

# London Stock Exchange Derivatives

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## MARKET NOTICE 2016/059

### ADJUSTMENT FOR DIVIDEND IN FRONTLINE (FRO)

Further to Market Notice 2016/053 London Stock Exchange Derivatives Market (LSEDM) informs member firms that The Board of Frontline has determined to distribute a cash dividend of USD 0.20 per share with ex-date 09 September 2016.

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

Company:	Frontline (FRO)
Dividend:	USD 0.20/ NOK 1.6280
Exchange rate:	8.1400 - from Norges Bank 08 September 2016 1600 CET
Adjustment date:	08.09.2016 after close
Ex-date:	09.09.2016
Adjustment factor:	0.973670
Adjusted contract size:	103 (X) and 107 (Y)

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

The derivative series have been 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.

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

## Adjustment factor

$$A = \frac{P_{\text{cum}}^{\text{vwap}} - D}{P_{\text{cum}}^{\text{vwap}}} \quad \mathbf{0.973670}$$

$P_{\text{cum}}^{\text{vwap}}$  = Volume-weighted average price of the stock prior to the ex-date = **61.83151890**

$D$  = Dividend (NOK) = 1.6280

## 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 = **103 (X) and 107 (Y)**

$N_{\text{cum}}$  = Contract size prior to adjustment = 100 and 104 (X)

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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