

London Stock Exchange Derivatives

MARKET NOTICE 2018/034

ADJUSTMENT FOR DIVIDEND IN SUBSEA 7 (SUBC)

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

The dividend has been approved and 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 th 2018 after market close
Ex-date:	April 25 th 2018
Adjustment Factor:	0.956944
Adjusted contract size:	104 (X)

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

$$A = \frac{P_{\text{cum}}^{\text{vwap}} - D}{P_{\text{cum}}^{\text{vwap}}} \mathbf{0.956944}$$

$P_{\text{cum}}^{\text{vwap}}$ = Volume-weighted average price of the stock prior to the ex-date = **116.12769795**

D = Dividend (NOK)

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 = **104 (X)**

N_{cum} = Contract size prior to adjustment = 100

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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