
MARKET NOTICEJohannesburg
Stock ExchangeTel: +27 11 520 7000
www.jse.co.za**Number:** 438/2015**Relates to:**
 Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives**DATE** 17 July 2015**SUBJECT:** TREATMENT ADCOCK INGRAM HOLDINGS LIMITED (AIP) CORPORATE ACTION – SCHEME OF ARRANGEMENT 20 JULY 2015 (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.

Scheme of Arrangement

Scheme participants will receive AdBEE (RF) Limited (ADE) securities for their scheme shares disposed of in terms of the scheme. In addition as an indivisible part of the scheme but not as part of the scheme consideration, scheme participants will receive call options (ADEO) which can be exercised at R72.00 per Adcock share. In terms of the "Scheme of Arrangement" each shareholder will dispose of 15% of their shareholding for the scheme consideration.

With regard to this corporate action the following adjustments will be made to positions on Monday, 20 July 2015 (**Ex-date**). The adjustments will be made to positions as at close of business on Friday, 17 July 2015 (**LDT**)

Futures and ECFD positions

- The JSE will list a new basket contract i.e. AIXQ, a new Single Stock Futures on AdBEE (RF) Limited (ADEQ) and on the Call Option ADEO (ADEQ)
- Positions in AIPQ as held on close of business on 17 July 2015 (**LDT**) will be closed out at a value of zero and new positions will be created in the new basket AIXQ at a value of zero.

E.g. If you had 10 futures contracts in the AIPQ 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 (**AIXQ**).

- The new AIXQ future will comprise of a basket of AIP, ADE and ADEO shares in the following ratio: -

1 New AIXQ future = 0.85 AIP share + 0.15 ADE share and 0.046667 ADEO Share.

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

(0.85 * AIP share price) + (0.15 * ADE share price) + (0.046667 * ADEO share price).

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

1 New AIXQ future = 85 AIP shares + 15 ADE shares + 4.6667 ADEO Shares.

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

((0.85 * AIP share price) + (0.15 * ADE share price) + (0.046667 ADEO share price)).

Members must please note that as a result of the specific nature and the unique characteristics of the AIXQ basket, this basket will expire on 17 September 2015 and the JSE will not list the AIXQ basket with new expiry dates. Consequently, market participants will not be able to “roll” to a further future expiry and Members are advised to either trade out of the basket or take physical delivery at expiry on 17 September 2015.

Option positions

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

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

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