Market Notice

31 August 2016

London Stock Exchange Derivatives

MARKET NOTICE 2016/053

ADJUSTMENT FOR DIVIDEND IN IN FRONTLINE (FRO)

London Stock Exchange Derivatives Market (LSEDM) informs member firms that the Board of Frontline Limited (FRO) announces a quarterly cash dividend of USD 0.20 per share.

As FRO belongs to the AD class (100% adjusted for dividends), derivatives listed on LSEDM will be adjusted for the full dividend.

Company:	Frontline Limited (FRO)
Dividend:	USD 0.20
Exchange rate:	Exchange rate USDNOK from Norges Bank September 8th 14:30 CET
Adjustment date:	08.09.2016 after close
Ex-date:	09.09.2016

Stock option strike, future price and contract size will be adjusted according to Section 3 of the LSEDM Corporate Actions Policy.

The derivative series will be assigned new ISIN and marked with the letter X (Y for series already marked with X) for deviating contract specifications. New series will be uploaded to the website after close on the adjustment date.

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

Adjustment factor

$$A = \frac{P_{cum}^{vwap} - D}{P_{cum}^{vwap}}$$

P_{cum}^{vwap} = Volume-weighted average price of the stock prior to the ex-date

D = Dividend (NOK)

New exercise and future price

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

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

New contract size

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

N_{cum} = Contract size prior to adjustment

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 Operations on +44 (0) 207 797 3617.

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