



Treatment of Changes to the Capital Structure



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The Management Board of Wiener Börse AG passed the following resolution on 23 July 2010 within the scope of executing Art. 37 of the CCP.A Clearing Rules:

1. TREATMENT OF CHANGES TO THE CAPITAL STRUCTURE

1.1. General Framework Conditions

Stock corporations control the capitalization of their companies as required by carrying out changes to the capital structure. Whenever standardized options and/or stock futures contracts on the stocks of such companies are admitted to trading in options and stock futures contracts on the Vienna Stock Exchange, existing options series and/or stock futures contract series usually have to be adjusted for the changes to the capital structure. The adjustment serves to preserve the intrinsic value of the concerned options portfolio (I) and/or the value of a stock futures contract portfolio (II).

The adjustment measures required in each case are defined by the exchange operating company. These provisions and the amendments to these provisions enter into force at the time they are notified to the exchange members.

(I) The intrinsic value of an options position in an underlying instrument is derived from the positive difference between the strike price of the option (X) and the price of the underlying (S). This difference is multiplied by the contract size (C) and the size of position (P). For call options, the intrinsic value is defined, for example, as follows:

$$I_o = (S_o - X_o) \cdot C_o \cdot P_o$$

Where

I_o Intrinsic value of the (call) position before the change is always greater than or equal to zero

S_o Price of the underlying stock (EUR)

X_o Strike price of option (EUR)

C_o Contract size

P_o Portfolio size (no. of positions)

o Index symbol for old values (before action, on "cum" day1),

n Index symbol for new values (after action, on "ex" day)

I_n Intrinsic value after capital change (EUR); always greater than or equal to zero

¹ Cum day is the exchanging trading day preceding the ex day.

For the intrinsic value of the options portfolio to remain unchanged despite the change to the capital structure, the corresponding parameters of the options series have to be adjusted accordingly.

Therefore,

$$I_o = I_n$$

To fulfill this condition, depending of the capital measure taken, the strike price (X) and the contract size (C) of the concerned options contracts are adjusted. The portfolio size (P), i.e., the number of positions, remains unchanged.

(II) The value of a position in a stock futures contract on an underlying is calculated using the product of the daily settlement price (D), the contract size (C) and the number of contracts (position size, P). Therefore, the value of a position in stock futures is

$$I_o = D_o \cdot C_o \cdot P_o$$

Where

I_o : is the value of the stock futures position before a change to the capital [EUR]

D_o : is the settlement price of the stock futures contract before the change [EUR]

C_o : is the contract size

P_o : is the portfolio size (no. of positions)

o : is the index symbol for old value (before change, on "cum" day)

n : is the index symbol for new value (after change, on "ex" day)

I_n : is the value of a stock futures portfolio after the change to the capital [EUR]

To preserve the value of a stock futures portfolio during capital measures, the corresponding parameters of the stock futures contracts position must be adjusted as follows:

$$I_o = I_n$$

For this condition to be met, the settlement price (D) and the contract size (C) of the stock futures contracts are adjusted depending on the respective changes to the capital. The portfolio size (P), i.e., the number of positions remains unchanged.

1.2. Correction factor for the calculation of the new series parameters

To implement the necessary adjustments to stock options and futures contracts due to the changes to the capital, the so-called R-factor method² is applied. The method is based on a comparison of the

² Analogous to the R-factor method in use at EUREX Frankfurt AG.

cum price (S_o) with the ex price (S_n) of the concerned underlying, with the theoretical calculated ex price differing depending on the specific measure.

$$\frac{S_n}{S_o} = R \quad \text{or} \quad S_n = S_o \cdot R$$

Where

S_o : Price of the stock of the underlying before the measure (cum price) [EUR]

S_n : Price of the stock of the underlying after the measure (ex price) [EUR]

R : Correction factor

To meet the fundamental requirement to preserve the value of the portfolio, the following applies

$$I_o = (S_o - X_o) \cdot C_o \cdot P_o$$

$$I_n = (S_n - X_n) \cdot C_n \cdot P_o$$

resulting in

$$(S_o - X_o) \cdot C_o = (S_n - X_n) \cdot C_n = (S_o - X_o) \cdot R \cdot \frac{C_o}{R}$$

In the case of changes to the capital, this results in the need to make adjustments to the series parameters for

(I) Stock options:

$$X_n = X_o \cdot R \quad \text{und} \quad C_n = \frac{C_o}{R}$$

(II) Stock futures contracts:

$$D_n = D_o \cdot R \quad \text{und} \quad C_n = \frac{C_o}{R}$$

Where

X_o : Strike price of the option before the change [EUR]

X_n : New strike price of the option after the change [EUR]

C_o : Contract size before the change

C_n : Contract size after the change

D_o : Settlement price of the stock futures contract before the change [EUR]

D_n : Settlement price of the stock futures contract after the change [EUR]

R : Correction factor

Special rules for LEPOS:

In the case of the Low Exercise Price Options (LEPO), these are options with a strike price of €0.01 (1 cent), only one adjustment to the contract size is made. The strike price is not adjusted.

It should be noted that both the correction factor (R) and the new contract size (C_n) are the same for the respective options and futures contracts of one underlying.

The correction factor itself is generally defined as

$$\frac{S_n}{S_o} = R \quad \text{or} \quad S_n = S_o \cdot R$$

Where

- S_o : Price of the stock of the underlying before the change (cum price) [EUR]
- S_n : Price of the stock of the underlying after the change (ex price) [EUR]
- R : Correction factor

The capitalization of the company after the change is:

$$S_o \cdot N_o + E_i \cdot N_i = S_n \cdot N_n \quad \text{with} \quad N_n = N_i + N_o$$

Where

- E_i : Issue price of new shares [EUR]
- N_o : Number/Nominal value of shares before the change
- N_i : Number/Nominal value of new shares
- N_n : Total number/total nominal value of shares after the change

results in the correction factor (R) to:

$$R = \frac{N_o}{N_n} \cdot \left(1 - \frac{E_i}{S_o} \right) + \frac{E_i}{S_o}$$

Where

- R : Correction factor
- N_o : Number/Nominal value of shares before the change
- N_n : Total number/total nominal value of shares after the change
- E_i : Issue price of new shares [EUR]
- S_o : Price of the shares before the change (cum price) [EUR]

If the issue price of the new shares is given within a bandwidth, then the arithmetic mean between the upper (E_i^h) and the lower limit (E_i^l) is used as the issue price of the new shares (E_i).

$$E_i = \frac{E_i^l + E_i^h}{2}$$

1.3 Technical Description of the Changes to the Capital Structure

The R-factor (R) is calculated by the exchange operating company before every change and notified to the participants.

Within the course of the technical implementation of the adjustments, the R-factor is rounded to 8 decimal places (R)³.

$$R = \frac{\text{INT} \left[(R + 5 \cdot 10^{-9}) \cdot 10^8 \right]}{10^8}$$

The new strike prices (X_n)³ are rounded to 2 decimal places, with the rounded R-factor (R) being applied.

$$X_n = \frac{\text{INT} \left[(X_o \cdot R + 5 \cdot 10^{-3}) \cdot 10^2 \right]}{10^2}$$

The new contract size (C_n)³ is rounded to 4 decimal places, with the rounded R-factor (R) being applied:

$$C_n = \frac{\text{INT} \left[(C_o / R + 5 \cdot 10^{-5}) \cdot 10^4 \right]}{10^4}$$

The adjustment of the contracts becomes effective on the day on which the capital market transaction takes effect on the Vienna Stock Exchange. When exercising and allotting the stock option portfolios, delivery and cash settlement is automatically cleared and settled by CCP.A.

In the case of changes to the capital, all orders and quotes in the central order book in the concerned series are deleted in the trading system by the exchange operating company. The exchange operating company notifies all exchange members of an imminent cancellation.

1.4 Cash Settlement in the Case of Capital-adjusted Stock Options

Due to the new contract size (C_n), which is usually not a whole number, there is an additional need for cash settlement in the case of instruments with physical settlement, e.g. in this case, when exercising/allotting stock options. In the case of cash settlement, a specific portion of the contract size is split off for the calculation and the value of this portion is settled in cash.

³ Variables that are not rounded are in "*italics*" and their rounded values are in "normal" type.

(I) In the case of effective capital measures, i.e. measures that include the issuance of subscription rights:

$$C1 = (C_n - C_o) \cdot (S_a - X_n)$$

(II) In the case of nominal capital measures, i.e. measures without the issuance of subscription rights:

$$C2 = F \cdot (S_a - X_n) \text{ with } F = \text{FRAC}[C_n]$$

Where

- C1: Cash settlement amount per position at delivery/acceptance [EUR]
- C2: Cash settlement amount per position at delivery/acceptance [EUR]
- C_n: Contract size after rounding
- C_o: Contract size before the change
- S_a: Share price of the underlying on exercise day [EUR]
- X_n: New strike price of the option after rounding [EUR]

The variants for cash settlement calculated according to (C1) or (C2) are equivalent and are rounded to two decimal places (rounding is done as above).

(I) In the case of effective capital measures, (C1) is applied with the total difference to the original contract size (C_o) being settled in cash. In this case, the delivering party delivers only the respective number of shares to the party accepting delivery upon execution/allotment that were calculated based on the original contract size and settles the remainder in cash at the original contract size to the party accepting delivery. This variant ensures that the parties delivering the shares are not forced to buy 'additional' shares using existing subscription rights or otherwise procure these on the market in order to deliver on their positions.

(II) In the case of changes to the nominal capital, the calculation rule (C2) foresees the split-off of the smallest portion of the contract size that is not deliverable and its settlement in cash (minimum cash settlement). In this case, the delivering party delivers to the party accepting delivery upon execution/allotment, the number of shares that results from the stake expressed in whole numbers of the new (rounded) contract size (C_n) and settles the remaining value in cash with the party accepting delivery (decimal share of (C_n)) in cash. In this variant, the share to be settled in cash is minimized.

During the exercise and allotment of stock option portfolios, delivery and cash settlement is automatically cleared and settled by CCP.A.

2. Measures for Raising Capital (Articles 149 to 174 Austrian Stock Corporation Act)

2.1 Effective capital increases (Articles 149 to 158 Stock Corporation Act)

2.1.1 Effective capital increases through the issuance of new shares with full dividend rights

Companies can increase their share capital through the issuance of new shares. The company offers 'new' shares at the issue price (E_i). The new shares either have full dividend rights or restricted dividend rights depending on the time of issue.

At the same time, the company must grant existing shareholders subscription rights to the new shares and in this manner enable the shareholders to prevent the dilution of their stakes in the company. For this reason, the subscription rights depend on the ratio of existing capital of the company to the capital increase. The value of the subscription right corresponds to the difference between the new share price (S_n – cum price) and the share price before the increase (S_n – ex price). The subscription rights are traded on the market as independent instruments.

The value of the subscription right (BR_v) is calculated, for example, by

$$BR_v = \frac{N_i}{N_n} (S_o - E_i) \quad \text{and} \quad S_n = S_o - BR_v$$

Where

BR_v : Value of the subscription right [EUR]

N_i : Number/Nominal value of new shares

N_n : Total number/total nominal value of shares after the change

S_o : Price of the stock of the underlying before the change (cum price) [EUR]

E_i : Issue price of new shares [EUR]

S_n : Price of the stock of the underlying after the change (ex price) [EUR]

Sample Calculation Increase in capital by EUR 10 million (from EUR 40 to 50 million), i.e. subscription ratio 4:1. The issue price is EUR 37.50 (see Table 2.1.1, calculated values highlighted in yellow)

Stock Parameters	Parameter	Example
Issue price	E_i	EUR 37.50
Share price (cum price)	S_o	EUR 42.65



Number / nominal value of new shares	N_i	EUR 10 mill.
Number / nominal value "cum" (total before)	N_o	EUR 40 mill.
Number / Nominal value "ex" (total after)	N_n	EUR 50 mill.
Subscription right	BR_v	EUR 1.03
Share price (ex price)	S_n	EUR 41.62
R - factor	R	0.97584994

Table 2.1.1 : Example of effective capital increase with full dividend rights (measure A)

Adjustment of the series parameters of options and futures and cash settlement amounts upon exercise or expiry of futures delivered physically:

Series Parameters	Parameter	Example before	Example after	Example Settlement) ²
Strike price options	X_n	3650) ¹	3562	€1.71
	X_n	3700	3611	€1.10
	X_n	3725	3635	€0.80
Contract size options	C_n	50	51,2374	50 shares to be delivered
Settlement price futures	D_n	42,65 €	41.62 €	
Closing price futures	$D_n = S_a$		37.00 €) ³	€91.57
Contract size futures	C_n	100	102.4748	100 shares to be delivered
R - factor	R			0.97584994

)¹ Strike prices are rounded to two decimal places in the EUREX system and always shown without 'decimal points', e.g., example "3650" means a strike price of €36.50

)² Cash settlement according to the variant for the effective capital measures (C1) at an assumed closing price of ($S_a = €37.00$)





)³ In the case of futures to be settled physically, the portion calculated analogously (C1) is settled in cash with the last variation margin. In the example, at an assumed closing price of the underlying upon expiry of $S_a = 37.00 \text{ €}$

2.1.2 Effective capital increases through the issuance of new shares without full dividend rights

A company increases its capital through the issuance of new shares with only restricted dividend rights in the year of issue. This is usually the case when the change to the capital is carried out in the later course of the year. Buyers of new shares receive a smaller dividend than the holders of 'old' shares.

The restricted dividend rights of the new shares effectively makes the issue price of the new shares more expensive, specifically, exactly by the dividend markdown. The value of the subscription right decreases accordingly.

The value of the subscription right (BR_v) is calculated, for example, by

$$BR_v = \frac{N_i}{N_n} (S_o - (E_i + D_m)) \text{ and } \tilde{E}_i = E_i + D_m \text{ und } S_n = S_o - BR_v$$

Where

BR_v : Value of the subscription right [EUR]

N_i : Number/Nominal value of new shares

N_n : Total number/total nominal value of shares after the change

S_o : Price of the stocks of the underlying before the change (cum price) [EUR]

E_i : Issue price of new shares [EUR]

D_m : Dividend markdown of new shares {EUR}

S_n : Price of the stock of the underlying after the change (ex price) [EUR]

\tilde{E}_i : Effective issue price of the new shares [EUR]

Sample Calculation Taking into account the effective issue price when calculating the R-factor results in the following example: Increase in capital by EUR 10 million (from EUR 40 to 50 million), i.e. subscription ratio 4: 1. The issue price is EUR 37.50; dividend markdown EUR 3.50 (see Table 2.1.2, calculated values highlighted in yellow)

Share Parameters	Parameter	Example
Issue price	E_i	EUR 37.50
Dividend markdown	D_m	EUR 3.50





Effective issue price	\tilde{E}_i	EUR 41.00
Share price (cum price)	S_o	EUR 42.65
Number / nominal value of new shares	N_i	EUR 10 mill.
Number / nominal value "cum" (total before)	N_o	EUR 40 mill.
Number / Nominal value "ex" (total after)	N_n	EUR 50 mill.
Subscription right	BR_v	EUR 0.33
Share price (ex price)	S_n	EUR 42.32
R - factor	R	0.99226260

Table 2.1.2 : Example for effective capital increase with dividend markdown (measure B)

Adjustment of the series parameters of options and futures and cash settlement amounts upon exercise or expiry of futures delivered physically:

Series Parameters	Parameter	Example before	Example after	Example Settlement) ²
Strike price options	X_n	3650) ¹	3622	EUR 0.30
	X_n	3700	3671	EUR 0.11
	X_n	3725	3696	EUR 0.02
Contract size options	C_n	50	50.3899	50 shares to be delivered
Settlement price futures	D_n	EUR 42.65	EUR 42.32	
Closing price futures	$D_n = S_a$		EUR 37.00) ³	EUR 28.85
Contract size futures	C_n	100	100.7798	100 shares to be delivered
R - factor	R		0.99226260	





-)¹ Strike prices are rounded to two decimal places in the EUREX system and always shown without 'decimal points', e.g., example "3650" means a strike price of €36.50
-)² Cash settlement according to the variant for the effective capital measures (C1) at an assumed closing price of ($S_a = €37.00$)
-)³ In the case of futures to be settled physically, the portion calculated analogously (C1) is settled in cash with the last variation margin. In the example, at an assumed closing price of the underlying upon expiry of $S_a = 37.00 €$

The adjustment is done analogously to measure A, with the different dividend right (the dividend markdown) being taken into account in the definition of the effective issue price.

2.2 Nominal capital increase – capital increase from the company's own funds (Articles 1 to 6, Capital Formation Act)

2.2.1 Nominal capital increase through the issuance of bonus shares with full dividend rights

A company increases its capital through the conversion of reserves (company funds) into capital. The shareholders receive bonus shares at no cost, i.e. for the issue price of the bonus shares E_i the following applies: $E_i = 0$.

The share price of the 'old shares' therefore changes in relation to the capital increase.

$$S_n = \frac{N_o}{N_n} (S_o)$$

Where

- N_i : Number/Nominal value of bonus shares
- N_n : Total number/total nominal value of shares after change
- N_o : Total number/total nominal value of shares before change
- S_o : Price of shares of the underlying before the change (cum price) [EUR]
- S_n : Price of shares of the underlying after the change (ex price) [EUR]

The R factor is therefore calculated by applying the formula in 1.2 as

$$R = \frac{N_o}{N_n}$$

Sample Calculation: Nominal capital increase by EUR 10 mill. (from EUR 40 to 50 mill.), i.e. subscription ratio 4:1 with issuance of bonus shares with full dividend rights (see Table 2.2.1, calculated values highlighted in yellow)





Share Parameters	Parameter	Example
Issue price of bonus share	E_i	EUR 0
Share price (cum price)	S_o	EUR 42,65
Number / Nominal value of new shares	N_i	EUR 10 mill.
Number / Nominal value "cum" (total before)	N_o	EUR 40 mill.
Number / Nominal value "ex" (total after)	N_n	EUR 50 mill.
Share price (ex price)	S_n	EUR 34.12
R - Factor	R	0.8000000

Table 2.2.1: Example for nominal capital increase through the issuance of bonus shares with full dividend rights (measure C)

Adjustment of series parameters for options and futures and cash settlement amounts upon the exercise or expiry of futures delivered physically:

Share Parameters	Parameter	Example before	Example after	Example Settlement) ²
Strike price options	X_n	3650) ¹	2920	EUR 3,90
	X_n	3700	2960	EUR 3,70
	X_n	3725	2980	EUR 3,60
Contract size options	C_n	50	62.5000	62 shares to be delivered
Settlement price futures	D_n	EUR 42,65	EUR 34.12	
Closing price futures	$D_n = S_a$		EUR 37.00) ³	EUR 0,00
Contract size futures	C_n	100	125.00	125 shares to be delivered





R - factor	R	0.80000000
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-)¹ Strike prices are rounded to two decimal places in the EUREX system and always shown without 'decimal points', e.g., example "3650" means a strike price of €36.50
-)² Cash settlement according to the variant for the effective capital measures (C2) at an assumed closing price of ($S_a = €37.00$)
-)³ In the case of futures to be settled physically, the portion calculated analogously (C2) is settled in cash with the last variation margin. In the example, at an assumed closing price of the underlying upon expiry of $S_a = 37.00$ €

2.2.2 Nominal capital increase through the issuance of bonus shares without full dividend rights

A company increases its capital through the conversion of reserves (company funds) into capital. The shareholders receive (at no cost) bonus shares for which they receive smaller dividends than for the 'old' shares (dividend markdown D_m) at the next dividend payout.

The restricted dividend rights effectively make the bonus shares 'more expensive', specifically, by precisely the dividend markdown, i.e. for the determination of the R factor, an effective issue price for the bonus shares E_i results of: $E_i = 0 + D_m$.

The R-factor is calculated by applying the formula in 1.2.

Sample Calculation Nominal capital increase by EUR 10 million (from EUR 40 to 50 million), i.e. subscription ratio 4:1 with issuance of bonus shares without full dividend rights, dividend markdown EUR 3.50 (see Table 2.2.2, calculated value highlighted in yellow)

Share Parameters	Parameter	Example
Issue price bonus share	E_i	EUR 0
Dividend markdown	D_m	EUR 3.50
Effective issue price	\tilde{E}_i	EUR 3.50
Share price (cum price)	S_o	EUR 42.65
Number / nominal value of new shares	N_i	EUR 10 mill.
Number / nominal value "cum" (total before)	N_o	EUR 40 mill.





Number / Nominal value "ex" (total after)	N_n	EUR 50 mill.
Share price (ex price)	S_n	EUR 34.82
R - factor	R	0.81641266

Table 2.1.2 : Example of an effective capital increase with dividend markdown (measure D)

Adjustment of the series parameters of options and futures and cash settlement amounts upon exercise or expiry of futures delivered physically:

Series Parameters	Parameter	Example before	Example after	Example Settlement) ²
Strike price options	X_n	3650) ¹	2980	EUR 1,75
	X_n	3700	3021	EUR 1,65
	X_n	3725	3041	EUR 1,60
Contract size options	C_n	50	61,2435	<i>61 shares to be delivered</i>
Settlement price futures	D_n	EUR 42.65	EUR 34.82	
Closing price futures	$D_n = S_a$		EUR 37.00) ³	EUR 18.02
Contract size futures	C_n	100	122.4871	<i>122 shares to be delivered</i>
R - factor	R		0.81641266	

)¹ Strike prices are rounded to two decimal places in the EUREX system and always shown without 'decimal points', e.g., example "3650" means a strike price of €36.50

)² Cash settlement according to the variant for the effective capital measures (C2) at an assumed closing price of ($S_a = €37.00$)

)³ In the case of futures to be settled physically, the portion calculated analogously (C2) is settled in cash with the last variation margin. In the example, at an assumed closing price of the underlying upon expiry of $S_a = 37.00$ €





3. CAPITAL DECREASES (ARTICLE 175 TO 194 STOCK CORPORATION ACT)

3.1 Effective (ordinary) capital decreases (Art. 175 to 181 Stock Corporation Act)

3.1.1 Decrease in nominal value through a payout

In the case of a decrease of the nominal value through a payout, the original number of shares remains unchanged and the nominal value of the shares is reduced accordingly. The shareholders receive a cash amount in proportion to the share they hold.

The share price decreases by the payout price per share. The R-factor is calculated by applying the formula in 1.2. as

$$R = \frac{S_n}{S_o} \text{ or } R = \left(1 - \frac{A_o}{S_o} \right)$$

Where

S_o : Price of the stock of the underlying before the change (cum price) [EUR]

S_n : Price of the stock of the underlying after the change (ex price) [EUR]

R : Correction factor

A_o : Payout amount per old share [EUR]

Sample Calculation Decrease of the nominal value through a payout of EUR 10.00 per share (see Table 3.1.1, calculated values highlighted in yellow)

Share Parameters	Parameter	Example
Payout per share	A_o	EUR 10.00
Share price (cum price)	S_o	EUR 42.65
Share price (ex price)	S_n	EUR 32.65
R - factor	R	0.76553341

Table 3.1.1 : Example of an effective capital decrease through a payout (Measure E)





Adjustment of the series parameters of options and futures and cash settlement amounts upon exercise or expiry of futures delivered physically:

Series Parameters	Parameter	Example before	Example after	Example Settlement) ²
Strike price options	X_n	3650) ¹	2794	EUR 31.55
	X_n	3700	2832	EUR 25.73
	X_n	3725	2852	EUR 22.66
Contract size options	C_n	50	65,3139	50 shares to be delivered
Settlement price futures	D_n	EUR 42.65	EUR 32.65	
Closing price futures	$D_n = S_a$		EUR 30.00) ³	EUR 918.84
Contract size futures	C_n	100	130.6279	100 shares to be delivered
R - factor	R		0.76553341	

)¹ Strike prices are rounded to two decimal places in the EUREX system and always shown without 'decimal points', e.g., example "3650" means a strike price of €36.50

)² Cash settlement according to the variant for the effective capital measures ($C1$) at an assumed closing price of ($S_a = €30.00$)

)³ In the case of futures to be settled physically, the portion calculated analogously ($C1$) is settled in cash with the last variation margin. In the example, at an assumed closing price of the underlying upon expiry of $S_a = 30.00$ €

3.1.2 Reverse stock split with a payout

The combination of shares with a payout corresponds to a split ("reverse") and is at the same time an effective capital decrease through a payout. In this case, the number of shares is reduced and the payout reduces the capitalization of the company. The shareholders receive a cash amount.

The effective R-factor for change (R) results from the simultaneous execution of the two individual measures. For the payout measure, a factor (R_1) determined according to par. 3.1.1 is the result. For the split measure, the corresponding factor (R_2) results:





$$R_1 = \left(1 - \frac{A_o}{S_o}\right) \text{ and } R_2 = \frac{N_o}{N_n}$$

This results in the effective R-factor for this measure:

$$R = R_1 \cdot R_2 = \left(1 - \frac{A_o}{S_o}\right) \cdot \frac{N_o}{N_n}$$

Where

- R : Effective correction factor
- R_1 : Correction factor for payout components
- R_2 : Correction factor for split components
- N_o : Total number/total nominal value of shares before the change
- N_n : Total number/total nominal value of shares after the change
- A_o : Payout amount per old share [EUR]
- S_o : Price of the stock before the change (cum price) [EUR]

Sample Calculation Decrease of the nominal value through a payout of EUR 10.00 per share and simultaneous combination of shares at ration 4:3 (see Table 4, calculated values highlighted in yellow).

Share Parameters	Parameter	Example
Payout per share	A_o	EUR 10.00
Share price (cum price)	S_o	EUR 42.65
Number / Nominal value of withdrawn shares	N_i	EUR 10 mill.
Number / Nominal value "cum" (total before)	N_o	EUR 40 mill.
Number / Nominal value "ex" (total after)	N_n	EUR 30 mill.
Share price (ex price)	S_n	EUR 43.53
R-factor (payout)	R_1	0.76553341149





R-factor (split)	R_2	1.33333333333
R-factor	R	1.02071122

Table 3.1.2: Example of an effective capital decrease through the reverse split of shares with payout (Measure F)

Adjustment of the series parameters of options and futures and cash settlement amounts upon exercise or expiry of futures delivered physically:

Series Parameters	Parameter	Example before	Example after	Example Settlement) ²
Strike price options	X_n	3650) ¹	3726	EUR 4.67
	X_n	3700	3777	EUR 4.17
	X_n	3725	3802	EUR 3.92
Contract size options	C_n	50	48.9855	48 shares to be delivered
Settlement price futures	D_n	EUR 42.65	EUR 43.53	
Closing price futures	$D_n = S_a$		EUR 42.00) ³	EUR 40.78
Contract size futures	C_n	100	97.9709	97 shares to be delivered
R - factor	R		1.02071122	

-)¹ Strike prices are rounded to two decimal places in the EUREX system and always shown without 'decimal points', e.g., example "3650" means a strike price of €36.50
-)² Cash settlement according to the variant for the effective capital measures (C2) at an assumed closing price of ($S_a = €37.00$)
-)³ In the case of futures to be settled physically, the portion calculated analogously (C2) is settled in cash with the last variation margin. In the example, at an assumed closing price of the underlying upon expiry of $S_a = 42.00$.



3.2 Nominal (simplified) capital decreases (Art. 182 to 191 Stock Corporation Act)

3.2.1 Decrease of the nominal value without payout

This capital measure is usually applied to finance a loss directly by the use of company funds and to distribute the loss equally across all shareholders.

As a rule, the current share price (cum price) reflects the loss incurred so that in the case of such a measure, the ex price of the share is the same as the cum price of the share. In this case, according to par. 1.2 for the R-factor, the following applies:

$$R = \frac{S_n}{S_o} = 1$$

and there are no adjustments of the options or futures parameters (measure G).

Where

R : Correction factor

S_n : Price of the shares after the change (ex price) [EUR]

S_o : Price of the share before the change (cum price) [EUR]

However, should the ex price of the underlying be influenced by the change, the corresponding adjustments are carried out using the R-factor method for options and futures contracts. The exchange operating company announces the corresponding R-factor.

3.2.2 Reverse split of shares without payout in the case of a nominal capital decrease

A combination of shares without payout corresponds to a reverse stock split (cf. par. 3.1.2), i.e., the number of shares is reduced. The value of the company remains unchanged.

The R-factor corresponds to the reverse split ratio:

$$R = \frac{N_o}{N_n}$$

Where

R : Correction factor

N_o : Total number/total nominal value of shares before the change

N_n : Total number/total nominal value of shares after the change



Sample Calculation A reverse stock split at a ratio of 4:3, i.e., 4 old shares for 3 new shares (see Table 3.2.2, calculated values are highlighted in yellow).

Share Parameters	Parameter	Example
Share price (cum price)	S_o	EUR 42.65
Number / Nominal value of withdrawn shares	N_i	EUR 10 mill.
Number / nominal value "cum" (total before)	N_o	EUR 40 mill.
Number / Nominal value "ex" (total after)	N_n	EUR 30 mill.
Share price (ex price)	S_n	EUR 56.87
R - factor	R	1.33333333

Table 3.2.2: Example of an effective capital decrease through the reverse split of shares without payout (Measure H)

Adjustment of the series parameters of options and futures and cash settlement amounts upon exercise or expiry of futures delivered physically:

Series Parameters	Parameter	Example before	Example after	Example Settlement) ²
Strike price options	X_n	3650) ¹	4867	-EUR 3.34
	X_n	3700	4933	-EUR 3.67
	X_n	3725	4967	-EUR 3.84
Contract size options	C_n	50	37.5000	37 shares to be delivered
Settlement price futures	D_n	EUR 42.65	EUR 56.870	
Closing price futures	$D_n = S_a$		EUR 42.00) ³	EUR 0.00
Contract size futures	C_n	100	75.000	75 shares to be delivered





R - factor	R	1.33333333
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-)¹ Strike prices are rounded to two decimal places in the EUREX system and always shown without 'decimal points', e.g., example "3650" means a strike price of €36.50
-)² Cash settlement according to the variant for the effective capital measures (C2) at an assumed closing price of ($S_a = €42.00$)
-)³ In the case of futures to be settled physically, the portion calculated analogously (C2) is settled in cash with the last variation margin. In the example, at an assumed closing price of the underlying upon expiry of $S_a = 42.00$.

3.2.3 Capital decrease through the withdrawal of shares (Art. 192 to 194, Stock Corporation Act)

The changes in this variant of the capital decrease (measure I) are carried out analogously to those of a decrease of the nominal value without payout (par. 3.2.1).

This measure has no effect on the stock price and there is no adjustment of options and futures contracts carried out.

4. FURTHER CAPITAL MEASURES

4.1 Stock split

In the case of a stock split, the value represented by one share is divided across several shares (cf. also measures F, H and G). This is usually carried out when the aim is to make securities with high nominal values easier to trade for investors. The company's capital remains unchanged.

The R-factor corresponds to the division ratio of old shares to new shares:

$$R = \frac{N_o}{N_n}$$

Where

R : Correction factor

N_o : Total number/total nominal value of shares before the change

N_n : Total number/total nominal value of shares after the change

Sample Calculation A split of 1:10 means that one old share is exchanged for 10 new shares. Every new share represents 1/10 of the value of the old share. (See Table 4.1.1, calculated value highlighted in yellow)





Share Parameters	Parameter	Example
Share price (cum price)	S_o	EUR 42.65
Split ratio		1: 10
Number of shares before split	N_o	40
Number of shares after split	N_n	400
Share price (ex price)	S_n	EUR 4.27
R - factor	R	0.10000000

Table 4.1: Example of stock split (measure J)

Adjustment of the series parameters of options and futures and cash settlement amounts upon exercise or expiry of futures delivered physically:

Series Parameters	Parameter	Example before	Example after	Example Settlement) ²
Strike price options	X_n	3650) ¹	365	EUR 0.00
	X_n	3700	370	EUR 0.00
	X_n	3725	373	EUR 0.00
Contract size options	C_n	50	500.0000	500 shares to be delivered
Settlement price futures	D_n	EUR 42.65	EUR 4.27	
Closing price futures	$D_n = S_a$		EUR 3.70) ³	EUR 0.00
Contract size futures	C_n	100	1000.0000	1000 shares to be delivered
R - factor	R			0.10000000

)¹ Strike prices are rounded to two decimal places in the EUREX system and always shown without 'decimal points', e.g., example "3650" means a strike price of €36.50



-)² Cash settlement according to the variant for the effective capital measures (C2) at an assumed closing price of ($S_a = \text{€}3.70$)
-)³ In the case of futures to be settled physically, the portion calculated analogously (C2) is settled in cash with the last variation margin. In the example, at an assumed closing price of the underlying upon expiry of $S_a = \text{EUR } 3.70$.

4.2 Payout of special dividends

As a rule, in the case of a payout of special dividends or other distributions (scheduled or unscheduled), there is no adjustment of options and financial futures contracts.

However, in the case of exceptionally high payouts that are made outside of the regular dividend plan, the exchange operating company may order an adjustment to options and financial futures contracts. This option is taken into consideration especially when such distributions are exceptionally high and would influence the ex price of the underlying.

The adjustment of the options and financial futures contracts is done in such cases (measure K) using the R-factor method (par. 1.2).

4.3 Exchange for other securities and/or cash settlement

4.3.1 Exchange for shares admitted to trading on the Vienna Stock Exchange

In the case of capital market transactions in which shareholders are offered the exchange of their shares for those of another company, the shares of the old underlying are exchanged for new shares at the exchange ratio only if these are admitted to trading on the Vienna Stock Exchange (measure L). An exchange may also include a cash settlement.

If the exchange results in 'odd lots', i.e., quantities that do not amount to whole numbers, the surplus odd lots are settled in cash analogously to the C2 - method in par. 1.4.

Generally, the same context applies as in par. 3.1.2.:

$$R_1 = \left(1 - \frac{A_o}{S_o}\right) \text{ and } R_2 = \frac{N_o}{N_n}$$

This results in the effective R-factor in general for this measure:

$$R = R_1 \cdot R_2 = \left(1 - \frac{A_o}{S_o}\right) \cdot \frac{N_o}{N_n}$$

Where

- R : Effective correction factor
- R_1 : Correction factor for payout components
- R_2 : Correction factor for exchange components
- N_o : Total number/total nominal value of the old underlying (before the change)
- N_n : Total number/total nominal value of the new underlying (after change)
- A_o : Payout amount per old share [EUR]
- S_o : Price of the old underlying before the change (cum price) [EUR]

The example is derived analogously to Tab. 3.1.2. In the case of an exchange at a ratio of 1:1 without cash settlement, the R-factor from such a measure does not require any adjustment:

$$R = \frac{S_n}{S_o} = 1$$

4.3.2 Exchange (in case of split offs) for shares admitted to trading on the Vienna Stock Exchange

If shareholders are offered shares of a newly founded company or company being taken over in the case of a split off, then, if these shares are admitted to trading on the Vienna Stock Exchange, the underlying of the contract is replaced by a basket/portfolio consisting of shares as set out below in the corresponding ratio:

- of shares that are the underlying of the contract, and the shares of the newly founded stock corporation (spin-off to establish new company) or of the company taking over (spin-off for incorporation) in the case of spin-offs, or
- shares of the newly founded stock company (split-up to establish new company) or of the company taking over (split-up for incorporation) in the case split-ups.

In such cases, the parameters of the options and futures contracts do not change and upon delivery or settlement, the basket is delivered or its value is settled in cash.

4.3.3 Exchange for other securities

If shareholders of stock corporations whose stocks serve as underlyings for options contracts or for futures contracts are offered an exchange of shares within the course of a capital market transaction

- for cash settlement
- for securities other than shares
- for shares that are not admitted to trading on the Vienna Stock Exchange
- for other rights

then the life of the series ends as soon as the shares that serve as underlyings for options or futures contracts are no longer admitted to trading on the Vienna Stock Exchange.

Options contracts in-the-money may be exercised within five exchange trading days as of the withdrawal of admission of the options series. After the end of the period of five days, any existing positions in the stock options series may no longer be exercised.

Options contracts exercised and all futures contracts are settled in cash on the 6th exchange trading day after withdrawal of admission. Option contracts are settled in cash on the basis of the closing price on the last exchange trading day on which the underlying instrument is tradable or in the case of futures contracts, based on the difference of said closing price to the settlement price on the penultimate exchange trading day.

4.4 Other measures

In the case of capital measures which have not been described separately in the sections above, the exchange operating company may in individual cases order the adjustment of options and financial futures contracts. This is taken into consideration especially in cases in which the capital measures influence the ex-price of the underlying instrument.

This resolution enters into force on 1 August 2010 and replaces the resolution of the management board of the exchange operating company Wiener Börse AG, promulgated by the exchange operating company Wiener Börse AG in Official Bulletin No. 620 of 23 April 2010.

Promulgated by Official Decree No. 1161 of 29 July 2010 issued by the exchange operating company, Wiener Börse AG.