

MARKET NOTICE

Johannesburg
Stock Exchange

Tel: +27 11 520 7000
www.jse.co.za

Number: 611/2022

Relates to:

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

Date: 15 December 2022

SUBJECT: TREATMENT OF VOLKSWAGEN AG (VOWI) CORPORATE ACTION – SPECIAL DIVIDEND
19 DECEMBER 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

Volkswagen AG (VOWI) has declared a special dividend of **EUR 19.06** per share. The special dividend is pending approval based on voting results following the Extraordinary General Meeting that will be held on 16 December 2022. The publication of the voting results will occur on the first working day after the Extraordinary General Meeting which will be 19 December 2022.

JSE will process the Special Dividend on LDT, 15 December 2022 on assumption that the voting will be in favor of the special dividend and **JSE will not revert adjustments made on positions should the voting outcome not be in favor of the special dividend post the Extraordinary General Meeting.**

The special dividend will be converted to ZAR using the JSE determined 5pm EUR/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 VOWI positions on 19 December 2022 (**Ex-Date**). The adjustments will be made to positions held as at close of business on 15 December 2022 (**LDT**).

Please note:

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

Contract Code	JSE Instrument Type
19DEC22 VOWI CSH	INTERNATIONAL EQUITY
19DEC22 VOWI CSH DN	International Dividend Neutral
13MAR23 VOWI CSH	INTERNATIONAL EQUITY
13MAR23 VOWI CSH DN	International Dividend Neutral
19JUN23 VOWI CSH	INTERNATIONAL EQUITY
19JUN23 VOWI CSH DN	International Dividend Neutral
18SEP23 VOWI CSH	INTERNATIONAL EQUITY
18SEP23 VOWI CSH DN	International Dividend Neutral
18DEC23 VOWI CSH	INTERNATIONAL EQUITY
18DEC23 VOWI CSH DN	International 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 **15 December 2022 (LDT)**

Adjusted price = Spot price – 358.68 (**Special Dividend Rate Converted to ZAR**).

Example: If the official closing price of the underlying shares on 15 December 2022 (**LDT**) is 3164.95, the following would apply:

Spot price = 3164.95

Adjusted price = 3164.95 – 358.68

= **2806.27**

Futures factor = 3164.95 / 2806.27

= **1.127814**

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

This Market Notice is available on the website at <https://clientportal.jse.co.za/communication/jse-market-notice>