
MARKET NOTICEJohannesburg
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Number: 501/2016
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
Date: 12 September 2016

SUBJECT: TREATMENT OF HARGREAVES LANSDOWN PLC (HL LN EQUITY) CORPORATE ACTION – SPECIAL DIVIDEND 15 SEPTEMBER 2016 (EX-DATE)

Name and Surname: Brett Kotze

Designation: Head of Operations – Clearing and Settlement

Members notice is drawn to section 13 of the contract specifications of Individual Equity Futures and options, which states:

“13. Corporate Events

The JSE reserves the right to adopt any procedure or to adjust any single stock future or option on a single stock future, in a manner it deems fit, to deal with any extraordinary corporate events that may occur from time to time in relation to a share that is the underlying instrument of the equity option and to notify position holders, derivatives members and any other interested parties, of such event and the procedure or adjustment adopted. Such events include, for example, mergers, take-overs, unbundlings, capitalisation issues and rights issues.

The implication of this is that anybody trading in Single Stock futures or options on Single Stock futures in which the underlying stock is the subject of an extraordinary corporate event should be aware that the JSE may make adjustments to the Single Stock futures and options.

Special Dividend

Hargreaves Lansdown PLC (HL LN EQUITY) has declared a special dividend of R 1.892476 per share. With regard to this corporate action, the following adjustments will be made to HLDG positions on Thursday, 15th September 2016 (**Ex-date**). The adjustments will be made to the positions held in HLDG, as at close of business on Wednesday, 14th September 2016 (**LDT**).

Futures contracts

The futures position will be increased by the following factor:

Calculation of futures factor:

Spot price / adjusted price

Where:

Spot price = the official closing price of the underlying share on Wednesday, 14th September 2016 (LDT)

Adjusted price = Spot price – 1.892476 (special dividend).

If the official closing price of the underlying share on Wednesday, 14th September 2016 (LDT) is R 256 the following would apply:-

$$\begin{aligned} \text{Adjusted price} &= 256 - 1.892476 \\ &= \underline{254.107524} \end{aligned}$$

$$\begin{aligned} \text{Futures factor} &= 256 / 254.107524 \\ &= \underline{1.00744754019} \end{aligned}$$

I.e. Current positions * Factor (rounded to nearest whole contract) = the number of total contracts. Additional contracts will be created at an initial value of zero.

Should you have any queries regarding this notice, please contact clearops@jse.co.za or structuredproducts@jse.co.za

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