

# London Stock Exchange Derivatives

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## MARKET NOTICE 2016/090

### ADJUSTMENT FOR DIVIDEND IN FRONTLINE (FRO)

Further to Market Notice 2016/084 London Stock Exchange Derivatives Market (LSEDM) informs Member Firms that the Board of Frontline (FRO) have determined to distribute a cash dividend of USD 0.10 per share with ex-date 14 December 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 0.10/ NOK 0.8435                            |
| Exchange rate:          | 8.4350 - from Norges Bank 13 December 16:00 CET |
| Adjustment date:        | 13.12.2016 after close                          |
| Ex-date:                | 14.12.2016                                      |
| Adjustment factor:      | 0.986870  |
| Adjusted contract size: | 101 (X) and 104 (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

$$A = \frac{P_{cum}^{vwap} - D}{P_{cum}^{vwap}} \quad \mathbf{0.986870}$$

$P_{cum}^{vwap}$  = Volume-weighted average price of the stock prior to the ex-date = **64.24428730**

D = Dividend (NOK) = 0.8435

## New exercise and future price

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

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

## New contract size

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

$N_{ex}$  = Adjusted contract size = **101 (X) and 104 (Y)**

$N_{cum}$  = Contract size prior to adjustment = 100 and 103 (X)

Adjustment factors are rounded to six decimals, and adjusted exercise and future prices are rounded to four 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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