

London Stock Exchange Derivatives

MARKET NOTICE 2017/031

Adjustment for Dividend in Frontline (FRO)

London Stock Exchange Derivatives Market (LSEDM) informs member firms that the Board of Frontline (FRO) have resolved to distribute a quarterly cash dividend of USD 0.15 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 (FRO)
Dividend:	USD 0.15
Exchange rate:	Exchange rate USDNOK from Norges Bank 8 June 16:00 CET
Adjustment date:	8 June after close
Ex-date:	9 June

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.

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

Adjustment factor

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

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

D = Dividend (NOK)

New exercise and future price

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

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

New contract size

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

N_{ex} = Adjusted contract size

N_{cum} = Contract size prior to adjustment

Adjustment factors are rounded to six decimals, adjusted exercise prices are rounded to two decimals 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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