

# Notice – Adjustment of Positions Equity Derivatives Section

28 January 2021

*Derivatives Section – Extraordinary dividend distribution: Impact on Stock Option contracts and Stock Futures contracts BUZZI UNICEM (BZU)*

## Foreword

On Monday 1<sup>o</sup> February 2021 will be distributed an extraordinary dividend per Buzzi Unicem (BZU) with impact on Options contracts and Futures contracts, in the manner indicated in Borsa Italiana's Notice n. 847 del 11 January 2021, n.1480 and 1481 dated 15 January 2021 and section B.3.1.7. of the CC&G Rules.

## 1. Adjustment of Positions

At close of trading day of Friday 29 January 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:

$$\text{Shares Number} = 100 \times \frac{1}{K}.$$

<sup>1</sup> Positions exercised and/or assigned up to thursday 28, January 2021 will not be adjusted. Accordingly, the delivery obligation on these positions is still referred to a quantity of 100 Ordinary Shares *Cum*.

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

\*\* extraordinary dividend amount = 0.75 euro.



## 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:

$$Price\ Ex = Price\ Cum \times K;$$

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

$$Shares\ Number = 100 \times \frac{1}{K}.$$

\* \* \*

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

## 2. Classification of Positions

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

Up to the last cum trading day (included)			Starting from the first ex trading day (included)				
Description	Number of Underlying Shares	Class Symbol	Description	Number of Underlying Shares	Class Symbol	Class Group	Product Group
BUZZI UNICEM Ordinary Shares	100 Ordinary Shares Cum	BZU	BUZZI UNICEM Ordinary Shares Adjusted	100 Ex/K	BZU1	BZU1	BZU
BUZZI UNICEM Ordinary Shares	100 Ordinarie Cum	BZU E/A*	BUZZI UNICEM Ordinary Shares cum	100 cum	BZUA	BZUA	BZU
<b>Series that will be generated</b>			BZU Ordinary Shares	100 ex	BZU	BZU	BZU

\*) Class dedicated only to options exercised or assigned up to Friday 29 January

### 3. Classification of Positions BZU stock futures cash

In *Clearing reports* is indicated as following:

<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>
BUZZI UNICEM Stock Futures cash	100	2BZU	BZU Stock Futures cash adjusted	100 /K ex	2BZU1	BZU	BZU
<i>Series that will be generated</i>			BZU Stock Futures cash	BZU 100 ex	2BZU	BZU	BZU

### 4) 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>
BZU	100	EX	16.25%	12	40	20%
BZU1	100/K	RETT	16.25%	12	40	20%
2BZU	100	EX	16.25%	12	40	
2BZU1	100/K	RETT	16.25%	12	40	

### 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 dated 1° February 2021.

The cash amount will be paid in the daily margin settlement on Tuesday 2 February 2021 and reports in the "Cash adjustments/Buy-In" of reports RP-MS11 and MS12.

\* \* \*

The early exercise is suspended on 29 January, 2021.