

# London Stock Exchange Derivatives

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## MARKET NOTICE 2018/016

### ADJUSTMENT FOR DIVIDEND IN SUBSEA 7 (SUBC)

London Stock Exchange Derivatives Market (LSEDM) informs member firms that the Board of Directors will recommend to the shareholders at the Annual General Meeting to distribute an extraordinary dividend of NOK 5.00 per share.

If approved, derivatives listed on LSEDM with SUBC as underlying will be adjusted for the extraordinary dividend.

|                         |  |
|-------------------------|--|
| Company:                | Subsea 7 (SUBC)                                |
| Extraordinary Dividend: | NOK 5.00                                       |
| Adjustment date:        | April 24 <sup>th</sup> 2018 after market close |
| Ex-date:                | April 25 <sup>th</sup> 2018                    |

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

$$A = \frac{P_{\text{cum}}^{\text{vwap}} - D}{P_{\text{cum}}^{\text{vwap}}}$$

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

## New exercise and forward/future price

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

$X_{\text{cum}}$  = Strike price or forward/future price prior to adjustment

## New contract size

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

$N_{\text{cum}}$  = Contract size prior to adjustment

Adjustment factors are rounded to six decimals, adjusted exercise prices are rounded to two decimals 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 Derivatives Corporate Actions Team on +44 (0) 207 797 3660.

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