

June 26, 2008

Exchange Notice**Norwegian Stock Products 13/08**

Hearing regarding dividend adjustments for Norwegian derivatives

In order to reduce uncertainties regarding quarterly and sudden dividend payments, Oslo Børs seeks to change the current dividend adjustment rules to ensure efficient pricing of derivatives.

Oslo Børs would like feedback on the following 3 matters in relation to this hearing.

1. Dividend adjustment rules

Please examine the 4 different alternatives provided below:

Alt a) As is

Currently, the stock derivatives are adjusted for that part of the dividend exceeding 5% of a stock's vwap (volume weighted average price) on last day inclusive. Ordinary and extraordinary dividends are treated equally.

Alt b) One adjustment per calendar year

Only the first dividend in a calendar year will be adjusted for, if the dividend exceeds 5% of a stock's vwap on last day inclusive. All successive dividends will be adjusted 100%.

Alt c) 30 days notice

If a dividend is announced not later than 30 days prior to the ex-dividend date, only that part of the dividend exceeding 5% of the stock's vwap on last day inclusive will be adjusted for. Where the ex-dividend date is less than 30 days from announcement, the stock derivatives will be adjusted 100%.

Alt d) New 100% adjusted derivative class

A new class will be implemented, where stocks with unpredictable dividend policy may be included. These will be adjusted 100%. The other stocks will belong to the regular class, where dividends are adjusted as today.

Please feel free to send us other options that you would like us to consider.

2. Ordinary vs. extraordinary dividends

Currently, Oslo Børs handles ordinary and extraordinary dividends equally, please respond on whether we ought to continue this practice or whether we ought to adjust all extraordinary dividends 100%. (This should be seen in connection with your preferred answer from number 1).

3. Dividend adjustment method

Currently, Oslo Børs adjusts for dividends by subtracting an equal amount from all strikes. The amount subtracted is that part of the dividend exceeding 5% of the vwap.

Oslo Børs will begin using a multiplier/adjustment factor when adjusting for dividends:

$$A = \frac{VWAP_{cum} - D_{ord} - D_{ext} - D_{5\%}}{VWAP_{cum} - D_{ord}}$$

D_{ord} = Ordinary dividend (5% or lower)

D_{ext} = Extraordinary dividend

$D_{5\%}$ = Part of the dividend exceeding 5%

The formula will be adjusted to harmonize with the dividend rule chosen.

Please respond if you have any comments to the planned method described above.

Oslo Børs would like feedback on this hearing by **Friday August 8th 2008** by **email** to:

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