.7.2](#).

Participants/Account Controllers can own cash accounts or can rely on cash accounts provided by a Payment Bank and specified at membership level.

If there is no cash account mentioned in the underlying instruction, Euronext Securities generates and processes the market claim and transformation instructions using the default cash account provided by the Participant/Account Controller.

If the default cash account has been provided by the Participant/Account Controller but is not valid and corporate event payment instructions are rejected by the settlement system, the corporate event payment remains unprocessed until the correct cash coordinates are provided.

Norway market specific

For Investors in particular, Euronext Securities performs a check with the cash coordinates included in the KAR register prior to the generation of the payment instructions. Investors with invalid cash coordinates provided are subject to an exception handling process and are not paid via the CeBM flow defined in [section 5.7.2.1](#). If the correct cash coordinates cannot be obtained the issuer is responsible for storing the money via the Paying Agent until the correct coordinates are provided.

3.6.1.2 CoBM cash accounts

If no cash coordinates are provided in the original currency of the payment by the Participant/Account Controller at membership level, corporate event cash payments may be subject to foreign exchange FX and the resulting credit or debit amounts is booked in the relevant CeBM currencies cash account provided.

Issuers/Issuer Agents must also provide details of the cash accounts to be used for corporate event processing in CoBM. Alternatively, they can rely on Paying Agents¹⁰. In this case, the latter need to provide Euronext Securities the cash account details where cash payments, e.g. interests and dividends are debited and cash payments, e.g. subscription amount for new shares, are credited. For cash payments in CoBM, Paying

⁸ For a detailed description of the membership process please refer to the Euronext Securities websites.

⁹ Not applicable for Euronext Securities Oslo.

¹⁰ For Euronext Securities Porto, only the Paying Agents provide the cash account details.

Agents must fund the cash account in CoBM of Euronext Securities prior to the payment date of the relative corporate event.

3.6.2 Securities account structure

The CSD account structure is taken into account when processing corporate events. Security proceeds are posted on the respective accounts in which the underlying securities were held at the relevant corporate event dates

4. Communication modes

Euronext Securities support the following application-to-application (A2A)¹¹ or user-to-application (U2A) communication modes with the actors:

- A2A ISO 20022;
- A2A ISO 15022;
- U2A GUIs.

This section provides high level information on the different connectivity options and messages associated to these formats.

ISO messages can be exchanged through MQ queues or via SWIFT Network depending on the preferences provided by the Participants/Account Controllers and Issuers/Issuer Agents.

4.1 A2A ISO 20022

The Euronext Securities corporate event solution catalogue of messages is ISO 20022 compliant and will be published on the SWIFT MyStandards website ([SWIFT login](#))¹² under the Euronext Securities section, unique to each location. Note that all message formats are the same across all Euronext Securities locations unless market specificities require a different format; in this case, any deviation from the standard format is stated on the MyStandards website.

A table listing the ISO 20022 messages used throughout the corporate event life cycle is available in [annex 11.1](#).

¹¹ For Italy, the RNI connectivity mode is still supported until end of 2027. The final decommission date will be communicated as soon as available. Details of the messages used for corporate events processing are available on the Euronext Securities Milan portal.

¹² Available from Q42023

Information for support of any additional ISO 20022 messages used in other services (e.g., settlement, etc.) may be found in dedicated documents.

4.2 A2A ISO 15022

The Euronext Securities corporate events solution catalogue of messages is ISO 15022 compliant and will be published on SWIFT MyStandards website ([SWIFT login](#))¹³ under the relevant Euronext Securities section, unique for each location. Note that message formats are the same across all Euronext Securities locations unless market specificities require a different format; in this case, any deviations from the standard format is stated in MyStandards website.

A table listing of ISO 15022 messages used throughout the corporate event life cycle is available in [annex 11.1.2](#).

Information for support of any additional ISO 15022 messages used in other services (e.g., settlement, etc.) may be found in dedicated documents.

4.3 U2A GUIs

In addition to A2A communication channels, Euronext Securities provides a U2A GUI solution to dialogue in a U2A mode. These U2A communication channels are available to:

- Issuers and/or Issuer Agents, to interact with Euronext Securities as Issuer CSD for the corporate events set-up and processing and to submit instructions received directly by Investors related elective corporate events (relevant for Norway);
- Paying Agents, to interact with Euronext Securities as Issuer CSD about managing and monitoring their payment instructions;
- Participants/Account Controllers, to submit instructions to Euronext Securities on Voluntary & Mandatory elective events and as well as monitoring the events lifecycle. Participants/Account Controllers that are acting in more than one Euronext Securities market have the possibility to view and manage all corporate events impacting them;
- Investors (for Norway), to monitor corporate event lifecycles/calendars and submit instructions to Euronext Securities on Voluntary & Mandatory elective events.

¹³ Available from Q42023

5. Corporate events on stock

Corporate events on stock refers to all the events affecting settled positions at a specific end-of-record date. Each event is grouped into macro categories based on the international standards and the processes involved.

In particular, according to CEJWG standards, corporate events are divided, into two macro-categories; according to their nature: Distribution and Reorganisation.

Distribution: “a corporate event whereby the Issuer of a security delivers particular proceeds to the holder of the underlying security without affecting the underlying security”.

Distributions are broken down into further subcategories:

- Cash Distribution: when the proceeds of the transaction consist of cash (e.g. dividend payment, interest payment, etc.);
- Security Distribution: when the proceeds of the transaction consist of financial instruments (e.g. dividend payment in securities, etc.);
- Distribution with options: when there is the possibility for the holder to elect what proceeds to receive (e.g. dividend payment in cash or securities, dividend payment with currencies options, etc.). These events may involve the earlier distribution of interim securities (e.g. rights), which are then subject to ‘election’ by Participants/Account Controllers/Retail investors (Distribution and Reorganisation).

Reorganisation: “a corporate event that mandatorily affects the underlying security/whereby the underlying security is replaced with proceeds”.

Reorganisations are divided into the following subcategories:

- Mandatory reorganisations without options, affecting the underlying security (e.g. redemption, stock split, etc.);
- Mandatory reorganisations with options, as a single event or as the second part of a security distribution event (e.g. merger with election, capital increase, etc.);
- Voluntary reorganisations (e.g. tender offers, etc.).

Reorganisations and Distributions with options may offer various options for investors. Among these options, Issuers/Issuer Agents must establish which is their default option, applicable in the event that the investor does not make a selection within the period or before the market deadline established for the corporate event.

A non-exhaustive list of the main CAEV codes in each subcategories is available in [annex 11.4](#).

5.1 Corporate events key dates

Corporate events are also structured with key dates.

For mandatory events without options, the key dates are:

- Ex Date;¹⁴
- Record date;
- Payment date;
- Effective Date.,

The key dates apply to the various corporate events, according to the corporate event standards.

For elective events, such as mandatory with option (distributions and reorganisations) or voluntary reorganisations, the following dates are used in addition:

- Start of the election period;
- End of the election period;
- Market deadline;
- Guaranteed participation date;
- Election to Counterparty Market Deadline (also known as Buyer Protection Deadline);
- Election to Counterparty Response Deadline.

The key dates of the events are always reported in the notifications of the event, even in the case that the value of the event is set to “unknown” as per SWIFT standards.

For corporate event reversals, the reversal value date is the reversal payment date.

Euronext Securities supports all types of corporate events defined by the international standards (cfr [section 3.2](#)). If an event type is not currently applicable in any of the local markets covered, Euronext Securities is happy to support any actor involved in the corporate event lifecycle in the management of those new events.

5.2 Corporate events lifecycle

Depending on the type of corporate event communicated by the Issuer/Issuer Agent or Issuer CSD/Local Custodian, Euronext Securities:

¹⁴ Not relevant for debt-based financial instruments.

- **Announces** to their Participants/Account Controller/Investor any new or updated or cancelled event based on the information received by the Issuers/Issuer Agents/Issuer CSD/Local Custodian;
- **Receives and processes instructions** (including instructions cancellations) from Participants/Account Controller/Investor for elective events and notifies of their status, manages default options for uninstructed entitlements at the end of the election period and provides **reminders** for uninstructed balances;
- **Pre-advises and advises of events entitlement**, preliminary and final, before the payment to all actors involved in the corporate event processing;
- **Instructs to execute the corporate event**, including the payment of the proceeds in cash and/or securities on payment date;
- **Generates the relevant confirmations** as soon as the corporate event is executed;
- **Instructs and notifies of a reversal** of a corporate event when instructed by the Issuer/Issuer Agent.

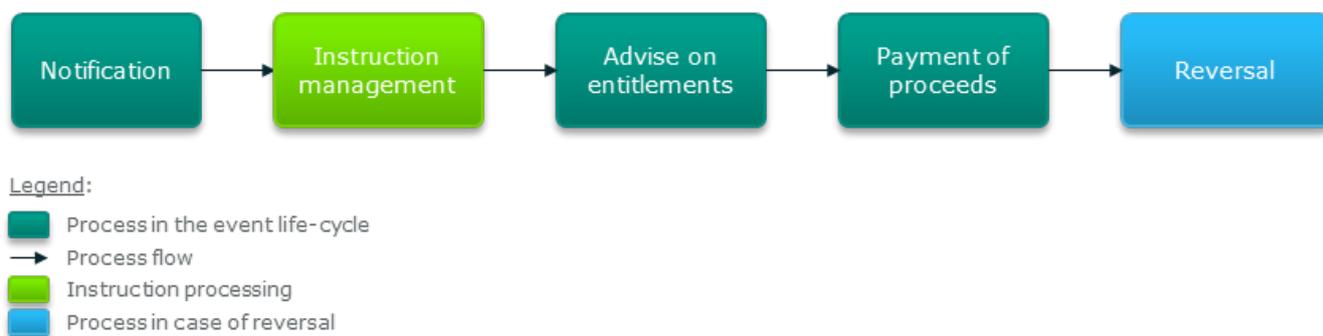


Figure 1 Corporate event lifecycle

In the case of an elective corporate event, Euronext Securities participants can submit instructions with their elections for the available options within the defined deadline.

5.3 Corporate events creation

Each Issuer/Issuer Agent shall inform Euronext Securities of the details of a corporate event, as soon as it has been publicly announced in the market according to the applicable

law. Also, each Issuer CSD/Local Custodian shall inform Euronext Securities, when Euronext Securities is acting as Investor CSD, of a new corporate event based on subscription rules defined.

In order to do this, Euronext Securities has defined a set of different A2A and U2A communication channels and procedures to be followed as per below.

When acting as Investor CSD, Euronext Securities receives all information based on the Issuer CSD/Local custodian service level, from notifications to payments.

For narrative text in the information, an Issuer/Issuer Agent/Issuer CSD/Local Custodian with an international shareholder base should use at least a language customary in the sphere of international finance, currently English.

5.3.1 Issuer U2A GUI

When acting as Issuer CSD, Euronext Securities makes available to Issuer and Issuer Agents a U2A GUI to interact with Euronext Securities in U2A mode. In particular, CA events can be created using the following methods:

- Manually – using a web form / screen with minimum mandatory required fields based on the event type. This allows for the creation of a single CA event per submission. User can also copy an event already created and manually update the details before submitting it;
- Via upload of a file – multiple events, mandatory and voluntary, can be loaded within the same file based on the template provided.

Once submitted, if all the relevant mandatory information has been received from those actors, the event is then available for further processing. Based on the information provided by the Issuer/Issuer Agent, a notification via the Issuer's U2A GUI is sent to the Paying Agent if the event involves cash payments, requiring confirmation of its appointment for that event and, if necessary, the provision of relevant documentation. To confirm its appointment, the Paying Agent would need to log onto the Issuer U2A GUI and confirm it.

This step is optional if the Issuer Agent acts directly as Paying Agent or if the Paying Agent has a standing instruction in place for payments related to that specific Issuer. This step is in any case not relevant when acting as Investor CSD.

5.3.2 A2A ISO20022 and ISO15022

When acting as an Issuer or Investor CSD, Euronext Securities is able to automatically create events based on seev.031 or MT564 NEWM messages received.

When all the relevant mandatory information has been received, the event is then available for further processing. Based on the information provided by the actors involved, Euronext

Securities may send a notification via U2A GUI, based on subscription, to the Paying Agent requiring confirmation of its appointment for that event. This step is optional if the Issuer Agent acts as Paying Agent or the Paying Agent has a standing instruction in place for payments related to that specific Issuer. This step is in any case not relevant when acting as Investor CSD.

When Euronext Securities is acting as an Issuer CSD, the Issuer/Issuer Agent may provide a unique Official Corporate Event Reference (COAF) for the event, which must be a maximum of 16 alphanumeric characters. If compliant, Euronext Securities accepts this COAF and assigns it to the event. If a COAF is not provided or if the COAF provided by the Issuer/Issuer Agent is not compliant with the standards, Euronext Securities assigns a COAF directly itself.

When Euronext Securities is acting as an Investor CSD, Euronext Securities reports the COAF value received via seev.031 or MT564 NEWM from the Issuer CSD/Local Custodian of the event and in addition reports a Euronext Securities unique Corporate Event Reference Number (CORP) of the event.

5.3.3 Predictable events creation

Euronext Securities generates categories of corporate events on securities based on the instrument static data provided by the Issuer or Issuer Agent.

In particular, coupons and redemption events (e.g. events with CAEV code INTR, REDM, PCAL and PRED) are created automatically out of the instruments static data based on the information received by Issuers or Issuer Agents through the current communication channels in place on each market. No additional confirmation from their side is then necessary to process the event if all information has been provided. If some relevant information is missing which is necessary for the correct processing of the corporate event, it is the responsibility of the Issuer/Issuer Agent to provide the missing information in a timely manner via the current communication channels in place on each market (e.g. floating interest rate, etc.).

Rolling exercise of warrants corporate events, once the exercise windows are known by the prospectus of the underlying securities, are automatically created by Euronext Securities based on the information received by the Issuers or Issuer Agents.

Once created, a notification via U2A GUI is sent to the Paying Agent requiring confirmation of its appointment for that event. This step is optional if the Issuer Agent acts directly as Paying Agent and not relevant for Investor CSD services.

When acting as an Issuer CSD, Euronext Securities assigns a unique Official Corporate Event Reference (COAF) to the event, which is notified to clients and used for the event processing.

The timing of the automatic event creations and notifications are detailed in the Corporate Events groups defined in section 4.8, 4.9, 4.10 and 4.11.

When acting as an Investor CSD, the same approach applies based on the static data information received by the Issuer CSD/Local Custodian.

For predictable events, Euronext Securities assigns a unique Official Corporate Event Reference (COAF). If acting as Investor CSD, Euronext Securities reports the COAF when provided by the Issuer CSD/Local Custodian.

5.4 Notification process

All corporate events for which Euronext Securities is the processor are notified by default based on settled positions in the accounts of the Participants/Account Controllers at announcement date. Those actors can also subscribe to additional notification methods like:

- Event based notifications: in this case Participants/Account Controllers/Investors receive notifications on all events for which they do not have holdings nor pending receipt or delivery settlement instructions. This subscription is also possible per event type (CAEV code);
- Event notifications on pending settlement instructions: in this case Participants/Account Controllers/Investors receive notifications on events for which they have pending receipt or delivery settlement instructions and currently no settled position (one notification per event per safekeeping). This subscription is also possible per event type (CAEV code);
- Notifications to third parties: notifications can also be sent to third parties (e.g. Proxy Agents, etc.) on request of the Participants/Account Controllers/Investors. These third parties, if authorized to do so by the Participants/Account Controllers/Investors¹⁵, can also directly submit instructions on their behalf on specific securities accounts and events/event categories (group of CAEV codes).

Participants/Account Controllers/Investors can also opt to receive one notification per event for all holdings/pending receipt or delivery settlement instructions (code GENR reported on field 97a related to Account on sequence B2). In this case, whenever an entitlement is then calculated, the replacement with entitlement notifications will be generated and sent for each safekeeping account;

See below a visual summary of the possible subscription notification methods:

¹⁵ This authorisation should be provided during the membership process by the Participants/Account Controllers/Retail Clients (BIC code of the authorised party must be specified).

Clients Subscriptions	Event based notification	Event based notification (in case of holdings or pending)	Notification per event per account (in case of holdings or pending)
	Function of the message NEWM, REPL, CANC, WITH	Function of the message NEWM, REPL, CANC, WITH	Function of the message NEWM, REPL, REPE, RMDR, CANC, WITH
Participants / Account controllers	X	X	X
3rd party providers	X	X	X

Figure 2 Subscription notification methods

The actor (whether Issuer and Investor) can choose their preferences in terms of subscription to communication channels. Details on how to do this is described, together with detailed information on each subscription option, in the relevant Euronext Securities Connectivity Document.

Depending on the communication channel subscribed by the Participant/Account Controller/Investor, the notification takes the form of:

- A2A seev.031 CANO or seev.001 CANO message;
- A2A MT564 NEWM message;
- A new event present in the Participant U2A GUI.

Investors in Norway receive the notifications in paper form (i.e. emails, letters, etc.) but can opt to receive them via Investor U2A GUI.

The timing of the notification for these corporate events depends on whether the event is considered as predictable or unpredictable.

Predictable events are those generated automatically by the system based on the information present in the instruments static data. For these, the initial notification is sent 30 calendar days¹⁶ prior to the pay date of the event.

Below is the full list of statuses that can be used in corporate event notifications from Euronext Securities based on requests from the Issuers/Issuers Agents or the service provided (i.e. Investor CSD service):

- PROC//PREU Unconfirmed preliminary announcement;
- PROC//PREC Confirmed preliminary announcement;
- PROC//COMP Announcement with complete details.

¹⁶ Only if all relevant information is available (pay date, record date, etc.). If not, notifications are sent out when all information becomes available or with value "unknown" in the specific fields (e.g. interest rate for floating rate bonds).

Initial notifications are generated online during the day based on new settled initial positions. This means that if a Participant/Account Controller/Investor has no position on the underlying security of the corporate event, the first notification is generated as soon as a position settles. Notifications are also generated based on additional subscriptions (e.g. pending settlement instructions, etc.), for Participants/Account Controllers/Investors that have opted to receive these notifications (see [section 4](#)).

In the case of amendments to an already notified event, requested by the Issuer/Issuer Agent or received from the Issuer CSD/Local Custodian prior to the record date, Euronext Securities notifies the Participants/Account Controllers/Investors via U2A GUI and/or MT564 REPL and/or seev.031 CANO. If the request occurs after the record date, Euronext Securities notifies the changes via U2A GUI and/or MT564 REPE and/or seev.035 CANO REPL.

Any major changes to the event require the cancellation of the event and the creation of a new one. Major changes can be, but are not limited to, changes to the ISIN, Ex-date or Record date or event type.

In the case of error or withdrawal request from the Issuer/Issuer Agent or as notified by the Issuer CSD/Local Custodian, Euronext Securities notifies the cancellation of the event as soon as possible to the Participants/Account Controllers/Investors via U2A GUI and/or MT564 CANC and/or seev.039 CACN.

Issuers/Issuer Agents can also subscribe to receive the same notifications regarding the events in which they are involved via A2A or U2A mode.

5.5 Entitlement process

Starting from Pay Date minus seven (- 7) days of a corporate event, Euronext Securities begins to simulate the entitlements, both in cash and securities, based on the end-of-day settled positions. They are then notified to:

- Participants/Account Controller via MT564 REPE and/or via seev.035 CAPA and/or through Participant;
- Issuers/Issuer Agents and Paying Agents via MT564 REPL and/or via seev.035 CAPA and/or Issuer U2A GUI with the aggregated entitlement per event.

Those notifications are generated and sent on a recurring basis at the end of day until the Record Date of the event based on reporting subscriptions.

At the close of the record date, Euronext Securities calculates the final entitlements of the event based on the settled positions end of day. Final entitlements are then notified to:

- Participants/Account Controllers via MT564 REPE with ADDB//CAPA and/or via seev.035 CAPA and/or through the Participant;
- To Issuers/Issuer Agents and Paying Agents via MT564 REPE, including the aggregated entitlement per event, with ADDB//CAPA and/or via seev.035 CAPA and/or Issuer/Issuer Agent U2A GUI.

Investors receive the notifications in paper form (i.e. emails, letters, etc.) but can opt to receive them via Investor U2A GUI.

The balance types reported via the different communication channels are those specified by the ISO standards (i.e. SETT, ELIG, PEND, PENR, etc.).

The entitlement is calculated, when applicable, both in cash and securities based on eligible balances in Participants/Account Controllers'/ Investors' accounts and the corporate event involved. For elective corporate events, the calculation of the entitlement considers the instructions received and the default options applicable for the event.

Whenever withholding tax is applicable, Euronext Securities processes the tax information linked to a specific account provided in advance, under their responsibility, by the Participants/Account Controller/Investors and, in addition to gross entitlement, calculates the tax amount due and the net entitlement.

Italy market specific

For dividend payments and before Record Date end of day, Participants/Account Controllers can submit via Participant U2A GUI an instruction to:

- Postpone all or part of the dividend due;
- Waive all or part of the dividend due.

This instruction can be submitted either by completing a dedicated web form available in the Participant U2A GUI or by uploading a dedicated excel file. The latter allows the possibility for the Participants/Account Controllers to submit multiple instructions per different corporate events.

In the case of postponement, Euronext Securities Milan generates a new interim security and allocates it to the Participant/Account Controller account with the quantity specified in the postponement request.

Participants/Account Controllers then have 5 years from the original payment date of the event to submit via Participant U2A GUI a request for collection of the payments due.

In the case of a waiver request, Euronext Securities Milan deducts, from the entitlement position of the dividend payment, the quantity included in the request.

5.6 Elections management

Mandatory with option and voluntary corporate events are subject to elections based on the options provided at event notifications.

In particular, for notifications via A2A and U2A, each option includes:

- The corporate event option number, which provides the ID of the option. This ID must be reported in the relevant instruction messages by Participants/Account Controllers to identify the option;
- The corporate event option code indicator, which indicates the type of option available for that specific corporate event option number;
- The default processing flag, which indicates if the option is the default option of the event.

Participants/Account Controllers/Investors should always send instructions prior to the client response deadline date/time defined at event level. Instructions received are validated on receipt and processed accordingly on the payment date of the event (except for ongoing events). Instructions received after the client response deadline date/time (on ISO messages reported on field 98a, sequence E) are processed on a “reasonable effort” basis; however, the correct execution of these late messages cannot be guaranteed. If an instruction received after the market deadline cannot be executed, it is rejected and the relevant notification is sent to the actor who submitted it.

Participants/Account Controllers can also benefit from the standing instruction functionality. A standing instruction is a rule that defines how an election should be applied automatically. In particular, it specifies that whenever specific voluntary or mandatory with option events occur, an election should be made automatically. This functionality can be configurable, upon request, per Participant/Account Controller, CA group, CAEV code and securities account, etc. Investors that would like to set up standing instructions must do this via their Account Controllers.

Standing instructions are generated automatically by Euronext Securities as soon as the event is created and can be modified¹⁷ by the Participant/Account Controllers up until the client response deadline/time.

Euronext Securities generates corporate event instruction status advice messages on each election received.

Since elective instructions go through all validation checks, a received instruction may be rejected due to multiple reasons (e.g. lack of cash/securities for the execution of the instruction, etc.). Each reason is detailed in the narrative of the instruction status and processing advice sent via ISO or U2A GUI.

The list of all status advice and cancellation codes applicable by Euronext Securities are available in [annex 11.3](#).

Participants/Account Controllers/Investors/Issuer Agents can also submit their elections via U2A GUI and can check their status directly from there. Through the U2A GUI, they can also upload instructions via a dedicated file with agreed format that can be downloaded from that GUI directly.

¹⁷ Standing instructions require cancellation first.

Third parties (e.g. Proxy Agents, etc.) can also directly submit instructions on behalf of Participants/Account Controllers/Investors on specific securities accounts and events/event categories (group of CAEV codes) if previously authorised¹⁸.

As soon as an instruction is validated, Euronext Securities sends a blocking instruction to block the instructed quantity on the same underlying security and securities account involved.

To replace a sent instruction, Participants/Account Controllers/Investors must send a corporate event instruction cancellation request, if applicable to the event, before submitting the new instruction before the client response deadline.

Euronext Securities also generates reminder notifications for the uninstructed balances starting from the client deadline minus two (- 2) business days on each elective corporate event.

Election payments in CeBM are processed by Euronext Securities generating settlement instructions in already matched status at the payment date of the event.

When acting as Investor CSD, Euronext Securities can define a client response deadline date/time which is prior to the market deadline. This is necessary to grant the correct processing of the instructions received from the Participants/Account Controllers and the relevant communication of these to the Issuer CSD/Local Custodian of the event. Euronext Securities forwards all instructions received to the Issuer CSD/Local Custodian as soon as they are received from the Participant/Account Controller and acknowledges their receipt. Based on the status of the instructions received from the Issuer CSD/Local CSD, Euronext Securities informs the Participant/Account Controller accordingly.

If the event involves currencies not managed in CeBM, at the response deadline date/time of the event Euronext Securities reconciles the cash amounts received from the Payment Banks on its cash account for the elections made by the Participants/Account Controllers with the expected cash amounts. Each cash amount received must report the reference of the corporate event (CORP reference) and the applicable securities account for which the payment is made.

If there is a break in the reconciliation process, Euronext Securities informs the Participants/Account Controllers and requires the immediate funding. As soon as an instruction is accepted, Euronext Securities sends a blocking instruction to block the instructed quantity on the same underlying security and securities account involved.

5.6.1 Ongoing events

Mandatory with options and voluntary corporate events are always processed at payment date, unless at event set-up the Issuer/Issuer Agent opted for the "ongoing processing

¹⁸ Please refer to [section 3](#).

corporate event". In this case, all ongoing corporate event events are notified with specific indicator ONGO in the MT564 and seev.031 on sequence D and qualifier DITY.

Participants/Account Controllers/Investors can instruct elections on an ongoing basis:

- On any business date, if no exercise period (PWAL) has been defined in the event;
- Only during the exercise period, if defined in the event.

All elections are paid either on the date of their receipt or in the following business days, depending on the characteristic of the announced corporate event.

5.6.2 Rolling events

Some mandatory corporate events with options and voluntary corporate events can also be set up as rolling and notified as such to Participants/Account Controllers/Investors based on the request received by the Issuer/Issuer Agent.

This means that the exercise period (PWAL) is defined with specific time windows. Outside those time windows any elective instruction received is rejected.

5.7 Payment process

Euronext Securities does not offer any contractual payment service. All corporate event payments are made only upon receipt of proceeds from the Paying Agents and are processed on the Payment Date of the event in accordance with the Central Banks calendars and also the calendars of the currencies involved for payments in commercial bank money.

For corporate event payments, Euronext Securities generates settlement instructions with a "Reserved Priority" and with transaction type set to CORP per securities account and corporate event.

Any tax aspects affecting cash payments while acting as Issuer or Investor CSD are considered by Euronext Securities based on the information provided, under their responsibility, by the Participants/Account Controllers/Investors. In particular, Euronext Securities complies by default with the general tax obligations present on each relevant market. Specific relief at source procedures are available on Euronext Securities websites.

5.7.1 CE proceeds trigger

The Corporate Event (CE) proceeds trigger is a feature provided by Euronext Securities to allow Paying Agents to have full control over the cash payment proceeds related to a given corporate event.

This mechanism is applicable to all cash payments, for which Euronext Securities acts as Issuer CSD, both for CeBM and CoBM.

For mandatory with option events, when cash is due from Paying Agents, the CE proceeds trigger applies at option level or, for ongoing events¹⁹, at instruction level.

Euronext Securities gives the possibility to define which corporate event events should be affected by the CE proceeds trigger. In particular, Paying Agents can specify for each specific event which is subject to the CE proceeds trigger via U2A mode.

If the CE proceeds trigger has been requested, Euronext Securities generates the PFOD instructions related to the proceeds distributions between the Paying Agent and the CSD corporate event cash account for a given event in "Party Hold" status. For the same event, all payment settlement instructions generated from the CSD cash account toward the Participants/Account Controller cash accounts are pooled together with the previous mentioned settlement instruction.

Paying Agents can then give a valid CE proceeds trigger at event level to release the payments on U2A mode, via the relevant Issuer GUI or change the status of the settlement instruction in the settlement system via A2A ISO20022 mode at their own discretion.

Whenever the CE proceeds trigger is received, those PFOD instructions are included in the first available settlement cycle in T2S or VPO.

If the CE proceeds trigger is not received by 16:00 on the pay date, Euronext Securities proceeds to inform the Participants/Account Controllers/Investors of the payment postponement to the following day via U2A GUI and A2A ISO reporting.

Norway market specific

For Norway, if the CE proceeds trigger has been requested, Euronext Securities does not automatically generate the PFOD instructions related to the proceeds distributions at payment date of the event. Those instructions will be generated only upon receipt of the CE proceeds trigger from the Paying Agent impacting the Paying Agent cash account and Payment Banks', cash accounts of Participants/Account Controllers/Investors directly in release status (see [section 5.7.1](#)).

¹⁹ For an explanation of these events please refer to [section 4.5.1](#).

5.7.2 Issuer CSD service

5.7.2.1 CeBM cash payments

When acting as Issuer CSD, Euronext Securities, at end of day of the event Payment Date minus one (-1) Business day, generates PFOD settlement instructions in “already matched” status and Partial Settlement Indicator set to “NPAR” for debiting the Paying Agent cash account of the total cash amount to be distributed and crediting the corporate events cash account of the CSD where the corporate event occurs. At the same time, Euronext Securities generates all the PFOD payment instructions for each security holder based on the cash account details provided at the membership level ²⁰in “already matched” status and Partial Settlement Indicator set to “NPAR” for debiting the CSD corporate events cash account of the cash amount to be distributed and crediting the cash accounts of the Payment Banks of the security holders (i.e. Participants/Account Controllers). All these instructions generated are pooled together per corporate event.

Subsequently, Euronext Securities forwards these instructions to the settlement system to be included in the first settlement cycle available of the corporate event payment date (i.e. the Night Time Settlement cycle in T2S).

As soon as confirmation of the bookings from the settlement system is received, Euronext Securities generates the relevant corporate event confirmation messages for the Participants/Account Controllers/Investors via U2A and A2A ISO.

If Issuers/Issuer Agents specifically request it at corporate event set-up, Euronext Securities can apply the pre-funding process²¹. In this case, Euronext Securities verifies that the funds have been provided by the Paying Agent into its cash account on pay date and performs a cash reconciliation process. If the funds have been reconciled, Euronext Securities generates all the PFOD payment instructions to each security holder based on the cash account details provided at the membership level and forwards them to the settlement system.

Also in this case, as soon as confirmation of the bookings from the settlement system is received, Euronext Securities generates the relevant corporate events confirmation messages for the Participants/Account Controllers via U2A respectively A2A ISO.

²⁰ A dedicated DCA for corporate event payments can be specified as described in [section 2.6](#).

²¹ This process is currently available only in Euronext Securities Milan. Assessments for making it available in other locations are ongoing.

In case the payment is not performed by noon of event payment date, according to SCoRE standards a status process advise has to be sent based on information by the Issuer/Issuer Agent.

A visual representation of the accounting scheme is also reported below for CeBM payments²².

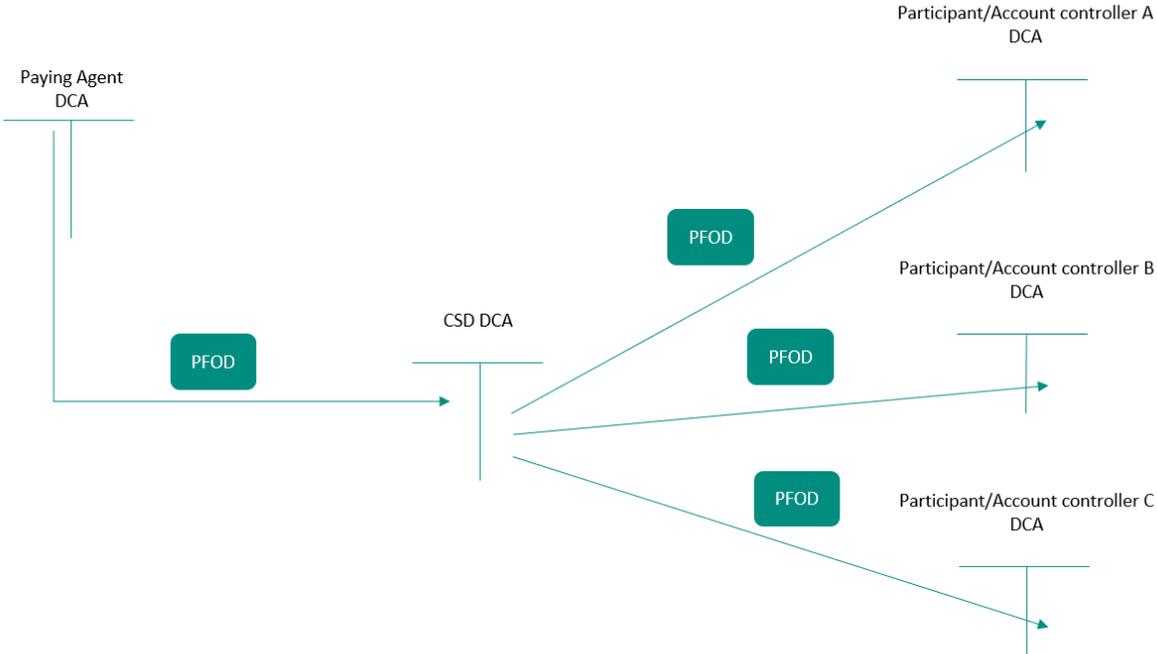


Figure 3 Accounting scheme for cash payments in CeBM acting as Issuer CSD

Norway market specific

For the Issuer CSD service in Norway, the payment process described previously considers the following market specificities:

- Whenever the payments have been approved via CE proceeds trigger, PFOD settlement instructions are generated in “already matched” status. The Partial Settlement Indicator is set to “NPAR” for debiting the Paying Agent’s Payment Banks VPO LOM in Norges Bank, and crediting Participant/Account Operators/Investors are forwarded to the settlement system. These instructions are included in the first settlement cycle available for the corporate event payment date in VPO which starts at 06:00 on Pay Date. For Investors in particular, Euronext Securities performs a check with the cash accounts included in the KAR register prior to the generation of

²² For Norway the payments are made directly from Paying Agent to the Account Controller or Investor’s cash account.

the payment instructions and generates them based on the Payment Bank VPO LOM coordinates available.

- These settlement instructions are netted by VPO and the net payment per Payment Bank is sent through MT202 to Norges Bank. The latter then confirms the cash settlement back to VPO;
- Once confirmation of the bookings is received from VPO via sese.025, Euronext Securities generates all the corporate event confirmations to Participants/Account Controllers/Investors.

A visual representation of the accounting scheme is also reported below for CeBM payments in Norway:

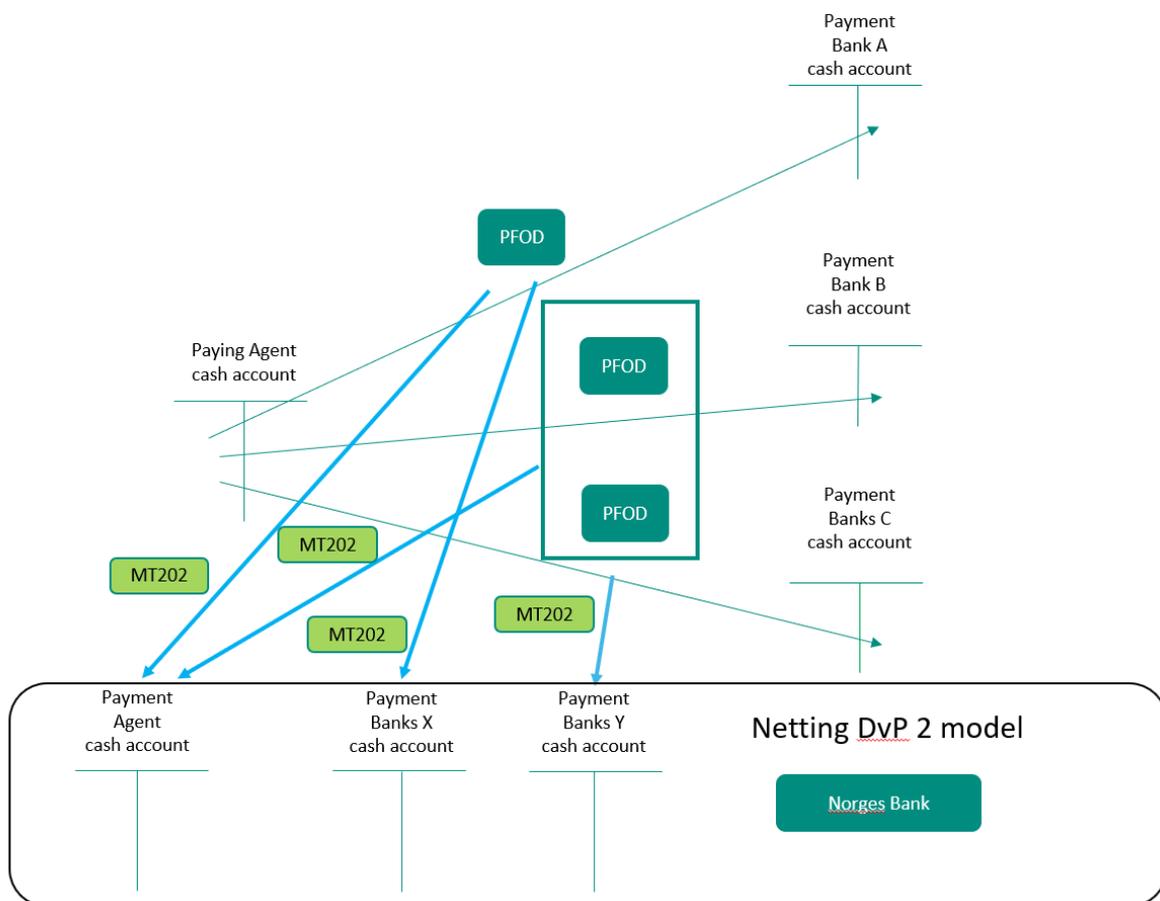


Figure 4 Accounting scheme for cash payments in CeBM in Norway acting as Issuer CSD

5.7.2.2 CoBM cash payments

For non-T2S eligible and non-Norwegian Krone payments, Euronext Securities, once the CE proceeds trigger is received for the payment from the Paying Agent appointed by the Issuer/Issuer Agent:

- For T2S markets, submits the relevant payment instructions to the Paying Agent to debit its own CoBM cash account and credit the relevant correspondent bank provided by the Participant/Account Controller at membership level.
- For Norway, the Issuer Agent appoints a Paying Agent and payments are made directly from the paying agents currency accounts to Participant/Account Controller at membership level or securities account level.

As soon as confirmation of the bookings²³ is received, Euronext Securities generates the relevant corporate events confirmation messages for the Participants/Account Controllers via U2A GUI and A2A ISO.

For Participants/Account Controllers that have not provided the relevant cash coordinates for the payment instructions generation on non-T2S eligibles and non-Norwegian Krone payments, Euronext Securities could apply the foreign exchange (FX) process. On Payment Date the proceeds are converted in T2S eligibles or Norwegian Krone, based on the market where the event refers to, and the payments are generated as per above, jointly with the relevant corporate event notification of the FX rate applied.

²³ Or CE proceeds trigger for Norway

A visual representation of the accounting scheme is also reported below for CoBM payments:

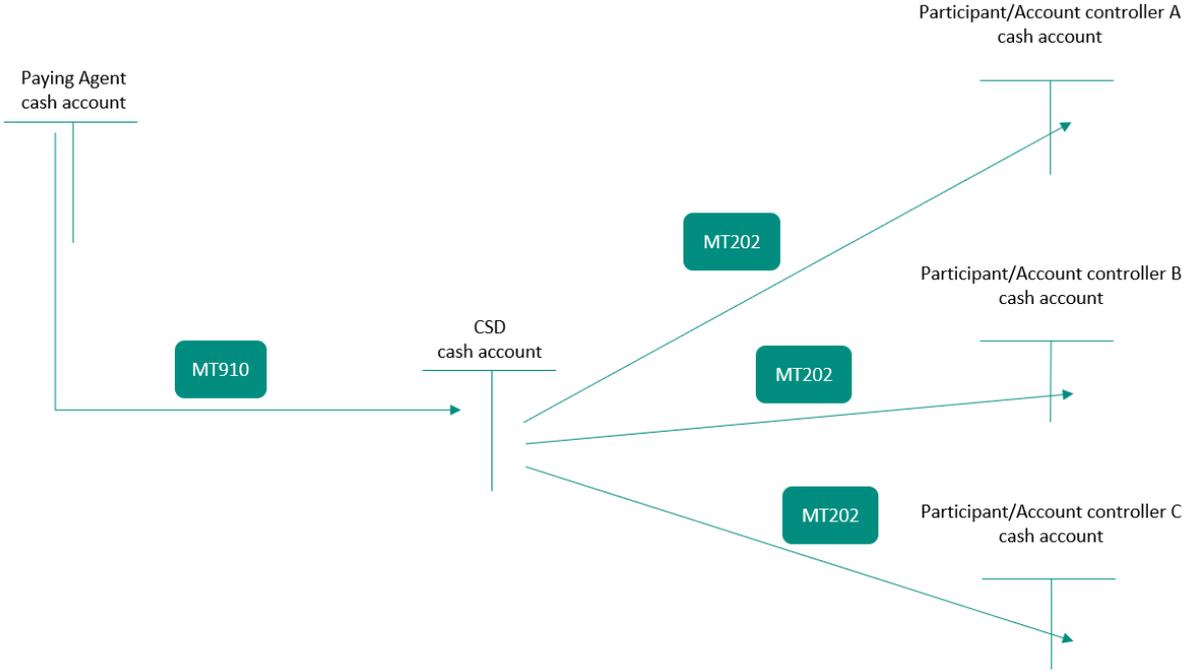


Figure 5 Accounting scheme for cash payments in CoBM

5.7.2.3 Security payments

When acting as Issuer CSD, Euronext Securities, at COB on the Record Date of the event, generates FOP settlement instructions in “already matched” status with the Partial Settlement Indicator set to “NPAR” to debit the Issuer account of the total securities to be distributed and credit the Participants/Account Controllers/Investor’s securities account in the CSD where the corporate event occurs.

All these generated instructions are pooled together per corporate event and on “Release” status.

Subsequently, Euronext Securities forwards them to the settlement system to be included in the first settlement cycle available (i.e. the Night Time Settlement cycle in T2S. and the first available settlement cycle in Norway).

As soon as confirmation of the bookings from the settlement system is received, Euronext Securities generates the relevant corporate events confirmation messages for the Participants/Account Controllers via U2A GUI A2A ISO.

For the Issuer CSD service, the settlement instructions generated for the bookings always have the Intended Settlement Date equal to the Payment Date of the event.

A visual representation of the accounting scheme is also reported below for securities payments when acting as Issuer CSD:

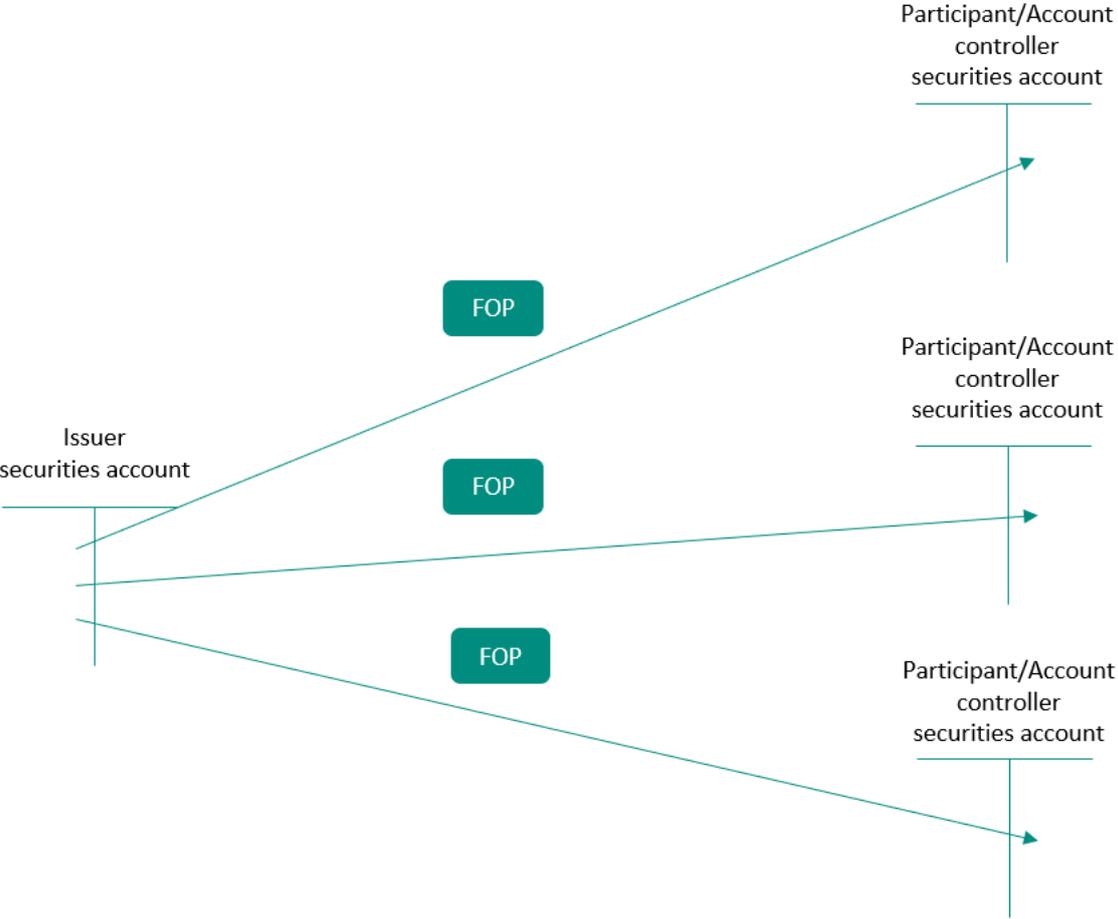


Figure 6 Accounting scheme for securities payments acting as Issuer CSD

5.7.3 Investor CSD service

5.7.3.1 CeBM cash payments

When acting as Investor CSD, for T2S eligibles payments Euronext Securities applies the same approach applicable for Issuer CSD CeBM payments with the difference that payments are received by Euronext Securities on its CSD cash account from the Issuer CSD/Local Custodian of the corporate event.

A visual representation of the accounting scheme is also reported below for CeBM payments when acting as Investor CSD:

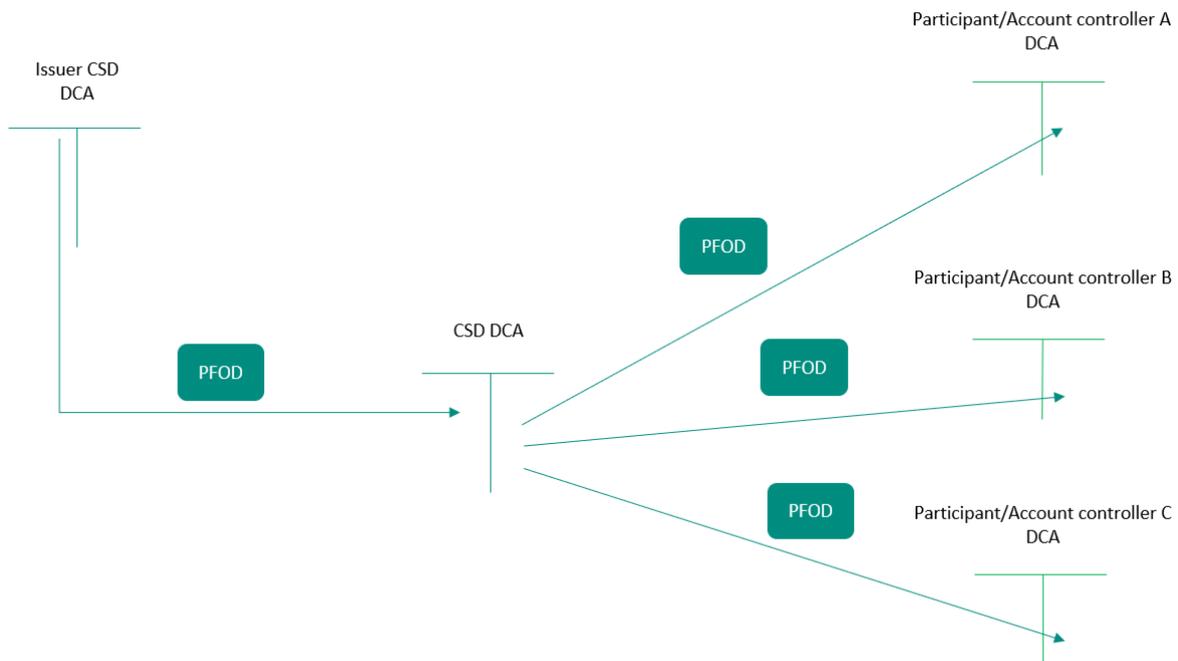


Figure 7 Accounting scheme for cash payments in CeBM acting as Investor CSD

5.7.3.2 CoBM cash payments

For non-T2S eligible payments Euronext Securities, once confirmation of the payment has been received from the Issuer CSD/Local Custodian, submits the relevant payment instructions to the Issuer CSD/Local Custodian to debit its own cash account and credit the relevant correspondent bank provided by the Participant/Account Controller at membership level.

As soon as confirmation of the bookings from the settlement system is received, Euronext Securities generates the relevant corporate events confirmation messages for the Participants/Account Controllers via U2A GUI A2A ISO.

For Participants/Account Controllers that have not provided the relevant cash coordinates for the generation of payment instructions on non-T2S eligibles and non-Norwegian Krone payments.

For T2S markets Euronext Securities applies the FX process. On Payment Date the proceeds are converted in T2S eligible currencies, based on the market to which the event refers, and the payments are generated as per above jointly with the relevant corporate event notification the FX rate applied.

A visual representation of the accounting scheme is also reported below for CoBM payments when acting as Investor CSD:

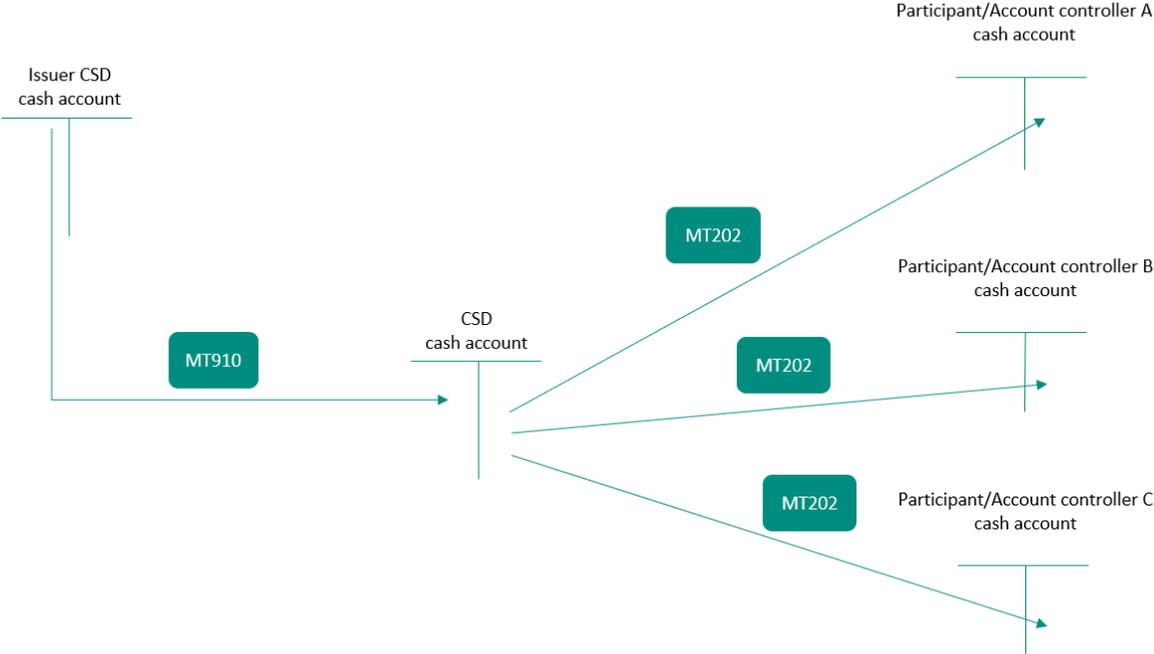


Figure 8 Accounting scheme for cash payments in CoBM acting as Investor CSD

5.7.3.3 Security payments

When acting as Investor CSD, Euronext Securities verifies the receipt of securities payment confirmation from the settlement system at Pay Date of the event, as well as the receipt of the relevant corporate event payment confirmation from the Issuer CSD/Local Custodian.

As soon as this is received and reconciled, Euronext Securities generates FOP settlement instructions in “already matched” status and Partial Settlement Indicator set to “NPAR” for crediting the Participants’/Account Controllers’/Investors’ security accounts.

All these generated instructions are pooled together per corporate event.

Subsequently, Euronext Securities forwards them to the settlement system to be included in the first settlement cycle available, the Night Time Settlement (NTS) cycle in T2S, and the first available settlement cycle in Norway.

As soon as confirmation of the bookings from the settlement system is received, Euronext Securities generates the relevant corporate events confirmation messages for the Participants/Account Controllers via U2A GUI A2A ISO.

A visual representation of the accounting scheme is also reported below for Security payments when acting as Investor CSD:

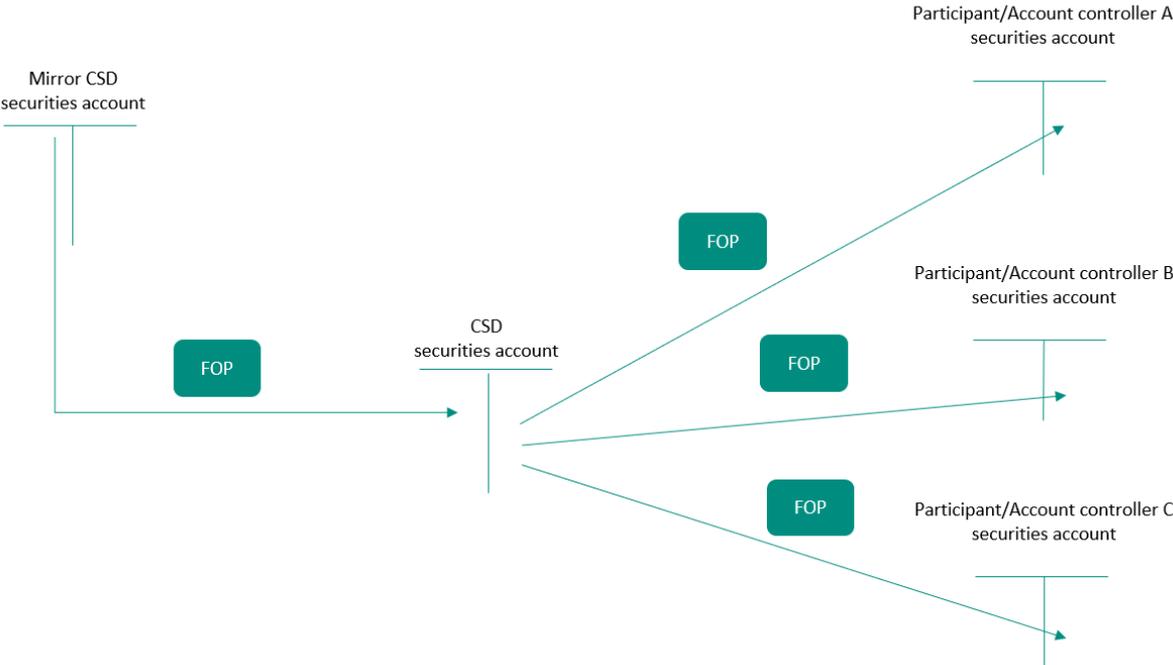


Figure 9 Accounting scheme for securities payments acting as Investor CSD

5.8 Reversal process

The reversal process applies to any corporate event payment where the proceeds are returned to the Paying Agent, when Euronext Securities is acting as Issuer CSD, or to the Issuer CSD/Local Custodian, when Euronext Securities is acting as Investor CSD.

Reversals are announced in A2A and U2A mode to the Participants/Account Controllers/Investors and executed at the defined execution date according to the best practices.

The applicability of reversal processes on each country, where Euronext Securities is active, is also subject to the provisions foreseen in the local legislation of those countries and market practices. This means that our service offering might be limited due to legal or other relevant constraints present in those markets.

5.8.1 Issuer CSD service

Cash payments reversal in CeBM

An Issuer/Issuer Agent can initiate a reversal process at its discretion by submitting the proper request via U2A GUI.

Once the relevant information has been received from the Issuer/Issuer Agent, Euronext Securities generates and sends the reversal pre-advise notifications to inform all the actors involved in the process via U2A GUI and A2A ISO.

At the defined execution date of the reversal, Euronext Securities generates PFOD settlement instructions applying the same behaviour foreseen for the cash payments, but with the opposite direction of the payment instructions.

Subsequently, Euronext Securities forwards them to the PROD settlement instructions to the settlement system to be included in the first settlement cycle available (i.e. the Night Time Settlement (NTS) cycle in T2S, and the first available settlement cycle in Norway).

As soon as confirmation of the bookings from the settlement system is received, Euronext Securities generates the relevant corporate events confirmation messages for the Participants/Account Controllers/Investors via U2A GUI A2A ISO.

Norway market specific

For Issuer CSD service in Norway, the reversal cash payment process described previously considers the following market specificities:

- For Participants and Account Controllers, reversal PFOD settlement instructions generated in “already matched” status and Partial Settlement Indicator set to “NPAR” for debiting the Payment Bank cash account and crediting the Paying Agent cash account are forwarded to the settlement system. As per the corporate event payments, these instructions are included in the first settlement cycle available at reversal date in VPO. These settlement instructions are netted by VPO and the net payment per Payment Bank is sent through MT202 to Norges Bank. The latter then confirms back to VPO of the cash settlement. Once confirmation from VPO of the bookings is received via sese.025, Euronext Securities generates all the corporate event confirmations to Participants/Account Controllers/Investors.
- For Investors, Euronext Securities forwards the reversal instructions to Mastercard Payment Service (MPS) including the detailed information of the retail cash accounts that have to be debited and the Paying Agent’s cash account to be credited. MPS performs the bookings and then informs Euronext Securities of the status and confirmation of the bookings.

Cash payments reversal in CoBM

In this scenario, an Issuer/Issuer Agent can also initiate a reversal process at its discretion by submitting the proper request via U2A GUI.

Once the relevant information has been received from the Issuer/Issuer Agent, Euronext Securities generates and sends the reversal pre-advice notifications to inform all the actors involved in the process via U2A GUI and A2A ISO.

At the defined execution date of the reversal, Euronext Securities generates payment instructions (i.e. MT202 or equivalent) applying the same behaviour foreseen for the cash payments, but with the opposite direction of the payment instructions.

As CoBM corporate events reversals are generated as payment instructions, Euronext Securities must be fully authorised, via proper POA, by the Participants/Account Controllers to perform debit cash bookings in the cash coordinates provided by them.

As soon as confirmation of the bookings is received, Euronext Securities generates the relevant corporate events confirmation messages for the Participants/Account Controllers via U2A GUI A2A ISO

For Norway and Portugal, once the original payments have been made by the Paying Agents appointed by the Issuer Agents directly from their cash accounts to the Participants/Account Controllers accounts, Euronext Securities at execution date provides all the relevant information to the Paying Agents (Caixa Bank for Portugal) to perform the reversal process.

Security payments reversal

An Issuer/Issuer Agent can initiate a reversal process at its discretion by submitting the proper request via U2A GUI.

Once the relevant information has been received from the Issuer/Issuer Agent, Euronext Securities generates and sends the reversal pre-advice notifications to inform all the actors involved in the process via U2A GUI and A2A ISO.

At the defined execution date of the reversal, Euronext Securities generates FOP settlement instructions applying the same behaviour foreseen for the securities payments, but with the opposite direction of the payment instructions.

Subsequently, Euronext Securities forwards the FOP settlement instructions to the settlement system to be included in the first settlement cycle available (i.e. the night-time settlement (NTS) cycle in T2S, and the first available settlement cycle in Norway).

As soon as confirmation of the bookings from the settlement system is received, Euronext Securities generates the relevant corporate events confirmation messages for the Participants/Account Controllers/Investors via U2A GUI A2A ISO.

In case of lack of securities on Participants/Account Controllers/Investors securities accounts while processing the reversal, the FOP settlement instructions are going to remain pending until securities are made available and automatically cancelled after 60 days by T2S and VPOs if not settled.

5.8.1 Investor CSD service

Cash payments reversal in CeBM

This process is the same as the one foreseen in Issuer CSD service with the difference that the initial communication and trigger of the reversal is the Issuer CSD/Local custodian.

Cash payments reversal in CoBM

This process is the same as for the one in Issuer CSD service, with the difference that the initial communication and trigger of the reversal is the Issuer CSD/Local custodian.

Security payments reversal

This process is the same as the one foreseen in Issuer CSD service with the difference that the initial communication and trigger of the reversal is the Issuer CSD/Local custodian.

5.9 Mandatory events

5.9.1 Cash Distributions

Cash distributions are mandatory corporate events on which the proceeds consist of cash only and do not affect the underlying holdings.

The relevant key dates and their order for this events category are the following:

- Ex date²⁴;
- Record date;
- Payment date.

²⁴ When applicable.

When acting as Investor CSD, in the case that the Issuer CSD has not implemented any ex-date and/or record date, Euronext Securities defines them at event set-up.

An example of common event flow for this events category can be found in [annex 11.2.1](#).

5.9.2 Securities Distributions

Securities distributions are events where the proceeds consist of securities only.

The relevant key dates for this event category are the same as those of cash distributions.

Securities distributions can also be considered as the first-stage of a multi-stage event. That is the case, for example in rights distributions (CAEV code RHDI), which are the first stage of a capital increase corporate event followed by exercise of rights events (CAEV code EXRI).

The quantity of proceeds to be credited is derived from the ratio defined in the event considering the eligible position of each Participant/Account Controllers/Investor. In the case of resulting fractions, please refer to the [section 9](#).

An example of common event flow for this events category can be found in [annex 11.2.1](#).

When acting as Investor CSD, payment is triggered by the receipt from Euronext Securities of the proceeds from the Issuer CSD/Local Custodian.

5.9.3 Distributions with Options

Distribution with options events are corporate events for which the Issuer of a security grants an entitlement to holders of the security.

An example of distribution with option events is the dividend payment, in which the holder is given the possibility to elect a specific currency payment or between cash and securities. In this case, the holder must have a cash account in the currency instructed, otherwise the default option applies.

For these events, a default option at event level is always available.

In the case of uninstructed positions, reminders are sent as described in [section 4.5](#) and the entitlements are calculated based on the default option of the event.

The relevant key dates and their order for this events category are the following:

- Ex date;
- start and end of election period;
- client response deadline;
- market response deadline;
- payment date.

Distribution with options events may also be, depending on the markets, the second stage of a two-stage corporate event (e.g. RHDI+DVOP events). The first stage is a mandatory security distribution event during which an interim security is distributed that constitutes the underlying security of the mandatory reorganisation with option event. Two-stage events are always linked together and reported to the holders accordingly via the different communication channels (i.e. subsequence A1, tag 22F, qualifier LINK). In terms of communication timing, two-stage events are communicated together based on the holding of the underlying security of the first stage event (or based on subscription provided by the Participants/Account Controllers, i.e. zero-holdings, etc.) or in, any case, when all the details of the first event are known (i.e. the event is in COMP status).

When acting as Investor CSD, Euronext Securities forwards all valid instructions received to the Issuer CSD/Local Custodian as soon as they are received from the Participant/Account Controller, and acknowledges their receipt. Based on the status of the instruction received from the Issuer CSD/Local CSD, Euronext Securities informs the Participant/Account Controller accordingly.

5.9.4 Mandatory Reorganisations without options

Mandatory reorganisations without options are events that mandatorily affect the underlying security without any action required from the holders of that security.

The relevant key dates and their order for this events category are the following:

- Ex date;
- Record Date;
- Payment date.

On Payment date Euronext Securities then:

- If the event foresees the payment of cash, proceeds the crediting of the amounts due to the Participants/Account Controllers/Investors via settlement instructions (i.e. via PFOD) in CeBM or via payment instructions in CoBM (see [section 5.7.2](#));
- Generates FOP settlement instructions to credit any out turned securities and, if foreseen by the event, to debit the underlying original securities.

5.9.5 Mandatory Reorganisations with options

Mandatory Reorganisations with options are events that give the entitlement to the holders of the underlying security to choose among different options in terms of proceeds.

These events could be the second stage of a multi-stage corporate event (e.g. RHDI+EXRI events). The first stage is a mandatory security distribution event during which a right is distributed that constitutes the underlying security of the mandatory reorganisation with option event (e.g. EXRI event). For multi-stage corporate events, in some markets there is also a three-stage event foreseen (e.g. PARI) to convert the interim security, if foreseen, of the reorganisation with option event (i.e. EXRI), into the final security. Multi-stage events are always linked together and reported to holders accordingly via the different communication channels (i.e. subsequence A1, tag 22F, qualifier LINK). In terms of communication timing, multi-stage events are communicated together based on the holding of the underlying security of the first-stage event (or based on subscription provided by the Participants/Account Controllers, i.e. zero holdings, etc.) or, in any case, when all the details of the first event are known (i.e. the event is in COMP status).

For mandatory reorganisation with option events, a default option at event level is always available.

In case of uninstructed positions, reminders are sent as described in [section 5.6](#) and the entitlement is calculated based on the default option of the event.

The relevant key dates and their order for this events category are the following:

- guaranteed participation date;
- start and end of election period;
- buyer protection deadline;
- client response deadline;
- market response deadline;
- payment date.

In case that the underlying security of these events is a right, the worthless removal of the unstructured rights after payment date is done as soon as requested by the Issuer/Issuer Agent and notified accordingly (i.e. on A2A ISO, reporting all the amount in the LAPS option in the confirmation messages sent).

On Payment date Euronext Securities then:

- If the event foresees the payment of cash due to the elections submitted, proceeds to debit the amount due to the Participants/Account Controllers via settlement instructions (i.e. via PFOD) in CeBM or via payment instructions in CoBM (see [section 5.7.2](#));
- Generates FOP settlement instructions to debit any underlying elected if foreseen by the event;
- Generates FOP settlement instructions to credit any resulting security based on options available.

CeBM settlement instructions are pooled together in "already matched" status and Partial Settlement Indicator set to "NPAR".

Norway market specific

In the case of Investors that elected to take part in an event which foresees a cash payment and authorized Euronext Securities to provide the relevant One-Time Power of Attorney²⁵, Euronext Securities Oslo forwards the cash debit instructions to Mastercard Payment Services (MPS) including the detailed information on the Investors cash accounts that have to be debited and the cash account of the Paying Agent to be credited. MPS performs the bookings and informs then Euronext Securities of the status and confirmation of them. As soon as the payment is confirmed, then Euronext Securities Oslo processes the payment by generating FOP settlement instructions depending on the event options elected.

When acting as Investor CSD, Euronext Securities forwards all instructions received to the Issuer CSD/Local Custodian as soon as they are received from the Participant/Account Controller and acknowledges their receipt. Based on the status of the instructions received from the Issuer CSD/Local CSD, Euronext Securities informs the Participant/Account Controller accordingly.

An example of common event flow can be found in [annex 11.2.2](#).

5.9.6 Information-only

Information-only events are mandatory corporate events with nor distribution nor change in the underlying security.

For these events Euronext Securities notifies the Participants/Account Controllers/Investor of the event via A2A ISO and U2A mode according to their subscriptions. No other action is foreseen.

5.10 Voluntary events

5.10.1 Voluntary Reorganisations

Voluntary reorganisations are events in which participation is optional for the holder of the underlying security.

The key dates and the order of dates used for these events are the same as those for mandatory reorganisations with options.

²⁵ So-called "Engangsfullmakt".

For voluntary reorganisation events, a default option at event level is always available and is always No Action (NOAC).

On Payment date Euronext Securities then:

- If the event foresees the payment of cash due to the elections submitted, proceeds to debit the amount due to the Participants/Account Controllers via settlement instruction (i.e. via PFOD) in CeBM or via payment instructions in CoBM (see [section 5.7.2](#));
- Generates FOP settlement instructions to debit any underlying elected if foreseen by the event;
- Generates FOP settlement instructions to credit any resulting security based on options available.

CeBM settlement instructions are pooled together in “already matched” status and Partial Settlement Indicator set to “NPAR”.

When acting as Issuer CSD and for voluntary reorganisations to which it has not been appointed as processor, Euronext Securities can in any case inform the Participants/Account Controllers of the event upon request received from the Issuer or Lead Manager²⁶ of the event. In this case the notifications can be sent via all communication channels and in case of A2A ISO notifications, they are reported via A2A ISO20022 & ISO15022 specifying in sequence E the qualifier OPTF with code NOSE (No Service Offered Indicator). These notifications are sent based on subscriptions. In this case any elections made by the Participants/Account Controllers/ Investors should be sent directly to the Lead Manager of the event as Euronext Securities does not process the event directly.

An example of common event flow for this events category can be found in [annex 11.2.2](#).

Norway market specific

When Euronext Securities Oslo is the processor of the event, in case of elections made by investors directly to the Lead/Co Manager of the event, the Lead Manager must upload them on a daily basis via the Issuer U2A GUI to Euronext Securities in order for them to be considered at payment date of the event. These elections follows the defined validation rules defined on [section 4.5](#).

When acting as Investor CSD, Euronext Securities forwards all instructions received to the Issuer CSD/Local Custodian as soon as they are received from the Participant/Account Controller and acknowledges their receipt. Based on the status of the instruction received

²⁶ In this case the Lead Manager will be appointed as Issuer Agent to submit the request.

from the Issuer CSD/Local CSD, Euronext Securities informs the Participant/Account Controller accordingly.

6. General meetings and proxy voting

Euronext Securities provides, for all markets covered as Issuer and Investor CSD, general meetings and elective proxy voting services to Participants/Account Controllers/Investors in line with guidelines provided by the EU Shareholders Rights Directive.

The key dates and the order of dates used for these events are the same as those for mandatory reorganisations with options and in addition the other relevant dates included in the standards (i.e. general meeting date).

As general meetings are voluntary events, a default option at event level is always available and is always No Action (NOAC).

After the notification of the event, all Participants/Account Controllers/Investors can submit their proxy voting instructions as described in [section 5.6](#).

Because many institutions outsource their proxy voting to third-party providers, we give the possibility to Proxy Agents to instruct on behalf of Participants/Account Controllers for general meetings only if authorised by the Participants/Account Controllers themselves (cfr. [section 5.6](#)). This means that they also receive all the notifications sent by Euronext Securities for the institutions they represent.

Euronext Securities acting as Issuer CSD collects all the proxy voting instructions and forwards all valid instructions received to the Issuer Agent appointed to run the general meeting as soon as they are received from the Participants/Account Controllers via A2A ISO messages (seev.004). Participants/Account Controllers/Investors may also use U2A to input their voting instructions.

Proxy voting instructions can also be downloaded by Issuer Agents via Issuer U2A GUI.

When acting as Investor CSD, Euronext Securities also collects all the proxy voting instructions and forward all valid instructions received to the Issuer CSD/Local Custodian soon as received from the Participant/Account Controller/Investors via A2A ISO messages (seev.004).

For bondholders consent to proposals by the Issuer/or a third party the Consent Event (CONS) can be used instead of the Bondholder Meeting Event (BMET). The Consent Event can be a better option as this events purpose is to obtain the bondholder's consent to a proposal by the issuer or a third party without convening a meeting. For example, consent to change the terms of a bond. Bonds usually follow a processing flow that does not involve the Proxy Agent or the same business area as Equites. This the event also enables payments within the event processing when applicable.

The Euronext Securities General Meeting Solution catalogue of messages is ISO 20022 compliant and is published on the SWIFT MyStandards website ([SWIFT login](#)) under the

relevant Euronext Securities relevant section. All message formats are the same across all Euronext Securities locations unless market specificities require us to deviate from this assumption; if these deviations are stated on the MyStandards website.

The table listing the ISO messages used throughout the general meetings life cycle is available in [annex 11.1.3](#)²⁷. For these kinds of events, only A2A ISO 20022 and U2A GUI reporting will be available.

7. Shareholders identifications

Euronext Securities provides, for all markets covered as Issuer and Investor CSD, a collector service to Participants/Account Controllers/Investors in line with guidelines provided by the EU Shareholders Rights Directive.

This means that Issuers can appoint Euronext Securities, in case of shareholder disclosure events, as collector of the Investor information which is then gathered in comprehensive reports and delivered to the Issuer.

When acting as Investor CSD, Euronext Securities can collect, if requested, all the disclosure instructions and forward them to the Collector of the Issuer as soon as received from the Participant/Account Controller via A2A ISO messages (seev.047).

The Euronext Securities Shareholders Disclosure Solution catalogue of messages is ISO 20022 compliant and published on the SWIFT MyStandards website ([SWIFT login](#)) under the relevant Euronext Securities relevant section, which will be unique for all locations. All message formats are the same across all Euronext Securities locations unless market specificities require us to deviate from this assumption; if this is the case, these deviations are stated on the MyStandards website.

The table lists of the ISO messages used throughout the general meetings life cycle is available in [annex 11.1.4](#). For these kinds of event, only A2A ISO 20022 and U2A GUI reporting will be available.

8. Rounding rules

Euronext Securities CSDs comply with harmonised corporate event standard rounding rules when:

- calculating cash or securities payments, and consequentially
- passing on the event ratio in the processing chain, with no rounding or truncation.

²⁷ Seev.007 and seev.008 messages will be provided by Euronext Securities only if Euronext Securities has been appointed by the Issuer to manage the full lifecycle of the general meeting via our ancillary services offering.

1. Cash rounding rules

Corporate events cash payments are rounded down to the number of decimal places permissible in the currency of payment (e.g., two decimal places for EUR payments).

Example of cash rounding

A cash payment of 2,134,555.567 EUR is rounded down to 2,134,555.56 EUR.

2. Securities rounding rules

Corporate event securities payments are rounded down to:

- the nearest full unit (e.g., 1 unit); or
- the Settlement Unit Multiple (SUM) of the security if any (e.g., 1.2 or 1 EUR FAMT).

However, Issuers may announce a payment of cash in lieu (i.e., a fraction compensation in cash). In that case, the securities distributions are processed by rounding down to the nearest integer and fractions are compensated in cash.

Example of securities rounding (FAMT)

- Event ratio (NEWO) = 1:3
- Cash in lieu = no
- Eligible position = 1000 FAMT
- Settlement Unit Multiple = 100
- Entitlement = $1000/3 = 333.333333333$
- Rounded security payment = 300 (FAMT)

9. Handling of fractions

Euronext Securities processes corporate events with securities fractions compensation, if announced as such by the Issuer, the Issuer Agent, or the Paying Agent.

If the Issuer has announced a compensation in cash for the fractions (cash in lieu of securities price or the DISF field is set to CINL in ISO reporting), then Euronext Securities calculates and credits the cash equivalent of these fractions in the Participants'/Account Controllers'/Investors' cash accounts on payment date, according to the same payment processing described in [section 5.7.2](#) and [5.7.3](#).

Issuers in Euronext Securities may choose to use the "Lot" calculation method for attributing securities. If this is used, the attribution of resulting securities occurs only if a minimum lot of underlying securities is available in the securities balance; fractions are not paid. The attribution of the resulting securities is done iteratively for each minimum matching lot. See below an example of the calculations applied for this method:

Example of handling of fractions:

A corporate event for which "lot" is setup as the method, with ratio as follows:

- for each lot of 2 underlying securities, 3 resulting securities are granted/received.

If the securities account balance contains fewer than 2 underlying securities, nothing is granted/received, with the following possible example of attributions:

Securities balance	Securities to be Received / granted	Notes
1	Nothing is received (0)	Securities balance is below the minimum lot
2	3	Lot of 2 matched, and 3 securities are granted
3	3	Lot of 2 matched, and 3 securities are granted The remaining 1 security in the securities balance does not match the minimum lot, and does not result in any additional securities being granted
4	6	Lot of 2 matched fully twice, and for each lot 3 securities are granted, resulting in 6 securities being granted
Etc	Etc	Etc

Table 1 Example of attributions if securities account balance contains fewer than 2 underlying securities

9.1.1 Fraction compensation in cash

For Euronext Securities to process cash compensation of securities fractions, Issuers must confirm the compensation price.

The compensation price is applied on the fractions of securities to calculate the cash equivalent amount.

Accordingly, Euronext Securities credits the whole number of securities to be distributed.

Cash and securities amounts are settled on the scheduled payment date as reported in the event details announced via PFOD and FOP instructions and notify the Participants/Account Controllers/Investors accordingly via A2A and U2A mode.

9.1.2 No compensation of fractions

If the event terms do not imply a cash compensation of securities fractions, Euronext Securities:

- Rounds the quantity of securities down to the nearest full unit;
- Discards fractions, withdrawing them from securities accounts, and notifying the Participants/Account Controllers/Investors accordingly via A2A and U2A mode.

The quantity of new securities is paid on the payment date as scheduled via PFOD and FOP instructions.

10. Corporate events on flow

Market claims and reverse market claims involve a process that reallocates the proceeds (cash, securities or both) of a distribution to the contractually entitled party.

The transformation is a process that occurs as a result of a reorganisation event where the underlying securities involved changes/or are redeemed.

Both processes rely on a defined detection period where all pending settlement instructions (or settled instructions at record date with trade date > ex-date) on underlying securities subject to one of those processes are detected.

Market claim and transformation processes are applicable both on on-exchange and OTC settlement instructions and all of them result in the generation of new settlement instructions. While the market claim process does not influence the life cycle of the underlying settlement instruction that generated the market claim itself, the transformation process involves the cancellation of the underlying settlement instruction before the new 'transformed' one is generated.

Market claims are generated for settlement instructions ²⁸with one of the following statuses:

- MACH (matched);
- SETT (settled) - only for reverse market claims;
- PAIN (partial settlement);
- PARC (previously partially confirmed).

For market claims in securities, if the security received in the market claim is the same as the underlying security and is eligible as collateral, the market claim keeps the same collateral indicator as in the underlying settlement instruction. In all other cases, the collateral indicator - not eligible as collateral - is used in the creation of a market claim.

²⁸ Settlement instructions with transaction codes OWNI / OWNE / COLI / COLO / AUTO / CORP / PORT are excluded from the detection.

10.1 Detection rules

In the case of corporate events, a detection period is defined of 20 working days from the Record Date of the event which is the maximum time period for claim detection by Euronext Securities.

Settlement instructions related to on-exchange contracts negotiated by the end of the business day preceding the Ex Date (Ex-Date minus one (-1) of a corporate event refer to CUM securities, and from the Ex Date onwards concern EX securities.

However, the counterparties of a settlement instruction may 'deviate' from this principle for over-the-counter (OTC) contracts. In such cases, counterparties may specify that the settlement instruction concerns CUM or EX securities, regardless of the day on which the contract was concluded (in this way, deviating from the market trading calendar). This is possible by using the CUM/EX indicators (XCPN and CCPN) on the settlement instructions, which are significant only for the purpose of the generation of Market Claims & Transformations.

With these indicators, in order to identify the settlement instructions eligible for the management of the Market Claims, the trading dates are not considered, as the indication of the CUM or EX nature of the financial instruments subject to the settlement instruction prevails.

As the CUM/EX indicator is an optional additional matching field the following rule applies.

Party of settlement instructions	Counterparty of the Settlement instructions	Match status
XCPN	Blank	No Match
XCPN	CCPN	No Match
XCPN	XCPN	Match
CCPN	Blank	No Match
CCPN	XCPN	No Match
CCPN	CCPN	Match
Blank	Blank	Match

Table 2 Deviation from detection rules using CUM/EX indicators

Another possibility for the counterparties to “deviate” from the detection rules is by using the OPT-OUT indicator (NOMC) in the settlement instruction. This automatically excludes those settlement instruction from the Market Claims/Reverse Market Claims and Transformations processes by Euronext Securities.

As the OPT-OUT indicator is an optional additional matching field the following rule applies.

Party of settlement instructions	Counterparty of the Settlement instructions	Match status
NOMC	Blank	No Match
Blank	NOMC	No Match
NOMC	NOMC	Match
Blank	Blank	Match

Table 3 Deviation from detection rules using OPT-OUT indicators

In a Reverse Market Claim the direction of the flow (i.e. of the proceeds of the corporate event) goes from the buyer to the seller of the financial instruments, contrary to what occurs in the case of Market Claims, where it is the seller that has to pay the proceeds of the corporate event to the buyer of the securities.

10.2 Market Claims

For financial instruments in units (shares and similar securities), Euronext Securities generates Market Claims based on settlement instructions involving CUM securities that are:

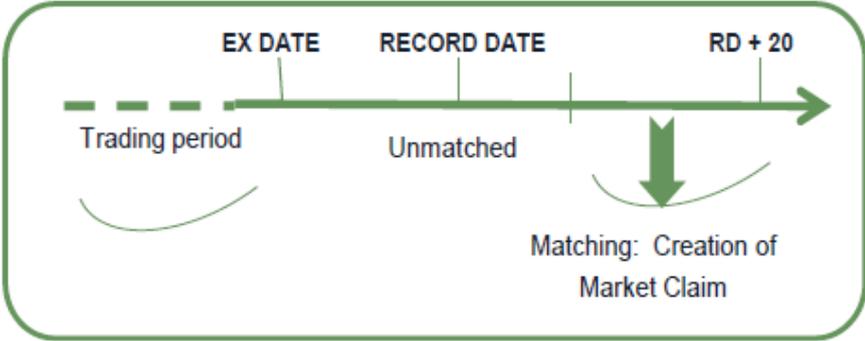
- matched and not settled by the Record Date of the event;
- unmatched at the Record Date of the event, but matched within the detection period;
- sent to the settlement system (T2S or VPO) after the Record Date and concerning CUM securities, but matched within the detection period.

Reverse Market Claims are generated by Euronext Securities based on settlement instructions traded ex coupon on or after the Ex Date and settled by the Record Date.

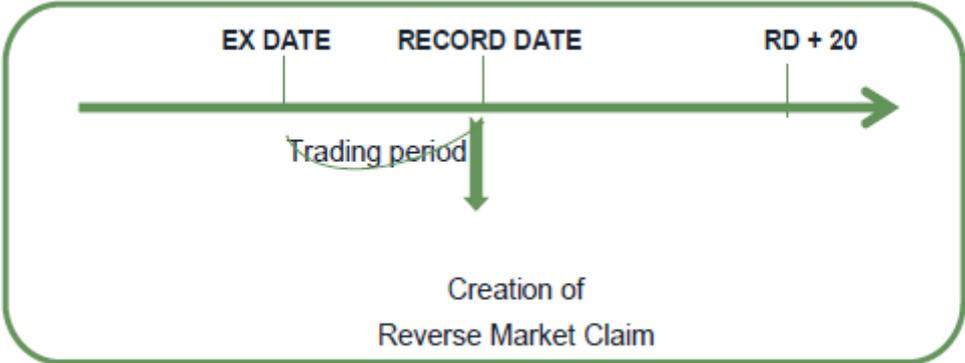
For financial instruments denominated as 'nominal', (bonds and similar securities), Market Claims are only generated in cases where settlement instructions have an Intended Settlement Date \leq Record Date, and they are not settled by that date (but nevertheless are subject to detection).

The following illustrations show examples of Market Claim detection:

Detection at the RD of unmatched instructions with a Trade date < the EX date:



Detection at the RD of already settled instructions with TD \geq EX date



10.2.1 Rules for the detection of settlement instructions subject to Market Claims

The following figure summarises the matching criteria considered by Euronext Securities for the Market Claims detection.

In particular, in the context of T2S, during the detection period of an event, the generation of Market Claims is managed considering settlement instructions with the following rules:

- When Opt-out indicator is not specified (BLANK):
 - For securities in nominal:
 - A Market Claim is generated by transferring CA proceeds from the seller to the buyer if the Intended Settlement Date is on or before the Record Date but there is a pending transaction at close of business on Record Date or during the detection period.
 - For securities in units:
 - A Market Claim is generated by transferring CA proceeds from the seller to the buyer:
 - If the trade date < Ex-date, transaction is still pending on the RD, Ex/Cum indicator is equal to "CUM" or BLANK;
 - If the trade date => Ex-date, the transaction is still pending on the RD, Ex/Cum indicator is equal to "CUM".
 - A Market Claim should be generated by transferring CA proceeds from the buyer to the seller:
 - If the trade date >= Ex-Date, the actual settlement date <= Record Date (RD), Ex/Cum indicator is equal to "EX" or BLANK.
 - If the trade date < Ex-Date, the actual settlement date <= Record Date (RD), Ex/Cum indicator is equal to "EX".
- When the Opt-out indicator is specified ("Opt-out"):
 - No Market Claims should be generated, irrespective of the Ex/Cum indicators or trade date/settlement date of the settlement instruction. All other scenarios are excluded from the Market Claim detection and creation process and no Market Claims are created by IOCs/CCPs in T2S. The counterparties involved in the transaction may nevertheless arrange for Market Claims to be raised bilaterally.

The detection is performed by Euronext Securities on an online basis. This means that market claims are generated on an ongoing basis each day during the detection period.

Scenario ²⁹	Trade Date < Ex Date (N means TD TD => ED but TD <= RD)	Intended Settlement Date <= Record Date	Actual Settlement Date <= Record Date	OPT - OUT indicator	CUM/EX indicator	Market Claim or Reverse Market Claim
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²⁹ This table is a faithful reproduction from the Q&A document issued by the CASG available at the following link: [Updated FAQ on T2S CA standards \(europa.eu\)](https://www.euronext.com/etf/faq-on-t2s-ca-standards)

Securities in nominal						
1	Y/N	Y	N	Blank	N/A	MC
Securities in units						
2	Y	N/A	N	Blank	CUM/Blank	MC
3	N	N/A	N	Blank	CUM	MC
4	N	N/A	Y	Blank	EX/Blank	RMC
5	Y	N/A	Y	Blank	EX	RMC
OPT OUT = Y						
6	N/A	N/A	N/A	OPT-OUT	N/A	NO

10.2.2 Generation of market claims

When acting as Issuer CSD, CeBM cash market claims are generated by Euronext Securities as settlement PFOD matched settlement instructions. In case of securities market claims, they are generated by Euronext Securities as FOP matched settlement instructions. Conversely, when acting as Investor CSD³⁰, Euronext Securities generates only one leg of the market claim instruction, FOP or PFOD, depending on whether it refers to a cash or security market claim, with “unmatched” status and sends it to the settlement system for subsequent matching by the Issuer CSD. In all cases the settlement transaction condition code of the market claims is set to “CLAI”.

As soon as a market claim is generated, Euronext Securities informs the involved parties (Participants/Account Controllers) via A2A ISO and U2A corporate event reporting. The same reporting is generated when the market claim settles. This reporting is available to Participants/Account Controllers based on their subscription.

The market claims generated by Euronext Securities also include:

- the identification of the original pending settlement instruction for which the market claim is generated;

³⁰ This scenario is not applicable for Norway. All CeBM market claims are managed in the scenario described for Issuer CSD service.

- the corporate event reference of the event involved;
- the Trade Date coinciding with the Trade Date of the original pending settlement instruction;
- the Intended Settlement Date coinciding with the date of payment of the corporate event;
- for “Cash distribution” transactions, the countervalue of the new market claim settlement instruction is the result of the quantity of shares/nominal value of the financial instruments referred to in the pending transaction, multiplied by the unit value of the corporate event payment (gross dividend amount; interest rate). For “Securities Distribution” corporate events, the quantity of shares/nominal value of the financial instruments of the CLAI transaction is equal to the quantity of shares/nominal value of the pending transaction, multiplied by the number of financial instruments distributed, according to the assignment ratio established by the Issuer
- the same partialisation indicator as the pending operation (note however that market claims in cash cannot be partialized) and the same on-hold/released status of the underlying operation that gave rise to the Market Claim.

Market claims can be amended/cancelled only by the counterparties involved and they are not automatically linked to the lifecycle of the original pending instructions. This means that if the original pending settlement instruction that generated a market claim is cancelled by them, this does not imply the automatic cancellation of the market claim.

All market claims generated by Euronext Securities for CeBM are on a gross basis, except for Euronext Securities Copenhagen which generates them on a net basis (considering the maximum tax rate applicable in the Issuer’s country of incorporation). In the case of German securities, CBF market practice applies. This means that market claims are generated on a gross basis, but an additional market claim is generated for the tax adjustment (credit and debit of the tax respectively to the seller and to the buyer).

According to the T2S Corporate Actions On Flow standards, market claims must not be settled prior to the settlement of the original pending settlement instructions from which they have been originated, even though they have a life cycle independent of the latter. This means that Participants/Account Controllers can change the hold&release status of the market claims to grant the correct sequence of settlement with the original pending settlement instructions.

For CoBM corporate events payments, market claims are generated as payment instructions. For this reason, Euronext Securities has to be fully authorised, via proper Power of Attorney (POA), by the Participants/Account Controllers to perform debit cash bookings in the cash coordinates provided by them.

10.3 Transformations

Transformations are generated by Euronext Securities, for cash payment events including fraction compensation and securities payment events, on pending settlement instructions that are:

1. matched but not settled by the Record Date of the reorganisation event;
2. unmatched at Record Date of the event, but matched within the detection period;
3. sent to the settlement system after the Record Date of the event, but matched within the detection period.

On voluntary corporate events, all pending instructions are put on hold and excluded from the generation of transformations from Euronext Securities because they are subject to the automatic buyer protection process.

10.3.1 Rules for the detection of settlement instructions subject to Transformation

The table below summarises the matching criteria for recognition of pending settlement instructions that can generate transformations, in the case that the reorganisation corporate event is mandatory or mandatory with options.

Underlying security expires	Matched within Record date/ Market deadline/ Response deadline date/time	OPT OUT indicator	EX/CUM indicator	Original instruction is cancelled	Transformed instruction created
Y	N	OPT-OUT	Ex/Cum/Blank	Y	N
Y	N	OPT-OUT /Blank	Ex/Cum/Blank	N	N
Y	Y	OPT-OUT	Ex/Cum/Blank	Y	N
Y	Y	Blank	Ex/Cum/Blank	Y	Y
Y	N	OPT-OUT /Blank	Ex/Cum/Blank	N	N
Y	Y	OPT-OUT	Ex/Cum/Blank	Y	N

Y	Y	Blank	Ex/Cum/Blank	Y	Y
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For T2S markets, all underlying transactions still unmatched are cancelled during the re-validation phase of all pending transactions, considering the end of detection period of the financial instrument subject to the underlying transactions provided by the SME (Securities Maintaining Entity). For Norway, all underlying transactions still unmatched are cancelled after the detection period by VPO.

10.3.2 Generation of transformations

When acting as Issuer CSD, CeBM cash transformations are generated by Euronext Securities as settlement DVP/DFP/PFOD matched instructions after the cancellation of the original pending settlement instruction. In the case of securities transformations, they are generated by Euronext Securities as FOP matched settlement instructions. Conversely, when acting as Investor CSD³¹, Euronext Securities generates only one leg of the transformation instruction with “unmatched” status and sends it to the settlement system for subsequent matching by the Issuer CSD. In all cases the settlement transaction condition code of the transformations is set to “TRAN”.

As soon as a transformation is generated, Euronext Securities informs the involved parties (Participants/Account Controllers/Investors) via A2A ISO and U2A corporate event reporting (i.e. MT564, seev.031, Participant U2A web GUI, etc.). The same reporting is generated when the transformation settles (i.e. MT566, Seev.036, Participant U2A web GUI etc.). This reporting is available to Participants/Account Controllers based on their subscription.

The transformed settlement instructions generated by Euronext Securities include:

- the identification of the original pending settlement instruction for which the transformation is generated;
- the corporate event reference of the event involved;
- the Trade Date coinciding with the Trade Date of the original pending settlement instruction;
- the Intended Settlement Date which is the later between the Intended Settlement Date of the original settlement instruction and the date of execution of the corporate event;

³¹ This scenario is not applicable for Norway.

- the underlying ISIN code of the transformation settlement instruction is the same as the outturned ISIN code of the corporate event involved;
- the same partialisation indicator of the pending operation and the same on-hold/released status of the underlying operation that gave rise to the Transformation

Transformed settlement instructions can be amended/cancelled only by the counterparties involved.

10.4 Buyer protection

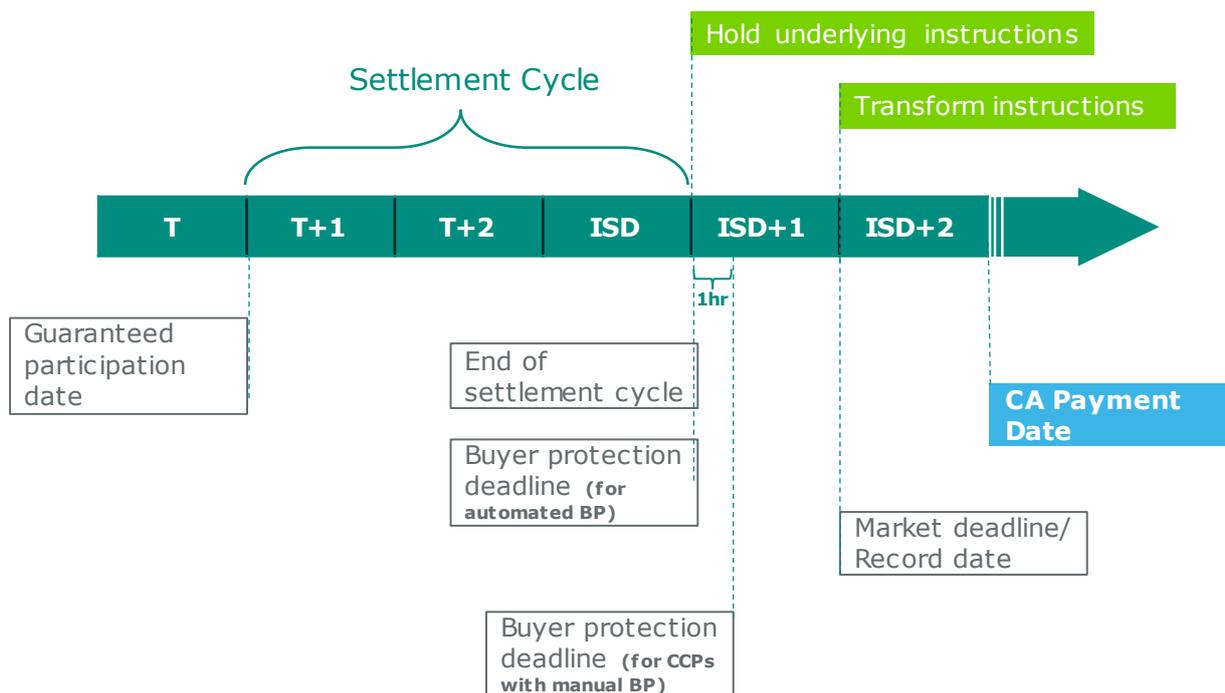
Buyer Protection, as per international standards, is a process whereby a buyer that has yet to receive the underlying securities of an elective corporate event, instructs the seller in order to receive the outturn of the buyer's choice.

Buyer protection is invoked on "the last date and time at which a 'buying counterparty' that has the legal right to choose a particular event option but does not yet hold the securities (i.e. a party in an unsettled transaction) may instruct its counterparty to deliver the specified proceed/s". If not invoked by the buyer, then the market default rules for elections applies.

The international standards establish two different ways of handling Buyer Protection:

- Automated Buyer Protection mechanism, an institutionalised and automated service provided by market infrastructure organisations (i.e. where the election instruction is routed through the CSD/CCP, and where the CSD/CCP uses the Buyer Protection instruction to process the Transformation);
- Manual Buyer Protection mechanism, a bilateral agreement between the respective trading parties by means of a manual process (no intervention of the market infrastructure regarding the exchange of Buyer Protection instructions).

The buyer protection time frame is as follows:



Euronext Securities supports the Automated Buyer protection mechanism based on the invocation from the buyer. Specifically, the Buyer Protection instruction must be sent to Euronext Securities in A2A mode via MT565 or seev.033 and must report in particular the following references:

- corporate event reference (20C: CORP);
- underlying pending transaction reference (20C: RELA);
- chosen option and quantity.

Instructions can also be sent via U2A mode to Euronext Securities, and must also report the above references. The quantity instructed should not exceed the pending settlement instruction quantity. As soon as a Buyer Protection instruction is received, Euronext Securities puts on CSD hold the underlying settlement instruction.

When acting as Issuer CSD, buyer protection deadlines are calculated as follows:

For trade date T (which is the guaranteed participation date of the CA), the Buyer Protection deadline should be on T+n (where n = settlement cycle) and the market deadline on T+n+1 day.

Taking as working assumption a T+2 settlement cycle:

- business day 1 = T;

- business day 4 = T+2: buyer protection deadline;
- business day 5 = T+3: market deadline.

Then Buyer Protection deadline = Market deadline - 1.

International standards do not impose that all markets should implement an automated Buyer Protection functionality. Each Issuer CSD has the choice whether or not to implement.

This means that, when acting as Investor CSD, there may potentially be a situation where not all CSDs offer an automated Buyer Protection functionality. This can lead to the following scenarios:

- If the Issuer CSD offers an automated Buyer Protection functionality, it will handle the execution, i.e. take the actions on the underlying transaction (hold/cancellation/transformation). These actions will be generated automatically by the Issuer CSD on behalf of its buyer/seller involved in the BP.
- If the Issuer CSD does not offer an automated Buyer Protection functionality, the cancellation and transformation are carried out by the buyer/seller. The objective is that bilateral cancellation is successfully processed followed by the matching and settlement of the new transformed instructions.

The table below summarises the four possible scenarios depending on whether the buyer and/or seller Issuer CSD provides Automatic Buyer Protection services or not:

Buyer CSD offers Buyer Protection	Seller CSD Buyer Protection	Results
Y	Y	Both CSDs generate the cancellation automatically followed by the transformation instructions that need to match and settle.
Y	N	The buyer CSD generates the cancellation/reinstruction automatically. The seller participant in the seller CSD handles the cancellation and transformation to ensure matching and settlement.
N	Y	The seller CSD generates the cancellation/reinstruction automatically. The buyer participant in the buyer CSD handles the cancellation and transformation to ensure matching and settlement.

N	N	Both the buyer and the seller handle the cancellation and transformation to ensure matching and settlement.
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The reporting related to the transformations generated based on the Buyer Protection is the same as detailed in [section 10.3.2](#).

11. Annexes

11.1 ISO 15022 and 20022 messages

11.1.1 ISO 20022 messages for Corporate Events

Cycle	Message name	Function	Message identifier
Notification	Corporate Event Notification	<p>Message sent by an account servicer to an account owner or its designated agent to notify details of a corporate event and optionally account information, eligible balance and entitlements.</p> <p>It may also:</p> <ol style="list-style-type: none"> include possible elections or choices available to the account owner, be sent to remind of event details and/or of missing or incomplete instructions for a corporate event. 	seev.031
	Corporate Event Cancellation Advice	<p>Message sent by an account servicer to an account owner or its designated agent to cancel a previously announced corporate event in case of error from the account servicer or in case of withdrawal by the issuer.</p>	seev.039
Instruction	Corporate Event Instruction	<p>Message sent by an account owner to an account servicer to instruct election on a corporate event.</p>	seev.033
	Corporate Event Instruction Status Advice	<p>Message sent by an account servicer to an account owner or its designated agent, to report the status of a received corporate event election instruction.</p> <p>This will include the acknowledgement or rejection of a corporate event instruction.</p>	seev.034
	Corporate Event Instruction Cancellation Request	<p>Message sent by an account owner to an account servicer to request cancellation of a previously sent election instruction (seev.033).</p>	seev.040

Cycle	Message name	Function	Message identifier
	Corporate Event Instruction Cancellation Request Status Advice	<p>Message sent by an account servicer to an account owner or its designated agent to report the status of a previously received cancellation request message (seev.040) sent by the account owner.</p> <p>This will include the acknowledgement or rejection of a request to cancel an outstanding instruction.</p>	seev.041
Entitlement	Corporate Event Movement Preliminary Advice	Message sent by an account servicer to an account owner or its designated agent to pre-advise of an upcoming posting or reversal of securities and/or cash postings.	seev.035
	Corporate Event Movement Preliminary Advice Cancellation Advice	Message sent by an account servicer to an account owner or its designated agent to cancel a previously announced preliminary advice (seev.035).	seev.044
Payment	Corporate Event Movement Confirmation	Message sent by an account servicer to an account owner or its designated agent to confirm the posting of securities or cash as a result of a corporate event.	seev.036
	Corporate Event Processing Status Advice	Message sent by an account servicer to an account owner or its designated agent to report processing status of a corporate event.	seev.032
Reversal	Corporate Event Movement Reversal Advice	Message sent by an account servicer to an account owner or its designated agent to reverse a previously confirmed posting of securities or cash.	seev.037

11.1.2 ISO 15022 messages for Corporate Events

Cycle	Message name	Function	Message identifier
Notification	Corporate Notification Event	<p>Message sent by an account servicer to an account owner or its designated agent to notify details of a corporate event and optionally account information, eligible balance and entitlements.</p> <p>It may also:</p> <ol style="list-style-type: none"> include possible elections or choices available to the account owner, be sent to remind of event details and/or of missing or incomplete instructions for a corporate event. 	MT564 NEWM MT564 REPL MT564 RMDR
	Corporate Cancellation Advice Event	<p>Message sent by an account servicer to an account owner or its designated agent to cancel a previously announced corporate event in case of error from the account servicer or in case of withdrawal by the issuer.</p>	MT564 CANC
Instruction	Corporate Instruction Event	<p>Message sent by an account owner to an account servicer to instruct election on a corporate event.</p>	MT565 NEWM
	Corporate Instruction Advice Event Status	<p>Message sent by an account servicer to an account owner or its designated agent, to report the status of a received corporate event election instruction.</p> <p>This will include the acknowledgement or rejection of a corporate event instruction.</p>	MT567
	Corporate Instruction Cancellation Request Event	<p>Message sent by an account owner to an account servicer to request cancellation of a previously sent election instruction (MT565).</p>	MT565 CANC
	Corporate Instruction Cancellation Request Status Advice Event	<p>Message sent by an account servicer to an account owner or its designated agent, to report the status of previously received cancellation request message (MT565) sent by the account owner.</p> <p>This will include the acknowledgement or rejection of a request to cancel an outstanding instruction.</p>	MT567
Entitlement	Corporate Movement Preliminary Advice Event	<p>Message sent by an account servicer to an account owner or its designated agent to pre-advise of an upcoming posting or reversal of securities and/or cash postings.</p>	MT564 REPE + ADDB//CAPA
	Corporate Movement Preliminary Advice Cancellation Advice Event	<p>Message sent by an account servicer to an account owner or its designated agent to cancel a previously announced preliminary advice (MT564 REPE).</p>	MT564 REPE + ADDB//CAPA + 20C::PREV

Cycle	Message name	Function	Message identifier
Payment	Corporate Movement Confirmation	Event Message sent by an account servicer to an account owner or its designated agent to confirm the posting of securities or cash as a result of a corporate event.	MT566
Reversal	Corporate Movement Advice	Event Reversal Message sent by an account servicer to an account owner or its designated agent to reverse a previously confirmed posting of securities or cash.	MT566 REVR

11.1.3 ISO 20022 messages for General Meetings

Cycle	Message name	Function	Message identifier
Notification	Meeting Notification	The Meeting Notification message is sent by a notifying party, for example, an issuer, its agent or an intermediary to another intermediary, or a party holding the right to vote to announce a meeting.	Seev.001
	Meeting Cancellation	Message sent by an account servicer to an account owner or its designated agent to cancel a previously announced corporate event in case of error from the account servicer or in case of withdrawal by the issuer.	seev.002
Entitlement	Meeting Notification Entitlement	The Meeting Entitlement Notification is sent by an account servicer to the account owner to advise of the entitlement in relation to a meeting.	Seev.003
Instruction	Meeting Instruction	The Meeting Instruction message is sent by a party holding the right to vote to an intermediary, the issuer or its agent to request the receiving party to act upon one or several instructions	seev.004
	Meeting Instruction Status	Message sent by an account servicer to an account owner or its designated agent, to report the status of a received corporate event election instruction. This will include the acknowledgement or rejection of a corporate event instruction.	seev.006
	Meeting Instruction Cancellation Request	The Meeting Instruction Cancellation Request is sent by the same party that sent the Meeting Instruction message. It is sent to request the cancellation of one, some or all of the instructions included in the original Meeting Instruction message	seev.005

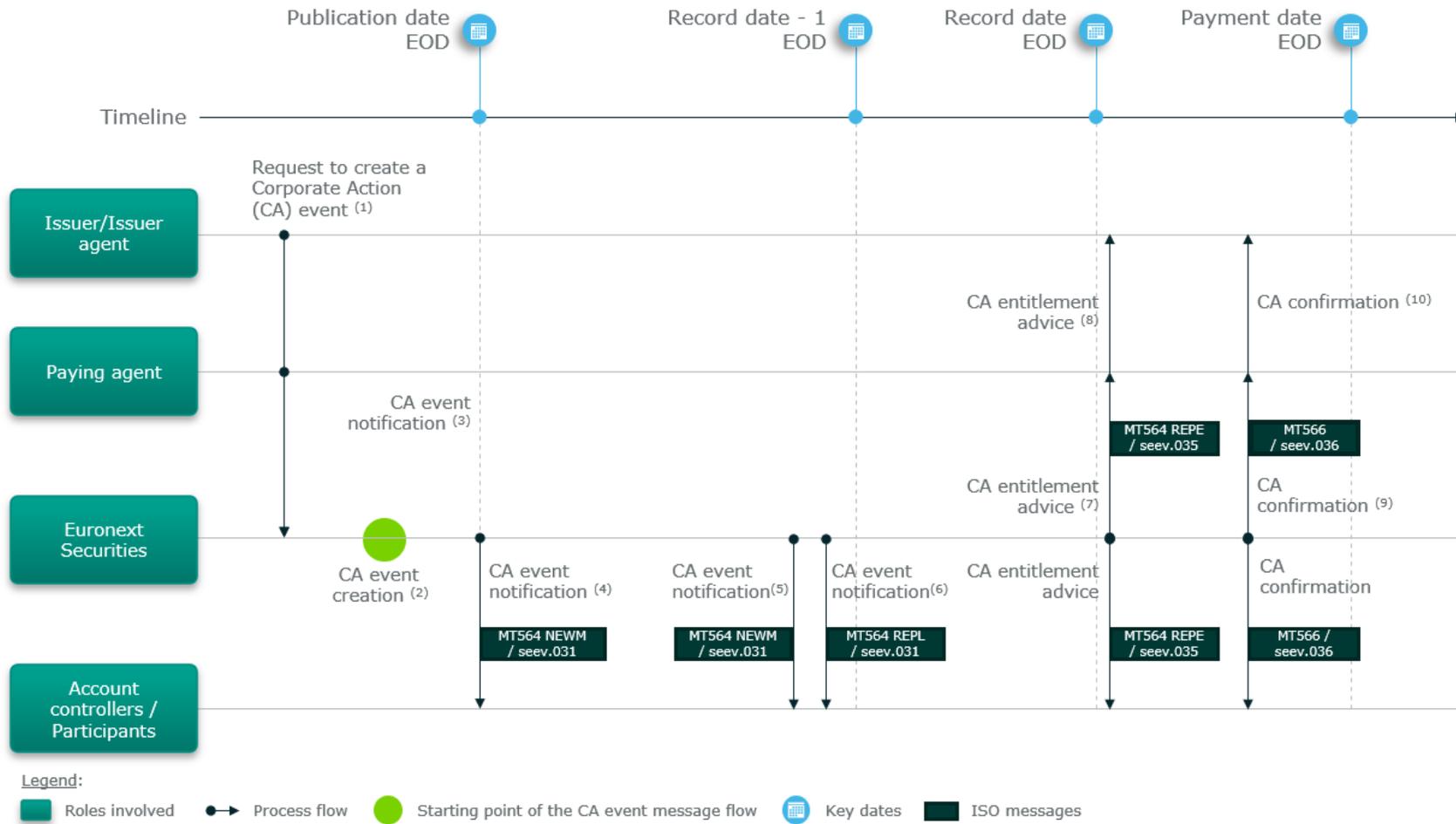
Cycle	Message name	Function	Message identifier
Vote Execution Confirmation	Meeting Vote Execution Confirmation	The Meeting Vote Execution Confirmation message is sent by an issuer, its agent or an intermediary to another intermediary, a party holding the right to vote, a registered security holder or to a beneficial holder to confirm, to the Sender of the Meeting Instruction message, that their vote has been recorded and counted by the issuer.	seev.007
Meeting Result	Meeting Result	The Meeting Result Dissemination message is sent by an issuer, its agent or an intermediary to another intermediary or a party holding the right to vote to provide information on the voting results of a general meeting.	seev.008

11.1.4 ISO 20022 messages for Shareholders Identification

Shareholders Identification Disclosure	Message name	Function	Message identifier
Notification	Shareholders Identification Disclosure Request	The Shareholders Identification Disclosure Request message is sent by an issuer or by a third party nominated by the issuer (such as an issuer's agent) to the first intermediaries in a custody chain or is sent by any intermediaries in a custody chain to the next intermediary down the chain of intermediaries (towards the investor side of the chain) in order to request the disclosure of shareholders' identity and provide information on the receiving party to whom responses must be sent, on the financial instrument concerned and on the deadline to respond.	Seev.045
	Shareholders Identification Disclosure Request Cancellation Advice	The Shareholders Identification Disclosure Cancellation Advice message is sent by an issuer or by a third party nominated by the issuer (such as an issuer's agent) to the first intermediaries in a custody chain or is sent by any intermediaries in a custody chain to the next intermediary down the chain of intermediaries (towards the investor side of the chain) in order to withdraw/cancel the disclosure request of shareholders identity previously sent.	Seev.046
Responses	Shareholders Identification Disclosure Response	The Shareholders Identification Disclosure Response message is sent in response to a shareholder identification disclosure request message by any intermediaries to the recipient designated by the issuer (such as an issuer's agent) in the disclosure request message in order to provide the requested information on the identity of the shareholders and their accounts holdings serviced by the intermediary for the requested financial instrument.	Seev.047
	Shareholder Identification Disclosure Response Cancellation Advice	The Shareholders Identification Disclosure Response Cancellation Advice message is sent by any intermediary to the recipient designated by the issuer (such as an issuer's agent) in the disclosure request message in order to cancel the shareholder identification disclosure response whether previously sent in a single message or in a set of multipart/paginated response messages.	Seev.048
	Shareholder Identification Disclosure Response Status Advice	The Shareholders Identification Disclosure Response Status Advice message is sent by an issuer or by a third party nominated by the issuer (such as an issuer's agent) to the intermediary in a custody chain in response to a Shareholder Identification Disclosure Response message or in response to a multipart response report (sent with pagination in multiple messages) in order to report about the acceptance status of the received Shareholder Identification Disclosure Response message/report.	Seev.049

11.2 Corporate event flows and timelines

11.2.1 Issuer CSD mandatory corporate event timeline



Notes:

- (1) Corporate events creation is requested by issuers/issuer agents/paying agents according to the standards.
- (2) Predictable corporate events are created automatically from the securities referential data (e.g. interest payment).
- (3) Paying agents receive a notification of their appointment for that event.
- (4) Corporate event notifications are sent on the publication date or when received from the issuer/issuer agents/paying agents.
- (5) New corporate event notifications are automatically generated for new positions and pending instructions, since the first notification until the record date (RD).
- (6) Replacement corporate event notifications are sent in the case of changes in the event detail since the first notification until the RD.
- (7) For cash distribution events, paying agent receives a corporate event entitlement aggregating all account controllers' or participants' entitlements. Preliminary entitlements are also generated based on the user's subscription.
- (8) The issuer agent can receive a corporate event entitlement message based on their subscription.
- (9) For cash distributions, the paying agent receives a corporate event confirmation aggregating all account controllers' and participants' entitlements.
- (10) The issuer agent can receive a corporate event confirmation based on subscription.

11.2.2 Issuer CSD elective corporate event timeline



Notes:

- (1) Elective corporate events are created when the event is requested by issuers/issuer agents/paying agents.
- (2) Notification of corporate events is sent to the Participants/Account Controllers with positions and/or pending instructions.
- (3) Corporate event notifications are automatically generated for new positions or pending instructions. Previous notifications are replaced if there is an update of the corporate event.
- (4) Paying agent receives a corporate event entitlement aggregating the entitlements of all the Participants/Account Controllers.
- (5) Paying agent receives a corporate event confirmation aggregating confirmation of all the Participants/Account Controllers.

11.3 Instruction status advice and rejection codes

Instruction Status Advice (CAIS / MT567/see.034) status

Message	Status	Definition
Instruction Status Advice	Pending	The instruction has been received but has yet to be processed
	Rejected	The instruction has been received but rejected identifying the reasons.
	Default action	Default action has been taken.
	Accepted	The instruction has been received and has been validated for further processing.
	Standing Instruction	The applicable standing instruction has been applied.
	Cancelled	The instruction has been cancelled.

Instruction Cancellation Request status advice (CACS / MT567/see.041) status

Message	Status	Definition
Instruction Cancellation Request Status Advice	Pending cancellation	The cancellation request has been received but has yet to be processed.
	Rejected	The request has been received but rejected for further processing due to system reasons.
	Accepted	The cancellation request has been received and has been validated for further processing.
	Cancellation completed	The instruction cancellation request has been completed.

List of controls, rejection rules and codes

Controls	Rejection Rule	ISO Code
Instruction received after Response Deadline	Auto reject	ADEA
Instruction is submitted before instruction start date	Auto reject	BSTR
Cancellation request was rejected since the instruction has already been cancelled	Auto reject	DCAN
Cancellation request has been rejected because the instruction process is in progress or has been processed	Auto reject	DPRG
Invalid instructed currency	Auto reject	DQCC
Invalid instructed quantity	Auto reject	DQUA
Invalid conditional quantity	Auto reject	DQUA
Unrecognized or Invalid Tradable Asset	Auto reject	DSEC

Controls	Rejection Rule	ISO Code
Instruction is rejected due to duplicate business message identifier	Auto reject	DUPL
Unrecognised corporate event number	Auto reject	EVNM
Insufficient elected position	Auto reject	LACK
Instruction received after Market Deadline	Auto reject	LATE
Instructed quantity not a multiple of the event ratio	Auto reject	NARR
Narrative included	Auto reject	NARR
Disclosure option instructed and no narrative included in the received instruction	Auto reject	NARR
Invalid Offered Price	Auto reject	NARR
Tax Rate to Be Validated	Auto reject	NARR
Invalid sender for the account number	Auto reject	NARR
Mismatch between Option Number and Option Type	Auto reject	NMTY
Invalid Option Number	Auto reject	OPNM
Invalid Option Type	Auto reject	OPTY
Unrecognised Client Account	Auto reject	SAFE
Shareholder number or reference is missing	Auto reject	SHAR

11.4 Main CAEV codes grouped by Corporate Event subcategories

Mandatory Cash Distribution	
CAEV	Corporate Event
INTR	Interest Payment
PRED	Partial Redemption With Pool Factor Reduction
DVCA	Cash Dividend
SHPR	Shares Premium Dividend
CAPD	Capital Distribution
CAPG	Capital Gains Distribution
DRCA	Cash Distribution From Non-Eligible Securities Sales

Mandatory Reorganisation	
CAEV	Corporate Event
DRAW	Drawing
MCAL	Full Call/Early Redemption
PCAL	Partial Redemption Without Pool Factor Reduction
REDM	Final Maturity
CONV	Conversion
PARI	Pari-Passu
SPLF	Stock Split/Change in Nominal Value/Subdivision
SPLR	Reverse Stock Split/Change in Nominal Value

Information only	
CAEV	Corporate Event
ACCU	Accumulation
ACTV	Trading Status: Active
BRUP	Bankruptcy
CAPI	Capitalisation
CHAN	Change
CREV	Credit Event
DFLT	Bond Default
DSCL	Disclosure

Mandatory security Distribution	
CAEV	Corporate Event
DVSE	Stock Dividend
DVSC	Scrip Dividend/Payment
BONU	Bonus Issue/Capitalisation Issue
PINK	Pay In Kind
RHDI	Intermediate Securities Distribution
SOFF	Spin-Off

Distribution with Options	
CAEV	Corporate Event
INTR	Interest Payment - currency option
DVCA	Cash Dividend - currency option

LIQU	Liquidation Dividend/Liquidation Payment
MRGR	Merger
WRTH	Worthless
INCR	Increase in Value
DECR	Decrease in Value
REDO	Redenomination

Mandatory Reorganisation with Options	
CAEV	Corporate Event
DRIP	Dividend Reinvestment
DVOP	Dividend Option
REDM	Final Maturity - Currency option
CERT	Non-US TEFRA D Certification

EXTM	Maturity Extension
INFO	Information
OTHR	Other Event
PLAC	Place of Incorporation
SUSP	Trading Status: Suspended

CAPD	Capital Distribution - currency option
CAPG	Capital Gains Distribution - currency option
DECR	Decrease in Value - currency option

Voluntary Reorganisation	
CAEV	Corporate Event
CONS	Consent
EXRI	Call on Intermediate Securities
EXOF	Exchange
TEND	Tender/Acquisition/Takeover/Purchase Offer
BIDS	Repurchase Offer/Issuer Bid/Reverse Rights
DTCH	Dutch Auction
ODLT	Odd Lot Sale/Purchase
EXWA	Warrant Exercise
BPUT	Put Redemption
PRIO	Priority Issue
WTRC	Withholding Tax Relief Certification

Meetings	
CAEV	Corporate Event
MEET	Annual General Meeting
BMET	Bond Holder Meeting
XMET	Extraordinary or Special General Meeting
CMET	Court Meeting

Voluntary Distribution	
CAEV	Corporate Event
TREC	Tax Reclaim



EURONEXT SECURITIES

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