

19 May 2022

# **IDEM – Reverse split of SAIPEM ordinary shares**

To the attention of:	<b>Members of Derivatives Sections</b>
Priority:	<b>Medium</b>
Topic:	<b>Reverse split of SAIPEM ordinary shares: impact on Stock Option and Stock Futures Contracts SAIPEM (SPM)</b>

## **Foreword**

On Monday 23 May 2022 a reverse split of SAIPEM (SPM) ordinary shares will be executed with impact on Options contracts and Futures contracts.

In order to maintain the financial equivalence, Euronext Clearing will proceed with the derivatives position rectification at the end of the trading session on Friday 20 May 2022, as indicated in the Borsa Italiana's Notice n°19819 of 18 May 2022, n°20098 and n°20099 dated 19 May 2022 and section B.3.1.6 of the Euronext Clearing Rules.

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## 1. Adjustment of positions

At close of trading day of Friday 20 May 2022 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  $K^2$  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 Euronext Clearing are described in detail below.

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<sup>1</sup> Positions exercised and/or assigned up to Friday 20 May 2022 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 SPM

<sup>2</sup> The coefficient K according to the following formula:  $K = \frac{\text{Old Shares Number}}{\text{New Shares Number}} = 4,761905$

## 2) Classification of Positions with cash and 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>
SAIPEM Ordinary Shares	1000	SPM	SAIPEM Shares Adjusted	1000 / K	SPM1	SPM	SPM
SAIPEM Ordinary Shares	1000	SPM E/A*	SAIPEM Shares Cum	1000 cum	SPMA	SPMA	SPM
SAIPEM Stock futures cash	1000	2SPM	SAIPEM Stock futures cash Adjusted	1000 / K	2SPM1	SPM	SPM
*) Class dedicated only to options exercised or assigned up to 20 May 2022 and expiring Futures May 2022							
<b>Series that will be generated</b>			SAIPEM Ordinary Shares	1000 EX	SPM	SPM	SPM
			SAIPEM Stock futures cash	1000 EX	2SPM	SPM	SPM

### 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>
SPM	1000 EX	EX	34.00 %	60.00	15.00	20 %
SPM1	1000/K	RETT	34.00 %	30.00	15.00	20 %
SPMA	1000	CUM	34.00 %	60.00	15.00	20 %
2SPM	1000	EX	34.00 %	60.00	15.00	20 %
2SPM1	1000/K	RETT	34.00 %	30.00	15.00	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 Euronext Securities Milan transfer message.

Euronext Securities Milan 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 20 May and available 23 May

The cash amount will be paid in the daily margin settlement on Tuesday 24 May 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 20 May 2022.**