
MARKET NOTICEJohannesburg
Stock ExchangeTel: +27 11 520 7000
www.jse.co.za**Number:** 286/2016Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives**DATE** 27 May 2015**SUBJECT:** TREATMENT OF BIDVEST LIMITED (BVT) CORPORATE ACTION - UNBUNDLING 30 MAY 2016
(EX-DATE)**Name and Surname:** Brett Kotze**Designation:** Head of Operations – Clearing & Settlement

Members notice is drawn to section 13 of the JSE Derivatives Directives, Equity Derivatives Contract Specifications, which states:

13. Corporate Events

The JSE reserves the right to adopt any procedure or to adjust any single stock future or option on a single stock future, in a manner it deems fit, to deal with any extraordinary corporate events that may occur from time to time in relation to a share that is the underlying instrument of the equity option and to notify position holders, derivatives members and any other interested parties, of such event and the procedure or adjustment adopted. Such events include, for example, mergers, take-overs, unbundling, capitalization issues and rights issues.

The implication of this is that anybody trading in Single Stock futures or options in which the underlying stock is the subject of an extraordinary corporate event should be aware that the JSE may make adjustments to the Single Stock futures and options.

Unbundling

Bidvest Limited (BVT) shareholders will receive 1 BID Corporation Ltd (BID) share for every 1 BVT share held.

With regard to this corporate action the following adjustments will be made to all contracts with the underlying of BVT on Monday, 30 May 2016 (**Ex-date**). The adjustments will be made to positions as at close of business on Friday, 27 May 2016 (**LDT**)

1. Futures positions.

- The JSE will list a new contract i.e. Bidvest Limited (BVT) / BID Corporation (BID) basket (BVIQ).
- Positions in BVTQ as held on close of business on Friday, 27 May 2016 (**LDT**) will be closed out at a value of zero and new positions will be created in the new contract at a value of zero.

E.g. If you had 10 futures contracts in the BVTQ contract, the JSE will close out this position at a value of zero and open a new position of 10 futures contracts in the new contract (BVIQ).

- The new BVIQ future will comprise of a basket of BVT and BID shares in the following ratio: -

$$\underline{1 \text{ New BVIQ future} = 100 \text{ BVT shares} + 100 \text{ BID shares.}}$$

- The MTM price of the new BVIQ basket will be determined by calculating the fair value of: -

$$\underline{(1 * \text{BVT share price}) + (1 * \text{BID share price}).}$$

- At expiry date the future will be physically settled according to the following ratio: -

$$\underline{1 \text{ New BVIQ future} = 100 \text{ BVT share} + 100 \text{ BID share.}}$$

- The final settlement price of the BVIQ basket at expiry will be determined as follows: -

$$\underline{(1 * \text{BVT share price}) + (1 * \text{BID share price}).}$$

2. Option positions.

- The JSE will make the same adjustments to option positions as made to futures positions above.
- Strike prices will remain unaffected.

3. ECFD Contracts

- ECFD contracts will be closed out on the old contract and opened in the new contract for BID Corporation Limited

Should you have any queries please contact Clearops@jse.co.za or +27 11 520-7349

This Market Notice will be available on the website at <https://www.jse.co.za/redirects/market-notice-and-circulars>