

February 14, 2018

Exchange Notice

Derivatives – Product Information 15/18

Anticipated adjustment due to extraordinary dividend in Swedish Match

The following information is based on a press release from Swedish Match AB (Swedish Match) published on February 14, 2018 and may be subject to change.

The board of Swedish Match has proposed that the Annual General Meeting (AGM) scheduled for April 11, 2018, approves an extraordinary dividend of SEK 7.40 per share in addition to the ordinary dividend of SEK 9.20 per share. The Ex-date is yet to be decided. Provided that the AGM approves the proposal, NASDAQ Derivatives Markets will carry out a re-calculation of options, forwards and futures in Swedish Match (SWMA).

Re-calculation of stock options, forwards and futures

Conditions	Extraordinary dividend SEK 7.40 per share. Ordinary dividend SEK 9.20 per share.
Ex-date	TBD
Adjustment factor ¹ (Alternative 1) ²	$A = \frac{VWAP_{cum} - DIV_{ordinary} - DIV_{special}}{VWAP_{cum} - DIV_{ordinary}}$
Adjustment factor (Alternative 2) ³	$A = \frac{VWAP_{cum} - DIV_{special}}{VWAP_{cum}}$
New exercise and forward/future price	Old exercise and forward/future price * A
New contract size	Old contract size / A
Date of re-calculation	After 19.30 (CET), Bank day prior to the Ex-date
Rules and Regulations of NASDAQ Derivatives Markets	3.5.3.6.2

1 VWAPcum = volume weighted average price at the bank day prior to the Ex-day (8 decimals are used)

DIV= Dividend

2 If Ex-date for the extraordinary dividend is the same as for the Ex-date of the ordinary dividend

3 If Ex-date for the extraordinary dividend differs from the Ex-date of the ordinary dividend

Following the adjustment the number of shares per contract will increase, whereas exercise and forward/future prices will decrease. Further information regarding the adjustment of the options and forward/futures contracts will be published when further information is available.

Members are encouraged to ensure that clients are aware of the above-mentioned adjustment.

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NASDAQ Derivatives Markets

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