

London Stock Exchange Derivatives

MARKET NOTICE 2017/039

Adjustment for Extraordinary Dividend in Orkla (ORK)

London Stock Exchange Derivatives Market (LSEDM) informs member firms that following the announcement that ORK will sell its interest in Sapa, the Board of Directors of ORK will propose a special dividend of NOK 5.00 after the deal is completed.

Derivatives listed on LSEDM with ORK as underlying will be adjusted for the extraordinary dividend.

| | |
|-------------------------|-------------|
| Company: | ORKLA (ORK) |
| Extraordinary Dividend: | NOK 5.00 |
| Adjustment date: | TBA |
| Ex-date: | TBA |

If the proposal is approved, stock option strike, future price and contract size will be adjusted according to Section 3 of the [LSEDM Corporate Actions Policy](#).

The derivative series will be assigned new ISIN and marked with the letter X (Y for series already marked with X) for deviating contract specifications. New series will be uploaded to the website.

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

Adjustment factor

$$A = \frac{P_{\text{cum}}^{\text{vwap}} - D_{\text{ord}} - D_{\text{ext}}}{P_{\text{cum}}^{\text{vwap}} - D_{\text{ord}}}$$

$P_{\text{cum}}^{\text{vwap}}$ = Volume-weighted average price of the stock prior to the ex-date

D_{ord} = Ordinary dividend

D_{ext} = Extraordinary dividend

New exercise and future price

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

X_{cum} = Strike price or future price prior to adjustment

New contract size

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

N_{ex} = Adjusted contract size

N_{cum} = Contract size prior to adjustment

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

If you have any questions please call the Derivatives Corporate Actions Team on +44 (0) 207 797 3660.

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