

08 July 2021

Notice – Adjustment of Positions Equity Derivatives Section

Borsa Italiana releases the following provisions to be effective subject to the communication of the conclusion of the procedures for the authorization by Friday morning, 9 July 2021.

To the attention of:	Members of Derivatives Sections
Priority:	Medium
Topic:	Capital Increase on ordinary shares OVS: Impact on Stock Option contracts on OVS shares

Foreword

On Monday 12 July, 2021 the Capital Increase OVS will be executed in Borsa Italiana, with impact on Options, in the manner indicated in the Borsa Italiana's Notice n.23243 dated 6 July 2021, and n.23392 dated 7 July 2021 and section B.3.1.6., of the CC&G Rules.

1. Adjustment of positions

At close of trading day of Friday 9 July 2021 and after the night batch, open positions will be adjusted as indicated below.

1.1 Options positions¹

- a) The strike prices will be multiply by the K 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:

$$\text{Underlying Shares (OVS} \rightarrow \text{OVS1)} = 500/K$$

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.

2) Classification of Positions with physical delivery

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

Up to the last cum trading day			Starting from the first ex trading day				
Description	Number of Underlying Shares	Class Symbol	Description	Number of Underlying Shares	Class Symbol	Class Group	Product Group
OVS Ordinary Shares	500	OVS	OVS Shares Adjusted	500 / K	OVS1	OVS	OVS
OVS Ordinary	500	OVS E/A*	OVS Shares Cum	500 cum	OVSA	OVSA	OVS
*) Class dedicated only to options exercised or assigned up to 8 July 2021							
Series that will be generated			OVS	500 EX	OVS	OVS	OVS

¹ Positions exercised and/or assigned up to Thursday 8 July 2021 will not be adjusted. Accordingly, the delivery obligation on these positions is still referred to a quantity of 500 Ordinary Shares *Cum* for the Options OVS

3) Parameters purposes of margining

Class	Multiplier	Share	Margin Interval	Minimum Margin	Short Option Adjustment
OVS	500 EX	EX	37.25%	14	-
OVS1	500/K	RETT	37.25%	12	-
OVSA	500	CUM	37.25%	14	-

5) Deposit of shares to cover positions on "short" call Options

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 9 July and available 12 July

The cash amount will be paid in the daily margin settlement on Tuesday 13 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 9 July 2021.**