



Euronext Rule Book

**Book II:
Specific rules applicable to the
French regulated markets**

ISSUE DATE : 13 NOVEMBER 2009
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BOOK II – SPECIFIC RULES APPLICABLE TO THE FRENCH REGULATED MARKETS

PART I: RULES APPLICABLE TO THE EURONEXT PARIS MARKET

Article P 1.0.1

Euronext Paris is a regulated market within the meaning of article L.421-1 of the Monetary and Financial Code, operated by Euronext Paris.

Article P 1.0.2

Euronext Paris operates a segment titled “professional investor market”.

In this segment Euronext Paris lists issuers whose securities have been admitted to trading without a public offering and that use the special provisions laid down for this purpose in the General Regulation of the Autorité des marchés financiers.

TITLE 1: ADMISSION TO TRADING OF FINANCIAL INSTRUMENTS

CHAPTER 1: CONDITIONS FOR THE ADMISSION OF FINANCIAL INSTRUMENTS

Section 1 – Admission procedure

Article P 1.1.1

The application to admit to trading on the Euronext Paris market a financial instrument as defined in article L.211-1 of the Monetary and Financial Code shall be submitted to Euronext Paris by the issuer with the support of one or more financial intermediaries that sponsor the offering.

Article P 1.1.2

The Board of Directors of Euronext Paris decides on the admission of financial instruments on Euronext Paris.

In connection with an application for admission, Euronext Paris informs the *Autorité des marchés financiers* and seeks its observations, if any, five trading days before the planned decision date. The said observations are an integral part of the factors taken into consideration when making the decision.

Acting on a delegation from the Board, the Chairman of Euronext Paris may decide, on the same condition and if deemed necessary for orderly market operations, on the admission of a financial instrument. The Chairman shall report any such decision at the next Board meeting.

Section 2 – Conditions for the admission to trading of equity securities

Article P 1.1.3

Euronext Paris may deny an application for admission to trading if it believes that the issuer concerned does not have control of an essential operating asset.

Section 3 – Conditions for the admission to trading of other financial instruments

A – Admission to trading of units of debt securitization funds (fonds commun de créances)

Article P 1.1.4

Application for admission to trading shall concern all units of the debt securitization fund belonging to the same tranche of an issue.

B - Admission to trading of collective schemes

Article P 1.1.5

Collective schemes applying for admission to trading must have been specifically designed to be traded on a market: their management aim has to be based on the movements of a reference index. Euronext Paris may limit the number of collective schemes listed for each index, in order to preserve market liquidity. A Euronext Paris *Instruction* specifies the conditions for their admission to trading.

C - Admission to trading of Depositary Receipts (DRs)

Article P 1.1.6

The application to admit a DR to trading must propose at least one member of the market to exercise the functions of liquidity provider under the conditions set forth in Book I of these Rules as well as in the Liquidity Provision agreement.

The application to admit a DR to trading stipulates the name of the depositary bank responsible for custody of underlying securities represented by DRs and for issuance of the corresponding DRs. The application must be accompanied by a written commitment from the issuer to the effect that the securities represented by the DRs have been duly issued. The application is also accompanied by the depositary bank's written commitment certifying that the securities represented by the DRs have been placed in proper custody.

Euronext Paris receives a copy of the contract between the depositary bank and the issuer of the equity securities represented by the DRs, which defines the terms of issuance, transfer, custody, and administration of the DRs.

Euronext Paris must be notified of any proposed change to the aforementioned contract. Euronext Paris must be informed immediately if either party terminates the contract.

Article P 1.1.7

A DR's admission to trading is announced in an Euronext Paris *Avis* that specifies the name(s) of the liquidity provider trading the financial instrument concerned, the offering procedure, the date of initial quotation, and the trading conditions.

D –Admission to trading of bonds

Article P 1.1.8

Notwithstanding any contrary provision, debt securities issued by a Member State of the Organization for Economic Cooperation and Development (OECD) are admitted to trading simply upon application by the issuing Member State.

CHAPTER 2: PROCEDURES FOR PLACING AND INITIAL TRADING

Article P 1.2.1

Admission to trading on the Euronext Paris market is announced in an official *Avis* published by Euronext Paris describing the procedures for the placing and initial trading of admitted securities as well as the timetable for initial trading.

A - Placing procedures

Article P 1.2.2

The placing of financial instruments admitted to trading can be done, in whole or in part, at the same time as they are initially admitted on the market or immediately beforehand.

Article P 1.2.3

The placing of financial instruments during the period immediately preceding their initial trading can be done through a complete or partial underwriting transaction by one or more legally authorized entities.

The lead manager for these placing transactions shall provide Euronext Paris with a statement detailing the results of the placing, which are then published by Euronext Paris in an *Avis*.

Article P 1.2.4

Euronext Paris may allow a placing to be effected in part under the procedure described above and in part as a fixed-price offer or open-price offer. Euronext Paris shall determine whether the choice of procedure is consistent with the characteristics of the operation.

The price set for the fixed-price offer or the final price resulting from the open-price offer cannot be higher than the placing price.

B - Initial trading procedures

Article P 1.2.5

The initial trading of financial instruments on the Euronext Paris market is effected through one of the following procedures: direct trading, minimum-price tender, fixed-price offer, open-price offer.

1% Provisions common to all procedures

Article P 1.2.6

The initial trading of financial instruments admitted on the Euronext Paris market is announced in an Euronext Paris *Avis* that discloses notably the segment of the market, the name of the issuer and of the intermediaries entrusted with the listing and trading procedures, the number, type and characteristics of the admitted financial instruments, the price stipulated by the issuer or by the sellers, the procedure selected for initial trading and, generally, all details necessary for informing the public.

New listings are announced by Euronext Paris in an *Avis* published before the date set for the initial trading. The timetable for such announcements, specific to each procedure, is specified in an Instruction.

Article P 1.2.7

Unless otherwise stated in the *Avis* referred to in the above article, orders that are not filled on the first day of trading and that include no specified time limit are considered to have expired.

Article P 1.2.8

Whatever the procedure followed, Euronext Paris may require that persons placing buy orders should lodge a sufficient deposit with the intermediary with whom their orders have been placed. Euronext Paris fixes the percentage of the orders represented by this deposit and the length of time during which such funds are to remain unavailable. Euronext Paris may also demand that intermediaries pay such deposits directly to it. Euronext Paris fixes the minimum period for the deposit or the unavailability of such funds.

Article P 1.2.9

Should Euronext Paris, in the light of the number of buy orders received, deem that the rules for the selected initial trading procedure would lead to the quotation of a price abnormally high in terms of the offer price or to an excessive scaling-down of buy orders, it shall postpone the initial trading date.

An Euronext Paris *Avis* announces the new date and, where necessary, the selected initial trading procedure and the new conditions applicable to such quotation.

All buy orders must be renewed.

Article P 1.2.10

The results of the initial trading procedure are published in an Euronext Paris *Avis*, which states the traded price or the indicative price recorded, the number of financial instruments traded and the conditions governing trading on the following days.

2° The minimum-price tender procedure

Article P 1.2.11

Euronext Paris *Avis* announcing a new listing of a financial instrument through a minimum-price tender specifies the number of instruments to be made available to the market by those seeking the new listing -- shareholders and management of the issuer, financial intermediaries -- as well as the minimum offer price at which they are prepared to sell.

Those seeking the new listing may, with the approval of Euronext Paris, reserve the right to modify the minimum price initially stipulated, provided such possibility was mentioned in the listing *Avis* and that the final offer price be published in conformity with Article P 1.2.6. These new terms are announced in an Euronext Paris *Avis* that describes the conditions governing the confirmation of outstanding buy orders.

Article P 1.2.12

To effect a minimum-price tender, Euronext Paris centralizes buy orders sent to it by members. It may accept only limit orders and may exclude those orders at a limit which it considers abnormally high in terms of the minimum offer price.

Euronext Paris may divide the financial instruments offered on the market into several lots and assign each lot to accepted bids, ranked according to the limits set. Original orders may be scaled down if market conditions so require.

The initial price fixed is the limit set on the last order met. There is only one price on the first day of trading.

3° The procedure for fixed-price offers and open-price offers

Article P 1.2.13

The Euronext Paris *Avis* announcing an admission through a fixed-price offer procedure or open-price offer procedure specifies the number of financial instruments to be placed on the market by those seeking the admission and the price (in the case of a fixed-price offer) or price range (for an open-price offer) at which they are to be offered.

Those seeking the new listing may, with the approval of Euronext Paris, reserve the right to modify the offer price or price range initially stipulated, provided such possibility was mentioned in the listing *Avis* and that the final offer price or offer price range be published in conformity with Article P 1.2.6. These new terms are announced in an Euronext Paris *Avis* that describes the conditions governing the confirmation of outstanding buy orders.

Article P 1.2.14

On the day set for the offer, Euronext Paris centralizes the buy orders sent to it by members. Only orders placed at the offer price are accepted. If Euronext Paris declares that the offer is successful, the price quoted is the offer price.

Article P 1.2.15

On the day set for the open-price offer, Euronext Paris accepts only buy orders at prices consistent with the offer's price range (extremes included). If Euronext Paris declares the offer successful, the price quoted is determined at the end of the offer and takes account of demand indicated in the guaranteed placement.

Article P 1.2.16

With the approval of Euronext Paris, those seeking the new listing may divide the buy orders tendered in connection with the fixed-price offer or open-price offer into several categories.

Such categories may be defined according to the number of financial instruments requested and to the type of investor originating the order.

An Euronext Paris *Avis* sets out the criteria under which financial intermediaries can accept buy orders. This *Avis* also specifies the conditions governing the transmission of such orders to Euronext Paris as well as the amount of information on the identity of order originators that Euronext Paris may require from the financial intermediaries. Furthermore, the *Avis* specifies the criteria used by Euronext Paris for, on the one hand closing the order book, and on the other, allocating the financial instruments offered amongst those placing orders, either according to a straight proportional formula or by giving preferential treatment to smaller orders.

4° The direct trading procedure

Article P 1.2.17

The initial trading of financial instruments using the direct trading procedure is carried out under the standard conditions for trading.

With the approval of Euronext Paris, and for the initial trading of equity securities, the direct trading procedure may allow a stated number of the equity securities offered to be sold on the market on the date of initial trading through a bought deal on behalf of the selling shareholders or of the underwriters.

The *Avis* announcing a new listing states the number of equity securities to be placed on the market by those seeking the new listing and the minimum price at which they are to be sold. The *Avis* also specifies the conditions governing the centralisation of orders by Euronext Paris as well as the maximum price variation that it is prepared to authorise in the light of market conditions, where necessary through a scaling-down of orders.

CHAPTER 3: CLASSIFICATION OF FINANCIAL INSTRUMENTS

Article P 1.3.1

Pursuant to Article 6903/2(i) of Chapter 6 of Book I, Euronext Paris may place the financial instruments of an Issuer in a Specific Segment if it is the subject of one of the following proceedings:

- Court-ordered reorganisation (Articles L631-1 et seq. of the Commercial Code)
- Court-ordered winding-up (Articles L640-1 et seq. of the Commercial Code)

CHAPTER 4: THE DELISTING OF FINANCIAL INSTRUMENTS

Article P 1.4.1

At the request of the issuer or on its own initiative, the Board of Directors of Euronext Paris may decide to remove financial instruments from the list of financial instruments admitted to trading on Euronext Paris.

Acting on a delegation from the Board, the Chairman of Euronext Paris may, in the interest of the market, decide on the delisting of a financial instrument. The Chairman shall report any such decision at the next Board meeting.

Article P 1.4.2

The delisting of a financial instrument is announced in an Euronext Paris *Avis*, indicating the date on which it takes effect.

Article P 1.4.3

Unless Euronext Paris accepts a justified request from the issuer, debt securities shall continue to be traded until the fourth trading day before the redemption date.

Article P 1.4.4

Without prejudice to the other delisting motives, an issuer that applies to delist its equity securities but that intends to remain listed on another regulated market or on a third-country market with equivalent characteristics shall follow a sales facility procedure, which is defined in an instruction and implies, *inter alia*, that existing shareholders are first invited to sell their securities on the most liquid market at no expense.

Euronext Paris can waive this obligation if the issuer remains listed on a regulated market operated by another Euronext market operator, where the settlement system is the same as far as the shareholder is concerned.

Article P 1.4.5

An issuer that applies to delist its equity securities but that plans at the same time to seek admission to an organised multilateral trading facility on which it would be subject to equivalent public offering rules shall present the approval decision of the general meeting of shareholders that voted on the plan after being duly informed of how the transfer would affect the periodic or ongoing disclosure regime of the issuer.

TITLE 2: THE TRADING OF FINANCIAL INSTRUMENTS

CHAPTER 1: TRANSACTIONS EXECUTABLE ON THE MARKET

Section 1 – Cash transactions

Article P 2.1.1

Transactions executed on Euronext Paris market are cash trades.

Section 2 – Linked transactions

Article P 2.1.2

Notwithstanding the provisions of the above article, market members can, for certain financial instruments listed in an Euronext Paris notice, make transactions that consist of a cash trade linked to an offsetting settlement-delivery transaction at a deferred maturity chosen from the maturities opened for trading by Euronext Paris.

For such transactions, the negotiation pertains to a rate of remuneration for making the financial instruments available to the buyer.

Orders relating to such transactions are subject to a special matching procedure, the details of which are set forth in a Euronext Paris Instruction.

Section 3 – Buy-in or sell-out in case of client's default

Article P 2.1.3

For certain financial instruments or trade types, Euronext Paris may request that members demand the deposit of funds or financial instruments before the execution of trades.

CHAPTER 2 : ORDERS SPECIFIED AS BEING FOR DEFERRED SETTLEMENT AND DELIVERY

Article P 2.2.1

Notwithstanding any other provisions of these rules, trading members are allowed, for certain financial instruments, to accept orders specified as being for deferred settlement and delivery (hereafter "DSOs") from their clients.

A member that has agreed to accept a DSO must immediately present the related buy or sell order to the market. The client is irrevocably committed upon execution of the cash-settled order to pay for or to deliver the securities.

Absent an extension, the execution of a DSO postpones the debit or credit of the client's account until the last trading day of the month. DSOs transacted during the last four trading days of the month mature on the last trading day of the following month.

Until the last trading day of the month in question, securities bought and cash received under a DSO are booked to the member's account. The member has full title to the securities and cash and, subject to the provisions on corporate actions, enjoys all the prerogatives attaching to this right.

The list of financial instruments eligible for DSOs is set forth in a Euronext Paris. Notice. Where market conditions require, Euronext Paris can temporarily withdraw an instrument from the said list.

Article P 2.2.2

Members can refuse DSOs to buy and DSOs to sell.

Article P 2.2.3

Subject to the provisions of the above article, a client who is committed by the execution of a DSO can, no later than the fourth trading day before the end of the month, apply to have his commitment extended under the conditions and time limits specified in an Instruction.

The extension of a DSO takes place on the third trading day before the end of the month, in principle at the day's closing price. Such extension gives rise, on the last trading day of the month, to the payment to or deduction from the client's cash account by the member of a margin amount equivalent to the difference between the value of the position at the traded price and its value at the extension price.

Article P 2.2.4

Commitments arising from a DSO shall be accounted for under the rules defined by the Autorité des marchés financiers.

A member must at all times be capable of informing Euronext Paris of his position in each financial instrument corresponding to the execution of a DSO.

Article P 2.2.5

Members are required to call for initial margin from clients to cover commitments arising from the execution of a DSO, under the rules laid down by the Autorité des marchés financiers.

For any financial instrument appearing on the list referred to in Article P 2.2.1, Euronext Paris may increase the minimum margin that may be demanded from clients to cover their commitments arising from DSOs.

Article P 2.2.6

The provisions relative to the buy-in or sell-out of the positions of defaulting clients shall apply if the client fails to remit the financial instruments or the cash funds, as appropriate, to the member on the trading day following the maturity of the DSO, except in the event of an extension.

CHAPTER 3: CORPORATE ACTIONS

Section 1 – General provisions

Article P 2.3.1

Unless otherwise decided by Euronext Paris, a subscription or an allotment right is detached for the relevant financial instrument on the day that the subscription or allotment operations start.

Article P 2.3.2

Where corporate actions do not give rise to a detachment of rights but do affect the price of the financial instrument, adjustments are made as necessary to maintain the situation of buyers and sellers, subject however to rounding.

Article P 2.3.3

Where the primary central depository is Euroclear France, dividends are detached as follows on the market operated by Euronext Paris.

For cash dividends, the issuer sets and publishes the payable date. At that time it stipulates the dividend detachment date (ex-right date) for the Euronext Paris market and the cut-off date for the positions which, after settlement, will qualify for payment (“record date”). Cash dividends are detached two trading days before this record date.

Dividends with options and scrip dividends are detached on the distribution date.

The issuer shall first inform Euronext Paris that these dates have been set, in accordance with the procedures and time periods set out in an instruction.

For financial instruments having a primary central depository other than Euroclear France, the methods used to determine the detachment date shall take into account the business practices on the market of origin and may be different from the system described above.

Article P 2.3.4

In case of corporate actions directly affecting the price of an instrument, without detachment of rights or with detachment of non-negotiable rights, Euronext Paris will issue an *Avis* specifying the respective rights of buyers and sellers.

Section 2 – Provisions specific to DSOs and linked transactions

Article P 2.3.5

Euronext Paris determines by means of an Instruction the procedures whereby the rights likely to be detached from a security are reassigned either by the member to the buying client in the case of a DSO or by the cash buyer to his counterparty until the maturity of a linked transaction.

In general, a member is entitled to the allotment rights or subscription rights pertaining to securities to which he has full title provided that he is responsible for transferring the said rights to the buyer on whose behalf a DSO has been executed. The member is entitled to the dividends and coupons pertaining to securities to which he has full title provided that he is responsible for paying the buyer, when the DSO matures, the exact cash equivalent of the rights received.

The same principles apply symmetrically between:

- the selling client and the member in case of a DSO to sell;
- the cash buyer and his counterparty in case of a linked transaction.

CHAPTER 4: PUBLIC OFFERS

Section 1 – Public tender offer

Article P 2.4.1

At the request of the Chairman of the *Autorité des marchés financiers* (AMF), Euronext Paris halts trading in financial instruments that are the subject of a proposed public offer or other financial instruments concerned by such a proposal.

Article P 2.4.2 [reserved]

Article P 2.4.3

From the beginning of the offer period to the closing of the offer, trading members cannot accept a DSO unless it is intended to unwind positions taken previously by similar orders.

Article P 2.4.4 [reserved]

Article P 2.4.5

Orders not executed before the end of the offer period expire automatically either three trading days, at least, before the closing date or when the offer closes.

For each public offer, a Euronext Paris *Avis* indicates the time period during which orders are valid.

Article P 2.4.6

From the beginning of the offer period to the closing of the offer, Euronext Paris publishes the following information for each financial instrument concerned by the offer and for each trading system:

- trading volume
- opening price
- highest price
- lowest price
- closing price

Information concerning trades made during the trading session is published at the end of the trading day.

Information concerning trades made outside the trading session is published at the latest before the market opens the next day.

Article P 2.4.7

A Euronext Paris Instruction specifies the sequence of operations for the public offer, notably the procedure for centralizing orders, if appropriate.

In agreement with the AMF, Euronext Paris announces the conditions and timeframes for:

- the deposit by account-keepers of securities tendered to the offer
- delivery and payment of cash or securities.

It also specifies the date at which the results of the offer will be available.

In addition, Euronext Paris publishes the conditions for settlement and delivery of the securities acquired or, if the offer is declared to have failed (*sans suite*), the date at which securities will be returned to the aforementioned account-keepers.

Section 2 – Offers for sale

Article P 2.4.8

A proposed offer for sale with a view to resale of financial instruments listed on the Euronext Paris market, intended to increase the float, must be described in an application submitted to Euronext Paris by the person holding the financial instruments to be sold.

Article P 2.4.9

Except with the approval of Euronext Paris, particularly in view of the number of financial instruments offered or of their value, an offer for sale must relate to a quantity of securities representing either at least 10% of the total number of equity securities of the same category in the relevant company, or at least 20 times the average daily trading volume recorded on the market during the six months preceding the filing of the offer.

Article P 2.4.10

The application is submitted by mail to Euronext Paris and must specify:

- the initiator's objective;
- the number and specification of the financial instruments offered for sale;
- if applicable, the minimum number of financial instruments that must in fact be sold by the initiator for the tender to be declared successful;
- the price, or the mechanism for setting the price, at which the initiator offers to sell the financial instruments;
- the conditions regarding payment of the price.

Article P 2.4.11

Euronext Paris may suspend trading in the financial instrument concerned by a offer for sale as soon as the proposed offer is filed. Euronext Paris determines whether the offer is acceptable.

If Euronext Paris declares the offer acceptable, it publishes an *Avis* stating the identity of the initiator, the number of financial instruments offered for sale, the price or mechanism for setting the price at which they are offered, and all other terms and conditions of the offer necessary for informing the public.

The *Avis* is published at least four trading days before the date set for carrying out the offer. Furthermore, the validity of the offer to investors cannot be less than three trading days.

With the prior approval of Euronext Paris, and provided that such possibility be stated in the *Avis*, the initiator may reserve its right either to set a minimum number of financial instruments to be sold as a condition for declaring the offer successful and completing it, or, depending on demand, to increase the number of financial instruments offered by up to 25% of the number initially offered.

Article P 2.4.12

On the day set for carrying out the offer for sale, Euronext Paris centralises the buy orders transmitted to it by members. Euronext Paris accepts only orders at the offer price, stipulated as being in response solely to the offer for sale, and valid for one day only.

Orders must be at the offer price if it has been set prior to order centralisation.

Concerning offers for which the price is set after orders centralised, orders are stipulated at the offer price, as defined in the *Avis* mentioned in the above article.

Article P 2.4.13

The result of the offer for sale is reported in an *Avis*. If Euronext Paris declares the offer successful, the *Avis* indicates any reduction applied to the buy orders.

If trading has been suspended, it is resumed on the first trading day following the day on which the offer was carried out.

Article P 2.4.14

With the approval of Euronext Paris, the initiator may provide that the orders issued in connection with the offer for sale will be divided into different categories under the conditions set out in the section relative to the procedures for initial trading.

Article P 2.4.15

Euronext Paris may authorize that the offering of the financial instruments be carried out partly through a placing procedure and partly as a offer for sale. Euronext Paris ascertains that the procedures selected are consistent with the characteristics of the planned operation.

In such case, the placing price of the financial instruments must be at least equal to the price fixed for the offer for sale.

The price used in carrying out the offer for sale can be set after the orders are centralized, provided that the methods for determining the price have been announced.

Article P 2.4.16

Once the placing is complete, the lead firm must provide Euronext Paris with a detailed statement describing the results thereof. Such results are published in an *Avis*.

PART II – RULES APPLICABLE TO MATIF AND MONEP

Article P/M 1.0

The MATIF (“Marché à Terme International de France”) and the MONEP (Marché des Options Négociables de Paris) are two regulated markets, within the meaning of Article L.421-1 of the “Code Monétaire et Financier”, which are operated by Euronext Paris.

As a result of an agreement, trades carried out on the MATIF and the MONEP are cleared and guaranteed by Banque Centrale de Compensation, hereafter LCH.CLEARNET, according to the conditions and limits specified by the operating rules of the clearing house LCH.CLEARNET.

Unless otherwise specified, the following provisions of this Book II of the Euronext Rule Book shall apply equally to both of these markets in addition or, where such is the case, by special dispensation to those of Book I.

TITLE I: DERIVATIVES

CHAPTER 1: ADMISSION OF DERIVATIVES

Article P/M 1.1.1

Euronext Paris shall admit derivatives for trading on its own initiative.

Regarding single equity (including units of collectives schemes) options or futures, the listing process presumes that the underlying security meets the criteria defined in a Euronext Paris Instruction, notably as regards transaction volume and/or market capitalization for equities.

Admission of a derivative, as well as its first listing date and trading conditions, shall be officially announced in a Euronext Paris Notice.

Article P/M 1.1.2

The general specifications of derivatives traded on the MONEP and the MATIF and the conditions for their adjustment or their liquidation, notably following corporate actions on underlying securities, are defined in a Euronext Paris *Instruction*. The specific characteristics of each futures contract and each category of option contract are stipulated in an information sheet (“fiches techniques”).

Article P/M 1.1.3

For each derivative, or category of derivatives, Euronext Paris shall be entitled to organize “committees of experts”. The purpose of these committees is mainly to offer advice to the exchange for the specifications of derivatives.

An official Euronext Paris *Instruction* sets out the operating procedures and the composition of these committees of experts.

Article P/M 1.1.4

To ensure that the market is properly informed, the admission of single equity options or futures presumes that the issuer of securities underlying a listed derivative on the MONEP has to notify the market of any corporate deliberations concerning ex-dividend dates, on basis either of the statutory provisions applying to him as a public issuer or of a special assent thereto given to Euronext Paris.

CHAPTER 2: DELISTING OF A DERIVATIVE FINANCIAL INSTRUMENT

Article P/M 1.2.1

Euronext Paris has the right to delist a derivative on its own initiative.

The delisting of a derivative is announced to the members in a Euronext Paris Notice, which specifies the delisting date and conditions for implementing the measure. A Euronext Paris Instruction defines the procedure concerning the liquidation of positions that are still open on the concerned derivative.

Article P/M 1.2.2

Euronext Paris decides to delist an option contract or a futures contract including, inter alia, the following factors:

- delisting of one of the underlying instruments of the contract if these instruments are listed on a regulated market, or suppression of the underlying index.
- a lack of liquidity of the contract.

CHAPTER 3: CATEGORIES OF DERIVATIVES

Section 1: Option contracts

Article P/M 1.3.1

An option contract to buy or sell an underlying instrument is a contract by means of which the buyer of the option obtains from the seller, by paying a premium, the right, but not the obligation, to buy or sell a determined quantity of the underlying instrument at a price agreed upon in advance, known as the "strike price", within a specified time or at a specified date.

However, certain option contracts may be settled, at the exercise date, by simple payment of the difference between the strike price of the option contract and the value of the settlement index calculated each day, where appropriate, or the liquidation index calculated at expiration. Procedures to calculate the settlement or liquidation index are specified in a Euronext Paris *Instruction* or in the relevant information sheet.

American-style options may be exercised at any time until expiration. European-style options may be exercised only at expiration.

The term "option class" shall refer to all options of the same style (American or European) within the same maturity category (short- or long-term) on the same underlying asset.

Article P/M 1.3.2

All options of the same class with the same following terms form an option series.

- option type (put or call);
- expiration date;
- strike price;
- the quantity or the nominal amount of the underlying asset.

Each option series trades at a price called the option premium.

The creation or elimination of an option series, as well as any change in the terms of existing option series, is announced in a Euronext Paris Notice.

Article P/M 1.3.3

The holder of an option position may issue an exercise instruction only with the intermediary through which the position was originally recorded.

When exercised, an option giving rise to delivery of a financial instrument cleared by LCH.CLEARNET is converted by the clearing house to a transaction in the underlying instrument at the strike price for the relevant quantity.

Section 2: Futures contracts

Article P/M 1.3.4

A futures contract consists of the commitment at a given price and date of:

- the buyer, to receive the underlying instrument and to pay;
- the seller, to deliver the underlying instrument and to receive payment.

However, certain futures contracts may be settled, at maturity, by simple payment of the difference between the price at which the instrument was traded and the final settlement price.

Procedures to calculate the settlement price of the futures contracts at expiration are specified in a Euronext Paris *Instruction* or in the relevant information sheet.

TITLE II: TRADING ORGANIZATION

CHAPTER 1: ORDER PRESENTATION AND EXECUTION

Article P/M 2.1.1

Vis-à-vis their clientele, members shall only be obliged to present orders to the market, not to execute them at any given price.

The confirmation of an execution of an order can only be affirmed to clients after such orders have actually been executed on the market.

Article P/M 2.1.2

Members shall have adequate procedures for recording telephone conversations pertaining to the reception, execution or confirmation of orders on a medium that allows subsequent verbatim reproduction of such conversations. Any such recording shall be maintained for a period of six months for possible inspection by Euronext Paris.

Article P/M 2.1.3

During the continuous market phase, order matching occurs on the basis of price priority, it being understood that orders that stipulate no price limit are given priority, and, where limits are equal, according to time priority.

Article P/M 2.1.4

Orders shall be presented as soon as their validity conditions are met, unless the client agrees that matching business is procured to have his order executed in accordance with one of the following special trades which are not subject to the general mechanism for matching buy and sell orders in a central order book :

- cross transactions;
- block trades. Block trades consist of trades on a volume beyond a threshold set forth by Euronext Paris by taking into account the usual size of trades in the central order book and, where appropriate, the price level of the underlying instrument;
- basis trades;
- against actuals;
- asset allocation;
- non-automated trades allowed, where appropriate, in case of emergency termination of trading on LIFFE CONNECT[®] system.

The Trading Procedures define these transactions and specifies their execution procedures, mentioning where appropriate which contracts are eligible thereto.

Article P/M 2.1.5

Special trades must be negotiated at a price consistent with the tick determined by Euronext Paris and shall be reported by members to Euronext Paris immediately upon their completion.

EURONEXT RULE BOOK – BOOK II:
SPECIFIC RULES APPLICABLE TO THE FRENCH REGULATED MARKETS

In particular :

- cross transactions shall be executed within a price interval set forth in the Trading Procedures, which shall in no event exceed the best bid or ask limit prevailing at the time in the central order book ;
- block trades shall be executed within a price interval around a value determined by Euronext Paris, taking into account notably the commitments of liquidity providers active in the relevant contract, where appropriate.

By exception to the publication rules of Book I, Euronext Paris shall publish for non-automated trades referred to in Article P/M 2.1.5 the high and low prices and total quantities traded for the relevant business day, once all these trades have been registered.

CHAPTER 2 : TRADE CANCELLATION

Article P/M 2.2.1

Euronext Paris shall be authorized to cancel trades which have already been registered if they do not comply with the applicable rules, including trades made in unforeseen or exceptional circumstances. This can be done when the members concerned are informed of the specific reasons for the cancellation of the trade.

Article P/M 2.2.2

A request for trade cancellation is admissible on the part of a market member only in case an aberrant price has been traded, as assessed solely by Euronext Paris.

Euronext Paris may in this respect cancel a traded price, thereby canceling all trades made at that price. Euronext Paris can also cancel a specific trade.

The Trading Procedures specify the cases in which transactions can be cancelled and the procedures for making cancellation requests.

Article P/M 2.2.3

Euronext Paris shall inform members of every cancellation as soon as its decision is made.

CHAPTER 3: MARKET SUSPENSION CONDITIONS

Article P/M 2.3.1

Euronext Paris shall be entitled to suspend trading in a futures contract for one or more maturity, or option series, in which there is no open interest or postpone the opening of new maturities or option series for a stipulated time.

Article P/M 2.3.2

When trading in the asset underlying a contract is halted, Euronext Paris may, depending on the reason for the halt, decide to suspend trading in the instrument or to suspend or relax the obligations of liquidity providers assigned to that contract. A mere volatility interruption in the underlying asset shall not in itself be considered as a ground for suspension.

When the underlying asset is an index, the aforementioned provisions may be enforced in case of unavailability of the index or if it is replaced by a trend indicator calculated on less than 25% of the index capitalization.

Article P/M 2.3.3

In response to a request by the Autorité des marchés financiers ("AMF"), Euronext Paris shall suspend trading for the period specified by the AMF in options and futures whose underlying instrument is a single equity security that is the subject of a public tender offer.

Between the beginning of the offer period and the closing of the offer for equity securities underlying options and futures, own-account and client orders to sell call options or futures must be "covered", i.e. the underlying shares that would be deliverable must be deposited beforehand with the order-giver's intermediary; conversely, buy orders for futures contracts must be margined by a cash deposit equivalent to the full value of the securities underlying the contract, provided that these provisions do not apply to orders aimed at closing existing positions.

Depending on the bid success rate and the characteristics of the open positions in the corresponding derivatives, Euronext Paris may decide to maintain these margin requirements after the bid has closed.

The aforementioned margin requirements do not apply to trades made by liquidity providers in discharge of their obligations vis-à-vis Euronext Paris.