
MARKET NOTICEJohannesburg
Stock ExchangeTel: +27 11 520 7000
www.jse.co.za

Number: 500/2020
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
Date: 22 September 2020

SUBJECT: TREATMENT OF HARGREAVES LANSDOWN PLC (HLII) CORPORATE ACTION – SPECIAL AND CASH DIVIDEND – 25 SEPTEMBER 2020 (EX-DATE)

Name and Surname: Matthias Kempgen
Designation: Head - Derivatives Operations, Post Trade Services

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, capitalization 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 and Cash Dividend

Hargreaves Lansdown PLC (HLII) has declared a special dividend of GBP 17.4 per share and a cash dividend of GBP 26.3 per share. (The special and cash dividend will be converted to ZAR at the prevailing GBP/ZAR exchange rate at EOD on LDT). With regards to this corporate action, the following adjustments will be made to Hargreaves Lansdown PLC (HLII) positions on 25 September 2020 (**Ex-date**). The adjustments will be made to the positions held as at close of business on 23 September 2020 (**LDT**).

Please note:

Adjustments will be made to all contracts where HLII is the underlying.

These contracts include:

Contract Code	JSE Instrument Type
14DEC20 HLII CSH	INTERNATIONAL EQUITY
14DEC20 HLII CSH DN	International Dividend Neutral
15MAR21 HLII CSH	INTERNATIONAL EQUITY
14JUN21 HLII CSH	INTERNATIONAL EQUITY
15MAR21 HLII CSH DN	International Dividend Neutral

1. FUTURES CONTRACTS

The futures position will be increased by the following factor:

Calculation of factor:

Spot price / adjusted price

Where:

Spot price = the official closing price of the underlying share on **23 September 2020 (LDT) – 6.033615** (Cash Dividend Rate Converted to ZAR).

Adjusted price = Spot price – 3.991821 (Special Dividend Rate Converted to ZAR).

Example: If the official closing price of the underlying shares on 23 September 2020 (**LDT**) is 358.86, the following would apply:

$$\text{Spot price} = 358.86 - 6.033615 = \mathbf{352.82}$$

$$\begin{aligned} \text{Adjusted price} &= 352.82 - 3.991821 \\ &= \mathbf{348.82} \end{aligned}$$

$$\begin{aligned} \text{Futures factor} &= 352.82 / 348.82 \\ &= \mathbf{1.0114672323} \end{aligned}$$

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.

TREATMENT FOR ALLOCATION ON ADDITIONAL CONTRACTS

With the implementation of ITaC, the JSE has enhanced the position adjustment process.

Please see link below to the Guidance Note issued on treatment of corporate actions as distributed in October 2018 and specifically refer to Section 8 for details of the position adjustment process:

<https://www.jse.co.za/content/Guidance%20Notes/ITaC%20Guidance%20Note%20on%20Corporate%20Actions.pdf>

Should you have any queries please contact Clearops@jse.co.za or +27 11 520-7349.

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