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What's this about?

Effective date: 13/01/2016

<input checked="" type="checkbox"/> ASX Trade	<input type="checkbox"/> ASX 24	<input type="checkbox"/> ASX TECH				
<input checked="" type="checkbox"/> Trading	<input checked="" type="checkbox"/> Clearing	<input checked="" type="checkbox"/> Settlement	<input type="checkbox"/> ALC	<input type="checkbox"/> ASX NET		
<input checked="" type="checkbox"/> Operations	<input checked="" type="checkbox"/> Technology	<input checked="" type="checkbox"/> Market Data	<input type="checkbox"/> Rules	<input type="checkbox"/> Compliance	<input type="checkbox"/> Risk	<input type="checkbox"/> Other

Ten Network Holdings Limited (TEN) Share Consolidation – ETO Adjustment Implications

ASX Participants and ASX Clear Pty Limited (ASXCL) Participants are advised that Ten Network Holdings Limited (ASX Code: **TEN**) announced a 1 for 10 share consolidation. The consolidation was approved at the AGM. The last day of trading in pre-consolidated shares will be Tuesday, 12 January 2016. Trading in post-consolidated shares will commence on Wednesday, 13 January 2016 on a deferred settlement basis.

Indicative Timetable from an ETO's perspective

AGM	Wednesday, 16 December 2015
Last day of trading on a pre-consolidation basis	Tuesday, 12 January 2016
Effective date	Wednesday, 13 January 2016

New post-consolidation shares will trade on a deferred settlement basis under ASX code TENDA on 13 January 2016 to 22 January 2016. The code will revert to TEN when normal T+3 trading commences on 25 January 2016.

Implications for TEN ETOs

ASX will, in consultation with the ASXCL, determine an adjustment to TEN ETOs for the share consolidation under ASX Operating Rule 2230. Subject to the consolidation being effective the **contract size will be decreased to a tenth**. The number of options contracts registered as open contracts in the name of each writer and taker will remain the same. The **new exercise price per lot is proportionally increased to ten times the old exercise price**, with the exception being that for LEPOs the new strike price will be rounded back to 1 cent and a corresponding cash adjustment made.

ETO Cash Equalisation Adjustment Payments for Contract Size Roundings by TMC Threshold Truncation

Participants are to refer to Derivatives Notices 050/13 dated 14 August 2013, 042/13 dated 15 July 2013 and update 045/13 dated 17 July 2013 "ETO Cash Equalisation Adjustments for Contract Size Roundings" This is applied for all adjustment events effective 26 August 2013.

The cash adjustment payments will be posted by ASXCL as close as practicable to the effective adjustment date. For clarity, ETOs are LEPOs and non-LEPOs (ordinary options, American or European). Takers will be credited and writers debited a cash equalization payment for any contract size rounding calculations. (For share consolidations, it is possible for a LEPO taker to be debited if the LEPO strike is standardized back to 1 cent after initial rounding).

Where the old contract size of a series before an adjustment is 100, ASX will apply a standardizing "TMC threshold" so that if the calculated new contract size falls between 100 and to up to but not including 102, the new contract size will be truncated to the standard 100, and a cash equalisation adjustment payment made.

Exercise Restriction

Exercises of TEN ETOs will be restricted on the last day of trading of pre-consolidated shares on Tuesday, 12 January 2016.

Specific Cover

Participants are advised that as the contract size is changing arrangements may need to be made for additional lodgement of underlying securities to account for any collateral denoted as specific cover.

OTC series (where any)

Clearing Participants are advised that any OTC series cleared by ASXCL under the ASX Equity FlexClear™ service will be adjusted using the same formula to the ETOs as shown in the Derivatives Notice.

OTC series will be adjusted along with ETO adjustments on the night however, to maintain anonymity; the adjusted OTC series details will not be published in the Derivatives Notice but will be available to CPs the following morning via their own clearing systems.

ETO exercise restrictions (where any) in relation to an adjustment may occur during the period of 10 business days prior to and including expiry, will also apply to OTC series. However such exercise restrictions will not apply on expiry day of an OTC.

What do I need to do and by when?

Participants should be aware of the content of this Notice as it sets out the treatment of the shares consolidation with respect to open positions in ASX TEN ETO contracts.

When Effective

Post-consolidation, the adjusted series will be effective Wednesday, 13 January 2016.

Need more information?

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