

# London Stock Exchange Derivatives

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## MARKET NOTICE 2016/041

### ADJUSTMENT FOR DIVIDEND IN FRONTLINE LIMITED (FRO)

Further to [Market Notice 2016/035](#) London Stock Exchange Derivatives Market (LSEDM) informs member firms that the Board of Frontline has determined to distribute a cash dividend of USD 0.40 per share with ex-date 10 June 2016

As FRO belongs to the AD class (100% adjusted for dividends), standardised derivatives on LSEDM have been adjusted for the full dividend.

Company:	Frontline (FRO)
Dividend:	USD 0.40/ NOK 3.26152
Exchange rate:	8.1538 - from Norges Bank 09 June 2016 14:30 CET
Adjustment date:	09.06.2016 after close
Ex-date:	10.06.2016
Adjustment factor:	0.960802
Adjusted contract size:	104 (X)

Stock option strike, future price and contract size have been adjusted according to Section 3 of the [LSEDM Corporate Actions Policy](#).

The derivative series have been assigned new ISIN and marked with the letter X for deviating contract specifications. New series will be uploaded on the LSEDM website.

Members are encouraged to ensure that clients are aware of this adjustment.

## Adjustment factor

$$A = \frac{P_{\text{cum}}^{\text{vwap}} - D}{P_{\text{cum}}^{\text{vwap}}} \quad \mathbf{0.960802}$$

$P_{\text{cum}}^{\text{vwap}}$  = Volume-weighted average price of the stock prior to the ex-date = **83.20633080**

$D$  = Dividend (NOK) = 3.26152

## New exercise and future price

$$X_{\text{ex}} = X_{\text{cum}} * A$$

$X_{\text{cum}}$  = Strike price or future price prior to adjustment

## New contract size

$$N_{\text{ex}} = \frac{N_{\text{cum}}}{A}$$

$N_{\text{ex}}$  = Adjusted contract size = **104 (X)**

$N_{\text{cum}}$  = Contract size prior to adjustment = 100

Adjustment factors are rounded to six decimals, and adjusted exercise and future prices are rounded to two decimals. Adjusted contract sizes are rounded to the nearest whole integer.

If you have any questions please call Derivatives Corporate Actions Team on +44 (0) 207 797 3660.

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