

Notice – Adjustment of Positions Equity Derivatives Section

13 January 2021

Derivatives Section – Extraordinary dividend distribution: Impact on Stock Option contracts and Stock Futures contracts FIAT CHRYSLER AUTOMOBILES (FCA)

Foreword

On Thursday 14 January 2021 will be distributed an extraordinary dividend per *FIAT CHRYSLER AUTOMOBILES* (FCA) with impact on Options contracts and Futures contracts, in the manner indicated in Borsa Italiana's Notice n.892, n.893 dated 12 January 2021, n.364 dated 5 January 2021 and section B.3.1.7. of the CC&G Rules.

1. Adjustment of Positions

At close of trading day of Wednesday 13 January 2021 and after the night batch, open positions will be adjusted as indicated below.

1.1 Options positions¹

- 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:

$$\text{FCA Shares Number} = 500/K$$

$$\text{FCA1 Shares Number} = 554/K$$

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:

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

¹ Positions exercised and/or assigned up to Wednesday 13, January 2021 will not be adjusted. Accordingly, the delivery obligation on these positions is still referred to a quantity of 500 and 554 Ordinary Shares Adjusted *Cum*.

² The coefficient K according to the following formula:
$$K = \frac{P_{\text{last}} - \text{ordinary extraordinary dividend amount}^*}{P_{\text{last}}}$$

* extraordinary dividend amount = 1.84 euro.



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

$$FCA \text{ Shares Number} = 500/K$$

* * *

The operations connected with the adjustment that must be made to Back Office system of Members as indicated below.

2. Classification of Positions

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

<i>Up to the last cum trading day (included)</i>			<i>Starting from the first ex trading day (included)</i>				
<i>Description</i>	<i>Number of Underlying Shares</i>	<i>Class Symbol</i>	<i>Description</i>	<i>Number of Underlying Shares</i>	<i>Class Symbol</i>	<i>Class Group</i>	<i>Product Group</i>
FIAT CHRYSLER AUTOMOBILES	500 FCA cum	FCA	FIAT CHRYSLER AUTOMOBILES <i>First Adjusted</i>	500/K ex	FCA1	FCA	FT
FIAT CHRYSLER AUTOMOBILES	554 FCA cum	FCA1	FIAT CHRYSLER AUTOMOBILES <i>Second Adjusted</i>	554/K ex	FCA2	FCA	FT
FIAT CHRYSLER AUTOMOBILES	500 FCA cum	FCAA	FIAT CHRYSLER AUTOMOBILES <i>E/A cum*</i>	500	FCAA	FCAA	FT
FIAT CHRYSLER AUTOMOBILES	554 FCB cum	FCAB	FIAT CHRYSLER AUTOMOBILES <i>E/A cum*</i>	554	FCAB	FCAB	FT
FIAT CHRYSLER AUTOMOBILES <i>European Stock Options Physical</i>	500 FCA cum	3FCA	FIAT CHRYSLER AUTOMOBILES <i>First Adjusted</i>	500/K ex	3FCA1	FCA	FT
Series that will be generated			FIAT CHRYSLER AUTOMOBILES	500 FCA ex	FCA	FCA	FT
Series that will be generated			FIAT CHRYSLER AUTOMOBILES <i>European Stock Options Physical</i>	500 3FCA ex	3FCA	FCA	FT

*) Class dedicated only to options exercised or assigned up to Wednesday 13 January

- b) The positions **Weekly Stock Options** will be identified in the Clearing Reports as indicated in the following table:

<i>Up to the last cum trading day (included)</i>			<i>Starting from the first ex trading day (included)</i>				
<i>Description</i>	<i>Number of Underlying Shares</i>	<i>Class Symbol</i>	<i>Description</i>	<i>Number of Underlying Shares</i>	<i>Class Symbol</i>	<i>Class Group</i>	<i>Product Group</i>
FIAT CHRYSLER AUTOMOBILES Weekly Stock Options	500 FCA cum	FCAY	FIAT CHRYSLER AUTOMOBILES Weekly Stock Options	500/k	FCAY1	FCA	FT
Series that will be generated			FIAT CHRYSLER AUTOMOBILES Weekly Stock Options	500 FCA** ex attribution/repayment	FCA**	FCA	FT

** last letter = suffix according to convention

c) The positions Stock Futures Cash will be identified in Clearing reports as indicated in the following table:

<i>Up to the last cum trading day (included)</i>			<i>Starting from the first ex trading day (included)</i>				
<i>Description</i>	<i>Number of Underlying Shares</i>	<i>Class Symbol</i>	<i>Description</i>	<i>Number of Underlying Shares</i>	<i>Class Symbol</i>	<i>Class Group</i>	<i>Product Group</i>
FCA Stock Futures cash	500	2FCA	FCA Stock Futures cash adjusted	500 /K ex	2FCA1	FCA	FT
Series that will be generated			FCA Stock Futures cash	2FCA 500 ex	2FCA	FCA	FCA

All new series that will be generated from Thursday January 14, 2021 will be included in the "FCA" Class.

The value of the underlying for "FCA" classe, will be assumed equal to the "value" for Ex shares, divided for the K coefficient.

3) Parameters required for the 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>
FCA/3FCA Option/Stock Futures + Weekly Stock Options	500	Ex	17.25%	140	48	20%
FCA1/3FCA1 Option/Stock Futures + Weekly Stock Options adjusted	500/K	Ex	17.25%	140	48	20%
FCA2 Option	554/K	Ex	17.25%	-	48	20%
2FCA	500	Ex	17.25%	140	48	20%
2FCA1	500/K	EX	17.25%	140	48	20%
FCAA + W	500	Cum - E/A	17.25%	-	48	20%
FCAB + W	500	Cum - E/A	17.25%	-	48	20%

4) 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.

5) Differentials

The calculation of the differentials arising from the adjustment of options will be indicated in the report RP-MC10 dated 14 January 2021 and available 15 January 2021.

The cash amount will be paid in the daily margin settlement on Tuesday 18 January 2021 and reports in the "Cash adjustments/Buy-In" of reports RP-MS11 and MS12.

* * *

The early exercise is suspended on 13 January, 2021.