MARKET NOTICE

Number:	**098/2024**
Relates to:	☐ Equity Market
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Date:	27 March 2024
SUBJECT:	**TREATMENT OF LIFE HEALTH GROUP HOLDINGS LIMITED (LHC) CORPORATE ACTION – SPECIAL DIVIDEND - 3 APRIL 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

Life Health Group Holdings Ltd (LHC) has declared a special dividend of 600 cents per share. With regards to this corporate action, the following adjustments will be made to LHC positions on 3 April 2024 **(Ex-Date)**. The adjustments will be made to the positions held as at close of business on 2 April 2024 **(LDT)**.

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 LHC is the underlying share. These contracts include:

Contract Code	JSE Instrument Type
18APR24 LHC PHY	Single Stock
18APR24 LHC PHY DN	Dividend Neutral
18APR24 LHC CSH	Single Stock
18APR24 LHC CSH DN	Dividend Neutral
16MAY24 LHC PHY	Single Stock
16MAY24 LHC PHY DN	Dividend Neutral
16MAY24 LHC CSH	Single Stock
16MAY24 LHC CSH DN	Dividend Neutral
20JUN24 LHC PHY	Single Stock
20JUN24 LHC PHY DN	Dividend Neutral
20JUN24 LHC CSH	Single Stock
20JUN24 LHC CSH DN	Dividend Neutral
20JUN24 LHC PHY CA1	Single Stock
20JUN24 LHC CSH CA1	Single Stock
20JUN24 LHC PHY DN CA1	Dividend Neutral
18JUL24 LHC PHY	Single Stock
18JUL24 LHC PHY DN	Dividend Neutral
18JUL24 LHC CSH	Single Stock
18JUL24 LHC CSH DN	Dividend Neutral
15AUG24 LHC PHY	Single Stock
15AUG24 LHC PHY DN	Dividend Neutral
15AUG24 LHC CSH	Single Stock
15AUG24 LHC CSH DN	Dividend Neutral
19SEP24 LHC PHY	Single Stock

19SEP24 LHC PHY DN	Dividend Neutral
19SEP24 LHC CSH	Single Stock
19SEP24 LHC CSH DN	Dividend Neutral
19SEP24 LHC PHY CA1	Single Stock
19SEP24 LHC CSH CA1	Single Stock
19SEP24 LHC PHY DN CA1	Dividend Neutral
17OCT24 LHC PHY	Single Stock
17OCT24 LHC PHY DN	Dividend Neutral
17OCT24 LHC CSH	Single Stock
17OCT24 LHC CSH DN	Dividend Neutral
21NOV24 LHC PHY	Single Stock
21NOV24 LHC PHY DN	Dividend Neutral
21NOV24 LHC CSH	Single Stock
21NOV24 LHC CSH DN	Dividend Neutral
19DEC24 LHC PHY	Single Stock
19DEC24 LHC PHY DN	Dividend Neutral
19DEC24 LHC CSH	Single Stock
19DEC24 LHC CSH DN	Dividend Neutral
19DEC24 LHC PHY CA1	Single Stock
19DEC24 LHC CSH CA1	Single Stock
19DEC24 LHC PHY DN CA1	Dividend Neutral
16JAN25 LHC PHY	Single Stock
16JAN25 LHC PHY DN	Dividend Neutral
16JAN25 LHC CSH	Single Stock
16JAN25 LHC CSH DN	Dividend Neutral
20FEB25 LHC PHY	Single Stock
20FEB25 LHC PHY DN	Dividend Neutral
20FEB25 LHC CSH	Single Stock
20FEB25 LHC CSH DN	Dividend Neutral
20MAR25 LHC PHY	Single Stock
20MAR25 LHC PHY DN	Dividend Neutral
20MAR25 LHC CSH	Single Stock
20MAR25 LHC CSH DN	Dividend Neutral
20MAR25 LHC PHY CA1	Single Stock
20MAR25 LHC CSH CA1	Single Stock
20MAR25 LHC PHY DN CA1	Dividend Neutral
20MAR25 LHC CSH CFD RODI	CFD
20MAR25 LHC CSH CFD SABOR	CFD
17APR25 LHC PHY	Single Stock
17APR25 LHC PHY DN	Dividend Neutral
17APR25 LHC CSH	Single Stock
17APR25 LHC CSH DN	Dividend Neutral

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 **2 April 2024 (LDT)**

Adjusted price = Spot price – **6.00** (**Special Dividend**).

Example: If the official closing price of the underlying shares on 2 April 2024 **(LDT)** is 16.67, the following would apply:

Spot price = 16.67

Adjusted price = 16.67 – 6.00

= 10.67

Position factor = 16.67 / 10.67

= 1.562324

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.

2. **OPTION FACTOR**

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

Calculation of option factor:

Adjusted price / spot price

Adjusted price = 10.67 / 16.67

= 0.640071

E.g. if the old strike is 16.57, the following will apply:

New strike = Old strike * option factor

= 16.57 * 0.640071

=10.60

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

3. **CFD CONTRACTS**

Current positions * Factor (rounded to the nearest whole contract) = the number of total contracts. Adjusted contract 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 regarding this Market Notice, please e-mail: **clearops@jse.co.za**

This Market Notice is available on the JSE website at: **JSE Market Notices**