

London Stock Exchange Derivatives

MARKET NOTICE 2018/020

ANTICIPATED ADJUSTMENT FOR EXTRAORDINARY DIVIDEND IN TELENOR (TEL)

London Stock Exchange Derivatives Market (LSEDM) informs member firms that the Board of Telenor ASA (TEL) will recommend to the shareholders at the Annual General Meeting to distribute a dividend of NOK 8.60, consisting of ordinary dividend NOK 4.20 and extraordinary dividend NOK 4.40.

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

Company:	Telenor (TEL)
Ordinary dividend:	NOK 4.20
Extraordinary dividend:	NOK 4.40
Adjustment date:	2 May 2018 after market close
Ex-date:	3 May 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

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

$P_{\text{cum}}^{\text{vwap}}$ = 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_{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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