

## MARKET NOTICE

**Number:** 012/2024

**Relates to:**

- ☐ Equity Market
- ☒ Equity Derivatives Market
- ☐ Commodity Derivatives Market
- ☐ Currency Derivatives Market
- ☐ Interest Rate Derivatives Market
- ☐ Bond Market
- ☐ Bond ETP Market

**Date:** 19 January 2024

**SUBJECT:** TREATMENT OF MONDI PLC (MNP) CORPORATE ACTION – SPECIAL DIVIDEND AND CONSOLIDATION 24 JANUARY 2024 (EX-DATE)

**Name and Surname:** Matthias Kempgen

**Designation:** Chief Information & Operating Officer – JSE Clear

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 AND CONSOLIDATION

Mondi Plc (MNP) has declared a special dividend of 3242.6432 cents per share and a consolidation on a **11** for **10** basis.

With regards to these corporate actions, the following adjustments will be made to MNP positions on 24 January 2024 (**Ex-Date**). The adjustments will be made to positions held as at close of business on 23 January 2024 (**LDT**). The processing sequence will be special dividend first followed by the consolidation on the resultant position.

## IMPORTANT NOTE FOR POSITION HOLDERS:

Certain types of corporate actions require futures and options positions to be adjusted. This is done by applying the relevant position factor (determined as per published methodologies). The application of the position factor often results in decimal values, as a result rounding is a key part of the corporate action processing.

Therefore, current positions multiplied with the factor are rounded up or down to the nearest whole contract which determines the adjusted position. Smaller positions (depending on the factor) may as a result not receive additional contracts.

Please refer to the published guidance note for details:

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

Adjusted positions will be created at an initial value of zero.

### Please note:

Position adjustments will be made to all contracts where MNP is the underlying share. These contracts include:

| Contract Code               | JSE Instrument Type |
|-----------------------------|---------------------|
| 20MAR24 MNP PHY DN          | Dividend Neutral    |
| 20MAR24 MNP CSH             | Single Stock        |
| 20MAR24 MNP PHY             | Single Stock        |
| 20MAR24 MNP CSH CFD RODI    | CFD                 |
| 20MAR24 MNP CSH CFD SABOR   | CFD                 |
| 20JUN24 MNP PHY DN          | Dividend Neutral    |
| 20JUN24 MNP CSH             | Single Stock        |
| 20JUN24 MNP PHY             | Single Stock        |
| 20MAR24 MNP CSH DN          | Dividend Neutral    |
| 19SEP24 MNP PHY DN          | Dividend Neutral    |
| 19SEP24 MNP CSH             | Single Stock        |
| 19SEP24 MNP PHY             | Single Stock        |
| 20JUN24 MNP CSH DN          | Dividend Neutral    |
| 19DEC24 MNP PHY DN          | Dividend Neutral    |
| 19DEC24 MNP CSH             | Single Stock        |
| 19DEC24 MNP PHY             | Single Stock        |
| 19SEP24 MNP CSH DN          | Dividend Neutral    |
| 22JAN24 MNP CSH ANY         | Single Stock        |
| 22JAN24 MNP CSH ANY 338.63C | Single Stock        |
| 20MAR25 MNP PHY DN          | Dividend Neutral    |
| 20MAR25 MNP CSH             | Single Stock        |
| 20MAR25 MNP PHY             | Single Stock        |
| 19DEC24 MNP CSH DN          | Dividend Neutral    |

## SPECIAL DIVIDEND

### 1. POSITION FACTOR

The positions will be adjusted by the following factor:

Calculation of position factor:

**Spot price / adjusted price**

Where:

**Spot price** = the official closing price of the underlying share on **23 January 2024 (LDT)**

**Adjusted price** = Spot price – 32.4264 (**Special Dividend**).

Example: If the official closing price of the underlying shares on 23 January 2024 (**LDT**) is 341.65, the following would apply:

Spot price = 341.65

Adjusted price = 341.65 – 32.4264  
= **309.2236**

Position factor = 341.65 / 309.2236  
= **1.104864**

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

### 2. OPTION CONTRACTS

- The option positions will be adjusted by the same factor as the futures positions.
- The option strikes will be adjusted using the options factor

Calculation of options factor

**Adjusted price / spot price.**

Options factor = 309.2236 / 341.65  
= **0.905089**

E.g. if the old strike is 338.63, the following would apply: -

**New strike** = Old strike \* options factor  
= 338.63 \* 0.905089  
= **306.49**

Existing positions will be closed out at a 0 value and new positions opened at the new strike with a 0 value.

### 3. CFD CONTRACTS

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

### CONSOLIDATION

#### Position adjustments on Futures, eCFDs and Options

- The positions on futures, eCFDs and Options will be closed, and new adjusted positions will be opened by applying the position factor formula
- Position factor formula = Resultant (10)/Source (11)  
= 0.909091

Position on LDT: + 100 19DEC24 MNP PHY

Position on Ex Date: + 91 19DEC24 MNP PHY

#### Option Strikes adjustment

- The old strikes will be adjusted using the option strikes factor formula
- Option Strikes factor formula = Source (11)/ Resultant (10)  
= 1.1

Option strike on LDT: 19DEC24 MNP CSH ANY 338.63C

Option strike on Ex date: 19DEC24 MNP CSH ANY 372.49C

### 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 regarding this Market Notice, please e-mail: [clearops@jse.co.za](mailto:clearops@jse.co.za)

This Market Notice is available on the JSE website at: [JSE Market Notices](#)