

London Stock Exchange Derivatives

MARKET NOTICE 2014/091

Adjustment for extraordinary dividend in MMC Norilsk Nickel (MNOD)

As per the publication of the company's [press release](#) on 13 December, "Extraordinary General Meeting of Shareholders of MMC Norilsk Nickel held on 11 December approved dividend payments for 9M 2014 in the amount of RUB 762.34 per ordinary share". On the basis of the aforementioned information currently available, the London Stock Exchange Derivatives Market notifies that all outstanding positions on MMC Norilsk Nickel option and futures contracts will be adjusted after the close of LSE Derivatives Market on 18 December 2014, to account for the payment of the extraordinary dividend, as explained in Market Notice 2014/079 (link [here](#)).

The ratio of the extraordinary dividend out of the total dividend payment, based on the announced dividend payment in USD billions, is $1.5/2.78^1 = 0.539568$, as published in the initial company announcement. This equates to an extraordinary dividend of $(1.5/2.78) \times 762.34 \times 0.1 = \text{RUB } 41.13/\text{DR}^2$. The final adjustment in USD will be done based on the ECB foreign exchange reference rate published on the day before the ex-date.

Adjustment

The London Stock Exchange Derivatives Market notifies that all outstanding positions on MMC Norilsk Nickel option and future contracts will be adjusted after close on the ex-date. The adjusted future and option series will be assigned new ISIN and marked with the letter X for deviating contract specifications. Adjustment factors are rounded to six decimals and adjusted exercise and futures prices are rounded to two decimals. Adjusted contract sizes are rounded to the nearest whole integer.

Stock options and futures will be adjusted using the Ratio method, in line with rule 2.6 of the Corporate Actions Policy (link [here](#)).

$$\text{Adjustment factor } K = \frac{P_{\text{cum}} - D_{\text{ord}} - D_{\text{ext}}}{P_{\text{cum}} - D_{\text{ord}}}$$

P_{cum} = The stock's closing price on the day before the ex-date

D_{ord} = Amount of the ordinary dividend

D_{ext} = Amount of the extraordinary dividend

The Exercise Prices of Option Contracts and the Daily Settlement Prices of Future Contracts will be amended as follows:

$$E_{\text{ex}} = E_{\text{cum}} \times K$$

¹ See Market Notice 2014/079

² Share/DR ratio of 0.1 (<http://www.nornik.ru/en/investor-relations/shareholders/share-capital>)

E_{cum} = Exercise Price of Option Contracts before the Corporate Action or Daily Settlement Price of Future Contracts

The option and future sizes (A_{ex}) will be amended as follows:

$$A_{ex} = \frac{A_{cum}}{K}$$

A_{cum} = Contract size before adjustment

If you have any questions, please call the London Stock Exchange Derivatives Market on +44 (0) 207 797 3617.

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