

MUT

CORPORATE EVENTS SERVICE

Description Document

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EURONEXT SECURITIES

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1. Executive summary

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

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

In this regard, Euronext Securities, has launched a dedicated initiative, to deploy a harmonised and standardised service for Corporate Events processing across all Euronext CSDs, i.e., Euronext Securities in Milan, Porto, Copenhagen and Oslo. The service addresses the full lifecycle of all corporate event processing, adhering to the standards defined by ISO, as well as the General Meetings and Shareholder Disclosure in accordance with the Shareholder Rights DirectiveII (SRD II). It manages the entire process from creation to payment, including transaction management elements such as market claims, transformations and buyer protection. The service includes corporate event processing for all financial instruments where Euronext Securities acts as both Issuer CSD and Investor CSD, providing options for payments in different currencies via central and commercial banks.

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

The Euronext CSD roles structure will comply with European standards for Issuer Agents and Paying Agents. The corporate action processing required by each of these roles will be harmonised across Euronext CSDs.

Clients communicate with Euronext Securities through ISO15022 and/or ISO20022 messages¹ adapted to corporate event standards and market practice. The corresponding processing 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 for elective events in CeBM are executed on instructed DCAs in T2S.

¹ For ES-MIL the RNI A2A communication channel will be available until 2027. The exact decommission date will be communicated at a later stage.

For Euronext Securities Oslo, where settlement takes place in Euronext Securities Oslo's VPO system, corporate event settlement instructions are generated and sent to VPO for cash/securities distributions and cash payments of elective events. Payment occurs through the Norwegian Central Bank.

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

This document is based on the status of the initiative as of December 2023 and is potentially subject to further amendments based on continuing discussions with clients, regulatory changes and future detailed processes definition. Euronext Securities will keep its clients informed of the initiative's advancements and implications as the project unfolds.

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2. Introduction

This document provides clients with comprehensive details regarding Euronext's future Corporate Events management services across Euronext Securities in Oslo, Copenhagen, Porto and Milan. In this context, the term 'client' refers to any actor that has a direct

relationship with Euronext Securities (i.e. Participants, Account Controllers, Investors, Issuers, Issuer Agents, etc.)².

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, requiring no action from the holders, or elective, for which the holders can submit elections.

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

- Corporate Events on Securities
 - Mandatory cash distributions
 - Mandatory securities distributions
 - Distributions with options
 - Mandatory reorganisations without options
 - Mandatory reorganisations with options
 - Information only
 - Voluntary reorganisations
- General Meetings
- Shareholders Identifications
- Transaction Management
 - 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 accordance with all corporate events standards³, ensuring alignment with the perspective of Euronext Securities' clients.

If deemed necessary, Euronext Securities may decide to deviate from European standards to accommodate market specific processes or meet local law requirements. Any deviations at the time of this document's publication are described and documented in relevant section of the document.

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

² See full list of actors in [section 3.3](#).

³ Please refer to [section 3.2](#).

The Corporate Event service outlined in this document also considers the potential implications of the shift in on-exchange settlement cycles, transitioning from T+2 to T+1 as it's likely designed to adapt to or accommodate these changes in settlement cycles.

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 in the transactions management process |
| 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 e.g., 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, paid through 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 |
| 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 of 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 participation in a corporate event. The entitlement calculation is based on this balance. |
| Entitlement | Resulting cash amounts and/or securities quantities receivable to be paid based on eligible positions. |
| EOD | Acronym for End Of Day. |
| Ex Date | Date from which the Underlying Security is traded without the attached benefit/right to participate in a corporate event |

| | |
|---|---|
| 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, etc. |
| ICP | Indirectly Connected Party with the T2S platform |
| KAR | The Norwegian banks' joint register for payment accounts. |
| Market Deadline Date/Time | Event deadline for a Participant or Investor 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 a Corporate Actions related 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 finalised at the end of the day to determine which parties are entitled to receive proceeds in a corporate event |
| 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 papers, referred to as the Norwegian Market Securities Settlement System. |

3.2 Standards and market practices

The processes described in this document comply, unless deviations are 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 CAJWG⁴ standards on corporate events.

The CASG standards pertaining to corporate events are applicable to transaction management and their implementation within T2S markets.

⁴ Now covered in the Corporate Event Joint Working Group (CEJWG)

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

These standards encompass all transactions involving both listed and non-listed financial instruments. This includes financial instruments eligible for settlement in T2S and the Norwegian Settlement System (VPO), as well as those in line with the direct links established with Euronext Securities.

3.3 Actors involved in the Corporate Events processing

The corporate events lifecycles anticipate the interaction between different actors involved at each step of the processes. One actor can also assume different roles. The following is a list of the main actors.

| Actor | Role |
|----------------------------|---|
| Euronext Securities | Designate one or more Euronext Central Securities Depositories (Euronext Securities Milan, Porto, Copenhagen and Oslo). |
| Issuer | <p>Entity that issues its financial instruments via the CSD and 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 does not have a contractual relationship with the CSD but is represented by an Issuer Agent. In Euronext Securities Milan and Porto, the Issuer does have a contractual relationship with the CSD.</p> |
| Issuer Agent | <p>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; - It has been approved by a CSD to act on behalf of the Issuer in matters concerning the CSD. <p>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> |

| | |
|---------------------------|--|
| Paying Agent | <p>An entity that acts on behalf of an Issuer, 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 CSD that, in relation to corporate event processing:</p> <ul style="list-style-type: none"> ▪ has a contractual relationship with the Issuer or its Issuer Agent; ▪ receives information from the Issuer (or its Issuer 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 CSD 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>An 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>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>An entity that manages a securities account on its own behalf or on behalf of other 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>A 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. For Norway the payment bank has a separate agreement with ES-OSL.</p> |
| Proxy Agent | <p>An entity appointed by Participants or Account Controller 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) managed by an Account Controller.</p> |

3.4 Eligible financial instruments

All financial instruments 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 instruments, such as 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 and Euronext Securities Porto support fund order routing, respectively in the FundHub system and in the Sistema de Fundos de Investimento. The corporate events associated with those financial instruments will be executed 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.

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.

Please refer to the following table for details of the currencies currently managed⁶ by each Euronext CSD⁷.

| 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 | |

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.

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 the membership level⁸. Participants/Accounts Controllers can specify different cash accounts⁹ to be used for the cash management of corporate events on securities or transaction management and have to designate a default cash account.

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

If there is no specific cash account configured for the settlement of Transaction Management, 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 provided by the Participant/Account Controller 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, Euronext Securities performs a check of the Investors cash coordinates for each corporate action event involving cash payments through the KAR Register. The KAR check is made prior to the payment execution. Investors with none or invalid cash coordinates are subject to an exception handling process where their cash payments are paid to a default cash account belonging to the Issuer Agent responsible for the corporate action event. The Issuer Agent is then responsible for the payment to the Investors (see [section 5.7.2.1](#)).

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 the membership level, corporate event cash payments

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

⁹ Not applicable for Euronext Securities Oslo. In ES-OSL it is possible to specify which cash account should be used for different types of corporate action events as it is not part of T2S.

may be subject to foreign exchange (FX) and the resulting credit or debit amounts are booked in the relevant CeBM currencies cash account provided.

Paying Agents must provide details of the cash accounts to be used for corporate event processing in CoBM. They need to provide Euronext Securities with the cash account details where cash payments, (e.g., interests and dividends) should be debited and cash payments, (e.g., subscription amount for new shares) are to be credited. For cash payments in CoBM, Paying 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. Securities proceeds are posted to the respective accounts in which the underlying securities were held at the relevant corporate event dates.

It is important to note that for Norway, an Issuer Agent account (with a positive balance) will be implemented to introduce the double-entry booking scheme.

4. Communication modes

Euronext Securities supports the following application-to-application (A2A)¹⁰ or user-to-application (U2A) communication modes with the actors:

- A2A ISO 20022;
- A2A ISO 15022;
- U2A GUIs (My Euronext for Participants/Account Controllers, VPS Investor Portal for Retails in Norway).

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

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

¹⁰ For Italy, the RNI connectivity mode is still supported until end of 2027. The final decommission date will be communicated as soon as it is available. Details of the messages used for corporate events processing are available on the Euronext Securities Milan portal.

4.1 A2A ISO 20022

The Euronext Securities Corporate Events Service supports ISO 20022 formats. Its catalogue of messages is published on the SWIFT MyStandards website ([SWIFT login](#))¹¹ under the Euronext Securities section. 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](#).

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 Service supports ISO 15022 formats. Its catalogue of messages is published on the SWIFT MyStandards website ([SWIFT login](#))¹² under the relevant Euronext Securities section. 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 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 called My Euronext 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 to elective corporate events (relevant for Norway);

¹¹ Available from Q12024

¹² Available from Q12024

- Paying Agents, to interact with Euronext Securities as Issuer CSD about managing and monitoring corporate action events for which there are Paying Agent payment instructions;
- Participants/Account Controllers, to submit instructions to Euronext Securities on Voluntary & Mandatory elective events and as well as monitoring the events lifecycle/calendars. 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 across all Euronext CSDs.

Norway market specific

The current U2A available to Investors for Norway (VPS Investor Portal) will be maintained, and Investors can monitor corporate event lifecycles/calendars and submit instructions to Euronext Securities Oslo on Voluntary & Mandatory elective events.

5. Corporate events management

Corporate events on securities 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 main Corporate Action 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 rights, which are then subject to ‘election’ by Participants/Account Controllers/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;¹³
- 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 additional dates are used::

- Start of the election period;
- End of the election period;
- Market deadline;
- Guaranteed participation date;

¹³ Not relevant for debt-based financial instruments and applicable only to Distribution events.

- 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 practice defined by the SMPG Corporate Action Working Group.

Euronext Securities supports all types of corporate events defined by the main 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 – based on subscription:

- **Announces** to the Participants/Account Controller/Investor for any new, updated or withdrawn Corporate Event information. Based on the information received by the Issuers/Issuer Agents/Issuer CSD/Local Custodian;
- **Receives and processes instructions** 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, if applicable¹⁴.

¹⁴ Please refer to [section 5.8](#).

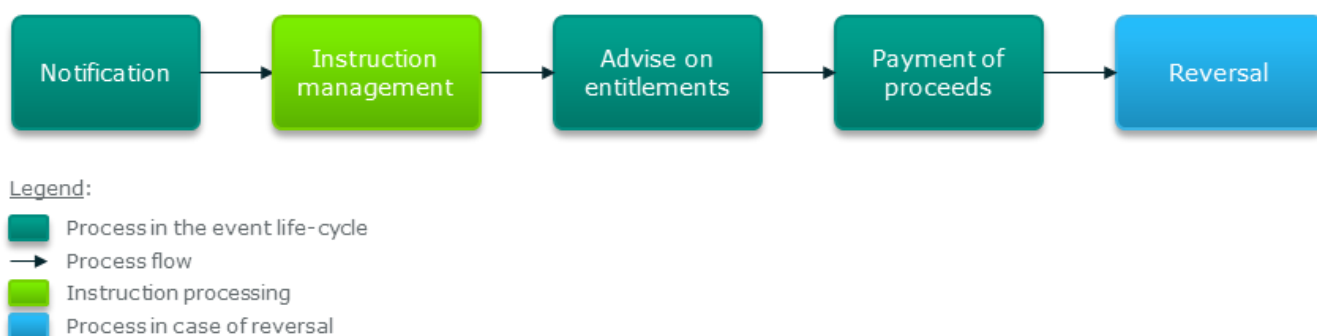


Figure 1 Corporate event lifecycle

In the case of an elective corporate event, Euronext Securities participants can submit instructions along 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. Additionally, 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.

To facilitate this, Euronext Securities has established a set of different A2A and U2A communication channels and procedures to be followed, as outlined 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 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 a U2A GUI available to Issuers, Issuer Agents, and Paying Agents for interaction in U2A mode. In particular, CA events can be created using the following methods:

- Manually – using a web form/screen with minimum of 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 the upload of a file – multiple events can be uploaded 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 information is already present in the static data information provided and it's not relevant for Investor CSD services.

A corporate event set up by an Issuer/Issuer Agent will not be shown or notified to Participants/Investors until the announcement/publication date of the corporate event decided on by the Issuer/Issuer Agent

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 event creation 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 directly as Paying Agent or if the Paying Agent information is already present in the static data information provided and it's not relevant for Investor CSD services.

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 with the structure, Euronext Securities accepts this COAF and assigns it to the event. If a COAF is not provided, Euronext Securities creates a COAF on behalf of the Issuer when the event is set up and approved by the Issuer/Issuer Agent.

When Euronext Securities is acting as an Investor CSD, Euronext Securities reports the COAF value received in the Corporate Event Notification from the Issuer CSD/Local Custodian of the event.

In addition, Euronext Securities always reports a unique Corporate Event Reference Number (CORP) of any 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 from the instrument static data based on the information received from Issuers or Issuer Agents through the current communication channels in place on each market. If all information has been provided, no additional confirmation is necessary to process the event. If some relevant information which is necessary for the correct processing of the corporate event is missing, it is the responsibility of the Issuer/Issuer Agent to provide the missing information, in a timely manner (e.g., floating interest rate, etc.).

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 or if the Paying Agent information is already present in the static data information provided and is not relevant for Investor CSD services.

The timing of the automatic event creations and notifications are detailed in the following sections of the document.

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 – through ISO20022/ISO15022 and via U2A - based on settled positions and/or pending settlement instructions in the safekeeping accounts of the Participants/Investors/Account Controllers at announcement date. Participants/Account Controllers can also subscribe to additional notification methods like:

- Event based notifications: in this case Participants/Account Controllers receive notifications also 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);
- 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, can also directly submit instructions on their behalf on specific securities accounts and events/event categories (group of CAEV codes).

Participants/Account Controllers may also choose to receive one notification for each event, covering all their holdings/pending receipt or delivery settlement instructions. In this case, once an entitlement is calculated, the replacement with entitlement notifications will be generated.

The actor (whether Issuer/Issuer Agent/Paying Agent/Participant/Account Controller) can choose their preferences in terms of subscriptions and communication channels. Instructions on how to customise these preference, along with comprehensive details on each subscription option, will be outlined and shared with our clients in a dedicated document scheduled for release in 1Q2024.

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

- A2A Event notification in ISO20022/ISO15022 format,
- A2A General Meeting and/or Shareholders Identification notifications in ISO20022 format,
- A new/updated event present in the Participant U2A GUI.

Investors in Norway have the option to receive the notifications in paper form or via email and Investor U2A GUI. Investors in Denmark can receive the notifications in "eBoks"¹⁵.

The timing of these notifications depends on whether the corporate event is considered predictable or unpredictable.

Predictable events, are those generated automatically by the system based on the information present in the instrument's static data. For these, the initial notification is sent 30 business days¹⁶ prior to the record date of the event.

Below is the full list of statuses 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//PREC Confirmed preliminary announcement;
- PROC//COMP Announcement with complete details.

Initial notifications are generated online during the day based on new settled positions and/or new pending settlement instructions. 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

¹⁵ <https://private.e-boks.com/danmark/en>

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).

subscriptions, for Participants/Account Controllers/Investors who 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 via U2A GUI and/or A2A. If the request occurs after the record date, Euronext Securities notifies of the change via U2A GUI and/or corporate event entitlement notification.

Any major changes to the event requires the cancellation of the existing event and the creation of a new one. Major changes may include, , 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 promptly notifies Participants/Account Controllers/Investors via U2A GUI and/or Event Notification type Cancellation .

Issuers/Issuer Agents have the option to subscribe to receive the corresponding notifications regarding the events they are involved in via A2A or U2A mode.

5.5 Entitlement process

Starting seven business days before the Record Date (- 7) of a corporate event, Euronext Securities begins to simulate the entitlements, both in cash and securities, based on the end-of-day settled positions. Notification of these simulated entitlements are sent to:

- Participants/Account Controller via Corporate Action forecast notification and/or through Participant U2A
- Issuers/Issuer Agents and Paying Agents via Corporate Action forecast notification and/or Issuer/Issuer Agent 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 end-of-day settled positions. Notification of the final entitlements are sent to:

- Participants/Account Controllers via Corporate Action final entitlement notification and/or through the Participant U2A;
- To Issuers/Issuer Agents and Paying Agents via Corporate Action final entitlement notification , including the aggregated entitlement per event and/or Issuer/Issuer Agent U2A .

Investors receive announcement notifications via letters/emails and can view them via Investor U2A .

The balance types reported through 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 specific corporate event involved. For elective corporate events, entitlement calculation considers received instructions and the default options applicable to the event.

When withholding tax is applicable, Participants/Account Controllers/Investors are responsible for providing tax-related information, (including beneficial owners breakdowns, tax account information, etc) in advance. Euronext Securities processes this information associated to the specific account and, in addition to calculating the gross entitlement, determines the tax amount due and provides the net entitlement.

Italy market specific

For dividend payments and before the end-of-day Record Date, 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.

These instructions can be submitted either by entering them directly into a dedicated screen within 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 for different corporate events.

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

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

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/Investors 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/time¹⁷ defined at option level. Instructions received are validated on receipt and processed accordingly on the pay date of the event (except for ongoing events). Instructions received after the client response deadline date/time 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 Instruction Status Advice is sent to the actor who submitted it with the status "Rejected" and applicable qualifier. .

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 other than the default one. This functionality can be configurable, upon request, via My Euronext per Participant/Account Controller, CA group, CAEV code, securities account, etc. Investors that would like to set up standing instructions must do so via their Account Controllers.

Standing instructions are generated automatically by Euronext Securities as soon as the event is created and can be cancelled by the Participant/Account Controllers up until the Client deadline date/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/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 When acting as Issuer CSD, client response deadline date/time will be equal to market response deadline date/time

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 – if replacement is permitted in the corporate event – , Participants/Account Controllers/Investors must send a corporate event instruction cancellation request, if applicable to the event, before submitting the new instruction before the deadline.

Euronext Securities also generates reminder notifications for the uninstructed balances starting from the 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 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.

In certain instances, as defined by the Issuer or if foreseen by local legislation of specific markets, the instruction submitted by the Participants/Account Controllers/Investors for an elective event are irrevocable. The irrevocable nature of these instructions is clearly stated within the event notification sent to the Participants/Account Controllers/Investors.

¹⁸ Please refer to [section 3](#).

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/Paying Agent opted for the “ongoing processing corporate event”. In this case, all ongoing corporate events are notified with specific indicator ONGO in the event notifications message.

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

- On any business date, if no period of action (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 period of action (PWAL) is defined with specific time windows. Outside those time windows any elective instruction received is rejected.

5.7 Payment process

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

For corporate event payments in T2S and VPO, Euronext Securities generates prioritized settlement instructions and with transaction type set to CORP per securities account and corporate event to ensure successful settlement for corporate events before the other settlement flows.

Any tax aspects affecting corporate event payments, when applicable, 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. 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 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 or set up it by default for all events.

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 account²⁰ 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 together²¹ with the previous mentioned settlement instruction.

Paying Agents can then release payments at event level or in bulk for all events/event category (CAEV), 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 payments release is received, those PFOD instructions are included in the first available settlement cycle in T2S or VPO.

If the payments release is not received by noon on the pay date, Euronext Securities proceeds to inform the Participants/Account Controllers/Investors of the delay of the payment via U2A GUI and A2A ISO reporting, based on information received by the Paying Agent.

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

²⁰ For Norway, no CSD cash account will be used. Please refer to [section 5.7.2](#) for booking schemes.

²¹ Pooling is not available in Norway.

5.7.2 Issuer CSD service

5.7.2.1 CeBM cash payments

As the Issuer CSD, Euronext Securities generates PFOD settlement instructions on COB of the event's Payment Date, minus one business day (-1). These instructions are in an "already matched" status, and the Partial Settlement Indicator is set to "NPAR." This process involves debiting the Paying Agent's cash account for 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 the PFOD payment instructions for each security holder, based on the cash account details provided at the membership level ²², in an "already matched" status and with the Partial Settlement Indicator set to "NPAR". This process involves debiting the CSD corporate events cash account of the distributed cash amount and crediting the cash accounts of the Payment Banks of the security holders (i.e. Participants/Account Controllers). All these generated instructions are pooled together per corporate event.

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

Upon receiving confirmation of the bookings from the settlement system, Euronext Securities generates the relevant corporate event confirmation messages for the Participants/Account Controllers/Investors via U2A and A2A ISO.

If the payment is not executed by noon on the event payment date, according to SCoRE standards, a status process notice has to be sent based on information provided by the Issuer/Issuer Agent.

A visual representation of the accounting scheme for CeBM payments²³ is provided below:

²² A dedicated DCA for corporate event payments can be specified as described in [section 2.6](#).

²³ For Norway the payments are made from Paying Agent to the Account Controller or Investor's cash account.

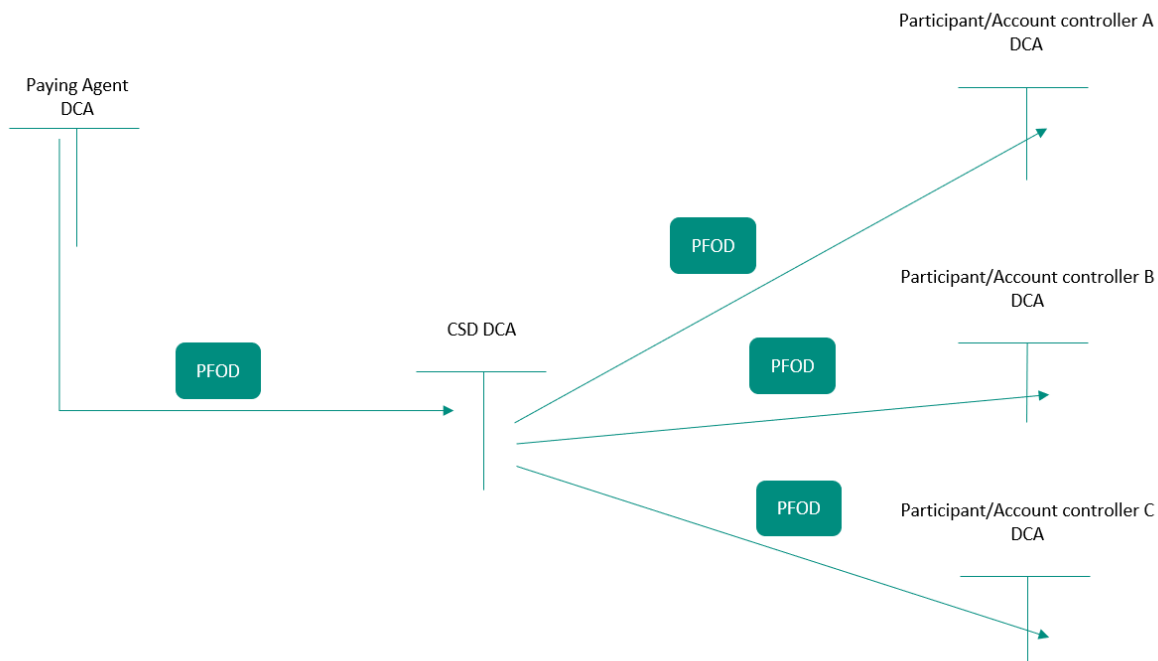


Figure 2 Accounting scheme for cash payments in CeBM acting as Issuer CSD

Norway market specific

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

- Once corporate event payment releases have been provided, PFOD settlement instructions are generated to debit the Paying Agent's Payment Banks VPO LOM and credit the Participant/Account Operators Payment Banks VPO LOMs in Norges Bank. These settlement instructions are included in the first settlement cycle available for the corporate event payment date in VPO at 06:00 on the Pay Date. For Investors receiving a cash distribution, a payment validation service²⁴ is conducted on the bank accounts where the corporate action payments are to be credited.. For validated accounts payments is made to the Investors bank account, for invalid account the Issuer Agents default account is credited.
- PFoD settlement instructions are netted by VPO and the net payment per Payment Bank is sent through payments messages to Norges Bank. After finalization of the settlement batch, Norges Bank confirms the cash settlement back to VPO;

²⁴ KAR validation etc.

- Once confirmation of settlement is received from Norges Bank, Euronext Securities generates all the corporate event confirmations to Participants/Account Controllers/Investors.

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

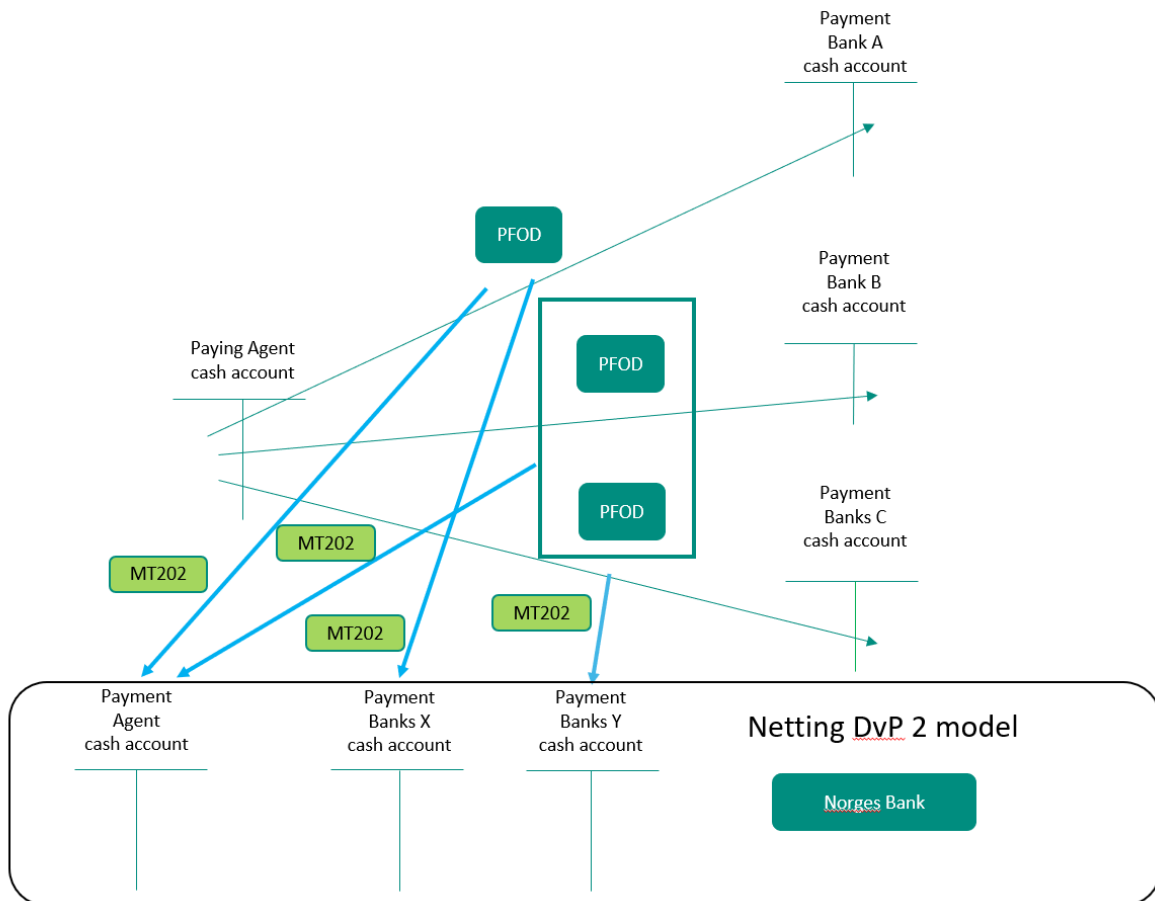


Figure 3 Accounting scheme for cash payments in CeBM in Norway acting as Issuer CSD

5.7.2.2 CoBM cash payments

For CoBM payments, once the CE proceeds trigger is received for the payment from the Paying Agent appointed by the Issuer/Issuer Agent, Euronext Securities:

- For Porto, Milan, Oslo and Copenhagen, 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.

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 and A2A ISO.

For Participants/Account Controllers that have not provided the relevant cash coordinates for the payment instruction generation on non-T2S eligible payments, Euronext Securities may apply the foreign exchange (FX) process. On Payment Date the proceeds are converted in T2S eligibles, based on the market to which the event pertains, and the payments are then generated as described above, along with the relevant corporate event notification specifying the applied FX rate.

If the payment is not executed by 16:30 on the event payment date, in accordance with SCoRE standards, a status process notice has to be sent, using the information provided by the Issuer/Issuer Agent.

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

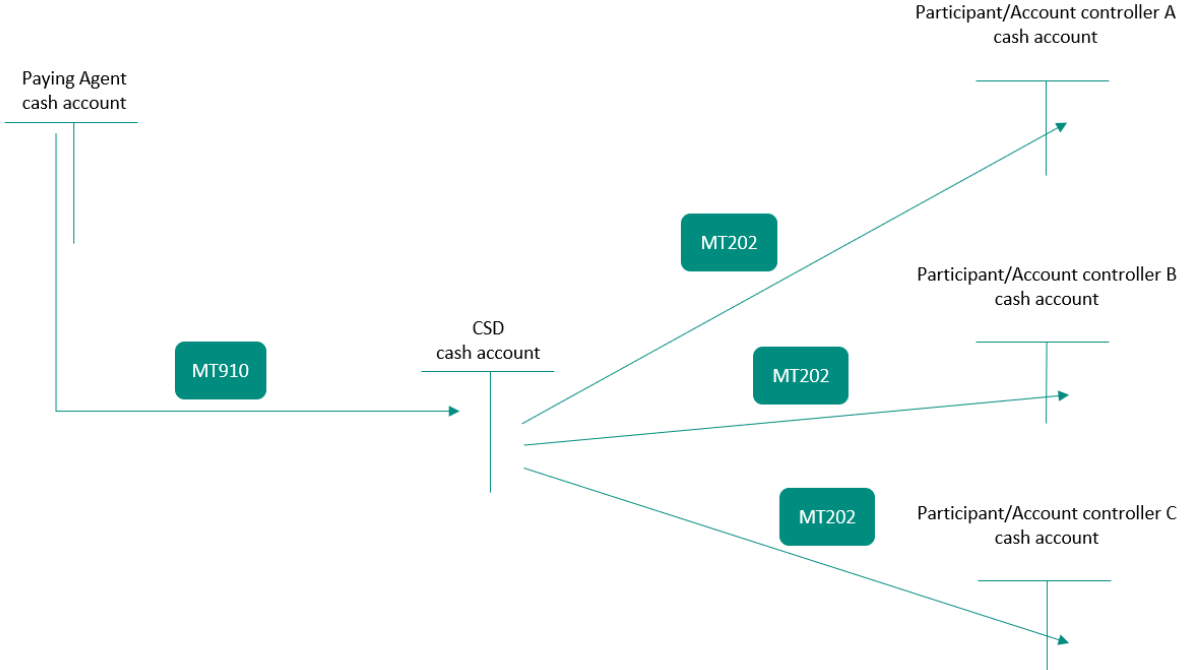


Figure 4 Accounting scheme for cash payments in CoBM

5.7.2.3 Securities payments

At COB on the day prior to the Pay Date (-1) of the event, Euronext Securities, when acting as Issuer CSD, generates FOP settlement instructions in "already matched" status, with the Partial Settlement Indicator set to "NPAR", to debit the Issuer account for the total securities to be distributed and credit the Participants/Account Controllers/Investor's securities account in the CSD where the corporate event occurs.

Subsequently, Euronext Securities forwards these instructions to the settlement system, to ensure inclusion in the first settlement cycle available on Payment Date (PD) (i.e., the Night Time Settlement cycle in T2S and the first available settlement cycle in Norway).

Upon receiving confirmation of the bookings from the settlement system, Euronext Securities generates the relevant corporate events confirmation messages for the Participants/Account Controllers/Investors via U2A GUI A2A ISO.

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

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

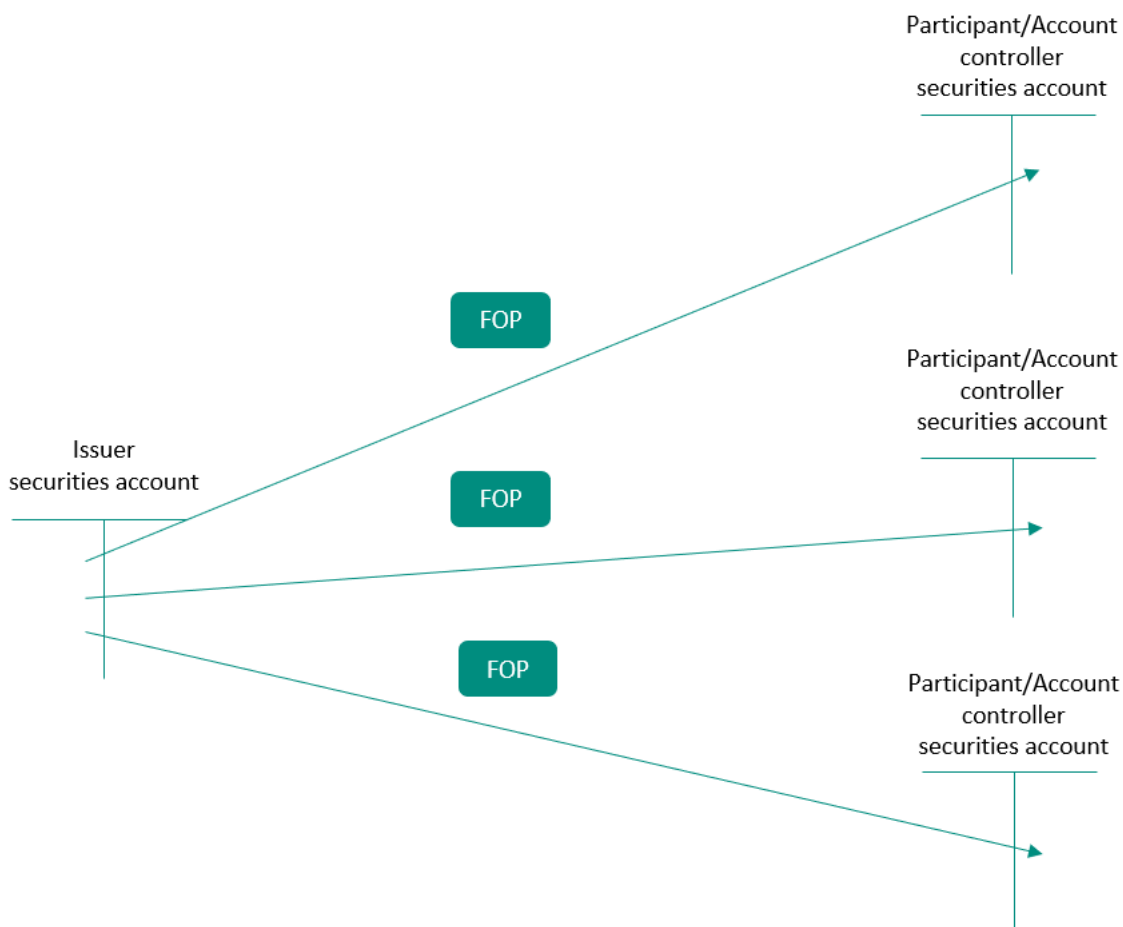


Figure 5 Accounting scheme for securities payments acting as Issuer CSD

5.7.3 Investor CSD service

5.7.3.1 CeBM cash payments

For T2S eligible currencies, when acting as Investor CSD, Euronext Securities applies a method similar to that used for Issuer CSD CeBM payments, with the difference being 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 for CeBM payments when acting as Investor CSD is illustrated below:

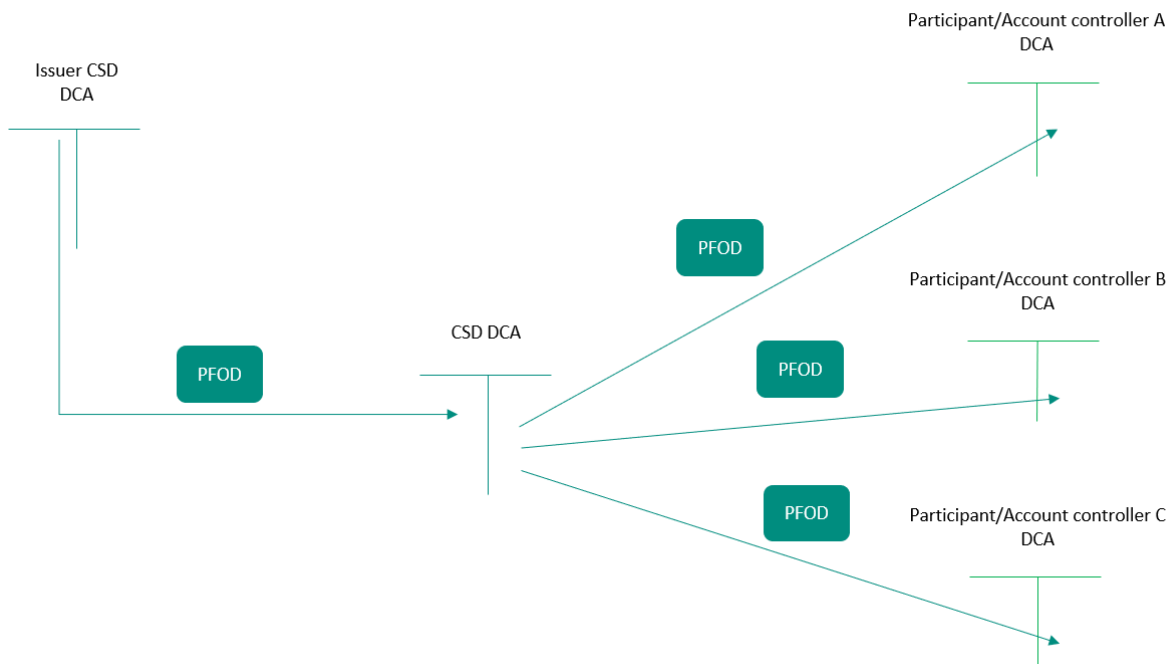


Figure 6 Accounting scheme for cash payments in CeBM acting as Investor CSD

5.7.3.2 CoBM cash payments

For non-T2S eligible currencies, Euronext Securities, upon receiving confirmation of the payment 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.

Upon confirmation of the bookings, 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 eligible payments, a FX process might apply.

On Payment Date, the proceeds are converted in T2S eligible currencies, based on the market to which the event pertains, and the payments are generated as described above, along with the relevant corporate event notification of the applied FX rate.

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

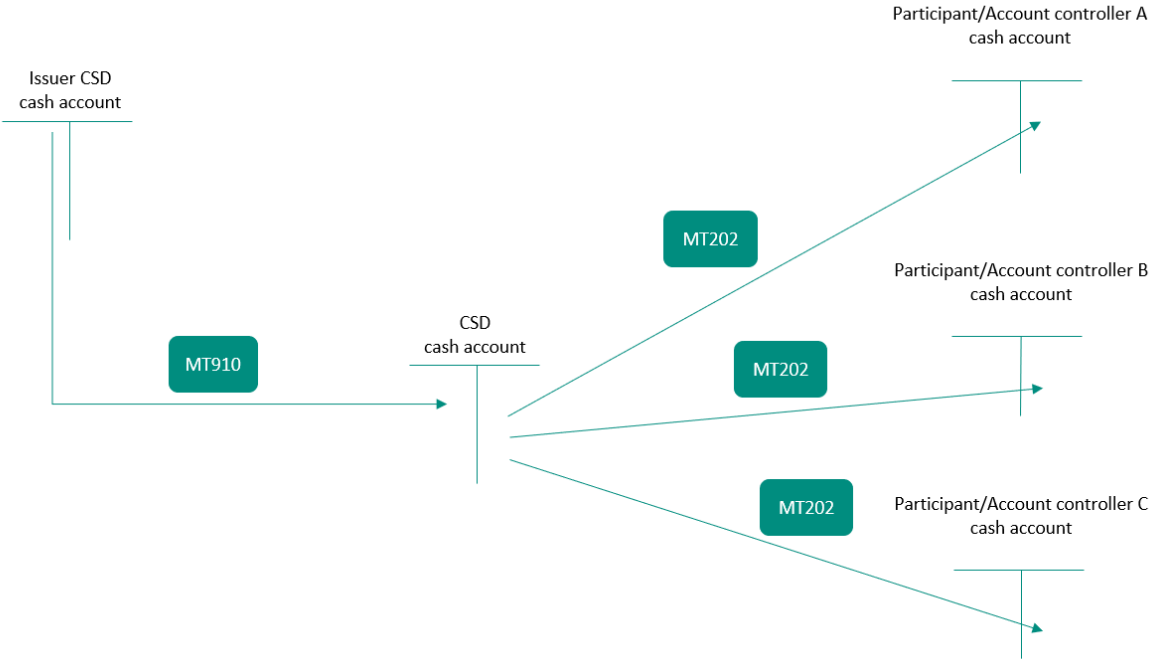


Figure 7 Accounting scheme for cash payments in CoBM acting as Investor CSD

5.7.3.3 Securities payments

When acting as direct link 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.

Once this information 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.

Subsequently, Euronext Securities forwards these instructions to the settlement system to be included in the first settlement cycle available.

Once 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 for Security payments when acting as Investor CSD is illustrated below:

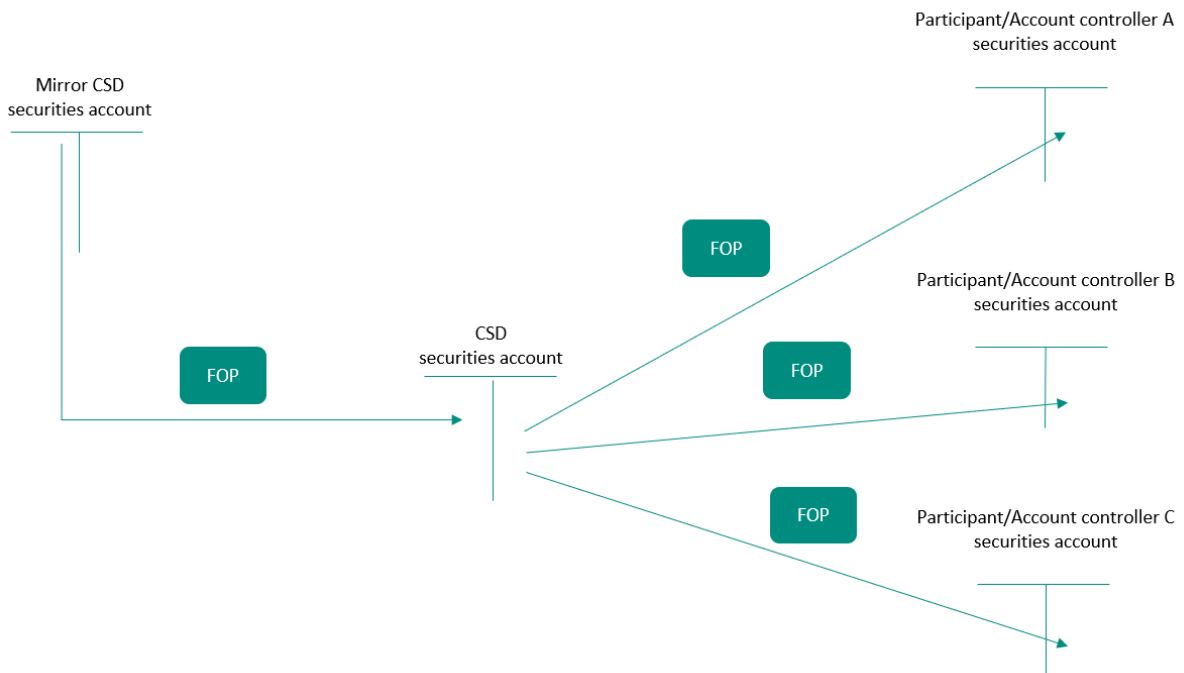


Figure 8 Accounting scheme for securities payments acting as Investor CSD

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 modes to Participants/Account Controllers/Investors and executed on the defined execution date in accordance with established best practices.

The applicability of reversal processes in each country where Euronext Securities operates is also subject to the provisions foreseen in the local legislation of those countries and respective market practices. This could imply that our service offering may be limited due to legal or other pertinent constraints 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.

After receiving the relevant information from the Issuer/Issuer Agent, Euronext Securities generates and sends the reversal pre-advice notifications via U2A GUI and A2A ISO to inform all relevant parties..

On the defined execution date of the reversal, Euronext Securities generates PFOD settlement instructions, following the same procedure as for the cash payments, but in the opposite direction of the payment instructions.

Subsequently, Euronext Securities forwards these instructions to the settlement system for inclusion in the first available settlement cycle (i.e., the Night Time Settlement (NTS) cycle in T2S, and the first available settlement cycle in Norway).

Upon confirmation of the bookings from the settlement system, Euronext Securities issues the relevant corporate events confirmation messages to 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 available settlement cycle at reversal date in VPO. These settlement instructions are netted by VPO and the net payment per Payment Bank is sent through to Norges Bank. The latter then confirms back to VPO of the cash settlement. Once confirmation is received, 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 via U2A GUI and A2A ISO to inform all the actors involved in the process.

On the defined execution date of the reversal, Euronext Securities generates payment instructions following the same procedure used for cash payments, but with the opposite directionality 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.

Participants/ Account Controllers can opt to not grant a proper POA to Euronext Securities, in that case, the Participants/ Account Controllers will have:

- A two day windows to collect the value in currency to be used for the event
- If after the two days, the settlement agent does not provide the expected amount, Euronext Securities CSDs can start a forex procedure to collect the expected amount.

Both options will be subject to a specific fee.

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

In Portugal, once the Paying Agents appointed by the Issuer Agents have executed the original payments from their cash accounts to the Participants/Account Controllers accounts, Euronext Securities provides all the relevant information to the Paying Agents (Caixa Bank for Portugal) on the execution date to perform the reversal process.

Securities 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 via U2A GUI and A2A ISO to inform all the actors involved in the process. On the defined execution date of the reversal, Euronext Securities generates FOP settlement instructions applying the same procedure used for securities payments, but with the opposite directionality of the payment instructions.

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

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

If there a shortage of securities in Participants/Account Controllers/Investors securities accounts during the reversal processing, the FOP settlement instructions are going to remain pending until securities are made available. They will be 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 in 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 date²⁵;
- Record date;
- Payment date.

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 solely of securities.

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, as seen for instance, in rights distributions (CAEV code RHD1), 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 a dividend payment, where 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 instructed currency, otherwise, the default option applies.

²⁵ When applicable.

A default option at event level is always available for these events.

In the case of uninstructed positions, reminders are sent (as described in [section 5.6](#)) and 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.

Depending on the markets, distribution with options events may also be 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, forming 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. In terms of communication timing, two-stage events are communicated 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 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 upon receipt 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:

- 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 granting entitlements to the holders of the underlying security, allowing them 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 involves a mandatory security distribution event during which a right is distributed, constituting the underlying security of the mandatory reorganisation with option event (e.g. EXRI event). In some markets, a three-stage event (e.g.; PARI is also foreseen for multi-stage corporate events, 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. 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 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 the 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 period of action;
- buyer protection deadline;
- client response deadline;
- market response deadline;
- payment date.

In case the underlying security of these events is a right, the “worthless” removal of the uninstructed 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 if debit authority is provided. If not, the FX process might apply (see [section 5.8](#));
- 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 Investor CSD, Euronext Securities forwards all instructions received to the Issuer CSD/Local Custodian upon reception 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](#).

Norway market specific

In the case of Investors who elect to take part in an event which foresees a cash payment and authorises Euronext Securities by provide the relevant One-Time Power of Attorney²⁶, 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. 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.

5.9.6 Information-only

Information-only events are mandatory corporate events with no 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.

²⁶ So-called “Engangsfullmakt”.

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

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 instructions (i.e. via PFOD) in CeBM or via payment instructions in CoBM if debit authority is provided. If not, the FX process might apply (see [section 5.8](#));
- 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 Manager²⁷ 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, “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](#).

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

Norway market specific

When Euronext Securities Oslo is the processor of the event, in case of elections made by investors directly to the Issuer Agent (“Lead/Co Manager”) of the event, the Lead Manager must upload them on a daily basis via the Issuer U2A GUI to Euronext Securities for them

²⁷ In this case the Lead Manager will be appointed as Issuer Agent to submit the request.

to be considered at payment date of the event. These elections follows the defined validation rules defined on [section 4.5](#).

6. General meetings and proxy voting

Euronext Securities provides, for all markets covered as Issuer and Investor CSD²⁸, 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, with the addition the other relevant dates included in the standards (i.e., record date and general meeting date).

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 Proxy Agents also receive all the notifications sent by Euronext Securities for the institutions they represent.

When acting as Issuer CSD, Euronext Securities 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 the Issuer Agents via Issuer U2A GUI.

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

For bondholders consenting 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 preferable option as its purpose is to obtain the bondholder's consent to a proposal by the issuer or a third party without convening a meeting (e.g. 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 event also enables payments within the event processing when applicable.

²⁸ Euronext Securities will offer those services if they are offered by the Issuer CSD/Local Custodian for which we act as Investor CSD.

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 section. All message formats are the same across all Euronext Securities locations unless market specificities require deviation from this assumption; as 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](#)²⁹. For these kinds of events, only A2A ISO 20022 and U2A GUI reporting will be available.

7. Shareholders identifications

Euronext Securities provides Shareholders Identification service for all markets served as Issuer and Investor CSD, aligning with the guidelines outlined in the EU Shareholders Rights Directive and pertinent local regulations.

This means that Euronext Securities announces these events to the Participants/Account Controllers as soon as the request is received by the Issuer/Issuer Agent or, if requested, by the Issuer CSD. The announcement will also include the details of the collector of the shareholders' details designated by the Issuer.

When acting as Investor CSD, Euronext Securities can collect, if requested as a market practice by all market participants, all the disclosure responses and forward them to the Collector of the Issuer as soon as received only 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 Shareholders Identifications 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.

²⁹ Seev.007 and seev.008 messages will be provided by default 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. If not, Euronext Securities will forward the same messages as part of the chain of intermediaries or as per information received from the Issuer Agents appointed to run the general meeting.

Portugal market specific

Issuers can appoint Euronext Securities Porto, in case of shareholder disclosure events, as the collector of the Investor information which is then gathered in comprehensive reports and delivered to the Issuer. More details of the service can be found at the following link: [SRD II – Identification of Beneficial Holders – Home \(interbolsa.pt\)](https://www.interbolsa.pt/SRD-II-Identification-of-Beneficial-Holders-Home)

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.

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, when 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), 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. When this method 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:

Consider a corporate event configured with the "lot" method and a 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, exemplified by the following possible 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. Participants/Account Controllers/Investors are notified 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 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. Transaction management

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 instructions³⁰ with 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.

10.1 Detection rules

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

Settlement instructions related to on-exchange contracts negotiated by COB of the business day preceding the Ex Date (Ex-Date minus one -1) of a corporate event refer to CUM right to receive the distribution proceeds, and from the Ex Date onwards, concern EX right to not receive the distribution proceeds.

However, for over-the-counter (OTC) contracts, the counterparties of a settlement instruction may 'deviate' from this principle. In such cases, counterparties may specify that the settlement instruction concerns CUM or EX right, regardless of the day on which the contract was concluded (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 generating Market Claims.

With these indicators, 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.

³⁰ Settlement instructions with transaction codes OWNI / OWNE / COLI / COLO / AUTO / CORP / PORT are excluded from the detection.

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 right to receive the proceeds of a distribution that are:

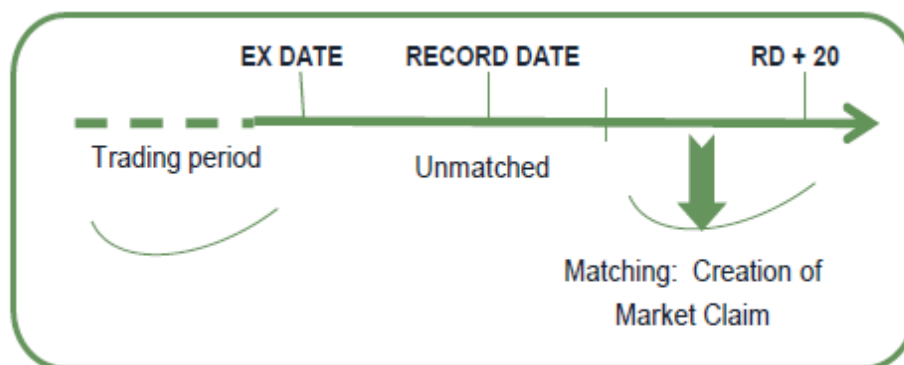
- matched and not settled by the Record Date of the event;
- unmatched at the Record Date of the event, but matched within the detection period;
- sent to the settlement system (T2S or VPO) after the Record Date and concerning CUM securities, but matched within the detection period.

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.

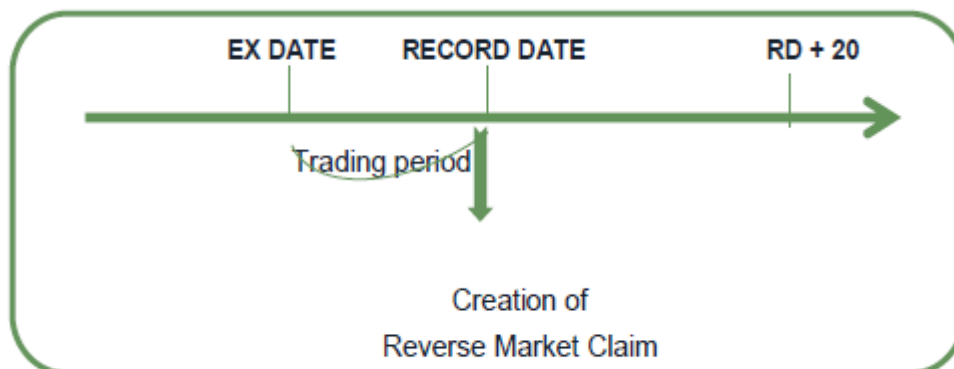
For financial instruments denominated as 'nominal', (bonds and similar securities), Market Claims are only generated in cases where settlement instructions have an Intended Settlement Date \leq Record Date, and they are not settled by that date (but nevertheless are subject to detection).

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 a Trade date > the 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, during the detection period of an event, the generation of Market Claims is managed considering settlement instructions³¹ 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".

³¹ Settlement instructions with transaction types AUTO, REAL, CORP, COLI, COLO, OWNI, OWNE and PORT are excluded from market claims generation.

- A Market Claim should be generated by transferring CA proceeds from the buyer to the seller:
 - If the trade date \geq Ex-Date, the actual settlement date \leq Record Date (RD), Ex/Cum indicator is equal to "EX" or BLANK.
 - If the trade date $<$ Ex-Date, the actual settlement date \leq 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 Euronext Securities. 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 ³² | Trade Date < Ex Date (N means TD \Rightarrow ED but TD \leq RD) | Intended Settlement Date \leq Record Date | Actual Settlement Date \leq Record Date | OPT - OUT indicator | CUM/EX indicator | Market Claim or Reverse Market Claim |
|------------------------------|--|---|---|---------------------|------------------|--------------------------------------|
| 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 |

³² 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/t2s-ca-standards)

| 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 the case of securities market claims, they are generated by Euronext Securities as FOP matched settlement instructions. Conversely, when acting as Investor CSD³³, 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 settlement instruction for which the market claim or reverse market claim 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 coinciding with the date of payment of the corporate event, when market claim is generated prior the payment date. If it is created later the payment date, it is the earliest settlement date;
- 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

³³ Investor CSD scenario is not applicable for Norway. All CeBM market claims are managed in the scenario described for Issuer CSD service.

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 partial settlement indicator as the pending settlement instruction (note however that market claims in cash cannot be partialized) and the same on-hold/released status of the underlying settlement instruction 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 should not settle 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. In particular, market claims are initially generated at close of business of Record Date of the relevant Corporate Event. Participants/Account Controllers can also change, if they want to, the hold&release status of the market claim in T2S before the first Night Time Settlement.

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.

Participants/ Account Controllers can opt to not grant a proper POA to Euronext Securities, in that case the Participants/ Account Controllers will have:

- A two day windows to collect the value in currency to be used for the event
- If after the two days, the settlement agent won't provide the expected amount, ES CSDs can start a forex procedure to collect the expected amount.

Both the option will be subject to a specific fee.

10.3 Transformations

Transformations are generated by Euronext Securities, for cash payment events including fraction compensation and securities payment events, on pending settlement instructions³⁴ that are:

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

10.3.1 Rules for the detection of settlement instructions subject to Transformation

The table below summarizes 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 | OPT OUT indicator | Original instruction is cancelled | Transformed instruction created |
|-----------------------------|--|-------------------|-----------------------------------|---------------------------------|
| Y | N | OPT-OUT | Y | N |
| Y | N | OPT-OUT /Blank | N | N |
| Y | Y | OPT-OUT | Y | N |
| Y | Y | Blank | Y | Y |

³⁴ Settlement instructions with transaction types REAL, CORP, OWNI and OWNE are excluded from transformations generation.

| | | | | |
|---|---|-------------------|---|---|
| Y | N | OPT-OUT /Blank | N | N |
| Y | Y | OPT-OUT | Y | N |
| Y | Y | Blank | Y | Y |

For T2S markets, all underlying settlement instructions still unmatched are cancelled during the recycling period. For Norway, all underlying instructions 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 CSD, 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 defined by SMPG guidelines, no Corporate Event reporting will be generated in the event of Transformations as only settlement reporting is foreseen.

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 payment date;
- the transformation proceeds, when in security, will be the same as foreseen by the corporate event involved;

- the same partial settlement indicator of the pending operation and the same on-hold/released status of the underlying settlement instruction that gave rise to the Transformation

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

10.4 Buyer protection

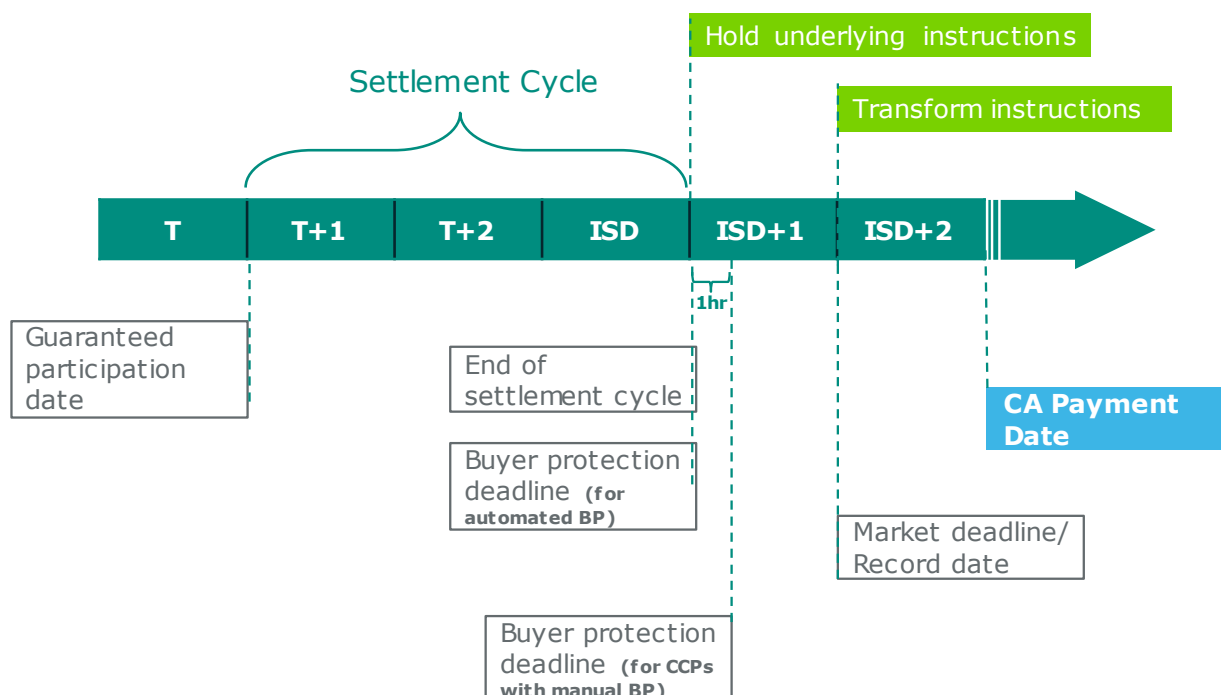
Buyer Protection, as per international standards, is a process whereby a buyer that has yet to receive the underlying securities of an elective corporate event, instructs the seller in order to receive the outturn of the buyer's choice.

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 main 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 corporate event instructions and must report in particular the following references:

- corporate event reference;
- underlying pending transaction reference;
- 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. |
|---|---|---|

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 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. | MT564 NEWM MT564 REPL MT564 RMDR |
| | 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> | MT564 CANC |
| Instruction | Corporate Event Instruction | <p>Message sent by an account owner to an account servicer to instruct election on a corporate event.</p> | MT565 NEWM |
| | 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> | MT567 |
| | 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 (MT565).</p> | MT565 CANC |
| | 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 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 Event Movement Preliminary Advice | <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 Event Movement Preliminary Advice Cancellation Advice | <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 |

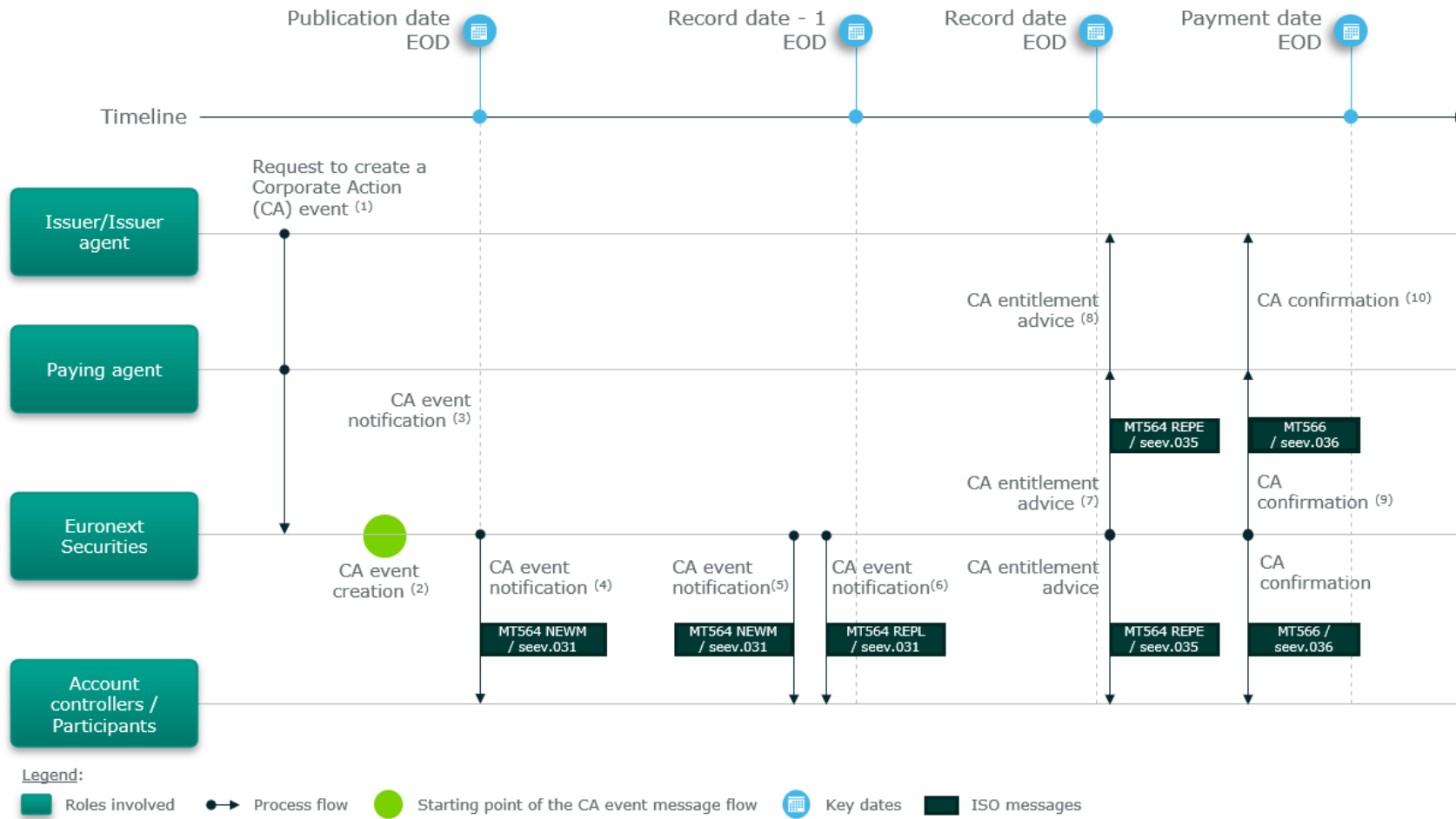
| Cycle | Message name | Function | Message Identifier |
|------------------------------------|--|--|--------------------|
| Vote Execution Confirmation | Meeting Vote Execution Confirmation | The Meeting Vote Execution Confirmation message is sent by an issuer, its agent or an intermediary to another 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

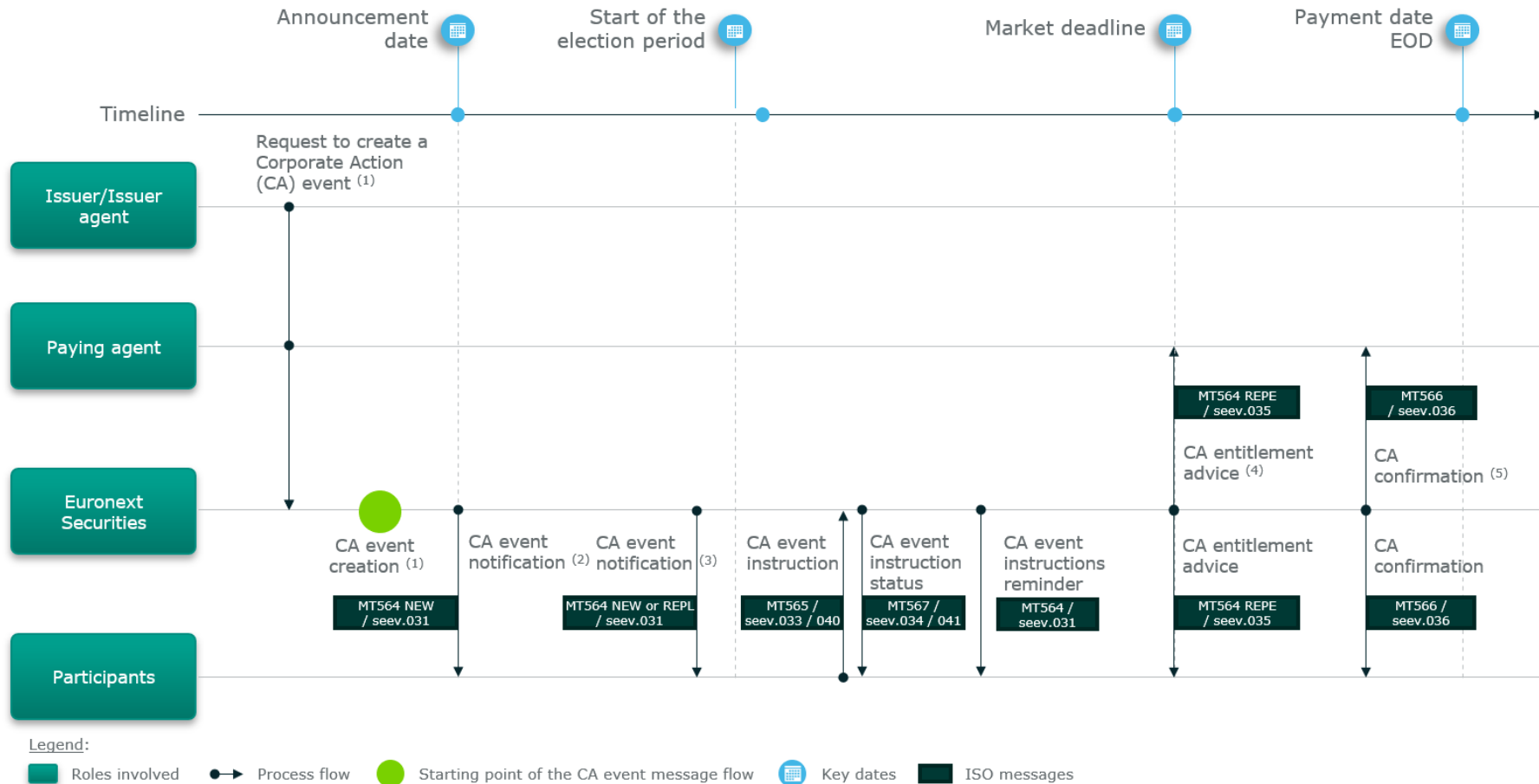
11.2.1 Issuer CSD mandatory corporate event timeline



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/seev.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 |

| Controls | Rejection Rule | ISO Code |
|---|-----------------------|-----------------|
| Invalid conditional quantity | Auto reject | DQUA |
| Unrecognized or Invalid Tradable Asset | Auto reject | DSEC |
| 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 |

| Controls | Rejection Rule | ISO Code |
|---|-----------------------|-----------------|
| 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 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 |
| | |

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

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

| | |
|------|----------|
| SOFF | Spin-Off |
|------|----------|

| Distribution with Options | |
|---------------------------|--|
| CAEV | Corporate Event |
| INTR | Interest Payment - currency option |
| DVCA | Cash Dividend - currency option |
| CAPD | Capital Distribution - currency option |
| CAPG | Capital Gains Distribution - currency option |
| DECR | Decrease in Value - currency option |

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

| 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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