
MARKET NOTICEJohannesburg
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Number: 531/2022

Relates to:

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

Date: 15 November 2022

SUBJECT: TREATMENT OF GRINDROD SHIPPING HOLDING LTD (GSH) CORPORATE ACTION – SPECIAL DIVIDEND - 23 NOVEMBER 2022 (EX. DATE)

Name and Surname: Matthias Kempgen
Designation: Chief 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

Grindrod Shipping Hldg Ltd (GSH) has declared a special dividend of **USD 5.00** per share subject to the conditions of the conditional Offer (CF) being satisfied (or, to the extent permitted, waived) as of the expiration time of the Offer. The conditional offer (CF) has acceptances of 50% as a minimum requirement. The expiration time of the Conditional Offer is beyond LDT of the Special Dividend.

JSE will process the Special Dividend on LDT, 22-Nov 2022 on assumption that the conditions of the conditional offer have been satisfied.

The special dividend will be converted to ZAR using the JSE determined 5pm USD/ZAR closing spot price based on WMR fixing rate at EOD on LDT. With regards to this corporate action, the following adjustments will be made to GSH positions on 23 November 2022 (**Ex-date**). The adjustments will be made to positions held as at close of business on 22 November 2022 (**LDT**).

Please note:

Adjustments will be made to all contracts where GSH is the underlying share. These contracts include:

Contract Code	JSE Instrument Type
15DEC22 GSH PHY	Single Stock
15DEC22 GSH PHY DN	Dividend Neutral
16MAR23 GSH PHY	Single Stock
16MAR23 GSH PHY DN	Dividend Neutral
15JUN23 GSH PHY	Single Stock
15JUN23 GSH PHY DN	Dividend Neutral
21SEP23 GSH PHY	Single Stock
21SEP23 GSH PHY DN	Dividend Neutral

1. FUTURES CONTRACTS

The futures position will be increased by the following factor:

Calculation of futures factor:

Spot price / adjusted price

Where:

Spot price = the official closing price of the underlying share on **22 November 2022 (LDT)**

Adjusted price = Spot price – 89.00 (**Special Dividend Rate Converted to ZAR**).

Example: If the official closing price of the underlying shares on 22 November 2022 (**LDT**) is 444.42, the following would apply:

Spot price = 444.42

Adjusted price = 444.42 - 89.00
= **355.42**

Futures factor = 444.42 / 355.42
= **1.250407**

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 regarding this notice, please contact clearops@jse.co.za

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