

London Stock Exchange Derivatives

MARKET NOTICE 2015/012

POSSIBLE ADJUSTMENT FOR DIVIDEND IN TELENOR ASA (TEL)

The board of Telenor has decided to distribute a dividend of NOK 7.30 per share consisting of pay-out in two tranches with NOK 3.80 in June and NOK 3.50 in November 2015. The ex-dates are yet to be announced. The stock option strike and future prices will be adjusted if the dividend amount (NOK 3.80 and NOK 3.50) exceeds 5% of the TEL price (vwap). The future and option series will be assigned new ISIN and marked with the letter X for deviating contract specifications. (Y for contracts already marked with X). Currently the dividend is around 2.3 % of the TEL price, i.e. no adjustment.

Adjustment factors are rounded to six decimals, and adjusted exercise and future prices are rounded to two decimals. Adjusted contract sizes are rounded to the nearest whole integer.

Adjustment date: Yet to be announced.

Stock derivative adjustment:

D (NOK) = 3.80 and 3.50

Adjustment factor, A:

$$A = \frac{P_{cum}^{vwap} - D_{5\%} - D_o}{P_{cum}^{vwap} - D_{5\%}}$$

P_{cum}^{vwap} = The stock's volume-weighted average price before the ex-date

$D_{5\%}$ = Dividend (5% of P_{cum}^{vwap})

D_o = Excess dividend (dividend that exceeds 5% of P_{cum}^{vwap})

New exercise and future price, X_{ex}:

$$X_{ex} = X_{cum} * A$$

X_{cum} = Exercise price or future price before adjustment

New contract size, Nex:

$$N_{\text{ex}} = \frac{N_{\text{cum}}}{A}$$

N_{cum} = Contract size before adjustment

Members are encouraged to ensure that clients are aware of this adjustment.

If you have any questions please call Derivatives Operations on +44 (0) 207 797 3617.

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