

January 16, 2017

**Exchange Notice****Flexible Derivatives Products 02/17****Anticipated adjustment in Karo Pharma due to rights issue**

The following information is based on a press release from Karo Pharma AB (Karo Pharma) published on January 16, 2017 and may be subject to change.

The board of Karo Pharma has proposed that the Extraordinary General Meeting (EGM), scheduled for January 18, 2017, approves a rights issue whereby shareholders are entitled to two (2) new share for every seven (7) shares held. The subscription price is SEK 20.50 per share. The scheduled Ex-date is January 20, 2017. Provided that the EGM approves the rights issue, NASDAQ Derivatives Markets will carry out a re-calculation of options, forwards and futures in Karo Pharma (KAROB).

**Re-calculation of stock options, forwards and futures**

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Conditions	Rights issue, 2:7, SEK 20.50 per share
Ex-date	January 20, 2017
Adjustment factor <sup>1</sup>	$A = \frac{\text{Number of shares prior to the offer}}{\text{Number of shares after the offer}} * \left[ 1 - \frac{\text{Issue price}}{\text{VWAPcum}} \right] + \frac{\text{Issue price}}{\text{VWAPcum}}$
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), January 19, 2017

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Rules and Regulations of NASDAQ Derivatives Markets	3.5.3.4
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<sup>1</sup> VWAPcum = volume weighted average price at the bank day prior to the ex-day (8 decimals are used)

Following an adjustment the number of shares per contract will increase, whereas exercise and forward/future prices will decrease. Further information regarding the re-calculation of the options, forwards and futures contracts will be published in connection with the adjustment.

*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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