X-pand into the Future

eurex circular 241/11

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Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich and Vendors
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⚠ **High priority**

Equity Derivatives: Changes in Handling of Corporate Actions

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Content may be most important for:	**Attachment:**
➲ All departments	Updated sections of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich

With effect from **October 4, 2011**, the Management Boards of the Eurex Exchanges decided to adjust the handling of corporate actions for

- futures contracts on equities
- futures contracts on stock dividends and
- options contracts and Low Exercise Price Options on equities.

For further information please refer to the attachment of this Eurex circular.

The exact adjustment procedure that is applied in the individual case will continue to be communicated by the Eurex circulars.

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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1. Part: Contract Specifications for Futures Contracts

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1.6 Subpart: Contract Specifications for Futures Contracts on Shares

The following subpart contains the contract form for Futures Contracts on Shares ("Shares-Futures Contracts").

[…]

1.6.7 Alterations to the Contract Sizes and Expiration Days of Futures contracts on Shares

(1) Should dividends incur, an adjustment of the Futures Contracts does basically not take place.

Dividends are also capital reductions through reductions of the nominal amount of the shares - in case a company pays the amount of the reduction of the nominal amount instead of a dividend or if such amount is part of the regular dividend - as well as guaranteed cash compensations of subscription rights and other similar assets which are offered instead of a dividend.

(2) Additional distributions, in particular extraordinarily high dividends, bonuses or other cash distributions as well as dividends which are not distributed within the scope of the regular dividend policy or which the company declares as non-regular dividends (e.g. special dividends, anniversary bonus) are not regarded as dividends within the meaning of paragraph 1. In case such distributions incur, the futures contract shall be adjusted by dividing the original contract size by the R-factor. The R-factor is described in the Eurex User Manual System Overview and Information Manual. At the same time, the settlement prices shall be adjusted accordingly, so that the original contract value remains unchanged.

For share futures contracts with group ID RU01 assigned in Annex A, the following rules shall apply:

- In case the announcement of a distribution is executed after the due date of the dividend (record date) only, the relevant futures contract shall immediately be suspended from trading. The adjustment of the futures contract shall be carried out with effectiveness as of the next trading day.
- If a distribution is announced without indicating its amount and if such announcement cannot be expected before the record date, the relevant futures contract shall be suspended from trading on the record date. The adjustment of the futures contract shall be carried out on basis of the difference of the value of the volume-weighted average price of the underlying on the Exchange day before the record date and of the value on the record date. The adjustment shall become effective on the Exchange day after the record date.
- If a distribution is announced without indicating its amount and if such announcement takes place after the record date only, the relevant futures contract shall immediately be suspended from trading. The adjustment of the futures contract shall be carried out on basis of the difference of the volume-weighted average price of the underlying on the Exchange day before the announcement and the day of announcement. The adjustment shall become effective on the Exchange day after the day of announcement of the distribution.

(3) If subscription rights are granted, the futures contract shall be adjusted by dividing the original contract size by the R-factor; at the same time, the settlement prices shall be adjusted accordingly, so that the original contract value remains unchanged.

(4) With capital increases out of company reserves, the number of shares underlying the Shares-Futures contract increases according to the ratio of their portion of the former registered share capital of the company issuing such shares. At the same time, the settlement prices shall be adjusted accordingly, so that the original contract value remains unchanged.

With capital reductions, the contract size as well as the settlement prices of the futures contract remain unchanged if the capital reduction is carried out by means of reduction of the nominal value of the shares. With capital reductions by way of redeeming shares or by consolidation, the number of shares underlying the futures contract will be reduced according to the reduction ratio. At the same time, the settlement prices shall be adjusted accordingly, so that the original contract value remains unchanged.

(5) The contract size in case of share splits of shares underlying the futures contract increases correspondent to the ratio of the share split. At the same time, the

settlement prices shall be adjusted accordingly, so that the original contract value remains unchanged.

(6) In case of changes in capital (paragraph 3 and 4) and adjustments pursuant to paragraph 2, all orders and quotes in the order book in the respective futures contracts will be deleted by the Eurex exchanges. The Eurex exchanges inform all exchange participants of an imminent cancellation.

(7) If a public offer for the purchase of the share underlying the futures contract is made, the futures contract shall be adjusted or settled according to the provisions of this paragraph if more than 50 % of the shares underlying the futures contract or more than 50 % of the voting rights in the issuer (target company) of the share underlying the futures contract are held by or are attributable to the bidder. The point in time relevant for the fulfilment of the prerequisites pursuant to Sentence 1 shall be the expiry of the first offer period. In the event of an extension of the first offer period, the Management Board may adjust the relevant point in time to the end of such extension. With regard to partial offers pursuant to § 19 of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz, WpÜG), Sentence 1 shall not be applicable. In the event of offers being subject to foreign legal provisions, the Management Board may decide on provisions diverging from the provisions in Sentences 1-4.

When determining whether the prerequisites pursuant to Sentence 1 have been fulfilled, the Eurex Exchanges shall take into account publications of the bidder, of the target company or of authorities or similar institutions.

The Eurex Exchanges shall publish the effective date of the adjustment or settlement. If, with regard to a public offer, the consideration is not available to the shareholders immediately after publication of the results through the bidder, the Eurex Exchanges may determine that the futures contracts shall, until the time of payment of the consideration or of the conversion of the shares, relate to the shares submitted for sale or conversion, and that they shall be settled on the basis of such submitted shares. In the event of physical delivery, the contracts must accordingly be supplied exclusively with such shares submitted either for sale or for conversion.

In the event of adjustment, the share underlying the futures contract shall be replaced by the share offered as consideration through the R-factor method. Such adjustment requires tradability of the derivatives on the share offered as consideration as well as the possibility of trading of such share offered as consideration on one of the exchanges determined by the Eurex Exchanges. If the consideration consists of shares and cash compensation, the adjustment shall be excluded if the cash compensation amounts to a value of more than 67% of the total consideration.

In the event of settlement, the term of the futures contract shall end, and the futures contract shall be settled by its theoretical value. The determination of the

theoretical value is carried out by using the riskless interest rate and under consideration of future dividends.

~~If shareholders are offered a conversion of shares in the course of mergers, or acquisitions, the futures contracts will be adjusted, provided that the transaction has been effectively executed. A transaction is deemed executed effectively as soon as it is entered in the respective register (in case of merger) or in case the irrevocable result of an offer is announced by the acquiring company. The futures contracts shall be adjusted with effect from the day on which the compensation specified in the conversion offer is available to the shareholders.~~

- ~~The adjustment of futures contracts of the target company requires tradability of the derivatives on this underlying as well as possibility of trading of the offered shares or other rights on one of the Exchanges determined by the Eurex Exchanges.~~

- ~~If shareholders are exclusively offered a compensation consisting of shares or shares plus a cash interest, where the distribution of the cash part does not exceed 67% of the whole compensation, the adjustment is carried out through the R-factor method. The shares underlying the contract shall be replaced with the shares offered in the conversion offer under consideration of the relevant conversion ratio.~~

- ~~If shareholders are exclusively offered a cash compensation, the term of the futures contract ends with effective date described in 1.6.7 paragraph 7 clause 3. Futures contracts whose expiry date is after the close of trading shall be settled by their theoretical value. The same applies if the compensation consists of shares and a cash interest, and if the cash interest amounts to a value of more than 67 % at the point of announcement of the offer and if the prerequisites according to 1.6.7 paragraph 7 clause 4 are not given.~~

- ~~The determination of the theoretical value is carried out by using the riskless interest rate and under consideration of future dividends.~~

(8) If a corporate action, which is carried out within the meaning of aforementioned conditions, is not regulated or covered by such conditions, the Eurex Exchanges shall adjust the respective Futures contracts in order to maintain the original contract value, to guarantee regular market conditions and to ensure the clearing and settlement of the contracts. Also in case a capital transaction not regulated by the conditions of number 1.6.7 is carried out, the Eurex Exchanges shall issue a regulation similar to such conditions. The Eurex Exchanges shall notify the Exchange participants of the intended actions.

(9) Regarding shares futures contracts with group ID RU01 assigned in Annex A, the price of the underlying required for adjustment of the futures contracts shall be calculated with the help of the volume-weighted average price.

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1.15 Subpart: Contract Specifications for Futures Contracts on the Dividends of Shares

The following subpart contains contract specifications for Futures Contracts on the Dividends of Shares ("Single Stock Dividend Futures").

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1.15.8 Alterations to the Contract Sizes and Expiration Days of Futures Contracts on the Dividends of Shares

(1) Contract terms are not adjusted in the case of regular dividend payments.

(2) Additional distributions, in particular extraordinarily high dividends, bonuses or other cash distributions, as well as dividends which are not distributed within the scope of the regular dividend policy, or which the company declares as non-regular dividends (e.g. special dividends, anniversary bonus etc.), are not regarded as dividends within the meaning of paragraph (1). In case such distributions occur, the futures contract shall be adjusted by dividing the original contract size by the R-factor. The R-factor is described in the Eurex User Manual System Overview and Information Manual. At the same time, the settlement prices shall be adjusted accordingly, so that the original contract value remains unchanged.

(3) If subscription rights are granted, the futures contract shall be adjusted by dividing the original contract size by the R-factor; at the same time, the settlement prices shall be adjusted accordingly, so that the original contract value remains unchanged.

(4) With capital increases out of company reserves, the number of shares ~~underlying~~the dividend of which the Single Stock Dividend Futures contract is referencing to increases according to the ratio of their portion of the former registered share capital of the company issuing such shares. At the same time, the settlement prices shall be adjusted accordingly, so that the original contract value remains unchanged.

With capital reductions, the contract sizes as well as the settlement prices of the futures contract remain unchanged if the capital reduction is carried out by means of reduction of the nominal value of the shares. With capital reductions by way of redeeming shares or by consolidation, the number of shares ~~underlying~~ the dividend of which the Single Stock Dividend F~~f~~utures contract is referencing to will be reduced according to the reduction ratio. At the same time, the settlement prices shall be adjusted accordingly, so that the original contract value remains unchanged.

(5) ~~The contract size l~~In the event~~case~~ of a share split~~s~~ of the shares ~~underlying~~ the dividend of which the Single Stock Dividend F~~f~~utures contract is referencing to, the contract size increases correspondent to the ratio of the share split. At the same time, the settlement prices shall be adjusted accordingly, so that the original contract value remains unchanged.

(6) In case of changes in capital (paragraph 3 and 4) and adjustments pursuant to paragraph 2, all orders and quotes in the order book in the respective futures contracts will be deleted by the Eurex exchanges. The Eurex exchanges inform all exchange participants of an imminent cancellation.

(7) If a public offer is made for the purchase of the shares the dividend of which the dividend futures contract is referencing to, the futures contract shall be adjusted or settled according to the provisions of this paragraph if more than 50 % of such shares or more than 50 % of the voting rights in the issuer (target company) of such shares are held by or are attributable to the bidder. The point in time relevant for the fulfilment of the prerequisites pursuant to Sentence 1 shall be the expiry of the first offer period. In the event of an extension of the first offer period, the Management Board may adjust the relevant point in time to the end of such extension. With regard to partial offers pursuant to § 19 of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz, WpÜG), Sentence 1 shall not be applicable. In the event of offers being subject to foreign legal provisions, the Management Board may decide on provisions diverging from the provisions in Sentences 1-4.

When determining whether the prerequisites pursuant to Sentence 1 have been fulfilled, the Eurex Exchanges shall take into account publications of the bidder, of the target company or of authorities or similar institutions.

The Eurex Exchanges shall publish the effective date of the adjustment or settlement. If, with regard to a public offer, the consideration is not available to the shareholders immediately after publication of the results through the bidder, the Eurex Exchanges may determine that the futures contracts shall, until the time of payment of the consideration or of the conversion of the shares, relate exclusively to the dividends on the shares submitted either for sale or for conversion.

In the event of adjustment, the share the dividend of which the Single Stock Dividend Futures contract is referencing to shall be replaced by the share offered as consideration through the R-factor method. Such adjustment requires tradability of the derivatives on the share offered as consideration as well as the possibility of trading of such share offered as consideration on one of the exchanges determined by the Eurex Exchanges. If the consideration consists of shares and cash compensation, the adjustment shall be excluded if the cash compensation amounts to a value of more than 67 % of the total consideration.

In the event of settlement, the term of the futures contract shall end, and the

futures contract shall be settled by its fair value. The fair value shall be calculated taking into account the expected dividends. Further information regarding calculation of the fair value is available in the Eurex User Manual System Overview and Information Manual.

~~If shareholders are offered a conversion of shares in the course of mergers, or acquisitions, the futures contracts will be adjusted, provided that the transaction has been effectively executed. A transaction is deemed executed effectively as soon as it is entered in the respective register (in case of merger) or in case the irrevocable result of an offer is announced by the acquiring company. The futures contracts shall be adjusted with effect from the day on which the compensation specified in the conversion offer is available to the shareholders..~~

~~The adjustment of any futures contracts of the target company requires continued tradability of futures and options on the underlying, as well as trading of the offered shares or other rights on one of the Exchanges determined by the Eurex Exchanges.~~

~~If shareholders are exclusively offered compensation consisting of shares or shares plus a cash interest, where the distribution of the cash part does not exceed 67% of the whole compensation, the adjustment is carried out through the R-factor method. The shares underlying the contract shall be replaced with the shares offered in the conversion offer under consideration of the relevant conversion ratio.~~

~~If shareholders are exclusively offered cash compensation, the term of the futures contract ends with effective date described in 1.15.8 paragraph 7 clause 3. Futures contracts whose expiry date is after the close of trading shall be settled by their theoretical value. The same applies if the compensation consists of shares and a cash interest, and if the cash interest amounts to a value of more than 67 % at the point of announcement of the offer and if the prerequisites according to 1.15.8 paragraph 7 clause 4 are not given. The determination of the theoretical value is carried out by using the risk-free interest rate and under consideration of future dividends.~~

(8) Nationalization, Insolvency or Delisting.

If shareholders are subject to an event that is determined by the Eurex Exchanges as a nationalization, insolvency or are actions leading to a de-listing of the offered shares or other rights on one of the Exchanges determined by the Eurex Exchanges, the futures contracts will, where practicable, be adjusted under the terms of 1.15.8 paragraph (7) as if it were a merger.

(9) If a corporate action, which is carried out within the meaning of the aforementioned conditions, is not regulated or covered by such conditions, the Eurex Exchanges shall adjust the respective Futures contracts in order to maintain the original contract value, to guarantee regular market conditions and to ensure the clearing and settlement of the contracts. Also in case a capital

transaction not regulated by the conditions of number 1.15.8 is carried out, the Eurex Exchanges shall issue a regulation similar to such conditions. The Eurex Exchanges shall notify the Exchange participants of the intended actions.

(10) If a corporate action, which is carried out within the meaning of the aforementioned conditions, is an event that is determined by the Eurex Exchanges as a nationalization, insolvency or are actions leading to a de-listing of the offered shares or other rights on one of the Exchanges determined by the Eurex Exchanges, and it is determined that this cannot otherwise be regulated by the conditions of number 1.15.8, the expiration date of the futures contracts can be amended to the date determined by Eurex Exchanges to be the date that futures and options contracts on the reference shares are revoked or suspended and will then determine a final settlement price (Chapter II, number 2.16.2 of the Clearing Conditions of the Eurex Clearing AG). The Eurex Exchanges shall notify the Exchange participants of the intended actions.

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1.15.9 Alterations to the Contract Sizes and Expiration Days of Futures Contracts on the Dividends of Shares with Group ID IT21

For dividend of share futures contracts with group ID IT21 assigned in Annex D, the following rules based on the market conventions of the Italian Derivatives Exchange Market ("IDEM") the equity derivatives market managed by Borsa Italiana, shall apply

In the event of distributions of extraordinary dividends the number of underlying shares may be adjusted, where the amount of the extraordinary dividend is taken to be the entire amount of the dividend or a part thereof.

For the purpose of the adjustments referred to in paragraph 1, Borsa Italiana shall take account of distributions of dividends, in cash, or in kind, that the company classifies as additional with respect to dividends deriving from the distribution of the normal profits for the year or with respect to the normal dividend policy. If the company does not classify dividends, Borsa Italiana may consider dividends to be extraordinary that are characterized by elements establishing their additional nature with respect to the company's normal dividend policy.

Eurex reserves the right, in exceptional cases and where such dividend treatment is adopted by IDEM, that when the announcement of a dividend payment is made at least 3 months in advance with respect to the payment date, to consider interim dividends that are not provided for in the dividend payment policy as ordinary. In such an instance Eurex will promptly notify the market;

In respect of the underlying dividend of the ~~share~~ futures contract, the adjustment coefficient of the daily settlement price and/or of the number of shares underlying the futures contract shall be expressed in terms of the official "cum right" price and rounded to six decimal places. Adjusted daily settlement prices shall be rounded to four decimal places. In the event of the distribution of extraordinary dividends, daily settlement prices and the number of shares underlying the contract shall be adjusted

by applying the R-factor, calculated as follows: R = [(the share's official price on the day preceding the detachment of the extraordinary dividend − the amount of the extraordinary dividend) / the share's official price on the day preceding the detachment of the extraordinary dividend]:

The official price means, in regards to the electronic share market (MTA), the quantity-weighted average price of the entire quantity traded in the session, excluding contracts executed with the cross-order function, as defined in the "Rules of the Markets Organised and Managed by Borsa Italiana SpA."

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2. Part: Contract Specifications for Options Contracts

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2.6 Subpart: Contract Specifications for Options Contracts and Low Exercise Price Options on Stocks

The following subpart contains contract specifications for Options Contracts on stocks of stock corporations (stock options) and low exercise price options on stocks of stock corporations (LEPOs). Depositary Receipts (Certificates representing shares) shall be regarded as shares. Annex B subsection 2.6. provides an overview on any tradeable stock options and LEPOs as well as the contract size (subsection 2.6.1), terms (subsection 2.6.4) and price gradations (subsection 2.6.11).

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2.6.10 Alterations of Exercise Prices und Expiration Days

The following subsection 2.6.10.1 shall generally determine the alterations of exercise prices und expiration days for all stock options. Any alteration of exercise prices as well as expiration days of options contracts on stocks with group ID CH11 and CH12 assigned in Annex B is determined in subsection 2.6.10.2. Any alteration of the exercise prices and the expiration days for LEPOs is determined in subsection 2.6.10.2.

2.6.10.1 Alterations of Contract Sizes, Exercise Prices und Expiration Days of Stock Options

(1) Exercise prices shall basically not be adjusted upon the payment of any dividends.

Dividends are also capital reductions by reduction of the nominal value of the shares if the company pays the amount of the reduction of the nominal value instead of a dividend or if the dividends are part of the regular dividends as well as guaranteed cash compensations of subscription rights and other comparable rights offered instead of a dividend.

(2) Additional distributions, in particular extraordinarily high dividends, bonuses or other cash distributions, or dividends which are not distributed within the scope of the regular dividend policy or which are declared as non-regular dividend by the company (e.g. special dividends, anniversary bonus) shall not be deemed to be dividends within the meaning of paragraph (1). In the event of such distributions, the respective stock options contracts shall be adjusted. The adjustments of such options contracts shall be carried out via the R-factor procedure. The R-factor shall be calculated pursuant to a formula established by the Eurex Exchanges, such formula considering the amount of the distribution. The adjustment of stock options contracts shall be carried out by multiplying the respective exercise price of the options contracts with the R-factor. In addition, the number of shares underlying the respective options contract shall be divided by the R-factor. Via application of the R-factor procedure, the original value of the adjusted stock options contracts shall be maintained.

For stock options with group ID RU11, RU12 assigned in Annex B, the following rules shall apply:

- In case the announcement of a distribution is executed after the due date of the dividend (record date) only, the relevant options series shall immediately be suspended from trading. The adjustment of the options series shall be carried out with effectiveness as of the next trading day.

- If a distribution is announced without indicating its amount and if such announcement cannot be expected before the record date, the relevant options series shall be suspended from trading on the record date. The adjustment of the options series shall be carried out on basis of the difference of the value of the volume-weighted average price of the underlying on the Exchange day before the record date and of the value on the record date. The adjustment shall become effective on the Exchange day after the record date.

- If a distribution is announced without indicating its amount and if such announcement takes place after the record date only, the relevant options series shall immediately be suspended from trading. The adjustment of the options series shall be carried out on basis of the difference of the volume-weighted average price of the underlying on the Exchange day before the announcement and the day of announcement. The adjustment shall become effective on the Exchange day after the day of announcement of the distribution.

When an option is exercised, the Eurex Exchanges will provide cash settlement for the fractional part of the new contract size.

The amount of such cash settlement shall be determined on the basis of the difference between the reduced exercise price of the option and the reference price (Chapter II, number 3.6.4 of the Clearing Conditions of Eurex Clearing AG).

(3) If subscription rights are granted, an adjustment of the relevant options contracts shall be carried out by way of the R-factor procedure described in Paragraph 2.

When an option is exercised, the Eurex Exchanges will provide cash settlement for the fractional part of the new contract size.

Paragraph (2) shall apply to for any cash settlement mutatis mutandis.

(4) In the event of capital increases out of the company reserves (Gesellschaftsmitteln), the number of shares underlying the respective options contract will be increased proportionally to maintain the proportion of the share capital represented by these shares. The adjustment of the relevant options contracts shall be carried out by way of the R-factor procedure described in Paragraph 2.

When an option is exercised, the Eurex Exchanges shall provide cash settlement for any fractional shares the new contract size may cover; in all other respects, shares and other fractional interests, if any, shall be delivered based on the new contract size. This shall also apply with respect to stock dividends and similar events.

Paragraph (2) shall apply to such cash settlements mutatis mutandis.

(5) In case of capital reductions, the exercise prices and the standard contract size of stock options contracts shall remain unchanged if the capital is reduced by decreasing the nominal value of the shares.

If a reduction of capital is realized by a reduction of the nominal value of the shares in order to pay back the nominal capital to the shareholders, the adjustment of the relevant options contracts shall be carried out by way of the R-factor procedure described in Paragraph 2. provided that such capital reductions are accomplished independent of the payment of the dividend.

If a reduction of capital is realized by redeeming or consolidating shares, the number of shares covered by a contract shall be reduced proportionally to the proportion of the reduction of the share capital. The exercise price of the respective options contracts shall be simultaneously increased to a value such that the original value of the options contracts remains unchanged.

(6) In the event of stock splits, the exercise prices of stock options shall be reduced in proportion to the split rate. The contract size and / or the position size shall be

modified in a ratio such that the option holder's original position remains unchanged.

(7) If a public offer for the purchase of the share underlying the options contract is made, the options contract shall be adjusted or settled according to the provisions of this paragraph if more than 50 % of the shares underlying the options contract or more than 50 % of the voting rights in the issuer (target company) of the share underlying the options contract are held by or are attributable to the bidder. The point in time relevant for the fulfilment of the prerequisites pursuant to Sentence 1 shall be the expiry of the first offer period. In the event of an extension of the first offer period, the Management Board may adjust the relevant point in time to the end of such extension. With regard to partial offers pursuant to § 19 of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz, WpÜG), Sentence 1 shall not be applicable. In the event of offers being subject to foreign legal provisions, the Management Board may decide on provisions diverging from the provisions in Sentences 1-4.

When determining whether the prerequisites pursuant to Sentence 1 have been fulfilled, the Eurex Exchanges shall take into account publications of the bidder, of the target company or of authorities or similar institutions.

The Eurex Exchanges shall publish the effective date of the adjustment or settlement. If, with regard to a public offer, the consideration is not available to the shareholders immediately after publication of the results through the bidder, the Eurex Exchanges may determine that the options contracts shall, until the time of payment of the consideration or of the conversion of the shares, relate exclusively to the shares submitted either for sale or for conversion and are to be supplied exclusively with such shares.

The Management Board may, for a limited period of time, suspend from trading the exercise of the contracts if and to the extent the share intended as consideration cannot be delivered.

In the event of adjustment, the share underlying the options contract shall be replaced by the share offered as consideration through the R-factor method. Such adjustment requires tradability of the derivatives on the share offered as consideration as well as the possibility of trading of such share offered as consideration on one of the exchanges determined by the Eurex Exchanges. If the consideration consists of shares and cash compensation, the adjustment shall be excluded if the cash compensation amounts to a value of more than 67% of the total consideration.

In the event of settlement, the term of the options contract shall end, and the options contract shall be settled by its theoretical value. The theoretically fair value shall be determined using the Cox-Ross Options model. The volatility which is defined for determination of the fair value shall be the average value of the

implied volatilities of the daily settlement prices on the ten trading days prior to announcement of the takeover bid. As an alternative, the Eurex Exchanges shall consult a group of at least five Exchange participants and determine the average implied vola on the basis of the information obtained from these Exchange participants. Further information regarding calculation of the fair value is available in the Eurex User Manual System Overview and Information Manual.

~~If shareholders are offered a conversion of shares in case of mergers or acquisitions, the options contracts will be adjusted, provided that the transaction has been effectively executed. A transaction is deemed executed effectively as soon as it is entered in the respective register (in case of merger) or in case the irrevocable result of an offer is announced by the acquiring company. The options contracts shall be adjusted with effect from the day on which the compensation specified in the conversion offer is available to the shareholders.~~

~~The options contracts of the target company can be adjusted provided that the compensation of the acquiring company specified in the conversion offer can be delivered via the central custodians or delivery locations recognized by Eurex Clearing AG, that derivatives can be traded on this underlying and that trading of the offered shares or of other rights on an Exchange determined by the Eurex Exchanges is possible.~~

~~If the compensation exclusively consists of shares or shares plus a cash interest, the adjustment is carried out via the R-factor method. The shares underlying the contract shall be replaced by the shares offered in the conversion offer under consideration of the relevant conversion ratio.~~

~~If the compensation is exclusively carried out in cash, the term of the option contract ends with effect from the date described in 2.6.10 paragraph 7 clause 3. Options contracts whose expiry date is after the close of trading shall be settled by their theoretically fair value. The same applies if the compensation consists of shares and cash compensation and if the cash interest exceeds a value of 67 % at the point of announcement of the offer; and if the prerequisites according to 2.6.10 paragraph 7 clause 4 are not given.~~

~~The theoretically fair value shall be determined in using the Cox-Ross Options model. The volatility which is defined for determination of the fair value, is the average value of the implied volatilities of the daily settlement prices on the ten trading days prior to announcement of the takeover bid. As an alternative, the Eurex Exchanges consult a group of at least five Exchange participants and determine the average implied vola on basis of the information obtained from these Exchange participants. Further information regarding calculation of the fair value is available in the Eurex User Manual System Overview and Information Manual.~~

(8) If a corporate action within the meaning of the aforementioned provisions is exercised but not regulated or covered by the provisions, the Management

Boards of the Eurex Exchanges will adjust the respective options in order to maintain the original contract value, to guarantee orderly market conditions and to ensure the clearing and settlement of the contracts. In case a corporate action is exercised which is not regulated by the provisions of Number 2.6.10.1 the Eurex Exchanges will also adopt a regulation which aligns to such provision. The Eurex Exchanges shall inform the Exchange Participants of the intended measures.

(9) With exercise of stock options whose contract sizes have been adjusted in the course of a corporate action, the Eurex Exchanges make a cash compensation. With exercise, the cash compensation is always provided for the fractional part of the new contract size. The cash compensation is determined by the difference between the reduced exercise price of the option and the reference price (Chapter II, number 3.6.4 of the Clearing Conditions of Eurex Clearing AG).

(10) Amendments to the contract sizes and exercise prices pursuant to paragraph 1 to 7 result in an introduction of new series according to Numbers 2.6.8 and 2.6.9.

With corporate actions (paragraph 1 to 7) all orders and quotes listed in the order book in the respective options series will be deleted by the Eurex Exchanges. The Eurex Exchange inform all Exchange participants about an imminent cancellation..

(11) Regarding stock options with group ID RU11, RU 12 assigned in Annex B, the price of the underlying required for adjustment of the exercise prices shall generally be calculated with the help of the volume-weighted average price.

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