



## Corporate Action Information

**Issue Date:** 27 March 2017  
**Effective Date:** t.b.a  
**Contact:** Derivatives Trading Operations, Tel. +49-69-211-1 12 10

Corporate Action	Takeover
Company	Akzo Nobel
ISIN	NL0000009132
Rules&Regulations	Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich, section(s) 1.6.7 (7), 1.14.8 (7), 2.6.10 (7)
Options contracts on stocks	AKU
Futures contracts on stocks	AKUF
Futures contracts on dividends of stocks	A2KU

The company PPG announced its proposal to acquire Akzo Nobel via a takeover offer to the shareholders of Akzo Nobel for a price of EUR 57.50 in cash and 0.331 PPG common stock.

More information about this transaction is available on the company's website under [www.ppg.com](http://www.ppg.com).

This information describes the potential effects this transaction will have on the above mentioned contracts.



## Procedure

Provided that the Offer becomes effective, and provided that the PPG common stock can be delivered and will be listed at Euronext Amsterdam, the adjustment will be done via the R-Factor Method.

### R-Factor Method / Redesignation

The Eurex options, the Eurex Single Stock Futures contract and the Eurex Futures contracts on the dividend of shares on Akzo Nobel will be adjusted, provided the conditions defined in the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich, number 1.6.7 (7) for Single Stock Futures contracts, number 1.14.8 (7) for Futures contracts on dividends of shares and number 2.6.10.1 (7) for options contracts, are met. If these conditions are not met, trading in Akzo Nobel contracts will continue without any changes. If the conditions are met and the transaction becomes effective, the following contract adjustments will be made:

- The contracts shall be re-designated as contracts based on PPG shares
- Calculation of the R-Factor
- Offer Price:  $0.331 * \text{Opening Price of PPG shares on the New York Stock Exchange}$
- $R = ((\text{Offer Price} - 57.50) * (1/0.331)) / \text{Offer Price}$

## 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](http://www.eurexchange.com) immediately after close of trading on the last cum trading day under  
**Products > equity derivatives > corporate actions**
- All existing orders and quotes will be deleted after close of trading on the last trading day before the adjustment.
- The adjustment also refers to existing positions in TES flexible options.

## Futures

### 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:  
 $\text{Contract size new} = \text{contract size old} / R\text{-factor}$
- 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.
- No new contract months will be introduced.
- As soon as no more contract months with open interest exists, trading in this contract will be put on "HALT" and finally discontinued.

Provided that the Offer becomes effective, and the PPG common stock cannot be delivered and/or will not be listed at Euronext Amsterdam, the adjustment will be done via the Fair Value Method

### Fair Value Method

The Eurex options, the Eurex Single Stock Futures contract and the Eurex Futures contracts on the dividend of shares on Akzo Nobel will be settled at the theoretical fair value, provided the conditions defined in the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich,

number 1.6.7 (7) for Single Stock Futures contracts, number 1.14.8 (7) for Futures contracts on dividends of shares and number 2.6.10.1 (7) for options contracts, are met. If these conditions are not met, trading in Akzo Nobel contracts will continue without any changes. The following parameters will be defined for calculation of the theoretical fair value:

## Options

### Implied Volatility

For each series an implied volatility is defined. This volatility is calculated on the basis of the average implied volatility of the daily settlement prices on the ten exchange days preceding the announcement of the offer (08 March 2017 to 21 March 2017). The same volatility will be used for Call and Put.

### Option and Single Stock Future

#### Interest Rate and Dividend

For calculation of the fair value implied interest rates will be used. The following implied dividend data is used for the calculation of the implied volatility and for the determination of the fair values, provided the settlement date of the contracts precedes the ex-date.

Dividend amount in EUR	Ex-date
1.027	27.04.2017
0.3123	23.10.2017
0.9029	23.04.2018
0.1804	23.10.2018
0.8653	27.04.2019
0.2151	22.10.2019
0.5976	27.04.2020
0.3950	22.10.2020

### Futures Contract on Dividends

Dividend amount in EUR	Ex-date
1.6333	15.12.2017
1.6333	21.12.2018
1.6333	20.12.2019
1.6333	18.12.2020
1.6333	17.12.2021

Generally and effective immediately, no more new series in the Eurex options, Eurex Single Stock Futures and Futures contracts on shares of Akzo Nobel will be introduced.

We will keep you informed about the further procedure whenever changes or new information in the course of the transaction render this necessary.

Expiration Year	Expiration Month	Strike Price	implied Volatility
2017	April	5400	38,22
2017	April	5600	36,35

2017	April	5800	35,67
2017	April	6000	33,71
2017	April	6200	31,77
2017	April	6400	30,52
2017	April	6600	29,53
2017	April	6800	28,68
2017	April	7000	28,00
2017	April	7200	27,63
2017	April	7400	27,49
2017	April	7600	27,55
2017	April	7800	27,84
2017	April	8000	28,21
2017	April	8200	28,57
2017	April	8400	29,19
2017	April	8600	29,19
2017	May	5400	30,82
2017	May	5600	30,49
2017	May	5800	30,15
2017	May	6000	29,90
2017	May	6200	29,23
2017	May	6400	28,89
2017	May	6600	28,59
2017	May	6800	28,30
2017	May	7000	28,11
2017	May	7200	27,98
2017	May	7400	27,94
2017	May	7600	27,79
2017	May	7800	27,78
2017	May	8000	27,84
2017	May	8200	27,77
2017	May	8400	27,78
2017	May	8600	27,78
2017	June	3600	28,24
2017	June	4000	28,24
2017	June	4400	28,24
2017	June	4600	28,24
2017	June	4800	28,24
2017	June	5000	28,24
2017	June	5200	28,24
2017	June	5600	28,24
2017	June	6000	27,88
2017	June	6400	27,13
2017	June	6800	26,44
2017	June	7000	26,25
2017	June	7200	26,01

2017	June	7400	25,75
2017	June	7600	25,49
2017	June	7800	25,36
2017	June	8000	25,23
2017	June	8200	25,21
2017	June	8400	25,19
2017	June	8600	25,09
2017	June	8800	24,97
2017	June	9200	24,82
2017	September	4600	26,70
2017	September	4800	26,41
2017	September	5000	26,17
2017	September	5200	25,90
2017	September	5600	25,48
2017	September	6000	24,96
2017	September	6400	24,35
2017	September	6800	23,69
2017	September	7200	23,27
2017	September	7600	22,94
2017	September	8000	22,72
2017	September	8400	22,72
2017	September	8800	22,51
2017	September	9200	22,29
2017	December	4000	25,35
2017	December	4400	25,08
2017	December	4800	24,78
2017	December	5000	24,64
2017	December	5200	24,48
2017	December	5600	24,20
2017	December	6000	24,00
2017	December	6400	23,45
2017	December	6800	23,06
2017	December	7200	22,58
2017	December	7600	22,17
2017	December	8000	21,86
2017	December	8400	21,98
2017	December	8800	21,98
2018	March	6000	22,83
2018	March	6400	22,05
2018	March	6800	21,43
2018	March	7200	21,03
2018	March	7600	20,82
2018	March	8000	20,68
2018	March	8400	20,59
2018	March	8800	20,64

2018	March	9200	20,70
2018	June	4000	26,16
2018	June	4400	25,63
2018	June	4800	25,17
2018	June	5200	24,80
2018	June	5600	24,03
2018	June	6000	23,48
2018	June	6400	22,98
2018	June	7200	22,07
2018	June	8000	21,45
2018	June	8800	21,10
2018	June	9600	21,06
2018	June	10000	21,12
2018	December	3600	25,63
2018	December	4000	25,24
2018	December	4400	24,87
2018	December	4800	24,55
2018	December	5200	24,26
2018	December	5600	23,72
2018	December	6000	23,25
2018	December	6400	22,83
2018	December	7200	22,02
2018	December	8000	21,31
2018	December	8800	20,82
2018	December	9600	20,63
2019	June	4000	24,62
2019	June	4400	24,32
2019	June	4800	24,06
2019	June	5200	23,81
2019	June	5600	23,37
2019	June	6000	22,97
2019	June	6400	22,61
2019	June	7200	21,97
2019	June	8000	21,36
2019	June	8800	20,90
2019	June	9600	20,52
2019	June	10000	20,36
2019	December	4000	24,63
2019	December	4400	24,32
2019	December	4800	24,03
2019	December	5200	23,54
2019	December	5600	23,08
2019	December	6000	22,71
2019	December	6400	22,40
2019	December	7200	21,84

2019	December	8000	21,28
2019	December	8800	20,85
2019	December	9600	20,45
2019	December	10000	20,28
2020	December	4000	24,35
2020	December	4400	24,08
2020	December	4800	23,86
2020	December	5200	23,51
2020	December	5600	23,16
2020	December	6000	22,80
2020	December	6400	22,45
2020	December	7200	21,96
2020	December	8000	21,49
2020	December	8800	20,99
2020	December	9600	20,53
2020	December	10000	20,42