

## MARKET NOTICE

**Number:** 431/2015

**Relates to:**

- Equity Market
- Equity Derivatives
- Commodity Derivatives
- Interest Rate and Currency Derivatives

**Date:** 14 July 2015

**SUBJECT:** TREATMENT OF KROGER CO (KRUG) CORPORATE ACTION – SHARE SPLIT – 14<sup>TH</sup> JULY 2015  
(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.

**Share Split**

Kroger Co (KRU) shareholders will receive 2 additional shares for every 1 KRU share held on LDT. As a result of this corporate action, the following adjustments will be made to KRUG positions on Tuesday 14<sup>th</sup> July 2015 (**Ex-date**). The adjustments will be made to the positions held in KRUG as at close of business on Monday, 13<sup>th</sup> July 2015 (**LDT**).

**Futures contracts**

All long and short positions will be multiplied by a factor of 2

**Option contracts**

- (a). All long and short positions will be multiplied by a factor of 2
- (b). Strike prices will be divided by a factor of 2

**Amendment to margin requirements**

Please note the following amendment to margin requirements, with effect from Tuesday, 14<sup>th</sup> July 2015 for settlement on Wednesday, 15<sup>th</sup> July 2105.

Contract Code	Expiry Date	Fixed Margin	Spread Margin	VSR	Series Spread Margin
KRUG	14-Sep-15	50	25	4.50	0
KRUG	11-Dec-15	50	25	4.50	0

**NB: -**

- Please refer to Notice F708 for clarity regarding the allocation of additional contracts.
- In the event of an uneven allocation across all position holders, the position holder with the higher decimal fraction will receive priority above the position holder with the lower decimal fraction.

Should you have any queries regarding this notice, please contact [clearops@jse.co.za](mailto:clearops@jse.co.za)

This Market Notice will be available on the website at <https://www.jse.co.za/redirects/market-notices-and-circulars>