

## Extendible option, holder

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$$C_T = \max(S_T - K, C'_T - B, 0)$$

$$P_T = \max(K - S_T, P'_T - B, 0)$$

The holder extendible options allows the holder to extend the options lifetime by paying a fixed cash amount. The extended option can sometimes have an adjusted strike.

### Symbol list:

$C_T$	Value of the holder extendible call option at first expiration
$P_T$	Value of the holder extendible put option at first expiration
$C'_T$	Value of the call with extended lifetime and a new strike at first expiration
$P'_T$	Value of the put with extended lifetime and a new strike at first expiration
T	First expiration time, time to decide if the option will be extended