



Corporate Governance of Euronext N.V.

on the basis of the Dutch Corporate Governance Code

Euronext has used the Dutch Corporate Governance Code published on 9 December 2003 (the "Code") as the basis for its corporate governance policy and for discussions held in the Annual General Meeting. The Annual General Meeting approved Euronext's corporate governance policy on 1 June 2005. In accordance with the preamble to the Code, Euronext is deemed to be in compliance with the Code, as the Annual General Meeting has approved Euronext's corporate governance policy, including the exceptions to the best practice provisions.

This report will be published along with Euronext's 2005 annual report on Euronext's website.

Significant changes affecting Euronext's approved corporate governance policy or compliance with the Code will be discussed in the Annual General Meeting and placed on the agenda of the Annual General Meeting as a separate item.

The Managing Board and Supervisory Board of Euronext wish to emphasise that they will continue to follow corporate governance developments closely.

Managing Board and Supervisory Board

Euronext N.V.

13 March 2006

PRINCIPLES AND BEST PRACTICE PROVISIONS

I. Compliance with and enforcement of the code

Principle

The management board and the supervisory board are responsible for the corporate governance structure of the company and compliance with this code. They are accountable for this to the general meeting of shareholders. Shareholders take careful note and make a thorough assessment of the reasons for any non-application of best practice provisions of this code by the company. They should avoid adopting a 'box-ticking approach' when assessing the corporate governance structure of the company.

Best practice provisions

I.1 The broad outline of the corporate governance structure of the company shall be explained in a separate chapter of the annual report, partly by reference to the principles mentioned in this code. In this chapter the company shall indicate expressly to what extent it applies the best practice provisions in this corporate governance code and, if it does not do so, why and to what extent it does not apply them. Euronext applies this best practice provision. Euronext's 2003 and 2004 annual reports already contained an extensive corporate governance chapter, which described corporate governance within the company. The Supervisory Board and Managing Board reported on the implementation of the Dutch Corporate Governance Code and the company's corporate governance policy, including those areas where Euronext did not comply with the Code, in a separate chapter, in the 2004 annual report. The Annual General Meeting approved Euronext's corporate governance structure and policy in 2005 by a large majority of the votes. Consequently, Euronext is deemed to comply with the Code.

I.2 Each substantial change in the corporate governance structure of the company and in the compliance of the company with the code shall be submitted to the general meeting of shareholders for discussion under a separate agenda item.

Euronext applies this best practice provision. Significant changes affecting its corporate governance structure or compliance with the code will be placed on the agenda of the Annual General Meeting as a separate item for discussion purposes.

II. Management board

II.1 Role and procedure

Principle

The role of the management board is to manage the company, which means, among other things, that it is responsible for achieving the company's aims, strategy and policy, and results. The management board is accountable for this to the supervisory board and to the general meeting of shareholders. In discharging its role, the management board shall be guided by the interests of the company and its affiliated enterprise, taking into consideration the interests of the company's stakeholders. The management board shall provide the supervisory board in good time with all information necessary for the exercise of the duties of the supervisory board.

The management board is responsible for complying with all relevant legislation and regulations, for managing the risks associated with the company activities and for financing the company. The management board shall report related developments to and shall discuss the internal risk management and control systems with the supervisory board and its audit committee.

Best practice provisions

II.1.1 A management board member is appointed for a maximum period of four years. A member may be reappointed for a term of not more than four years at a time.

Euronext applies this best practice provision. Depending on the legislation and regulations applicable to the Euronext entity with which the Managing Board member has an employment relationship, each Managing Board member who joins Euronext after the Annual General Meeting of 2004 will be appointed as a member of the Managing Board for renewable periods of up to four years, with no limit on the number of times they may be re-appointed. Due to existing contractual arrangements, the terms and conditions of employment of Managing Board members appointed before 2004 will not be changed.

II.1.2 The management board shall submit to the supervisory board for approval:

- a) the operational and financial objectives of the company;
 - b) the strategy designed to achieve the objectives;
 - c) the parameters to be applied in relation to the strategy, for example in respect of the financial ratios.
- The main elements shall be mentioned in the annual report.

Euronext applies this best practice provision. The main elements of these discussions will be included in the annual report. This provision is formalised in the company's articles of association.

II.1.3 The company shall have an internal risk management and control system that is suitable for the company. It shall, in any event, employ as instruments of the internal risk management and control system: (a) risk analyses of the operational and financial objectives of the company; (b) a code of conduct which should, in any event, be published on the company's website; (c) guides for the layout of the financial reports and the procedures to be followed in drawing up the reports; and (d) a system of monitoring and reporting.

Euronext applies this best practice provision. Although Euronext had already implemented an internal risk management and control system, it launched a project aimed at reviewing, and, where necessary, modifying its internal risk management and control system along the lines of the corporate governance code. The project was completed by the end of 2004, and all instruments specified in this provision have been implemented.

II.1.4 The management board shall declare in the annual report that the internal risk management and control systems are adequate and effective and shall provide clear substantiation of this. In the annual report, the management board shall report on the operation of the internal risk management and control system during the year under review. In doing so, it shall describe any significant changes that have been made and any major improvements that are planned, and shall confirm that they have been discussed with the audit committee and the supervisory board.

Euronext applies this best practice provision. The Managing Board reports on Euronext's internal risk management and control system in the annual report. With regard to the management statement included in the 2005 annual report, the Managing Board believes that Euronext fully complies with the recommendations of the Dutch Corporate Governance Code Monitoring Committee (Frijns Committee). It also assumes that this implies compliance with the Dutch Corporate Governance Code.

II.1.5 The management board shall, in the annual report, set out the sensitivity of the results of the company to external factors and variables.

Euronext applies this best practice provision. The 2005 annual report contains a separate section in which the company categorises a number of key inherent risks. The categorisation is based on the Group risk profile.

II.1.6 The management board shall ensure that employees have the possibility of reporting alleged irregularities of a general, operational and financial nature in the company to the chairman of the management board or to an official designated by him, without jeopardising their legal position. Alleged irregularities concerning the functioning of management board members shall be reported to the chairman of the supervisory board. The arrangements for whistleblowers shall in any event be posted on the company's website.

Euronext applies this best practice provision. Euronext's whistle-blowing policy came into force in 2005, and is published on the company's website.

II.1.7 A management board member may not be a member of the supervisory board of more than two listed companies. Nor may a management board member be the chairman of the supervisory board of a listed company. Membership of the supervisory board of other companies within the group to which the company belongs does not count for this purpose. The acceptance by a management board member of membership of the supervisory board of a listed company requires the approval of the supervisory board. Other important positions held by a management board member shall be notified to the supervisory board.

Euronext applies this best practice provision. The provision is formalised in the [Managing Board's Rules of Procedure](#). The annual report contains an overview of all important external positions held by members of the [Managing Board](#).

II.2 Remuneration

Amount and composition of the remuneration

Principle

The amount and structure of the remuneration, which the management board members receive from the company for their work, shall be such that qualified and expert managers can be recruited and retained. If the remuneration consists of a fixed and a variable part, the variable part shall be linked to previously-determined, measurable and influenceable targets, which must be achieved partly in the short term and partly in the long term. The variable part of the remuneration is designed to strengthen the board members' commitment to the company and its objectives.

The remuneration structure, including severance pay, is such that it promotes the interests of the company in the medium and long term, does not encourage management board members to act in their own interests and neglect the interests of the company and does not 'reward' failing board members upon termination of their employment. The level and structure of remuneration shall be determined in the light of, among other things, the results, the share price performance and other developments relevant to the company. The shares held by a management board member in the company on whose board he sits are long-term investments. The amount of compensation which a management board member may receive on termination of his employment may not exceed one year's salary, unless this would be manifestly unreasonable in the circumstances.

Best practice provisions

II.2.1 Options to acquire shares are a conditional remuneration component, and become unconditional only when the management board members have fulfilled predetermined performance criteria after a period of at least three years from the grant date.

Euronext applies this best practice provision if and when new option plans are introduced.

II.2.2 If the company, notwithstanding best practice provision II.2.1, grants unconditional options to management board members, it shall apply performance criteria when doing so and the options should, in any event, not be exercised in the first three years after they have been granted.
Euronext applies this best practice provision.

II.2.3 Shares granted to management board members without financial consideration shall be retained for a period of at least five years or until at least the end of the employment, if this period is shorter. The number of shares to be granted shall be dependent on the achievement of clearly quantifiable and challenging targets specified beforehand.

In accordance with the preamble of the Dutch Corporate Governance Code, Euronext is deemed to comply with this best practice provision, as the 2005 Annual General Meeting approved the terms of Euronext's 2005 Executive Incentive Plan.

Under the terms of the plan, each member of the Managing Board was awarded 10,000 Euronext shares in 2005. The Managing Board members can only dispose of the shares awarded to them under the plan if the company meets certain performance targets within the three-year period following the target share award date, and provided the Managing Board members remain continuously employed by the Euronext Group over the three-year performance period. At the end of the three years, Managing Board members may only dispose of those shares needed to pay any taxes due immediately in connection with the vesting of the shares under the plan. The remainder of the shares must be kept for another two years (ie until five years after the target share award date) before disposing of them. A similar plan will be proposed to the Annual General Meeting in 2006.

II.2.4 The option exercise price shall not be fixed at a level lower than a verifiable price or a verifiable price average in accordance with the official listing on one or more predetermined days during a period of not more than five trading days prior to and including the day on which the option is granted. In accordance with the preamble of the Dutch Corporate Governance Code, Euronext is deemed to comply with this best practice provision, as the 2005 Annual General Meeting approved Euronext's corporate governance policy, including the exception to this best practice provision.

As Euronext has its primary listing on Euronext Paris, it follows the French rules for determining the exercising of options (the average share price during the period running from ten business days before to ten business days after the day on which the company announces its quarterly, half-yearly or annual results). This procedure, which was used for the company's 2004 option plan, was approved by the Annual General Meeting in 2004.

II.2.5 Neither the exercise price nor the other conditions regarding the granted options shall be modified during the term of the options, except in so far as prompted by structural changes relating to the shares or the company in accordance with established market practice.
Euronext applies this best practice provision.

II.2.6 The supervisory board shall draw up regulations concerning ownership of and transactions in securities by management board members, other than securities issued by their 'own' company. The regulations shall be posted on the company's website. A management board member shall give periodic notice, but in any event at least once a quarter, of any changes in his holding of securities in Dutch listed companies to the compliance officer or, if the company has not appointed a compliance officer, to the chairman of the supervisory board. A management board member who invests exclusively in listed investment funds or who has transferred the discretionary management of his securities portfolio to an independent third party by means of a written mandate agreement is exempted from compliance with this last provision.

Euronext applies this best practice provision. Euronext has implemented a Group-wide Code of Conduct (Personal Dealing Rules) with regard to ownership and transactions in investments other than Euronext N.V. The rules are applicable to all staff members, including Managing Board members. All Managing Board members have opted for portfolio management by an independent third party. The Code of Conduct is published on the company's website.

II.2.7 The maximum remuneration in the event of dismissal is one year's salary (the 'fixed' remuneration component). If the maximum of one year's salary would be manifestly unreasonable for a management board member who is dismissed during his first term of office, such board member shall be eligible for a severance pay not exceeding twice the annual salary.

Euronext applies this best practice provision. Any severance payments contractually agreed with a Managing Board member appointed after 1 January 2004 must comply with this provision of the Code and will be disclosed in the annual report.

II.2.8 The company shall not grant its management board members any personal loans, guarantees or the like unless in the normal course of business and on terms applicable to the personnel as a whole, and after approval of the supervisory board. No remission of loans shall be granted.

Euronext applies this best practice provision. The scope of this provision is formalised in Euronext's remuneration policy for the Managing Board.

Determination and disclosure of remuneration

Principle

The report of the supervisory board shall include the principal points of the remuneration report of the supervisory board concerning the remuneration policy of the company, as drawn up by the remuneration committee. The notes to the annual accounts shall, in any event, contain the information prescribed by law on the level and structure of the remuneration of the individual members of the management board. The remuneration policy proposed for the next financial year and subsequent years as specified in the remuneration report shall be submitted to the general meeting of shareholders for adoption. Every material change in the remuneration policy shall also be submitted to the general meeting of shareholders for adoption. Schemes whereby management board members are remunerated in the form of shares or rights to subscribe for shares, and major changes to such schemes, shall be submitted to the general meeting of shareholders for approval. The supervisory board shall determine the remuneration of the individual members of the management board, on a proposal by the remuneration committee, within the scope of the remuneration policy adopted by the general meeting of shareholders.

Best practice provisions

II.2.9 The remuneration report of the supervisory board shall contain an account of the manner in which the remuneration policy has been implemented in the past financial year, as well as an overview of the remuneration policy planned by the supervisory board for the next financial year and subsequent years. Euronext applies this best practice provision. The remuneration report is part of the Report of the Supervisory Board in the annual report.

II.2.10 The overview referred to in II.2.9 shall, in any event, contain the following information:

- a) a statement of the relative importance of the variable and non-variable remuneration components and an explanation of this ratio;
- b) an explanation of any absolute change in the non-variable remuneration component;
- c) if applicable, the composition of the group of companies (peer group) whose remuneration policy determines in part the level and composition of the remuneration of the management board members;
- d) a summary and explanation of the company's policy with regard to the term of the contracts with management board members, the applicable periods of notice and redundancy schemes and an explanation of the extent to which best practice provision II.2.7 is endorsed;
- e) a description of the performance criteria on which any right of the management board members to options, shares or other variable remuneration components is dependent;
- f) an explanation of the chosen performance criteria;
- g) a summary of the methods that will be applied in order to determine whether the performance criteria have been fulfilled and an explanation of the choice of these methods;
- h) if performance criteria are based on a comparison with external factors, a summary should be given

of the factors that will be used to make the comparison; if one of the factors relates to the performance of one or more companies (peer group) or of an index, it should be stated which companies or which index has been chosen as the yardstick for comparison;

- i) a description and explanation of each proposed change to the conditions on which a management board member can acquire rights to options, shares or other variable remuneration components;
- j) if any right of a management board member to options, shares or other variable remuneration components is not performance-related, an explanation of why this is the case;
- k) current pension schemes and the related financing costs;
- l) agreed arrangements for the early retirement of management board members.

Euronext applies this best practice provision. However, Euronext will not disclose market-sensitive information or information that could jeopardise the company's position in relation to its competitors.

II.2.11 The main elements of the contract of a management board member with the company shall be made public immediately after it is concluded. These elements shall in any event include the amount of the fixed salary, the structure and amount of the variable remuneration component, any redundancy scheme, pension arrangements and performance criteria.

Euronext applies this best practice provision. However, market-sensitive information or information that could jeopardise the company's position in relation to its competitors will not be disclosed.

II.2.12 If a management board member or former management board member is paid special remuneration during a given financial year, an explanation of this remuneration shall be included in the remuneration report. The remuneration report shall in any event account for and explain remuneration paid or promised in the year under review to a management board member by way of severance pay.

Euronext applies this best practice provision.

II.2.13 The remuneration report of the supervisory board shall, in any event, be posted on the company's website.

Euronext applies this best practice provision. The remuneration report is part of the annual report, which is published on the company's website.

II.2.14 The company shall state in the notes to the annual accounts, in addition to the information to be included pursuant to article 2:383d of the Civil Code, the value of any options granted to the management board and the personnel and shall indicate how this value is determined.

Euronext applies this best practice provision.

II.3 Conflicts of interest

Principle

Any conflict of interest or apparent conflict of interest between the company and management board members shall be avoided. Decisions to enter into transactions under which management board members would have conflicts of interest that are of material significance to the company and/or to the relevant management board member require the approval of the supervisory board.

Best practice provisions

II.3.1 A management board member shall:

- (a) not enter into competition with the company;
- (b) not demand or accept (substantial) gifts from the company for himself or for his wife, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree;
- (c) not provide unjustified advantages to third parties to the detriment of the company;
- (d) not take advantage of business opportunities to which the company is entitled for himself or for his wife, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.

Euronext applies this best practice provision, which is included in the [Managing Board's Rules of Procedure](#).

II.3.2 A management board member shall immediately report any conflict of interest or potential conflict of interest that is of material significance to the company and/or to him, to the chairman of the supervisory board and to the other members of the management board and shall provide all relevant information, including information concerning his wife, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree. The supervisory board shall decide, without the management board member concerned being present, whether there is a conflict of interest. A conflict of interests exists, in any event, if the company intends to enter into a transaction with a legal entity (i) in which a management board member personally has a material financial interest; (ii) which has a management board member who has a relationship under family law with a management board member of the company, or (iii) in which a management board member of the company has a management or supervisory position.

Euronext applies this best practice provision, which is included in the [Managing Board's Rules of Procedure](#).

II.3.3 A management board member shall not take part in any discussion or decision-making that involves a subject or transaction in relation to which he has a conflict of interest with the company.

Euronext applies this best practice provision, which is included in the [Managing Board's Rules of Procedure](#).

II.3.4 All transactions in which there are conflicts of interest with management board members shall be agreed on terms that are customary in the sector concerned. Decisions to enter into transactions in which there are conflicts of interest with management board members that are of material significance to the company and/or to the relevant board members require the approval of the supervisory board. Such transactions shall be published in the annual report, together with a statement of the conflict of interest and a declaration that best practice provisions II.3.2 to II.3.4 inclusive have been complied with.

Euronext applies this best practice provision, which is included in the [Managing Board's Rules of Procedure](#).

III. Supervisory Board

III.1 Role and procedure

Principle

The role of the supervisory board is to supervise the policies of the management board and the general affairs of the company and its affiliated enterprise, as well as to assist the management board by providing advice. In discharging its role, the supervisory board shall be guided by the interests of the company and its affiliated enterprise, and shall take into account the relevant interests of the company's stakeholders. The supervisory board is responsible for the quality of its own performance.

Best practice provisions

III.1.1 The division of duties within the supervisory board and the procedure of the supervisory board shall be laid down in a set of regulations. The supervisory board shall include in the regulations a paragraph dealing with its relations with the management board, the general meeting of shareholders and the works council, where relevant. The regulations shall, in any event, be posted on the company's website. Euronext applies this best practice provision. Euronext's Supervisory Board has adopted rules of procedure, which are published on the company's website.

III.1.2 The annual financial report of the company shall include a report of the supervisory board in which the supervisory board describes its activities in the financial year and which includes the specific statements and information required by the provisions of this code. Euronext applies this best practice provision. Euronext's Supervisory Board always reports extensively in the company's annual report on its activities and performance in the past financial year.

III.1.3 The following information about each supervisory board member shall be included in the report of the supervisory board:

- (a) gender;
- (b) age;
- (c) profession;
- (d) principal position;
- (e) nationality;
- (f) other positions, in so far as they are relevant to the performance of the duties of the supervisory board member;
- (g) date of initial appointment;
- (h) the current term of office.

Euronext applies this best practice provision, which is included in the Supervisory Board's Rules of Procedure.

III.1.4 A supervisory board member shall retire early in the event of inadequate performance, structural incompatibility of interests, and in other instances in which this is deemed necessary by the supervisory board.

Euronext applies this best practice provision, which is included in the Supervisory Board's Rules of Procedure.

III.1.5 Supervisory board members who are frequently absent shall be called to account for this. The report of the supervisory board shall state which supervisory board members have been frequently absent from meetings of the supervisory board.

Euronext applies this best practice provision. The Supervisory Board reviews the attendance of its members once a year. The chairman will contact members of the Supervisory Board who are frequently absent from Supervisory Board meetings and discusses their attendance.

III.1.6 The supervision of the management board by the supervisory board shall include:

- (i) achievement of the company's objectives;
- (ii) corporate strategy and the risks inherent in the business activities;
- (iii) the structure and operation of the internal risk management and control systems;
- (iv) the financial reporting process;
- (v) compliance with the legislation and regulations.

Euronext applies this best practice provision, which is included in the Supervisory Board's Rules of Procedure.

III.1.7 The supervisory board shall discuss at least once a year on its own, i.e. without the management board being present, both its own functioning and that of its individual members, and the conclusions that must be drawn on the basis thereof. The desired profile, composition and competence of the supervisory board shall also be discussed. Moreover, the supervisory board shall discuss at least once a year without the management board being present both the functioning of the management board as an organ of the company and the performance of its individual members, and the conclusions that must be drawn on the basis thereof. Reference to these discussions shall be made in the report of the supervisory board.

Euronext applies this best practice provision, which is included in the Supervisory Board's Rules of Procedure. Reference to these discussions will be made in the annual report.

III.1.8 The supervisory board shall discuss at least once a year the corporate strategy and the risks of the business, and the result of the assessment by the management board of the structure and operation of the internal risk management and control systems, as well as any significant changes thereto. Reference to these discussions shall be made in the report of the supervisory board.

Euronext applies this best practice provision, which is included in the Supervisory Board's Rules of Procedure. Reference to these discussions will be made in the annual report.

III.1.9 The supervisory board and its individual members each have their own responsibility for obtaining all information from the management board and the external auditor that the supervisory board needs in order to be able to carry out its duties properly as a supervisory organ. If the supervisory board considers it necessary, it may obtain information from officers and external advisers of the company. The company shall provide the necessary means for this purpose. The supervisory board may require that certain officers and external advisers attend its meetings.

Euronext applies this best practice provision, which is included in the Supervisory Board's Rules of Procedure.

III.2 Independence

Principle

The composition of the supervisory board shall be such that the members are able to act critically and independently of one another and of the management board and any particular interests.

Best practice provisions

III.2.1 All supervisory board members, with the exception of not more than one person, shall be independent within the meaning of best practice provision III.2.2.

III.2.2 A supervisory board member shall be deemed to be independent if the following criteria of dependence do not apply to him. The said criteria are that the supervisory board member concerned or his wife, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree:

- a) has been an employee or member of the management board of the company (including associated companies as referred to in section I of the Disclosure of Major Holdings in Listed Companies Act (WMZ) 1996) in the five years prior to the appointment;
- b) receives personal financial compensation from the company, or a company associated with it, other than the compensation received for the work performed as a supervisory board member and in so far as this is not in keeping with the normal course of business;
- c) has had an important business relationship with the company, or a company associated with it, in the year prior to the appointment. This includes the case where the supervisory board member, or the firm of which he is a shareholder, partner, associate or adviser, has acted as adviser to the company (consultant, external auditor, civil notary and lawyer) and the case where the supervisory board member is a management board member or an employee of any bank with which the company has a lasting and significant relationship;
- d) is a member of the management board of a company in which a member of the management board of the company which he supervises is a supervisory board member;
- e) holds at least ten percent of the shares in the company (including the shares held by natural persons or legal entities which cooperate with him under an express or tacit, oral or written agreement);
- f) is a member of the management board or supervisory board - or is a representative in some other way - of a legal entity which holds at least ten percent of the shares in the company, unless such entity is a member of the same group as the company;
- g) has temporarily managed the company during the previous twelve months where management board members have been absent or unable to discharge their duties.

In accordance with the preamble of the Dutch Corporate Governance Code, Euronext is deemed to comply with best practice provisions III.2.1. and III.2.2, as the 2005 Annual General Meeting approved Euronext's corporate governance policy, including the exception to this best practice provision.

The Dutch corporate governance code recommends that no more than one Supervisory Board member may be regarded as non-independent. On 13 March 2006, all Supervisory Board members met the independence criteria as set out in the Dutch Corporate Governance Code, with the exception of the following three members.

- Mr van den Hoek is attached to the law firm Stibbe. Euronext has business dealings with various law firms, including Stibbe.
- Mr Hoenn acts as adviser to the board of BNP Paribas. Euronext has long-term, significant relationships with several financial institutions, some of which also provide advisory services. BNP Paribas is one of these financial institutions.
- Mr van Tets acts as adviser to the board of ABN AMRO Bank. Euronext has long-term, significant relationships with several financial institutions, some of which also provide advisory services. ABN AMRO Bank is one of these financial institutions.

Euronext does not consider the positions that Mr van den Hoek, Mr Hoenn and Mr van Tets hold at Stibbe, BNP Paribas and ABN AMRO Bank, respectively, as affecting their independence. In their dealings with Stibbe, BNP Paribas and ABN AMRO Bank, the company and Mr van den Hoek, Mr Hoenn and Mr van Tets, respectively, ensure that they have no involvement, either directly or indirectly, with these business relationships or with the advice, legal or otherwise, provided by these organisations. The Supervisory Board has concluded that Mr van den Hoek's expertise, particularly in the field of Dutch and international legal matters and corporate issues, is important for the functioning and expertise of the company and the Supervisory Board. With regard to Mr Hoenn and Mr van Tets, Euronext considers it necessary for the Supervisory Board to include members with specific expertise with respect to major financial institutions and the securities industry. When selecting new members of the Supervisory Board, Euronext will continue to take into consideration the relevant independence criteria contained in the corporate governance recommendations.

III.2.3 The report of the supervisory board shall state that, in the view of the supervisory board members, best practice provision III.2.1 has been fulfilled, and shall also state which supervisory board member is not considered to be independent, if any.

Euronext applies this best practice provision. The company's 2004 annual report contains an extensive explanation with regard to the independence of supervisory board members.

III.3 Expertise and composition

Principle

Each supervisory board member shall be capable of assessing the broad outline of the overall policy. Each supervisory board member shall have the specific expertise required for the fulfilment of the duties assigned to the role designated to him within the framework of the supervisory board profile. The composition of the supervisory board shall be such that it is able to carry out its duties properly. A supervisory board member shall be reappointed only after careful consideration. The profile criteria referred to above shall also be fulfilled in the case of a reappointment.

Best practice provisions

III.3.1 The supervisory board shall prepare a profile of its size and composition, taking account of the nature of the business, its activities and the desired expertise and background of the supervisory board members. The profile shall be made generally available and shall, in any event, be posted on the company's website.

Euronext applies this best practice provision. The Supervisory Board's profile is attached as an appendix to the Supervisory Board's Rules of Procedure and is published on the company's website.

III.3.2 At least one member of the supervisory board shall be a financial expert, in the sense that he has relevant knowledge and experience of financial administration and accounting for listed companies or other large legal entities.

Euronext applies this best practice provision. According to the Supervisory Board's profile, one or more members of the Supervisory Board have relevant financial expertise. All three members of the Supervisory Board's Audit Committee are considered to be financial experts.

III.3.3 After their appointment, all supervisory board members shall follow an induction programme, which, in any event, covers general financial and legal affairs, financial reporting by the company, any specific aspects that are unique to the company and its business activities, and the responsibilities of a supervisory board member. The supervisory board shall conduct an annual review to identify any aspects with regard to which the supervisory board members require further training or education during their period of appointment. The company shall play a facilitating role in this respect.

Euronext applies this best practice provision, which is included in the Supervisory Board's Rules of Procedure.

III.3.4 The number of supervisory boards of Dutch listed companies of which an individual may be a member shall be limited to such an extent that the proper performance of his duties is assured; the maximum number is five, for which purpose the chairmanship of a supervisory board counts double. Euronext applies this best practice provision. On 13 March 2006, no member of the Supervisory Board held more than five positions (whereby the position as chairman of the Supervisory Board is counted as two positions) on Supervisory Boards as defined in the Code. In 2005 two members of the Supervisory Board (Mr Hessels and Mr van den Hoek) reduced the positions they held and are now within the limit as defined by the Code.

III.3.5 A person may be appointed to the supervisory board for a maximum of three 4-year terms. Euronext applies this best practice provision. Euronext's articles of association stipulate that Supervisory Board members must resign on the day on which the first shareholders' meeting is held after four years have lapsed since his or her most recent appointment, and that Supervisory Board directors may be in office for a maximum of three four-year periods.

III.3.6 The supervisory board shall draw up a retirement schedule in order to avoid, as far as possible, a situation in which many supervisory board members retire at the same time. The retirement schedule shall be made generally available and shall, in any event, be put on the company's website. Euronext applies this best practice provision. The Supervisory Board's rotation schedule is attached as an appendix to the Supervisory Boards Rules of Procedure and is published on the company's website.

III.4 Role of the chairman of the supervisory board and the company secretary

Principle

The chairman of the supervisory board determines the agenda, chairs the supervisory board meetings, monitors the proper functioning of the supervisory board and its committees, arranges for the adequate provision of information to the members, ensures that there is sufficient time for making decisions, arranges for the induction and training programme for the members, acts on behalf of the supervisory board as the main contact for the management board, initiates the evaluation of the functioning of the supervisory board and the management board and ensures, as chairman, the orderly and efficient conduct of the general meeting of shareholders. The chairman of the supervisory board is assisted in his role by the company secretary.

Best practice provisions

III.4.1 The chairman of the supervisory board shall see to it that:

- a) the supervisory board members follow their induction and education or training programme;
- b) the supervisory board members receive in good time all information which is necessary for the proper performance of their duties;
- c) there is sufficient time for consultation and decision-making by the supervisory board;
- d) the committees of the supervisory board function properly;
- e) the performance of the management board members and supervisory board members is assessed at least once a year;
- f) the supervisory board elects a vice-chairman;
- g) the supervisory board has proper contact with the management board and the works council (or central works council).

Euronext applies this best practice provision, which is included in the Supervisory Board's Rules of Procedure.

III.4.2 The chairman of the supervisory board shall not be a former member of the management board of the company.

Euronext applies this best practice provision, which is part of the company's corporate governance policy that was approved by the Annual General Meeting in 2005.

III.4.3 The supervisory board shall be assisted by the company secretary. The company secretary shall see to it that correct procedures are followed and that the supervisory board acts in accordance with its statutory obligations and its obligations under the articles of association. He shall assist the chairman of the supervisory board in the actual organisation of the affairs of the supervisory board (information, agenda, evaluation, training programme, etc.). The company secretary shall, either on the recommendation of the supervisory board or otherwise, be appointed and dismissed by the management board, after the approval of the supervisory board has been obtained.

Euronext applies this best practice provision, which is included in the Supervisory Board's Rules of Procedure. The company secretary, who is the secretary to the Supervisory Board and the Managing Board, is appointed and dismissed by the Managing Board (a decision that may or may not be taken on the recommendation of the Supervisory Board) subject to the prior approval of the Supervisory Board.

III.5 Composition and role of three key committees of the supervisory board

Principle

If the supervisory board consists of more than four members, it shall appoint from among its members an audit committee, a remuneration committee and a selection and appointment committee. The function of the committees is to prepare the decision-making of the supervisory board. If the supervisory board decides not to appoint an audit committee, remuneration committee or selection and appointment committee, best practice provisions III.5.4, III.5.5, III.5.8, III.5.9, III.5.10, III.5.13, V.1.2, V.2.3 and V.3.1 shall apply to the entire supervisory board. In its report, the supervisory board shall report on how the duties of the committees have been carried out in the financial year.

Best practice provisions

III.5.1 The supervisory board shall draw up a set of regulations for each committee. The regulations shall indicate the role and responsibility of the committee concerned, its composition and the manner in which it discharges its duties. The regulations shall in any event contain a provision that a maximum of one member of each committee need not be independent within the meaning of best practice provision III.2.2. The regulations and the composition of the committees shall, in any event, be posted on the company's website.

Euronext applies this best practice provision. The rules of procedure for each committee are attached as an appendix to the Supervisory Board's Rules of Procedure and are published on the company's website. In addition to the committees mentioned in the best practice provision, the Supervisory Board has also established an IT Committee as IT is an essential part of Euronext's business activities. The IT Committee's Rules of Procedure do not include the provision that a maximum of one member of the IT Committee need not be independent within the meaning of best practice provision III.2.2.

III.5.2 The report of the supervisory board shall state the composition of the individual committees, the number of committee meetings and the main items discussed.

Euronext applies this best practice provision. The Supervisory Board's report in the annual report contains the information required under this provision.

III.5.3 The supervisory board shall receive from each of the committees a report of its deliberations and findings.

Euronext applies this best practice provision. The most important conclusions and recommendations of each committee meeting are reported to the Supervisory Board, which also receives the approved minutes of each committee meeting. All committees have an advisory role only.

Audit committee

III.5.4 The audit committee shall in any event focus on supervising the activities of the management board with respect to:

- a) the operation of the internal risk management and control systems, including supervision of the enforcement of the relevant legislation and regulations, and supervising the operation of codes of conduct;

- b) the provision of financial information by the company (choice of accounting policies, application and assessment of the effects of new rules, information about the handling of estimated items in the annual accounts, forecasts, work of internal and external auditors, etc.);
- c) compliance with recommendations and observations of internal and external auditors;
- d) the role and functioning of the internal audit department;
- e) the policy of the company on tax planning;
- f) relations with the external auditor, including, in particular, his independence, remuneration and any non-audit services for the company;
- g) the financing of the company;
- h) the applications of information and communication technology (ICT).

Euronext applies this best practice provision. The objectives of this provision are included in the Audit Committee's Rules of Procedure

III.5.5 The audit committee shall act as the principal contact for the external auditor if he discovers irregularities in the content of the financial reports.

Euronext applies this best practice provision, which is included in the Audit Committee's Rules of Procedure.

III.5.6 The audit committee shall not be chaired by the chairman of the supervisory board or by a former member of the management board of the company.

Euronext applies this best practice provision, which is included in the Audit Committee's Rules of Procedure.

III.5.7 At least one member of the audit committee shall be a financial expert within the meaning of best practice provision III.3.2.

Euronext applies this best practice provision. All members of the Audit Committee are considered to be financial experts.

III.5.8 The audit committee shall decide whether and, if so, when the chairman of the management board (chief executive officer), the chief financial officer, the external auditor and the internal auditor, should attend its meetings.

Euronext applies this best practice provision. Normally, the CEO, the CFO, the internal auditor, the external auditors and the head of the Group finance department are invited to each meeting of the Audit Committee. In addition, several managers are invited to discuss specific items included on the committee's agenda. The chairman of the Audit Committee draws up the agenda of each Audit Committee meeting in close co-operation with the CEO.

III.5.9 The audit committee shall meet with the external auditor as often as it considers necessary, but at least once a year, without management board members being present.

Euronext applies this best practice provision. The company's external audit firms are invited to all regular meetings of the Audit Committee. In addition, the external auditors meet with the Audit Committee in a closed session at least once a year, without the management being present.

Remuneration committee

III.5.10 The remuneration committee shall in any event have the following duties:

- a) drafting a proposal to the supervisory board for the remuneration policy to be pursued;
- b) drafting a proposal for the remuneration of the individual members of the management board, for adoption by the supervisory board; such proposal shall, in any event, deal with: (i) the remuneration structure and (ii) the amount of the fixed remuneration, the shares and/or options to be granted and/or other variable remuneration components, pension rights, redundancy pay and other forms of compensation to be awarded, as well as the performance criteria and their application;
- c) preparing the remuneration report as referred to in best practice provision II.2.9.

Euronext applies this best practice provision, which is included in the Rules of Procedure of the combined Nomination/Remuneration/Corporate Governance Committee.

III.5.11 The remuneration committee shall not be chaired by the chairman of the supervisory board or by a former member of the management board of the company, or by a supervisory board member who is a member of the management board of another listed company.

In accordance with the preamble of the Dutch Corporate Governance Code, Euronext is deemed to comply with this best practice provision, as the 2005 Annual General Meeting approved Euronext's corporate governance policy, including the exception to this best practice provision.

The chairman of the Supervisory Board is also the chairman of the combined Nomination/Remuneration/Corporate Governance Committee. Euronext opted for this structure for reasons of efficiency, and to ensure consistency and cohesion with the activities of the combined Nomination/Remuneration/Corporate Governance Committee.

III.5.12 No more than one member of the remuneration committee shall be a member of the management board of another Dutch listed company.

Euronext applies this best practice provision, which is included in the Rules of Procedure of the combined Nomination/Remuneration/Corporate Governance Committee.

Selection and appointment committee

III.5.13 The selection and appointment committee shall in any event focus on:

- a) drawing up selection criteria and appointment procedures for supervisory board members and management board members;
- b) periodically assessing the size and composition of the supervisory board and the management board, and making a proposal for a composition profile of the supervisory board;
- c) periodically assessing the functioning of individual supervisory board members and management board members, and reporting on this to the supervisory board;
- d) making proposals for appointments and reappointments;
- e) supervising the policy of the management board on the selection criteria and appointment procedures for senior management.

Euronext applies this best practice provision. The objectives of the provision are included in the Rules of Procedure of the combined Nomination/Remuneration/Corporate Governance Committee.

III.6 Conflicts of interest

Principle

Any conflict of interest or apparent conflict of interest between the company and supervisory board members shall be avoided. Decisions to enter into transactions under which supervisory board members would have conflicts of interest that are of material significance to the company and/or to the relevant supervisory board members require the approval of the supervisory board. The supervisory board is responsible for deciding on how to resolve conflicts of interest between management board members, supervisory board members, major shareholders and the external auditor on the one hand and the company on the other.

Best practice provisions

III.6.1 A supervisory board member shall immediately report any conflict of interest or potential conflict of interest that is of material significance to the company and/or to him, to the chairman of the supervisory board and shall provide all relevant information, including information concerning his wife, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree. If the chairman of the supervisory board has a conflict of interest or potential conflict of interest that is of material significance to the company and/or to him, he shall report this immediately to the vice chairman of the supervisory board and shall provide all relevant information, including information concerning his wife, registered partner or other life companion, foster child and

relatives by blood or marriage up to the second degree. The supervisory board member concerned shall not take part in the assessment by the supervisory board of whether a conflict of interest exists. A conflict of interest exists in any event if the company intends to enter into a transaction with a legal entity (i) in which a supervisory board member personally has a material financial interest; (ii) which has a management board member who has a relationship under family law with a member of the supervisory board of the company, or (iii) in which a member of the supervisory board of the company has a management or supervisory position.

Euronext applies this best practice provision, which is included in the Supervisory Board's Rules of Procedure.

III.6.2 A supervisory board member shall not take part in a discussion and/or decision-making on a subject or transaction in relation to which he has a conflict of interest with the company.

Euronext applies this best practice provision, which is included in the Supervisory Board's Rules of Procedure.

III.6.3 All transactions in which there are conflicts of interest with supervisory board members shall be agreed on terms that are customary in the sector concerned. Decisions to enter into transactions in which there are conflicts of interest with supervisory board members that are of material significance to the company and/or to the relevant supervisory board members require the approval of the supervisory board. Such transactions shall be published in the annual report, together with a statement of the conflict of interest and a declaration that best practice provisions III.6.1 to III.6.3 inclusive have been complied with.

Euronext applies this best practice provision, which is included in the Supervisory Board's Rules of Procedure.

III.6.4 All transactions between the company and legal or natural persons who hold at least ten percent of the shares in the company shall be agreed on terms that are customary in the sector concerned. Decisions to enter into transactions in which there are conflicts of interest with such persons that are of material significance to the company and/or to such persons require the approval of the supervisory board. Such transactions shall be published in the annual report, together with a declaration that best practice provision III.6.4 has been observed.

Euronext applies this best practice provision. In accordance with the provisions of the Dutch Securities Transactions Act 1995, it is illegal to hold, acquire or increase, either directly or indirectly, a qualified shareholding of more than 10% in the share capital of Euronext unless a declaration of no objection has been obtained from the Dutch ministry of finance. As far as Euronext is aware, the ministry did not issue any declarations of non-objection to any legal or natural company up to and including 13 March 2006.

III.6.5 The regulations of the supervisory board shall contain rules on dealing with conflicts of interest and potential conflicts of interest between management board members, supervisory board members and the external auditor on the one hand and the company on the other. The regulations shall also stipulate which transactions require the approval of the supervisory board.

Euronext applies this best practice provision. The Supervisory Board's and Managing Board's Rules of Procedure contain rules on how to deal with conflicts of interest and potential conflicts of interest between Managing Board members and Supervisory Board members on the one hand, and the company on the other.

III.6.6 A delegated supervisory board member is a supervisory board member who has a special duty. The delegation may not extend beyond the duties of the supervisory board itself and may not include the management of the company. It may entail more intensive supervision and advice and more regular consultation with the management board. The delegation shall be of a temporary nature only. The delegation may not detract from the role and power of the supervisory board. The delegated supervisory board member remains a member of the supervisory board.

Euronext applies this best practice provision, which is included in the Supervisory Board's Rules of Procedure.

III.6.7 A supervisory board member who temporarily takes on the management of the company, where the management board members are absent or unable to fulfil their duties, shall resign from the

supervisory board.

Euronext applies this best practice provision, which is included in the Supervisory Board's Rules of Procedure.

III.7 Remuneration

Principle

The general meeting of shareholders shall determine the remuneration of supervisory board members. The remuneration of a supervisory board member is not dependent on the results of the company. The notes to the annual accounts shall, in any event, contain the information prescribed by law on the level and structure of the remuneration of individual supervisory board members.

Best practice provisions

III.7.1 A supervisory board member shall not be granted any shares and/or rights to shares by way of remuneration.

Euronext applies this best practice provision, which is included in the Supervisory Board's Rules of Procedure.

III.7.2 Any shares held by a supervisory board member in the company on whose board he sits are long-term investments.

Euronext applies this best practice provision, which is included in the Supervisory Board's Rules of Procedure.

III.7.3 The supervisory board shall adopt a set of regulations containing rules governing ownership of and transactions in securities by supervisory board members, other than securities issued by their 'own' company. The regulations shall be posted on the company's website. A supervisory board member shall give periodic notice, but in any event at least once a quarter, of any changes in his holding of securities in Dutch listed companies to the compliance officer or, if the company has not appointed a compliance officer, to the chairman of the supervisory board. A supervisory board member who invests exclusively in listed investment funds or who has transferred the discretionary management of his securities portfolio to an independent third party by means of a written mandate agreement is exempted from compliance with this last provision.

In accordance with the preamble of the Dutch Corporate Governance Code, Euronext is deemed to comply with this best practice provision, as the 2005 Annual General Meeting approved Euronext's corporate governance policy, including the exception to this best practice provision.

The Supervisory Board has adopted a Code of Conduct requiring that members of the Supervisory Board report on any changes in their holdings of securities in Dutch listed companies once a year. Euronext's Supervisory Board has opted for this deviation from the best practice provision given the international composition of Euronext's Supervisory Board and the limited number of transactions executed by Supervisory Board members. The Code of Conduct applicable to the members of the Supervisory Board is published on the company's website.

III.7.4 The company shall not grant its supervisory board members any personal loans, guarantees or the like unless in the normal course of business and after approval of the supervisory board. No remission of loans shall be granted.

Euronext applies this best practice provision, which is included in the Supervisory Board's Rules of Procedure.

III.8 One-tier management structure

Principle

The composition and functioning of a management board comprising both members having responsibility for the day-to-day running of the company (executive directors) and members not having such responsibility (non-executive directors) shall be such that proper and independent supervision by the latter category of members is assured.

Best practice provisions

III.8.1 The chairman of the management board shall not also be and shall not have been an executive director.

III.8.2 The chairman of the management board shall check the proper composition and functioning of the entire board.

III.8.3 The management board shall apply chapter III.5 of this code. The committee referred to in chapter III.5 shall consist only of non-executive management board member.

III.8.4 The majority of the members of the management board shall be non-executive directors and are independent within the meaning of best practice provision III.2.2.

The best practice provisions under III. 8 do not apply to Euronext's two-tier governance structure.

IV. The shareholders and general meeting of shareholders

IV.1 Powers

Principle

Good corporate governance requires the fully-fledged participation of shareholders in the decision-making in the general meeting of shareholders. It is in the interest of the company that as many shareholders as possible take part in the decision-making in the general meeting of shareholders. The company shall, in so far as possible, give shareholders the opportunity to vote by proxy and to communicate with all other shareholders. The general meeting of shareholders should be able to exert such influence on the policy of the management board and the supervisory board of the company that it plays a fully-fledged role in the system of checks and balances in the company. Any decisions of the management board on a major change in the identity or character of the company or the enterprise shall be subject to the approval of the general meeting of shareholders.

Best practice provisions

IV.1.1 The general meeting of shareholders of a company not having statutory two tier status (structuurregime) may pass a resolution to cancel the binding nature of a nomination for the appointment of a member of the management board or of the supervisory board and/or a resolution to dismiss a member of the management board or of the supervisory board by an absolute majority of the votes cast. It may be provided that this majority should represent a given proportion of the issued capital, which proportion may not exceed one third. If this proportion of the capital is not represented at the meeting, but an absolute majority of the votes cast is in favour of a resolution to cancel the binding nature of a nomination, or to dismiss a board member, a new meeting may be convened at which the resolution may be passed by an absolute majority of the votes cast, regardless of the proportion of the capital represented at the meeting.

Euronext applies this best practice provision. The company's articles of association stipulate that the Annual General Meeting shall appoint Supervisory Board members and Managing Board members. A resolution for appointment requires an absolute majority of the votes validly cast, in the event and to the extent that the appointment occurs pursuant to and in accordance with a proposal of the Supervisory Board. The appointment requires at least two thirds of the votes validly cast, representing more than one third of the issued capital, in the event and to the extent that the appointment does not occur pursuant to and in accordance with a proposal of the Supervisory Board.

IV.1.2 The voting right on financing preference shares shall be based on the fair value of the capital contribution. This shall in any event apply to the issue of financing preference shares.

Euronext applies this best practice provision. Euronext has no preference shares.

IV.1.3 If a serious private bid is made for a business unit or a participating interest and the value of the bid exceeds the threshold referred to in draft article 2:107a paragraph 1 (c), Civil Code, and such bid is made public, the management board of the company shall, at its earliest convenience, make public its position on the bid and the reasons for this position.

Euronext applies this best practice provision, which is included in the company's articles of association.

IV.1.4 The policy of the company on additions to reserves and on dividends (the level and purpose of the addition to reserves, the amount of the dividend and the type of dividend) shall be dealt with and explained as a separate agenda item at the general meeting of shareholders.

Euronext applies this best practice provision. The policy on reservations and dividend will be discussed in the Annual General Meeting as a separate agenda item.

IV.1.5 A resolution to pay a dividend shall be dealt with as a separate agenda item at the general meeting of shareholders.

Euronext applies this best practice provision. The company's articles of association stipulate that the company's profits are at the disposal of the Annual General Meeting, provided the Annual General Meeting decides on any reservation or distribution of the profits on the basis of and in accordance with a proposal of the Managing Board, subject to the prior approval of the Supervisory Board.

IV.1.6 Resolutions to approve the policy of the management board (discharge of management board members from liability) and to approve the supervision exercised by the supervisory board (discharge of supervisory board members from liability) shall be voted on separately in the general meeting of shareholders.

Euronext applies this best practice provision, which is included in the company's articles of association.

IV.1.7 The company shall determine a registration date for the exercise of the voting rights and the rights relating to meetings.

Euronext applies this best practice provision, which is included in the company's articles of association.

IV.2 Depository receipts for shares

Principle

Depository receipts for shares are a means of preventing a (chance) minority of shareholders from controlling the decision-making process as a result of absenteeism at a general meeting of shareholders. Depository receipts for shares shall not be used as an anti-takeover measure. The management of the trust office shall issue proxies in all circumstances and without limitation to the holders of depository receipts who so request. The holders of depository receipts thus authorised can exercise the voting right at their discretion. The management of the trust office shall have the confidence of the holders of depository receipts. Depository receipt holders shall have the possibility of recommending candidates for the management of the trust office. The company shall not disclose to the trust office information which has not been made public.

Best practice provisions

IV.2.1 The management of the trust office shall enjoy the confidence of the depository receipt holders and operate independently of the company which has issued the depository receipts. These matters shall be discussed explicitly during a meeting of holders of depository receipts after this code enters into effect. The trust conditions shall specify in what cases and subject to what conditions holders of depository receipts may request the trust office to call a meeting of holders of depository receipts.

IV.2.2 The managers of the trust office shall be appointed by the management of the trust office. The meeting of holders of depository receipts may make recommendations to the management of the trust office for the appointment of persons to the position of manager. No management board members or former management board members, supervisory board members or former supervisory board members, employees or permanent advisers of the company should be part of the management of the trust office.

IV.2.3 A person may be appointed to the management of the trust office for a maximum of three 4-year terms.

IV.2.4 The management of the trust office shall be present at the general meeting of shareholders and shall, if desired, make a statement about how it proposes to vote at the meeting.

IV.2.5 In exercising its voting rights, the trust office shall be guided primarily by the interests of the depositary receipt holders, taking the interests of the company and its affiliated enterprise into account.

IV.2.6 The trust office shall report periodically, but at least once a year, on its activities. The report shall, in any event, be posted on the company's website.

IV.2.7 The report referred to in best practice provision IV.2.6 shall, in any event, set out:

- a) the number of shares for which depositary receipts have been issued and an explanation of changes in this number;
- b) the work carried out in the year under review;
- c) the voting behaviour in the general meetings of shareholders held in the year under review;
- d) the percentage of votes represented by the trust office during the meetings referred to at (c);
- e) the remuneration of the members of the management of the trust office;
- f) the number of meetings held by the management and the main items dealt with in them;
- g) the costs of the activities of the trust office;
- h) any external advice obtained by the trust office;
- i) the positions of the managers of the trust office;
- j) the contact details of the trust office.

IV.2.8 The trust office shall, without limitation and in all circumstances, issue proxies to depositary receipt holders who so request. Each depositary receipt holder may also issue binding voting instructions to the trust office in respect of the shares which the trust office holds on his behalf. [The best practice provisions under IV.2 do not apply to Euronext, as Euronext has no depositary receipts for shares.](#)

IV.3 Provision of information to and logistics of the general meeting of shareholders

Principle

The management board or, where appropriate, the supervisory board shall provide all shareholders and other parties in the financial markets with equal and simultaneous information about matters that may influence the share price. The contacts between the management board on the one hand and press and analysts on the other shall be carefully handled and structured, and the company shall not engage in any acts that compromise the independence of analysts in relation to the company and vice versa. The management board and the supervisory board shall provide the general meeting of shareholders with all information that it requires for the exercise of its powers. If price-sensitive information is provided during a general meeting of shareholders, or the answering of shareholders' questions has resulted in the disclosure of price-sensitive information, this information shall be made public without delay.

Best practice provisions

IV.3.1 Meetings with analysts, presentations to analysts, presentations to investors and institutional investors and press conferences shall be announced in advance on the company's website and by means of press releases. Provision shall be made for all shareholders to follow these meetings and presentations in real time, for example by means of web casting or telephone lines. After the meetings, the presentations shall be posted on the company's website.

[Euronext applies this best practice provision. Euronext publishes its financial calendar on its website and sends invitations to the meetings stated on the financial calendar to the financial press and analysts who cover Euronext. These meetings are broadcast over the web.](#)

IV.3.2 Analysts' reports and valuations shall not be assessed, commented upon or corrected, other than factually, by the company in advance.

Euronext applies this best practice provision. Euronext does not assess, comment on or correct any research reports produced by analysts or assessments made by them, except to review and comment on the factual accuracy of the information, nor does it finance such research.

IV.3.3 The company shall not pay any fee(s) to parties for the carrying out of research for analysts' reports or for the production or publication of analysts' reports, with the exception of credit rating agencies.

Euronext applies this best practice provision. Euronext does not finance research reports produced by analysts or assessments made by them.

IV.3.4 Analysts meetings, presentations to institutional or other investors and direct discussions with the investors shall not take place shortly before the publication of the regular financial information (quarterly, half-yearly or annual reports).

Euronext applies this best practice provision. Meetings with analysts are scheduled so that they do not take place just before the publication of financial information.

IV.3.5 The management board and the supervisory board shall provide the general meeting of shareholders with all requested information, unless this would be contrary to an overriding interest of the company. If the management board and the supervisory board invoke an overriding interest, they must give reasons.

Euronext applies this best practice provision. Accordingly, the Managing Board and Supervisory Board provide shareholders' meetings with all requested information, unless this is in conflict with an overriding interest of the company. In such cases, The Managing Board and Supervisory Board shall give reasons for doing so.

IV.3.6 The company shall place and update all information which it is required to publish or deposit pursuant to the provisions of company law and securities law applicable to it, on a separate part of the company's website (i.e. separate from the commercial information of the company) that is recognisable as such. It is sufficient for the company to establish a hyperlink to the website of the institutions that publish the relevant information electronically pursuant to statutory provisions or the stock exchange regulations.

Euronext applies this best practice provision. Euronext has a section on investor relations on its website, and is committed to continuously improving the content of this section to ensure that it contains all information that is important for investors, as well as all the information referred to in this best practice provision.

IV.3.7 If a right of approval is granted to the general meeting of shareholders by law or under the articles of association of the company (e.g. in the case of option schemes, far-reaching decisions as referred to in draft article 2:107a Civil Code), or the management board or the supervisory board requests a delegation of powers (e.g. issue of shares or authorisation for the repurchase of shares), the management board and the supervisory board shall inform the general meeting of shareholders by means of a 'shareholders circular' of all facts and circumstances relevant to the approval, delegation or authorisation to be granted. The shareholders circular shall, in any event, be posted on the company's website.

Euronext applies this best practice provision. The agenda for the Annual General Meeting provides Euronext's shareholders with all information relevant to any request for a delegation of powers. Furthermore, Euronext has adopted a policy under which the Annual General Meeting will not be asked to delegate powers for more than eighteen months with regard to the issue of new shares, or the restriction or exclusion of pre-emptive rights in relation to the issue of new shares. A similar eighteen-month period applies to the authorisation of the Managing Board to acquire paid-up shares in the company's own capital.

IV.3.8 The report of the general meeting of shareholders shall be made available, on request, to shareholders no later than three months after the end of the meeting, after which the shareholders shall have the opportunity to react to the report in the following three months. The report shall then be adopted in the manner provided for in the articles of association.

Euronext applies this best practice provision. Euronext publishes the minutes of the Annual General Meeting on its website, and shareholders may comment on the minutes for a period of three months. The chairman of the Supervisory Board and the company secretary sign the minutes of the meeting at the end of this period.

IV.3.9 The management board shall provide a survey of all existing or potential anti-takeover measures in the annual report and shall also indicate in what circumstances it is expected that these measures may be used.

Euronext applies this best practice provision. Euronext has taken no anti-takeover measures.

IV.4 Responsibility of institutional investors

Principle

Institutional investors shall act primarily in the interests of the ultimate beneficiaries or investors and have a responsibility to the ultimate beneficiaries or investors and the companies in which they invest, to decide, in a careful and transparent way, whether they wish to exercise their rights as shareholder of listed companies. Institutional investors shall be prepared to enter into a dialogue with the company if they do not accept the company's explanation of non-application of a best practice provision of this code. The guiding principle in this connection is the recognition that corporate governance requires a tailor-made approach and that it is perfectly possible for a company to justify instances of non-application of individual provisions.

Best practice provisions

IV.4.1 Institutional investors (pension funds, insurers, investment institutions and asset managers) shall publish annually, in any event on their website, their policy on the exercise of the voting rights for shares they hold in listed companies.

IV.4.2 Institutional investors shall report annually, on their website and/or in their annual report, on how they have implemented their policy on the exercise of the voting rights in the year under review.

IV.4.3 Institutional investors shall report at least once a quarter, on their website, on whether and, if so, how they have voted as shareholders in the general meeting of shareholders.

The best practice provisions under IV.4 do not apply to Euronext, as Euronext is not an institutional investor.

V. The audit of the financial reporting and the position of the internal auditor function and of the external auditor

V.1 Financial reporting

Principle

The management board is responsible for the quality and completeness of publicly disclosed financial reports. The supervisory board shall see to it that the management board fulfils this responsibility.

Best practice provisions

V.1.1 The preparation and publication of the annual report, the annual accounts, the quarterly and/or half-yearly figures and ad hoc financial information require careful internal procedures. The supervisory board shall supervise compliance with these procedures.

Euronext applies this best practice provision. In order to ensure reliable financial reporting, Euronext has embedded its financial reporting process in a framework consisting of financial reporting manuals, an essential segregation of duties, proper authorisation schedules, written procedures, standardised definitions and forms, and experienced staff. The management periodically evaluates the processes in order to ensure they take account of changing environments. The objectives of this provision have been included in the Audit Committee's Rules of Procedure

V.1.2 The audit committee shall determine how the external auditor should be involved in the content and publication of financial reports other than the annual accounts.

Euronext applies this best practice provision. The Audit Committee's Rules of Procedure contain a separate section on external audits and the company's relation to the external auditors. The Audit Committee reviews and discusses the external auditors' yearly audit plans and the terms of engagement, remuneration and independence of the external auditors.

V.1.3 The management board is responsible for establishing and maintaining internal procedures which ensure that all major financial information is known to the management board, so that the timeliness, completeness and correctness of the external financial reporting are assured. For this purpose, the management board ensures that the financial information from business divisions and/or subsidiaries is reported directly to it and that the integrity of the information is not compromised. The supervisory board shall see to it that the internal procedures are established and maintained.

Euronext applies this best practice provision. Reference is made to the framework described in best practice provision V.1.1. The Managing Board reviews the company's financial information once a month and its turnover figures once a week. The Audit Committee is responsible for evaluating the financial structure and other aspects of Euronext's financial management. This responsibility is included in the Audit Committee's Rules of Procedure.

V.2 Role, appointment, remuneration and assessment of the functioning of the external auditor

Principle

The external auditor is appointed by the general meeting of shareholders. The supervisory board shall nominate a candidate for this appointment, for which purpose both the audit committee and the management board advise the supervisory board. The remuneration of the external auditor, and instructions to the external auditor to provide non-audit services, shall be approved by the supervisory board on the recommendation of the audit committee and after consultation with the management board.

Best practice provisions

V.2.1 The external auditor may be questioned by the general meeting of shareholders in relation to his statement on the fairness of the annual accounts. The external auditor shall therefore attend and be entitled to address this meeting.

Euronext applies this best practice provision. Euronext's external auditors attend Euronext's Annual General Meeting so that shareholders can ask questions about the auditors' report.

V.2.2 The management board and the audit committee shall report their dealings with the external auditor to the supervisory board on an annual basis, including his independence in particular (for example, the desirability of rotating the responsible partners of an external audit firm that provides audit services, and the desirability of the same audit firm providing non-audit services to the company). The supervisory board shall take this into account when deciding its nomination for the appointment of an external auditor, which nomination shall be submitted to the general meeting of shareholders. Euronext applies this best practice provision. Euronext's Audit Committee reviews and discusses the terms of engagement, remuneration and independence of the external auditors, and reports the outcome to the Supervisory Board. The Supervisory Board takes the Audit Committee's recommendations into account when making recommendations on the appointment of the company's external auditors to the Annual General Meeting. The Supervisory Board has agreed that the maximum length of time that a lead partner may be in charge of the audit is five years. The Supervisory Board, on the recommendation of the Audit Committee, has approved a procedure to ensure that the external auditors will not be engaged to perform any work that is not related to the financial audit unless the Audit Committee has given express permission for them to carry out such work. A separate authorisation level has been allocated to the CEO. The objectives of this provision have been included in the Supervisory Board's and Audit Committee's Rules of Procedure.

V.2.3 At least once every four years, the supervisory board and the audit committee shall conduct a thorough assessment of the functioning of the external auditor within the various entities and in the different capacities in which the external auditor acts. The main conclusions of this assessment shall be communicated to the general meeting of shareholders for the purposes of assessing the nomination for the appointment of the external auditor.

Euronext applies this best practice provision. The first in-depth assessment of the functioning of the external auditors took place in 2005. The main conclusions of the assessment are included in the Audit Committee's report in the annual report, and the agenda item concerning the appointment of the external auditors makes reference to this section of the annual report.

V.3 Internal auditor function

Principle

The internal auditor, who can play an important role in assessing and testing the internal risk management and control systems, shall operate under the responsibility of the management board.

Best practice provision

V.3.1 The external auditor and the audit committee shall be involved in drawing up the work schedule of the internal auditor. They shall also take cognizance of the findings of the internal auditor.

Euronext applies this best practice provision, which is included in the Audit Committee's Rules of Procedure.

V.4 Relationship and communication of the external auditor with the organs of the company

Principle

The external auditor shall, in any event, attend the meeting of the supervisory board, at which the annual accounts are to be adopted or approved. The external auditor shall report his findings in relation to the audit of the annual accounts to the management board and the supervisory board simultaneously.

Best practice provisions

V.4.1 The external auditor shall in any event attend the meeting of the supervisory board, at which the report of the external auditor with respect to the audit of the annual accounts is discussed, and at which annual accounts are to approved or adopted. The external auditor shall receive the financial information underlying the adoption of the quarterly and/or half-yearly figures and other interim financial reports and shall be given the opportunity to respond to all information.

Euronext applies this best practice provision. The external auditors attend the Supervisory Board meetings at which the annual and half-yearly financial statements are discussed. This provision is included in the Supervisory Board's Rules of Procedure.

V.4.2 When the need arises, the external auditor may request the chairman of the audit committee for leave to attend the meeting of the audit committee.

Euronext applies this best practice provision. The external auditors attend all meetings of the Audit Committee unless it is decided otherwise. The Audit Committee has at least one meeting with the external auditor every year, without the management being present. This provision is included in the Audit Committee's Rules of Procedure.

V.4.3 The report of the external auditor pursuant to article 2:393, paragraph 4, Civil Code shall contain the matters which the external auditor wishes to bring to the attention of the management board and the supervisory board in relation to his audit of the annual accounts and the related audits. The following examples can be given:

A. with regard to the audit:

- information about matters of importance to the assessment of the independence of the external auditor;
- information about the course of events during the audit and cooperation with internal auditors and/or any other external auditors, matters for discussion with the management board, a list of corrections that have not been made, etc.

B. with regard to the financial figures:

- analyses of changes in shareholders' equity and results, which do not appear in the information to be published, and which, in the view of the external auditor, contribute to an understanding of the financial position and results of the company;
- comments regarding the processing of one-off items, the effects of estimates and the manner in which they have been arrived at, the choice of accounting policies, when other choices were possible, and special effects of such policies;
- comments on the quality of forecasts and budgets.

C. with regard to the operation of the internal risk management and control systems (including the reliability and continuity of automated data processing) and the quality of the internal provision of information:

- points for improvement, gaps and quality assessments;
- comments about threats and risks to the company and the manner in which they should be reported in the particulars to be published;
- compliance with articles of association, instructions, regulations, loan covenants, requirements of external supervisors, etc.

Euronext applies this best practice provision. The external auditors' report and management letter make reference to the items included in this best practice provision.