

March 24, 2017

Exchange Notice

Derivatives – Product Information 22/17

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 March 24, 2017 and may be subject to change.

The board of Swedish Match has proposed that the Annual General Meeting (AGM) scheduled for May 4, 2017, approves an extraordinary dividend of SEK 7.50 per share in addition to the ordinary dividend of SEK 8.50 per share. The scheduled Ex-date is May 5, 2017. 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 7.50 per share. Ordinary dividend SEK 8.50 per share.
Ex-date	May 5, 2017
Adjustment factor ¹	$A = \frac{VWAP_{cum} - DIV_{ordinary} - DIV_{special}}{VWAP_{cum} - DIV_{ordinary}}$
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), May 4, 2017
Rules and Regulations of NASDAQ Derivatives Markets	3.5.3.6.2

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

DIV= 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 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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