



## Corporate Action Information III

**Issue Date:** 19 November 2020  
**Effective Date:** 25 November 2020  
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Corporate Action	Warrant Issue
<b>Company</b>	<b>Compagnie Financière Richemont SA</b>
<b>ISIN</b>	<b>CH0210483332</b>
Rules & Regulations	Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland, section(s) 1.6.7 (8), 1.13.8 (9), 1.26.11 (7), 1.27.8 (8), 2.6.10.1 (8)
Options contracts on stocks	CFR/CFRE
Futures contracts on stocks	CFRI/CFRP
Equity Total Return Future	
Stock Tracking Future	
Futures contracts on dividends of stocks	C2FR

In a media release dated 18 November 2020, the company Compagnie Financière Richemont SA announced that its shareholders had approved an equity-based loyalty programme, including the issuance of warrants. According to the shareholder information memorandum dated 19 October 2020, eligible shareholders shall receive per one Richemont 'A' share two 'A' warrants. The exercise price of the 'A' warrant has been fixed at CHF 67.00.

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

The issuance of the warrants will lead to an adjustment of the Eurex-listed contracts related to Richemont shares. The adjustment procedure is described in the next section.



## Procedure

According to the shareholder information memorandum dated 19 October 2020, Richemont shares will trade ex-entitlement as of 25 November 2020. The first trading day of the 'A' warrants ("the warrants", "Richemont-warrants") under ISIN **CH0559601544** will be 27 November 2020. As the value of the warrants cannot be exactly calculated on the basis of the closing price of 25 November 2020, the adjustment of Richemont contracts will be done in two steps.

### Basket Method (step 1)

- As of 25 November 2020 the warrant will be added as deliverable component to the Eurex-listed contracts.
- As of 25 November 2020 the Richemont-shares-only (CFR) underlying the Eurex-listed contracts will be replaced by a basket consisting of one Richemont share and two Richemont-warrants

### Options

- Product code, Product-ISIN and Underlying-ISIN remain unchanged
- As of the effective date, the options contracts on Richemont (CFR/CFRE) will reflect a basket consisting of one Richemont-share and two Richemont-warrants. The value or closing price of the basket underlying the Richemont-Basket-Options will be determined on a daily basis in the following way:

**(1.00 x price or closing price, respectively, of the Richemont-share at SWX) plus (2 x price or closing price, respectively, of the Richemont-warrant at SWX).**

- As trading of the warrants starts only on 27 November 2020, the closing price of the warrants on 25 and 26 November will either be 0 or, if possible, an implied price of the warrants and will accordingly feed into value of the underlying basket and the daily settlement prices, respectively
- Strike prices and contract size remain unchanged
- Upon exercise of one basket-options contract, 100 Richemont-shares and 200 Richemont-warrants shares have to be delivered against payment of the equivalent of the contract size x strike price.
- All existing orders and quotes will be deleted after close of trading on 24 November 2020 which is the last cum trading day.
- The adjustment also refers to existing positions in TES flexible options. As of the effective date no new positions can be opened via the TES Flex-functionality.

### Futures

- Product code, Product-ISIN and Underlying-ISIN remain unchanged
- As of the effective date, Richemont-Futures (CFRI) will reflect a basket consisting of one Richemont-share and two Richemont-Warrants.
- The daily settlement prices will be determined on the basis of the value or closing price of the basket underlying the Richemont-Basket-futures contract which in turn is determined in the same way as described above for the Richemont-Basket-option:
- All outstanding orders and quotes will be deleted after close of trading on 24 November 2020 which is the last cum trading day.
- The adjustment also refers to existing positions in TES flexible futures. As of the effective date, no new positions can be opened via the TES Flex-functionality.

## R-Factor Method (step 2)

- After close of trading on 27 November 2020, the contracts will be adjusted via the R-Factor method. In this step, the basket underlying the options contracts will be replaced by Richemont-shares only with effect as of 30 November 2020.

The R-Factor is calculated as follows:

$$R = \left( \frac{(\text{Closing price Richemont Basket} - (2 * \text{Closing Price Richemont Warrant}))}{\text{Closing price Richemont Basket}} \right)$$

## 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.eurex.com](http://www.eurex.com) immediately after close of trading on the last cum trading day under:  
**Rules & Regs > Corporate actions > Corporate action information**
- 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.

### Exercises

- Upon exercise of an adjusted series cash settlement will be made for the fractional part of the new contract size.

For exercise of adjusted series as of version 2, differences may occur in the delivery process. In report RPTTA111 (All Active/All Inactive Series), the parts of the contract size are listed for which cash settlement will take place in case of exercise of an adjusted series

## 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, the daily 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 with standard contract size 100 and a new futures contract on dividends with standard contract size 1000 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 contracts CFRI/CFRP/C2FR.

**If there is no open interest on the last cum trading day after close of trading in the original contracts (CFRI/CFRP/C2FR), no adjustment will be made and no new contract will be introduced.**

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