

London Stock Exchange Derivatives

MARKET NOTICE 2019/014

ADJUSTMENT FOR SPECIAL DIVIDEND IN SUBSEA 7 (SUBC)

London Stock Exchange Derivatives Market (LSEDM) informs Member Firms that the Board of Subsea 7 will recommend at the Annual General Meeting to distribute a special dividend of NOK 1.50 per share.

Derivatives listed on LSEDM with SUBC as underlying will be adjusted for the special dividend.

Company:	SUBSEA 7 (SUBC)
Special Dividend:	NOK 1.50
Adjustment date:	24 April 2019 after market close
Ex-date:	25 April 2019

Stock option strike, future price and contract size will be adjusted according to the details in the end of notice and Section 3 of the LSEDM Corporate Actions Policy.

The derivative series will be assigned a new ISIN and marked with the letter 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.

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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 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, and 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.

