
MARKET NOTICEJohannesburg
Stock ExchangeTel: +27 11 520 7000
www.jse.co.za**Number:** 005/2021**Relates to:**

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

Date: 11 January 2021**SUBJECT:** TREATMENT OF TIGER BRANDS LTD (TBS) CORPORATE ACTION – SPECIAL DIVIDEND AND CASH DIVIDEND 13 JANUARY 2021 (EX-DATE)**Name and Surname:** Matthias Kempgen**Designation:** Head - Derivatives Operation, Post Trade Services

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 and Cash Dividend going ex on the same day

Tiger Brands Ltd (TBS) has declared a special dividend of **133.00 cents** per share and a cash dividend of **537.00 cents** per share. With regard to this corporate action, the following adjustments will be made to TBS positions on 13 January 2021 (**Ex-date**). The adjustments will be made to the positions held as at close of business on 12 January 2021(**LDT**).

Please note:

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

Contract Code	JSE Instrument Type
18MAR21 TBS PHY DN	Dividend Neutral
18MAR21 TBS CSH CFD SABOR	CFD
18MAR21 TBS CSH CFD RODI	CFD
18FEB21 TBS PHY	Single Stock
21JAN21 TBS PHY	Single Stock
18MAR21 TBS PHY	Single Stock
17JUN21 TBS PHY DN	Dividend Neutral
18FEB21 TBS CSH	Single Stock
18MAR21 TBS CSH	Single Stock
21JAN21 TBS CSH	Single Stock
18MAR21 TBS CSH DN	Dividend Neutral
15APR21 TBS PHY	Single Stock
15APR21 TBS CSH	Single Stock
20MAY21 TBS PHY	Single Stock
20MAY21 TBS CSH	Single Stock
17JUN21 TBS CSH DN	Dividend Neutral
16SEP21 TBS PHY DN	Dividend Neutral
17JUN21 TBS PHY	Single Stock
17JUN21 TBS CSH	Single Stock
15JUL21 TBS PHY	Single Stock
15JUL21 TBS CSH	Single Stock
19AUG21 TBS CSH	Single Stock
19AUG21 TBS PHY	Single Stock
15DEC21 TBS PHY DN	Dividend Neutral
16SEP21 TBS CSH	Single Stock
16SEP21 TBS PHY	Single Stock
16SEP21 TBS CSH DN	Dividend Neutral
21OCT21 TBS CSH	Single Stock
21OCT21 TBS PHY	Single Stock
18NOV21 TBS CSH	Single Stock

18NOV21 TBS PHY	Single Stock
15DEC21 TBS PHY	Single Stock
15DEC21 TBS CSH	Single Stock
20JAN22 TBS CSH	Single Stock
20JAN22 TBS PHY	Single Stock
15DEC21 TBS CSH DN	Dividend Neutral
17MAR22 TBS PHY DN	Dividend Neutral
17FEB22 TBS PHY	Single Stock
17FEB22 TBS CSH	Single Stock
17JUN21 TBS CSH 216.46C	Single Stock
17JUN21 TBS CSH 179.35P	Single Stock
17JUN21 TBS CSH 216.46P	Single Stock

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 January 2021 (LDT) – 5.37 (Cash Dividend)**

Adjusted price = Spot price – **1.33 (Special Dividend)**.

Example: If the official closing price of the underlying shares on 12 January 2021 (**LDT**) is 206.25, the following would apply:

$$\text{Spot price} = 206.25 - 5.37 = \mathbf{200.88}$$

$$\begin{aligned} \text{Adjusted price} &= 200.88 - 1.33 \\ &= \mathbf{199.55} \end{aligned}$$

$$\begin{aligned} \text{Futures factor} &= 200.88 / 199.55 \\ &= \mathbf{1.00666499624} \end{aligned}$$

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.

2. OPTION CONTRACTS

- a. The options position will be increased by the same factor as the futures above.
- b. The option strikes will be adjusted by the following factor:

Calculation of options factor (based on the example above):

Adjusted price / Spot price

$$\begin{aligned} \text{Options factor} &= 199.55 / 200.88 \\ &= \mathbf{0.99337913181} \end{aligned}$$

Example: If the old strike is 200.00 the following would apply:

$$\begin{aligned} \text{New strike} &= \text{Old strike} * \text{options factor} \\ &= 200.00 * 0.99337913181 \\ &= \mathbf{198.67} \end{aligned}$$

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

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 please contact Clearops@jse.co.za or +27 11 520-7349.

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