X-pand into the **Future**

Corporate Action Information

Issue Date: 08. April 2016

Effective Date: 11. April 2016

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Corporate Action	**Rights issue**
Company	**Vallourec SA**
ISIN	**FR0000120354**
Rulebook	Contract Specifications for Futures Contracts and Options contracts at Eurex Deutschland and Eurex Zürich figure 1.6.7 (3), 1.14.8 (3) ,2.6.10 (3)
Options contracts on stocks	VAC
Futures contracts on stocks	VACH
Futures contracts on dividends of stocks	V2AC

The company Vallourec SA has announced a rights issue whereby shareholders are entitled to purchase 8 new share(s) for every 5 share(s) held, at a subscription price of 2,21 Euro per new share.

More information about this transaction is available on the company`s website under www.vallourec.com.

The rights issue will result in an adjustment of the above mentioned contracts.

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Procedure

R-Factor Method

Determination of adjustment factor (R-factor)

The official closing auction price of the on the last cum trading day will be the basis for determination of the R-factor. The R-factor will be determined with eight decimal places. It is calculated in the following way:

$$R = \left(\frac{number\ of\ existing\ shares}{number\ of\ resulting\ shares} * \left(1 - \frac{issue\ price\ of\ new\ shares}{closing\ auction\ price}\right)\right) + \frac{issue\ price\ of\ new\ shares}{closing\ auction\ price}$$

Options

Adjustment of strike prices and contract sizes

- All existing strike prices will be multiplied by the R-factor.
- The contracts size will be divided by the R-factor.
- The version number of the existing series will be increased by one.
  Adjusted strike prices and contract sizes will be published via the Eurex-Website www.eurexchange.com immediately after close of trading on the last cum trading day under:
  Products > equity derivatives > corporate actions
- New series with standard contract size 100 and version number 0 will be introduced effective the ex date.
- All existing orders and quotes will be deleted after close of trading on the last cum trading day. The adjustment also refers to existing positions in TES flexible options.

Futures

1. Adjustment of contract size and variation margin

- The adjustment uses the same R-factor as used for options
- To adjust the calculation of the variation margin of the following exchange trading day, settlement prices of the last cum trading day will be multiplied by the R-Factor.
- The new contract size will be calculated as follows:
  Contract size new = contract size old / R-factor
- All outstanding orders and quotes will be deleted after close of trading on the last cum trading day.
- The adjustment also refers to existing positions in TES flexible futures.

2. Introduction of a new contract

- A new single stock futures contract will be introduced with standard contract size 100 and new product code VACI. Furthermore, a new futures contract on dividends with standard contract size 1000 and new product code V3AC will be introduced.
- The exact introduction date will be published via a circular.
- As soon as the new contract is available for trading and there are no more contract months with open interest in the original contract, trading in this contract will be put on “HALT” and finally discontinued.
- Furthermore, no new contract months will be introduced in the original contract VACH and V2AC.Existing contract months without open interest will be suspended from trading.

If there is no open interest on the last cum trading day after close of trading in the original contract (VAC/VACH/V2AC), no adjustment will be made and no new contract will be introduced.