

15 July 2021

# Notice – Adjustment of Positions Equity Derivatives Section

To the attention of:	<b>Members of Derivatives Sections</b>
Priority:	<b>Medium</b>
Topic:	<b>Extraordinary dividend distribution: Impact on Stock Option contracts and Stock Futures Contracts MEDIASET (MS)</b>

## Foreword

On Monday 19 July 2021 an extraordinary dividend will be distributed for MEDIASET (MS) with impact on Options contracts and Futures contracts, as indicated in the Borsa Italiana's Notice n°21769 of 24 June 2021, n° 16145 and n° 16149 dated 12 May 2021 and section B.3.1.7 of the CC&G Rules.

## 1. Adjustment of positions

At close of trading day of Friday 16 July 2021 and after the night batch, open positions will be adjusted as indicated below.

### 1.1 Options positions<sup>1</sup>

- a) The strike prices will be multiplied by the K<sup>2</sup> coefficient diffused by Borsa Italiana, and then rounded to the fourth decimal:

$$\text{Strike Price Ex} = \text{Strike Price Cum} \times K;$$

- b) the number of underlying shares will be divided by the same K coefficient rounded to the unit:

$$\text{Shares Number} = 1000 \times \frac{1}{K}$$

### 1.2 Futures Positions

- a) The daily settlement prices of series will be multiplied by the K coefficient diffused by Borsa Italiana and then will be rounded to the fourth decimal:

$$\text{Price Ex} = \text{Price Cum} \times K.$$

- b) The number of underlying shares will be divided by the same K coefficient and then will be rounded to the unit:

$$\text{Shares Number} = 1000 \times \frac{1}{K}$$

The operations connected with the adjustment that must be made to back Office system of Members which replicate margins of CC&G are described in detail below.

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<sup>1</sup> Positions exercised and/or assigned up to Thursday 15 July 2021 will not be adjusted. Accordingly, the delivery obligation on these positions is still referred to a quantity of 1000 Ordinary Shares *Cum* for the Options MS

<sup>2</sup> The coefficient K according to the following formula:  $K = \frac{P_{cum} - \text{extraordinary dividend amount}^{**}}{P_{cum}}$

\*\* extraordinary dividend amount = 0.30 €

## 2) Classification of Positions with physical delivery

Options and Futures positions will be identified in *Clearing reports* as indicated in the following table:

<b>Up to the last cum trading day</b>			<b>Starting from the first ex trading day</b>				
<b>Description</b>	<b>Number of Underlying Shares</b>	<b>Class Symbol</b>	<b>Description</b>	<b>Number of Underlying Shares</b>	<b>Class Symbol</b>	<b>Class Group</b>	<b>Product Group</b>
MEDIASET Ordinary Shares	1000	MS	MEDIASET Shares Adjusted	1000 / K	MS1	MS	MED
MEDIASET Ordinary Shares	1000	MS E/A*	MS Shares Cum	1000 cum	MSA	MSA	MED
AUTOGRILL Stock futures cash	1000	2MS	MEDIASET Stock futures cash Adjusted	1000 / K	2MS1	MS	MED
*) Class dedicated only to options exercised or assigned up to 16 July 2021 and expiring Futures July 2021							
<b>Series that will be generated</b>			MEDIASET Ordinary Shares	1000 EX	MS	MS	MED
			MEDIASET Stock futures cash	1000 EX	2MS	MS	MED

### 3) Parameters purposes of margining

<i>Class</i>	<i>Multiplier</i>	<i>Share</i>	<i>Margin Interval</i>	<i>Futures Straddle Margin</i>	<i>Minimum Margin</i>	<i>Short Option Adjustment</i>
MS	1000 EX	EX	16.25%	€ 100	€ 18	20%
MS1	1000/K	RETT	16.25%	€ 120	€ 21	20%
MSA	1000	CUM	16.25%	€ 100	€ 18	20%
2MS	1000	EX	16.25%	€ 100	€ 18	20%
2MS1	1000/K	RETT	16.25%	€ 120	€ 21	20%

### 5) Deposit of shares to cover positions on “short” call Options and Futures

Each new deposit must be accompanied by an indication of the relative Class symbol in Monte Titoli transfer message.

Monte Titoli will carry out the appropriate adjustment on the share concerned by the adjustment according to its own timescales and procedures.

### 6) Differentials

The calculation of the differentials arising from the adjustment of options will be indicated in the report RP – MC10 and dated 16 July and available 19 July

The cash amount will be paid in the daily margin settlement on Tuesday 20 July and reports in the “Cash adjustments/Buy-in” of reports RP- MS11 e RP-MS12.

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The early exercise is suspended on Friday **16 July 2021**.