

MARKET NOTICE

Number: 275/2024

Relates to:

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

Date: 09 September 2024

SUBJECT: TREATMENT OF PPC LIMITED (PPC) CORPORATE ACTION – SPECIAL DIVIDEND 18 SEPTEMBER 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

PPC Limited (PPC) has declared a special dividend of **33.5** cents per share. With regards to this corporate action, the following adjustments will be made to **PPC** positions on 18 September 2024 (**Ex-date**). The adjustments will be made to positions held as at close of business on 17 September 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 **PPC** is the underlying share. These contracts include:

| Contract Code | JSE Instrument Type |
|---------------------------|----------------------------|
| 19SEP24 PPC PHY | Single Stock |
| 19SEP24 PPC CSH | Single Stock |
| 19SEP24 PPC PHY DN | Dividend Neutral |
| 19SEP24 PPC PHY CA1 | Single Stock |
| 19SEP24 PPC CSH CA1 | Single Stock |
| 19SEP24 PPC PHY DN CA1 | Dividend Neutral |
| 19DEC24 PPC PHY | Single Stock |
| 19DEC24 PPC CSH | Single Stock |
| 19DEC24 PPC PHY DN | Dividend Neutral |
| 19DEC24 PPC PHY CA1 | Single Stock |
| 19DEC24 PPC CSH CA1 | Single Stock |
| 19DEC24 PPC PHY DN CA1 | Dividend Neutral |
| 20MAR25 PPC PHY | Single Stock |
| 20MAR25 PPC CSH | Single Stock |
| 20MAR25 PPC PHY DN | Dividend Neutral |
| 20MAR25 PPC PHY CA1 | Single Stock |
| 20MAR25 PPC CSH CA1 | Single Stock |
| 20MAR25 PPC PHY DN CA1 | Dividend Neutral |
| 20MAR25 PPC CSH CFD RODI | CFD |
| 20MAR25 PPC CSH CFD SABOR | CFD |
| 19JUN25 PPC PHY | Single Stock |
| 19JUN25 PPC CSH | Single Stock |
| 19JUN25 PPC PHY DN | Dividend Neutral |
| 19JUN25 PPC PHY CA1 | Single Stock |

| | |
|------------------------|------------------|
| 19JUN25 PPC CSH CA1 | Single Stock |
| 19JUN25 PPC PHY DN CA1 | Dividend Neutral |
| 18SEP25 PPC PHY | Single Stock |
| 18SEP25 PPC CSH | Single Stock |
| 18SEP25 PPC PHY DN | Dividend Neutral |
| 18SEP25 PPC PHY CA1 | Single Stock |
| 18SEP25 PPC CSH CA1 | Single Stock |
| 18SEP25 PPC PHY DN CA1 | Dividend Neutral |

1. POSITION FACTOR

The positions will be adjusted by the following position factor:

Calculation of position factor:

Spot price / adjusted price

Where:

Spot price = the official closing price of the underlying share on **17 September 2024 (LDT)**

Adjusted price = Spot price - **0.335 (Special Dividend)**.

Example: If the official closing price of the underlying shares on 17 September 2024 (**LDT**) is 4.08, the following would apply:

Spot price = 4.08

Adjusted price = 4.08 - 0.335

= 3.75

Position factor = 4.08 / 3.75

= 1.088000

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 = 3.75 / 4.08

= 0.919118

E.g. if the old strike is 4.07, the following will apply:

New strike = Old strike * option factor

= 4.07 * 0.919118

=3.74

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](#)