LINKED TRANSACTIONS AND ORDER FOR DEFERRED SETTLEMENT AND DELIVERY (DSO)

CHAPTER 1: CASH-FORWARD LINKED TRANSACTIONS

1° GENERAL PRINCIPLES FOR LINKED TRANSACTIONS

Article 1

A linked transaction allows holders of financial instruments to sell them temporarily, at the day's settlement price, while committing themselves to buying them back when the transaction matures. Correspondingly, the persons requesting the financial instruments take temporary ownership of thereof. Settlement and delivery for the initial sale takes place at T+2 between clearing house members.

When the transaction matures, the purchaser returns the financial instruments at a return price that is equivalent to the sale price of the instruments revalued on the basis of the difference, applied to the period from the set-up and return dates, between the rate of remuneration for the supply of the financial instruments and the 1-month Euribor rate prevailing the day before the transaction set-up.

Article 2

For linked transactions, trades are organised around the negotiation of the rate of remuneration for the provision of financial instruments, while the remuneration rate for cash funds is set by contractual arrangement.

Article 3

Barring exceptional circumstances, the settlement price is equal to the previous closing price of the financial instrument underlying the linked transaction.

If no price was quoted for the financial instrument on the previous day, then the settlement price is equal to the last known price, adjusted for corporate actions prior to that date.

Article 4

In a linked transaction, the financial instruments are deemed to have been traded in the state in which they were at the previous day's close. Corporate actions taking effect between the previous close and the trade date are not taken into consideration.

Article 5

The maturities that can be utilised for a linked transaction are specified in a Euronext Paris Notice.

2° ADMISSIBLE ORDERS

Article 6

Linked transactions are admissible for all the order types and special execution arrangements available on the cash settlement market, with the exception of All Or None orders.

The desired maturity must be mentioned on the order.

Article 7

Orders can carry the following stipulations:

Day: the order is valid only until the close of the trading session during which it was placed;

Good Through: the order specifies a date beyond which it is no longer valid; such date cannot exceed the maturity of the linked transaction;

Good Till Cancelled: the order is valid until the maturity date;

Fill And Kill: the order is to be executed for the quantity available at the time the order is entered into the trading system; any unfilled portion is eliminated from the order book after said execution.

Where no duration is stipulated, orders are deemed to be Good Till Cancelled orders.

Article 8

A position taken by means of a linked transaction can be rolled over by executing another linked transaction on a subsequent maturity.

3° ORDER MATCHING METHOD

Article 9

Orders are matched on a daily basis through a call auction procedure. Trading is entirely anonymous.

Reservations thresholds specified in a Notice are applicable.

Article 10

Trading hours are listed in a Euronext Paris Notice.

CHAPTER 2: ROLLOVER OF POSITIONS ARISING FROM DSOS

Article 11

Since a Good Till Cancelled DSO expires on the fourth day before the last trading day of the month, members must ensure that orders entered into the trading system pursuant to a DSO do not exceed that date.

Similarly, any Good Till Cancelled DSOs or any Good Through DSOs valid beyond month's end that are placed during the last four trading days of the month and that have not been executed by the last trading day of the month must be renewed in the system by the member before the start of the following trading session.

Article 12

A member can accept a "rollover instruction" from clients for whom he has executed a DSO where the purpose of such instruction is to defer settlement and delivery between the member and the client until the next monthly maturity.

Article 13

A rollover gives rise to the recording outside the trading session on the third day before the last trading day of the month, of a cross-trade at the day's closing price. This cross-trade embodies the unwinding of the position on the current month and the taking of a new position on the following month at the aforementioned price. Notwithstanding the principle that orders should not be aggregated, members are permitted, in view of the special nature of the transaction in question, to consolidate all the rollover operations for a given financial instrument into a single transaction.

The rollover price is therefore equal to the price that would be used for a linked transaction made on the following trading day.

CHAPTER 3: PROCESSING OF CORPORATE ACTIONS

Article 14

As regards the execution of a buy DSO, corporate actions are processed according to the procedures defined in the table below.

Corporate action	Processing for a buy DSO
Subscription rights Allotment rights Redistribution rights Bonus share rights Option rights	These rights inure to the trading member, who must record them on the client's account as soon as they are detached.
Cash dividend Automatic payment of cash dividend Payment option dividends	These dividends inure to the trading member, who must pay the exact same amount to the buying client on the last trading day of the month.
Exchange Stock split Merging	Since the application of these corporate actions changes the nature or identification of the financial instruments held on the trader's account, the settlement-delivery obligations between the trader and its client are modified accordingly.
Automatic redistribution of shares held in a portfolio	The split inures to the trader, who must immediately record the financial instruments on its client's account.

Article 15

The same rules apply *mutatis mutandis* in the case of a sell DSO, on the one hand, and between the cash buyer and his counterparty in the case of a linked transaction, on the other hand. Selling clients who are party to a DSO and who are not in possession of financial instruments can empower their intermediary to systematically purchase the detachable rights that they are required to deliver.