

January 17, 2017

## Exchange Notice

### Derivatives – Product Information 01/17

## Anticipated adjustment due to share distribution in Atlas Copco

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

The board of Atlas Copco will propose that the Annual General Meeting (AGM), scheduled for 2018, resolves in a distribution of shares in NewCo (working name) during the second quarter of 2018. The conditions are yet to be determined. Provided that the AGM approves the proposed share distribution, and other regulatory conditions are fulfilled, NASDAQ Derivatives Markets will carry out a re-calculation of options, forwards and futures in Atlas Copco (ATCOA), according to one of the below alternatives.

#### **Alt. 1 Re-calculation of stock options, forwards and futures (applicable if NewCo is listed or will be listed in a near future of the Ex-date)**

Conditions	TBD
Ex-date	TBD
Re-calculation method	Basket Method, the new Contract shall consist of Atlas Copco shares as well as NewCo shares in accordance with the conditions of the share distribution. The Settlement value of the Basket contract will be the combined value of the underlying shares.
New exercise and forward/futures price	The exercise price and forward/future price will not be affected at the time the Contract is re-calculated to a Basket Contract.
New contract size	TBD
Date of re-calculation	TBD
Rules and Regulations of NASDAQ Derivatives Markets	3.5.3.5

**Alt. 2 Re-calculation of stock options, forwards and futures (applicable if NewCo is not listed in a near future of the Ex-date)**

<b>Alternative 2.1.</b> Adjustment factor	$A = (\text{VWAP cum} - R^1) / \text{VWAP cum}$
<b>Alternative 2.2.</b> Adjustment factor	$A = \text{VWAP ex}^2 / \text{VWAP cum}$
New exercise and forward/futures price	Old exercise and forward/futures price * A
New contract size	Old contract size / A
Date of re-calculation	TBD
Rules and Regulations of NASDAQ Derivatives Markets	3.5.3.5, 3.5.2.1.2, 3.5.1.12

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

$R^1$  = Value of the right to participate per contract share based on valuation from at least 5 market participants

VWAPex<sup>2</sup> = volume weighted average price on the ex-day

**Exercise and trading ban**

If NewCo is not listed on the Ex-date or in the near future of the Ex-date or if less than five valuations from market participants are received, the options, forwards and futures contracts in Atlas Copco will be suspended for trading and exercise from the Ex-date to the re-calculation date.

Further information regarding the re-calculation of the options, forwards and futures contracts will be published as soon as further information is available.

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

For further information concerning this exchange notice please contact Tomislav Blazevic or Andreas Karlsson, telephone + 46 8 405 60 00.

NASDAQ Derivatives Markets

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