

## EURONEXT DERIVATIVES NOTICE

Brussels Market

No. NO150121DE2

Issue Date:

21 January 2015

Effective Date:

5 February 2015

### INTRODUCTION OF SINGLE STOCK DIVIDEND FUTURES

#### Executive Summary

This Notice informs Members of the introduction of Single Stock Dividend Futures on the Brussels Derivatives Markets on 5 February 2015.

#### 1. Introduction

- 1.1 Euronext intends to launch Single Stock Dividend Futures (SSDF) on the Brussels Derivatives Markets. Initially, 12 SSDFs will be listed on the Brussels market on 5 February 2015. The introduction of additional SSDFs will be announced by Notice in due course. An SSDF is a future on the cumulative value of ordinary gross cash dividends declared by the relevant company over a one-year period. The period starts on the day following the third Friday in December and ends on the third Friday in December (the expiry date) one year later.
- 1.2 The underlying value of an SSDF is the dividend payments in relation to a contract size of 10,000 shares. The tick size is € 0.0001 (€ 1 per contract) and open positions remaining after the last day of trading will lead to cash settlement. The full contract specifications are set out in attachment 1. The list of underlying values is shown in attachment 2.

#### 2. Liquidity Provider information

- 2.1 For the full Liquidity Provider Programme specifications including obligations and benefits please refer to the Liquidity Provider Programme Info-Flash which is available on the Euronext website: <https://derivatives.euronext.com/elps>.
- 2.2 All Members are eligible to apply for a Liquidity Provider status. Members wishing to apply for a Liquidity Provider role should complete the Liquidity Provider Registration Form as explained in the Info-Flash.

### 3. Dividend rules

- 3.1 For the purpose of determination of the final settlement value (EDSP), the declared ordinary dividends are taken into account if their ex-date falls on or between the start and end date of the reference period of the relevant expiry. The dividend amount taken into account will be the amount as declared by the issuer without an adjustment for withholding taxes, tax credits or tax repayments.
- 3.2 Dividends that are declared special or extraordinary by the issuer are normally excluded.
- 3.3 If a dividend is distributed in the form of shares only and if this is regarded as ordinary dividend, the cash equivalent is taken into account. If no cash value is declared by the issuer, the cash value will be determined based on the official closing price of the share on the relevant cash market on the cum-day (the business day prior to the ex-dividend date).
- 3.4 If shareholders may choose between cash or shares, the cash option is chosen.
- 3.5 A dividend future refers to a dividend that is paid in the same currency as the trading currency of the dividend future. If a dividend is declared in another currency than the futures contract currency, the published equivalent amount in the futures contract currency will be used if investors have the option to be paid in that currency and if this amount is available on or before the ex-date (for clarification, the published equivalent amount should not be a converted value that is shown for informational purposes). If the dividend amount is only available in currencies that deviate from the futures contract currency, the dividend amount will be converted using the reference rate for the cum-day (the business day prior to the ex-date). In principle the reference rate will be based on the foreign exchange reference rates as published daily by the ECB.
- 3.6 For cases not covered by these rules, Euronext will determine an appropriate adjustment or repayment to be made.

### 4. Fees

- 4.1 The standard trading and clearing fees per contract are as follows:

| Futures price | Central Order Book  |                                 | Block trades and guaranteed cross                             |                                 |
|---------------|---|---------------------------------|---|---------------------------------|
|               | Broker (Client account) and Member (Own account) <sup>1</sup> | Liquidity Provider <sup>2</sup> | Broker (Client account) and Member (Own account) <sup>1</sup> | Liquidity Provider <sup>2</sup> |
| < 0.50        | € 1.00  | € 0.50                          | € 1.50  | € 0.75                          |
| 0.50 – 0.99   | € 4.00  | € 2.00                          | € 6.00  | € 3.00                          |
| ≥ 1.00        | € 6.00  | € 3.00                          | € 9.00  | € 4.50                          |

### 5. Corporate Actions

- 5.1 Relevant Corporate Actions will be processed according to the procedures that are applicable to the equivalent equity option or single stock futures listed on Euronext.

For further information in relation to this Notice, contact your relationship manager at [eurmteam@euronext.com](mailto:eurmteam@euronext.com)

<sup>1</sup> The clearing fee is €0.50 per contract.

<sup>2</sup> The clearing fee is €0.30 per contract.

Attachment 1

**The contract specifications for Single Stock Dividend Futures are as follows:**

|  |   |
|--|---|
| Contract size                                | Dividend payments in relation to a contract size of 10,000 shares   |
| Unit of trading                              | 10,000  |
| Pricing unit/quotation                       | Euro per share<br>US Dollar per share   |
| Minimum price movement (tick size and value) | EUR 0.0001 (EUR 1.00 per contract)<br>USD 0.0001 (USD 1.00 per contract)  |
| Expiry months                                | 12, 24, 36, 48 and 60 months yearly (of the December cycle)   |
| Introduction of new expiry months            | New expiry months are available for trading on the first business day after the expiry of a maturity  |
| Wholesale services                           | Prof trading (minimum size 1 contract)  |
| Trading hours                                | Central Order Book 09:00 – 17:30 CET<br>Prof Trade Facility 07:00 – 18:30 CET   |
| Trading platform                             | UTP   |
| Algorithm                                    | Central order book applies a price-time trading algorithm with priority given to the first order at the best price  |
| Last trading day                             | Trading ceases at 12:00 CET on the third Friday of the expiry month. In the event that the third Friday is not a business day, the Last Trading Day shall normally be the last business day preceding the third Friday  |
| Settlement                                   | Cash settlement based on the EDSP   |
| Settlement day                               | First business day after the day on which the EDSP is published   |
| Exchange Delivery Settlement Price (EDSP)    | The final settlement value as established by Euronext at 12:00 (CET) on the third Friday of the expiry month, determined to four decimal places. The final settlement value is equal to the cumulative value of ordinary dividends declared by the relevant company without an adjustment for withholding taxes, tax credits or tax repayments. Declared ordinary dividends are taken into account if their ex-date falls on or between, the start and end date of the one-year reference period of the relevant expiry. The reference period starts on the day following the third Friday in December and ends on the third Friday in December (the expiry date) one year later. |
| Clearing organization                        | LCH.Clearnet S.A.   |

Attachment 2 - List of Single Stock Dividend Futures to be listed on the Brussels market.

|    | Trading symbol | Name                     | ISIN code shares | SSDF trading currency |
|----|----------------|--------------------------|------------------|-----------------------|
| 1  | AV8            | Ackermans & Van Haaren   | BE0003764785     | EUR                   |
| 2  | AG8            | Ageas                    | BE0974264930     | EUR                   |
| 3  | AB8            | Anheuser-Busch Inbev     | BE0003793107     | EUR                   |
| 4  | BL8            | Belgacom                 | BE0003810273     | EUR                   |
| 5  | CF8            | Cofinimmo                | BE0003593044     | EUR                   |
| 6  | CO8            | Colruyt                  | BE0974256852     | EUR                   |
| 7  | DE8            | Delhaize Group           | BE0003562700     | EUR                   |
| 8  | ES8            | Elia System Operator     | BE0003822393     | EUR                   |
| 9  | GB8            | Groupe Bruxelles Lambert | BE0003797140     | EUR                   |
| 10 | SO8            | Solvay                   | BE0003470755     | EUR                   |
| 11 | UC8            | UCB                      | BE0003739530     | EUR                   |
| 12 | UM8            | Umicore                  | BE0003884047     | EUR                   |