

# TRADING MANUAL

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## 1. GENERAL PROVISIONS

### 1.1. Definitions

Terms	Definitions
<b>"Central Order Book"</b>	Means the central order book as defined in Article L. 420-7 of the French Monetary and Financial Code in which all Orders are entered or modified by Members, maintained by NowCP.
<b>"Individualized Order Book"</b>	Means the order book specific to each Member, representing a part of the Central Order Book, allowing each Member to view the Orders he has registered and the Orders for which he can function as counterparty. No transaction is possible with a counterparty not authorized by the administrator.
<b>"Date of Maturity"</b>	Means maturity date of a short-term security
<b>"Emitters"</b>	Means issuers of Financial Instruments admitted to trading on NowCP.
<b>"Financial Instrument"</b>	Covers NEU CP and Euro-CP belonging to the C2 category - money market instruments
<b>"Investor"</b>	Means buyers or sellers of financial instruments admitted to trading on NowCP.
<b>"Member"</b>	Means a legal entity that has been accepted by NowCP to transmit Orders into the NowCP NMS Central Order Book and has an Individualized Order Book.
<b>"Information Note"</b>	Means decisions of individual or general scope made by NowCP under the System Rules or Trading Manual.
<b>"Order"</b>	Means a buy or sell instruction recorded in the NowCP NMS Central Order Book.
<b>"Platform"</b>	Means the computer platform embodying the NowCP NMS, as it appears to Members.
<b>"System Rules"</b>	Means the operating rules of the SMN NowCP as defined in Article 521-7 of the General Regulations of the Autorité des marchés financiers.
<b>"Roll"</b>	Means the option offered to the Member to propose to its counterparty before the Maturity Date, to participate in a new issue.
<b>"SMN"</b>	Means a multilateral trading facility as defined in Article L. 424-1 of the Monetary and Financial Code.
<b>"Transaction"</b>	Means a transaction between two Members of the NowCP NMS involving a Financial Instrument, concluded within the NowCP NMS.

## 1.2. Document framework

The purpose of this document is to describe the operation of trading on the NowCP NMS. It is a manual that supplements the System Rules and Information Notes.

## 2. ORDERS ON SMN NOWCP

### 2.1. Types of Orders

#### 2.1.1. Simple" orders

The so-called "simple" Order is the one by which a Member enters an Order to buy or sell by filling in all the parameters set by the Platform, without specifying variable values or selecting the Order grouping function.

#### 2.1.2. Multiple value" orders

A "multiple value" Order is one in which a Member sets a range with a maximum value and a minimum value, which range may include:

- The nominal amount in euro.
- Value date ;
- Maturity date ;
- The type of rate (fixed and/or variable).

For example :

- An Issuer registers a Sell Order with a minimum and a maximum nominal amount. An investing Member to accept the Order must register a Buy Order with a nominal amount within the range proposed by the Issuer.
- A Member registers a Sell Order with value dates D, D+1 and D+2. An investing Member to accept this Order must register a Buy Order with one of the value dates proposed by the selling Member.

#### 2.1.3. Grouped" orders

Bundled" Orders correspond to a maximum envelope for all primary issues.

Example: maximum 300 million euros including 3 orders:

- 1 month issue order: min €20M - max €100M
- Issue order at 2 months: min €10M - max €150M
- 3-month issue order: min €10M - max €200M

In this example, if a Member places a 3-month buy order for a nominal amount of 200 million euros, the three sell orders will have their maximum nominal amount reduced:

- 1 month: the maximum amount remains €100 million
- 2 months: the maximum amount decreases to €100M
- 3 months: the maximum amount is now 0 M €.

## 2.2. Counterparty selection: a parameter of the Orders

### 2.2.1. Administration of authorized counterparties

Each Member is categorized by NowCP into one or more of the following categories:

- The "Issuers": they must have an issue program
- Investors": this category includes (i) all entities that are not part of the "Issuers" category, including portfolio management companies and (ii) "Issuers" authorized to register purchase orders on the platform (iii) intermediaries authorized to purchase and resell short term securities and that have the status of a credit institution or investment firm.

### 2.2.2. Selection of authorized counterparties

The Platform allows each Member to select the Member(s) or category of Member(s) with whom he/she wishes to conclude a Transaction by means of an administration module. This selection can be applied by any Member :

- As a default setting ; and
- In a punctual way, at the time of the recording of each Order.

#### 2.2.2.1. Selection of counterparties by category

Any Member may limit the potential counterparties to its Orders by opting for the "Intermediary" category only.

Any Order registered in the Central Order Book by a Member selecting a category of Members is only registered in the Individualized Order Books of the Members belonging to that category.

#### 2.2.2.2. Nominal selection

Any Member may limit the Members who may function as potential counterparties to the Orders it registers in the Central Order Book either by excluding one or more Members or by addressing its Order only to a specific Member, in particular in the case of Roll.

If two Members wish to conclude a Transaction between them (for example, in relation to an application), they will simply have to register in the Central Order Book an Order with the other Member as the sole potential counterparty.

## 2.3. Receipt of Orders

A Member A may function as counterparty to an Order from a Member B only if this Order appears in its Individual Order Book, in accordance with the selection of counterparties made by this Member B.

### 2.3.1. Registration of a Sales Order

#### i. How to register

A Member may register an Order to sell in the Central Order Book under the following conditions:

- as an Issuer of Financial Instruments, from the "*my curve*" tab.
- as a seller of Financial Instruments, from the *schedule / portfolio* tab.

### 2.3.2. Selection of counterparties

Orders for sale appear in the Individualized Order Books of all Members or only of certain Members, depending on the selection parameters chosen by the Member when placing the Order.

Depending on the selection made by the Member, his Sale Order can be registered:

- In the Individualized Order Book of each Member.
- Only in the Individual Order Book of the Member(s) selected by the selling Member.

## 2.4. Registration of a Purchase Order

### 2.4.1. How to register

A Member may register a buy Order in the Central Order Book by selecting a sell Order registered in its Individualized Order Book.

### 2.4.2. Single potential consideration

It is possible to register a sell order (primary or secondary issue) with a single counterparty (bilateral transaction). The buy order, by definition, is only bilateral.

## 2.5. Detailed description of an order

### 2.5.1. Characteristic criteria of an Order

Any Member registering an Order must complete the fields displayed in the tab on the Platform and specify the following criteria:

- i. Market Type :
  - Primary ;
  - Secondary :
- ii. Type of title
- iii. ISIN code if available ;
- iv. Selection of potential counterparties ;
- v. Sense (sale / purchase) ;
- vi. Name of Issuer ;
- vii. Value date ;
- viii. Maturity date ;
- ix. Currency ;
- x. Minimum and maximum nominal amount.
- xi. Rate Type ;
  - Fixed rate :
    - Pre- or post-counted ;
    - Fixed rate value ;
  - Variable rate :
    - Index (ESTER, etc.) ;
    - Value of the *spread*.

*Note that :*

*- The LEI is stored in NowCP and automatically associated with the issuer's name, so the user does not have to enter the LEI.*

- The issuer's ratings from the various rating agencies referenced in NowCP are automatically associated with the issuer's name, so the user does not have to enter them.

## 2.6. Prioritization rules

NowCP reconciles Orders registered by Members as they are registered in the NowCP NMS: the only prioritisation rule is the chronological order in which Orders are registered in the NowCP NMS.

This rule applies equally to buy and sell Orders.

As such, the Platform does not have any discretionary character in the processing of Orders.

## 2.7. Period of validity of an order

The minimum validity period of an Order is one (1) minute. Orders are valid until the end of the day. Members may set the validity period of each of their Orders within the limits of the minimum and maximum periods.

## 2.8. Trading Date and Maturity Date

The Trading Days for each calendar year will be announced in an Information Statement by NowCP in the December preceding each calendar year.

NowCP does not permit trading on the Maturity Date.

# 3. ORDER MATCHING

Any Order registered in the Central Order Book is matched when it meets an identical Order of opposite direction registered in the Central Order Book, in accordance with the prioritization rule mentioned in section 2.6 above.

Two Orders are considered identical and can be matched accordingly when :

- They have strictly identical criteria.
- They are in opposite directions.

For Multiple Security Orders, a reverse Order is considered identical if it includes a security that falls within the range of the Multiple Security Order.

# 4. ALLOWANCE AND OPERATION NOTICE

- When an Order is registered on behalf of a management company, a pre-allocation is required.
- When the Member is created, a technical parameterization lists the CSDs authorized by the Member. When entering the order, the investor specifies his choice of CSD, during the allocation, for the settlement-delivery:
  - 
  - Euroclear France
  - Euroclear Bank
  - Clearstream

- Other

As soon as two Orders are matched, the Members concerned receive a trade advice. This transaction notice is automatically displayed on the platform as soon as the transaction is concluded. It summarizes all the characteristics of the transaction and can be exported. It will also be accessible from the "transaction log", which tracks all transactions concluded during the day.

## **5. CANCELLATION OF TRANSACTIONS**

### 5.1. Cases of cancellation

#### 5.1.1. Cancellation at the initiative of NowCP

In accordance with System Rules, NowCP is authorized to cancel a Transaction when:

- The Transaction does not comply with the Rules or Regulations.
- The Transaction would have been entered into in exceptional circumstances in the event of a serious market disruption in order to preserve the proper functioning of NowCP.

#### 5.1.2. Cancellation at the initiative of a member

In accordance with the System Rules, NowCP is entitled to cancel a Transaction recorded in the Central Order Book at the request of any Member in the event of an outlier or obvious error in the sole discretion of NowCP.

### 5.2. Cancellation procedure - requirements

#### 5.2.1. Lack of closure

In any event, NowCP may cancel a Transaction only if it has not been completed.

A Transaction is considered closed for the purposes of this cancellation procedure once settlement instructions have been sent by the settlement agents of the Members involved in the Transaction.

#### 5.2.2. Cancellation at the request of Members

A request to cancel a Transaction will succeed only if both Members party to that Transaction consent to the cancellation, with the agreement of NowCP.

Any Member wishing to cancel a Transaction must submit a request to NowCP no later than one hour after the Transaction is completed.

The Member notifies NowCP of the request by email, stating explicitly the cancellation request (a standard cancellation request form is provided in an information note).

#### 5.2.3. Cancellation at the initiative of NowCP

When a Transaction is cancelled at the initiative of NowCP, or in the event of failure to allocate the Order by a Member party to that Transaction, NowCP shall promptly inform both Members party to the Transaction of such cancellation.

#### 5.2.4. No warranty



Any cancellation request by a member involved in a Transaction will be reviewed by NowCP. In any event, making a cancellation request does not guarantee the Member making the request an effective cancellation.

#### 5.2.5. Billing

Any request by a member to cancel a Transaction will be charged in the amounts specified in the pricing policy published on the NowCP website to the Member who initiated the cancellation (provided that the Transaction is actually cancelled).

In the event of a cancellation of a Transaction at the initiative of NowCP, the Member who has failed to comply with the Rules, regulations or in exceptional circumstances, will be charged according to the amounts specified in the pricing policy published on the NowCP website.

## 6. SETTLEMENT-DELIVERY OF TRANSACTIONS

The Transactions conducted are executed within the deadlines set by the Members party to the Transaction and are subject to French law, irrespective of the central securities depository or the settlement system in which the Transaction is settled and delivered.

Transactions are executed in accordance with the transaction notice sent to the Members involved in the Transaction (see section 4 above).

- Upon execution of the Order, the purchasing Member is irrevocably committed to take delivery of the Financial Instruments and to pay the countervalue. The selling Member or Issuer is irrevocably committed to receive the settlement and deliver the corresponding Financial Instruments.
- NowCP sends issuers and investors the transaction notice including the ISIN code. Issuers and investors are responsible for processing the transaction through their domiciliary agents and custodians.

Settlement takes place in the systems and according to the rules of the relevant central securities depository.