

OneClearstream service offering for French Registered Securities - Phase II

Effective 24 June 2019, Clearstream Banking¹ will enhance its current OneClearstream service offering for French registered securities by migrating the Loyalty Bonus Shares ISINs to CBF.

Scope of securities relevant for the migration

Loyalty Bonus shares (LBS) - Prime de Fidélité (PF) will be migrated to CBF.

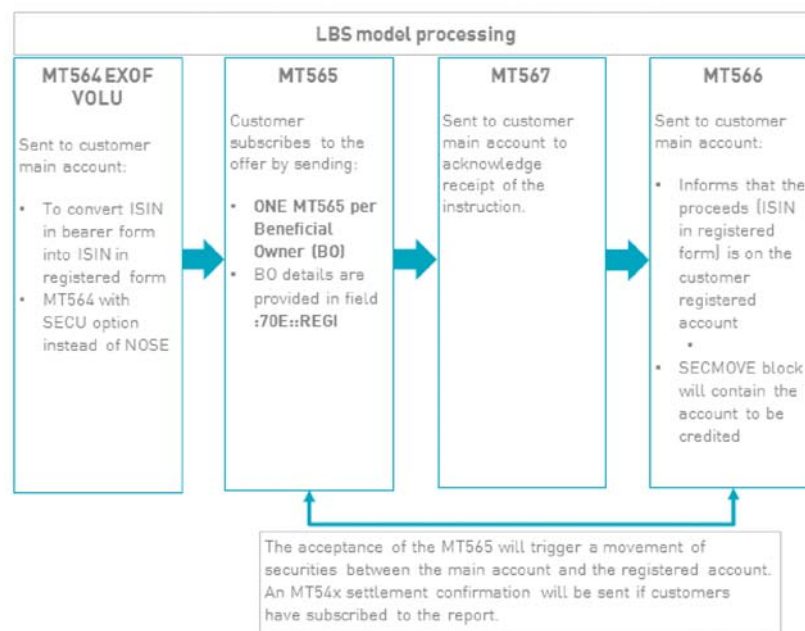
The list of ISINs to be migrated are attached to Announcement C19012.

Asset servicing impacts on securities subject to LBS program

LBS processing takes place in three distinct corporate action events, EXOF VOLU, CHAN MAND and PARI MAND.

The LBS processing model described in Announcement [C18043](#) has been enhanced to enable customers to continue to use the end-to-end asset servicing message flow.

The processing has been enhanced to remove the option feature indicator **NOSE from the option SECU** to allow customers to send an MT565:



1. Clearstream Banking refers collectively to Clearstream Banking S.A., registered office at 42, avenue John F. Kennedy, L-1855 Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B-9248, and Clearstream Banking AG, registered office at 61, Mergenthalerallee, 65760 Eschborn, Germany and registered in Register B of the Amtsgericht Frankfurt am Main, Germany under number HRB 7500.

The CHAN MAND and PARI MAND events remain valid, with the following enhancement:

At the end of the current fiscal year, customers participating in the LBS program will be notified via MT564 CHAN MAND. The new CHAN MAND event will contain a SECMOVE block to notify the distribution of the temporary LBS. The security proceeds will be credited to the customer's registered account at beginning of the next fiscal year. The MT564 notifications will always be sent to the customer account holding the registered position.

Important note: Customers must update their systems to be able to process the new CHAN MAND event and support the new indicator BERE under field :22F:: with qualifier CHAN:
:22F::CHAN//BERE.

The indicator BERE will be available in the MT564 CHAN of the LBS program. The first LBS program is expected on Sodexo shares in August 2019.

After the pre-defined period of retention (usually two or four years), entitled customers will be notified via MT564 PARI MAND that the temporary LBS will be assimilated to a new LBS ISIN. The MT564 notifications will always be sent to the customer account holding the registered position.

SWIFT messages to be used for the processing of the LBS program:

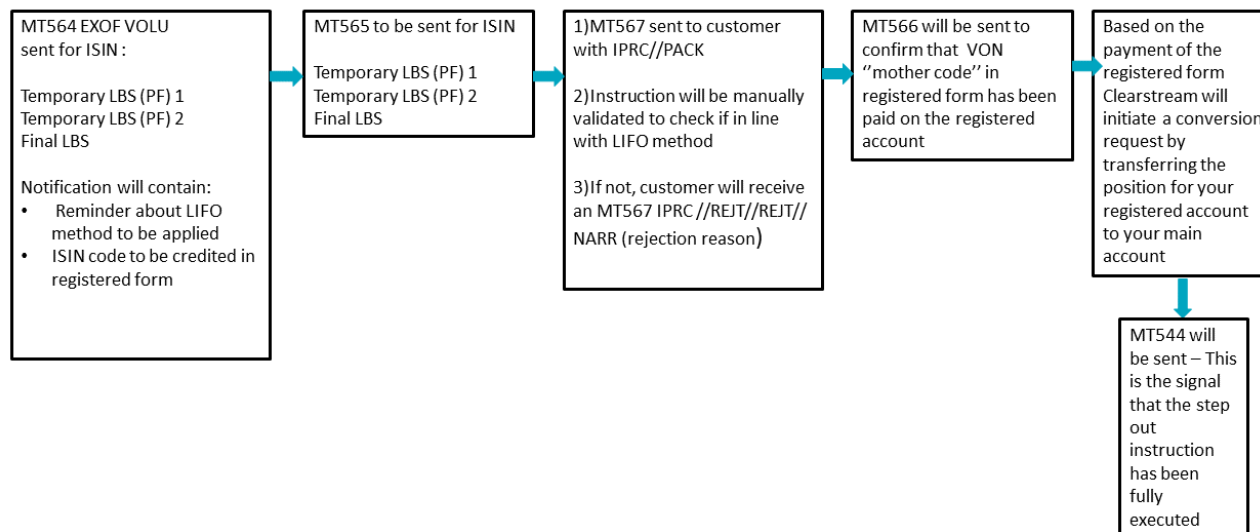
Security	Event type	Notification	Instruction	B0 details	Result
ISIN A VON bearer	EXOF VOLU	MT564 YIR	MT565	Yes, via :70E::REGI	ISIN A VON Registered
ISIN A VON registered	CHAN MAND	MT564 with SECMOVE block and MT566 confirmation when executed	n/a	n/a	ISIN B temporary LBS registered
ISIN B temporary LBS registered	PARI MAND	MT564 and MT566 confirmation when executed	n/a	n/a	ISIN C LBS registered

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Procedure to leave the LBS programme

Customers can leave the Loyalty Bonus Shares program at any time during the year. This service supports the removal of temporary or final LBS ISIN and be credited of VON "mother code" in bearer form.

This is called a "step out" service.



Clearstream has adapted its service to ensure that customers can continue to instruct via asset servicing messages and enforce market practices by validating the compliance to the LIFO (Last In First Out) method.

This method is used by the issuers and registrars to ensure that the beneficial owner can get the benefit of any vested right on positions held for a period very close to the end of the lock up period.

Customers are required to instruct as follows:

- at Beneficial Owner level;
- using the latest ISIN entered in the programme first;
- split the instruction if the overall position to step out exceeds the position held on the latest ISIN entered in the programme.

For example, a customer holding a total position of 1200 shares in registered form for a given BO and the holding is split as described below.

A customer, which would like to step out for 600 shares, is expected to instruct as follows:

ISIN type	Holding	Application of LIFO	Instruction expected
Loyalty Bonus 2021 (i.e. will become definitive loyalty bonus in 2021)	200	200	200 (first MT565)
Loyalty Bonus 2020 (i.e. will become definitive loyalty bonus in 2020)	300	300	300 (second MT565)
Definitive Loyalty Bonus Code	700	100	100 (third MT565)

Clearstream will reject the instruction if the above method is not respected.

Settlement and custody instruction formats including registration details

Guidelines and recommendations to declare registrations details provided in [C18043](#) remain valid (Registration details format table section of service offering).

The guidelines are fully applicable when a new BO has to be declared. For any new BO, full BO details are required under :70D::REGI (MT54x) or :70E::REGI (MT565):

- Holder Type
- Surname or Corporate name
- Forename or Corporate name (only for personal entity¹)
- Maiden name or Corporate name
- Woman's forename or Corporate name
- Nationality code of the holder
- Country code of the address
- Building
- Street
- Additional address information
- Postal code
- City
- Date restriction ends
- Personal title

If the BO details exceed the capacity of characters allowed in the formatted messages the following applies:

- MT54x :70D::REGI maximum 6*35 characters (ISO15022)

Additional BO details must be received in an MT599 containing:

- Sender's reference of original MT54x

1. Personal entity applies if Holder Type values are different from 01, 02 and 07 (data available in the new query "Registered Securities: Beneficial Owner Details" in Xact Web Portal)

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- Account number (CBL, CBF or CBF 6-series account number);
- ISIN code;
- Quantity;
- Beneficial owner details.
- MT565: 70E::REGI maximum 10*35 characters (ISO15022),
:70E::REGI is mandatory when one MT565 is required per BO. In order to avoid rejection of the MT565, customers should input the following statement "Please refer to MT599". The details should be sent in the MT599 as follows:
 - Sender's reference of original MT565
 - Clearstream Corporate Action ID
 - Account number (CBL, CBF or CBF 6-series account number);
 - ISIN code;
 - Quantity;
 - Beneficial owner details.

Clearstream has enhanced its systems to make it easier for customers to input BO details.

For existing BOs with an Issuer Identifier (ICER) already assigned, full details are not necessary. Minimum details must be provided and must contain the following information:

- Simple registration details (One BO assigned to one Issuer ID)
 - Holder Type
 - Surname or Corporate name
 - Forename or Corporate name (only for personal entity¹)
 - Issuer Identifier

Example: REGI///HTYP 03/NAME Smith/FNAM John/ICER 13090/
- Complex registration details (Multiple BOs assigned to one Issuer ID)
 - Registration 1:
 - ^m Holder Type;
 - ^m Surname or Corporate name;
 - ^m Forename or Corporate name (only for personal entity¹);
 - ^m Issuer Identifier
 - Registration 2:
 - ^m Holder Type;
 - ^m Surname or Corporate name;
 - ^m Forename or Corporate name (only for personal entity¹);
 - Registration n
 - ^m Holder Type
 - ^m Surname or Corporate name
 - ^m Forename or Corporate name (only for personal entity¹)

1. Personal entity applies if Holder Type values are different from 01, 02 and 07 (data available in the new query "Registered Securities: Beneficial Owner Details" in Xact Web Portal)

Example: REGI///HTYP 03/NAME Smith/FNAM John/ICER 13090//HTYP 03/NAME Brown/FNAM James/HTYP 03/NAME Bond/FNAM Jack/

Note: The same format applies for additional details provided in an MT599.

Example: /HTYP 03/NAME Smith/FNAM John/ICER 13090/CDCO DEU/STRE Flower street 61/CDPO 65760/CITY Eschborn

The MT599 must be sent to the attention of the "Settlement OCB Cross Border" department.

Clearstream Banking strongly recommends to provide simple registration details whenever possible as this reduces the risk of error when inputting the BO details, and it also allows to provide registration details identified as complex.

Errors may result in Clearstream Banking delaying the issue of the "Bordereau de reference nominative" (BRN) on the market. A delay may result in penalty fees being levied by the market¹.

Connectivity impacts

Customer settlement reporting

If present in the original settlement instruction, field :22F::BENE (Beneficial Ownership Override Indicator) or field :70D::REGI (Registration Details) will be reported in the following messages:

- MT54x Settlement Confirmations
- MT548 Settlement Status and Processing Advice
- MT536 Statement of Transactions
- MT537 Statement of Pending Transactions

Changes to the reports apply to all existing formats (XLS, XML, PDF, ISO, HTML).

1. A waiver will be applied until further notice.

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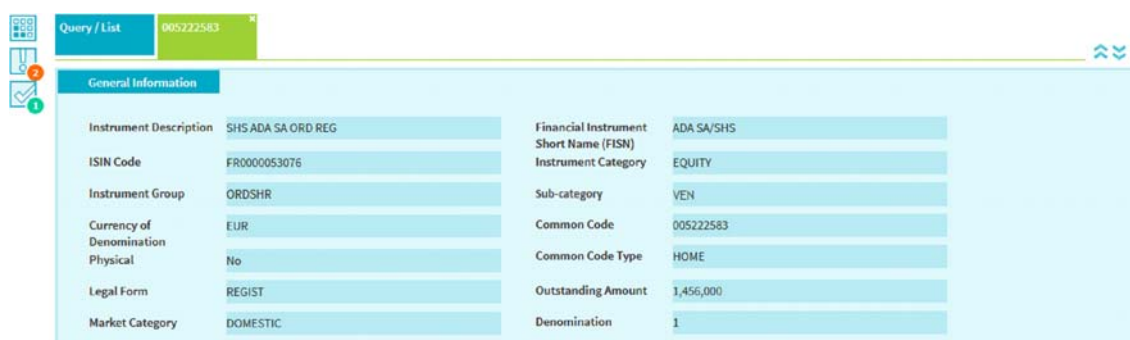
Connectivity changes

The legal form of the French registered securities is displayed in Xact Web Portal, CreationOnline and Codelist in the field "Legal form" with the following possible values:

- "Registered" if VEN, VON PDF and VON LBS;
- "Bearer or Registered" if VON.

In addition, Clearstream Banking will provide more granularity related to the category of French registered securities and will report the following in the "Sub-category" field of the Financial Instruments Query:

- VEN to identify essentially registered securities
- VON to identify occasionally registered securities
- VON_PDF to identify ISIN being temporary LBS ISIN
- VON_LBS to identify ISIN being final LBS ISIN



General Information			
Instrument Description	SHS ADA SA ORD REG	Financial Instrument Short Name (FISN)	ADA SA/SHS
ISIN Code	FR0000053076	Instrument Category	EQUITY
Instrument Group	ORDSHR	Sub-category	VEN
Currency of Denomination	EUR	Common Code	005222583
Physical	No	Common Code Type	HOME
Legal Form	REGIST	Outstanding Amount	1,456,000
Market Category	DOMESTIC	Denomination	1

A new query under Settlement, "Registered securities: beneficial owner details" will be added to retrieve all beneficial owner details recorded in Clearstream Banking for French registered securities only.

The query will be performed by:

- ISIN and/or account number
- An open query will also be possible to get the full list of beneficial owners

The result of the query can be downloaded in Excel or CSV format.

Note: A fee waiver on this new query will be applied until 31 December 2019.

Tax services

Tax services will be in line with the standard OneClearstream processing.

Further information

This is the current situation based on latest information, should there be any changes we will inform you accordingly.

For further information, customers may contact Clearstream Banking Client Services or their Relationship Officer.