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**MARKET NOTICE**Johannesburg  
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[www.jse.co.za](http://www.jse.co.za)

**Number:** 390/2020  
**Relates to:**  Equity Market  
 Equity Derivatives  
 Commodity Derivatives  
 Interest Rate and Currency Derivatives  
**Date:** 11 August 2020

**SUBJECT:** TREATMENT OF DEVON ENERGY CORP (DVNI) CORPORATE ACTION – SPECIAL DIVIDEND – 13 AUGUST 2020 (EX. DATE)

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

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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 Dividend**

**Devon Energy Corp (DVNI)** has declared a special dividend of USD 0.26 per share (The special dividend will be converted to ZAR at the prevailing USD/ZAR exchange rate at EOD on LDT). With regards to this corporate action, the following adjustments will be made to Devon Energy Corp (DVNI) positions on 13 August 2020 (**Ex-date**). The adjustments will be made to the positions held as at close of business on 12 August 2020 (**LDT**).

**Please note:**

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

These contracts include:

14SEP20 DVNI CSH	INTERNATIONAL EQUITY
14DEC20 DVNI CSH	INTERNATIONAL EQUITY
14DEC20 DVNI CSH DN	International Dividend Neutral
14SEP20 DVNI CSH DN	International Dividend Neutral
15MAR21 DVNI CSH DN	International Dividend Neutral
15MAR21 DVNI CSH	INTERNATIONAL EQUITY

**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 12 August 2020 (**LDT**)

**Adjusted price** = Spot price – 4.52504 (Special Dividend rate converted to ZAR).

Example: If the official closing price of the underlying shares on 12 August 2020 (**LDT**) is 208.32, the following would apply:

$$\begin{aligned} \text{Adjusted price} &= 208.32 - 4.52504 \\ &= \mathbf{203.79} \end{aligned}$$

$$\begin{aligned} \text{Futures factor} &= 208.32 / 203.79 \\ &= 1.0222287649 \end{aligned}$$

**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:

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<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](mailto:Clearops@jse.co.za) or +27 11 520-7349.

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