CBOE EXECUTE SUCCESS℠

CBOE Research Circular #RS12-646

Date: December 4, 2012

To: Permit Holders
From: Scott Speer
RE: Movado Group, Inc. ("MOV")
CONTRACT ADJUSTMENT FOR SPECIAL CASH DIVIDEND
Ex-Date: December 6, 2012

Movado Group, Inc. ("MOV") has declared a special cash dividend of **$0.75** per share on its outstanding common stock. The special cash dividend has a record date of December 10, 2012 and a payable date of December 21, 2012. **The ex-distribution date will be on Thursday, December 6, 2012.**

THE FOREGOING DISCUSSION IS AN UNOFFICIAL SUMMARY OF THE TERMS OF THE SPECIAL DIVIDEND, PREPARED BY CBOE FOR THE CONVENIENCE OF ITS PERMIT HOLDERS. CBOE ACCEPTS NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS SUMMARY. PERMIT HOLDERS SHOULD REFER TO THE MOVADO GROUP, INC. NEWS RELEASE DATED NOVEMBER 28, 2012, FOR THE AUTHORITATIVE DESCRIPTION OF THE SPECIAL DIVIDEND AND ALL OF ITS TERMS AND CONDITIONS.

Contract Adjustment for the Special Cash Dividend

Pursuant to Article VI, Section 11 and 11A of OCC's By-Laws, all outstanding MOV option series will be adjusted to reflect this special cash dividend as follows: **On Thursday, December 6, 2012, each MOV series shall be adjusted by decreasing the strike price by $0.75, the amount of the cash dividend, rounded to the nearest 1/100th.** The option symbols for the adjusted contracts will remain the same. Premiums and strike-price amounts for the adjusted MOV options will continue to be calculated on the basis of a multiplier of 100, i.e., for premium and strike-price extensions, 1 point of premium or strike price will equal $100. [Any FLEX series that may exist will be adjusted in a similar manner to the standardized option.]

Adjusted Option Symbols

On Thursday, December 6, 2012, trading in MOV series will be on an adjusted basis. At 8:30 A.M., Chicago time, an opening rotation will be effected with the following adjustments:

EXISTING SERIES					ADJUSTED SERIES*			
MOV	14.50	2012-12-22	C/P	=>	MOV	13.75	2012-12-22	C/P
MOV	17.00	2012-12-22	C/P	=>	MOV	16.25	2012-12-22	C/P
MOV	19.50	2012-12-22	C/P	=>	MOV	18.75	2012-12-22	C/P
MOV	22.00	2012-12-22	C/P	=>	MOV	21.25	2012-12-22	C/P
MOV	24.50	2012-12-22	C/P	=>	MOV	23.75	2012-12-22	C/P
MOV	29.50	2012-12-22	C/P	=>	MOV	28.75	2012-12-22	C/P
MOV	34.50	2012-12-22	C/P	=>	MOV	33.75	2012-12-22	C/P

EXISTING SERIES					ADJUSTED SERIES*			
MOV	40.00	2012-12-22	C/P	=>	MOV	39.25	2012-12-22	C/P
MOV	45.00	2012-12-22	C/P	=>	MOV	44.25	2012-12-22	C/P
MOV	50.00	2012-12-22	C/P	=>	MOV	49.25	2012-12-22	C/P
MOV	15.00	2013-01-19	C/P	=>	MOV	14.25	2013-01-19	C/P
MOV	17.50	2013-01-19	C/P	=>	MOV	16.75	2013-01-19	C/P
MOV	20.00	2013-01-19	C/P	=>	MOV	19.25	2013-01-19	C/P
MOV	22.50	2013-01-19	C/P	=>	MOV	21.75	2013-01-19	C/P
MOV	25.00	2013-01-19	C/P	=>	MOV	24.25	2013-01-19	C/P
MOV	30.00	2013-01-19	C/P	=>	MOV	29.25	2013-01-19	C/P
MOV	35.00	2013-01-19	C/P	=>	MOV	34.25	2013-01-19	C/P
MOV	40.00	2013-01-19	C/P	=>	MOV	39.25	2013-01-19	C/P
MOV	12.50	2013-03-16	C/P	=>	MOV	11.75	2013-03-16	C/P
MOV	15.00	2013-03-16	C/P	=>	MOV	14.25	2013-03-16	C/P
MOV	17.50	2013-03-16	C/P	=>	MOV	16.75	2013-03-16	C/P
MOV	20.00	2013-03-16	C/P	=>	MOV	19.25	2013-03-16	C/P
MOV	22.50	2013-03-16	C/P	=>	MOV	21.75	2013-03-16	C/P
MOV	25.00	2013-03-16	C/P	=>	MOV	24.25	2013-03-16	C/P
MOV	30.00	2013-03-16	C/P	=>	MOV	29.25	2013-03-16	C/P
MOV	35.00	2013-03-16	C/P	=>	MOV	34.25	2013-03-16	C/P
MOV	40.00	2013-03-16	C/P	=>	MOV	39.25	2013-03-16	C/P
MOV	45.00	2013-03-16	C/P	=>	MOV	44.25	2013-03-16	C/P
MOV	50.00	2013-03-16	C/P	=>	MOV	49.25	2013-03-16	C/P
MOV	17.50	2013-06-22	C/P	=>	MOV	16.75	2013-06-22	C/P
MOV	20.00	2013-06-22	C/P	=>	MOV	19.25	2013-06-22	C/P
MOV	22.50	2013-06-22	C/P	=>	MOV	21.75	2013-06-22	C/P
MOV	25.00	2013-06-22	C/P	=>	MOV	24.25	2013-06-22	C/P
MOV	30.00	2013-06-22	C/P	=>	MOV	29.25	2013-06-22	C/P
MOV	35.00	2013-06-22	C/P	=>	MOV	34.25	2013-06-22	C/P
MOV	40.00	2013-06-22	C/P	=>	MOV	39.25	2013-06-22	C/P
MOV	45.00	2013-06-22	C/P	=>	MOV	44.25	2013-06-22	C/P
MOV	50.00	2013-06-22	C/P	=>	MOV	49.25	2013-06-22	C/P

*** Any additional MOV series that are added prior to the ex-date will also be adjusted in the manner described above.**

GTC Order Conversion

On Wednesday, December 5, 2012, immediately after the CBOE close, the system will convert or cancel all resting orders in the MOV order book. If your firm has requested, all booked orders (phone, wire, and electronic) and all ORS orders residing outside the book (booth or crowd routed) will be converted reflecting the adjustment. If your firm has requested, all booked orders and ORS orders residing outside of the book will be canceled. If your firm receives CXL drops, the CXL

confirm will print at your booth at 3:15 p.m. ORS CXLs will also be transmitted electronically to your branches.

A report will be available at the Help Desk listing the orders that are converted or canceled. If converted, this list will also show how the new orders will be adjusted. This report will be available on request anytime during the day prior to the night of the adjustment.

Position and Exercise Limits

The CBOE Department of Market Regulation has determined that: "The position and exercise limits following this cash distribution will remain the same."

Questions regarding this memo can be addressed to Options Industry Services at 1-888-OPTIONS (1-888-678-4667). CBOE contract adjustment memos can also be accessed from CBOE.com at the following web address:

http://www.cboe.com/ContractAdjustments