
MARKET NOTICEJohannesburg
Stock ExchangeTel: +27 11 520 7000
www.jse.co.za

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Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
Date: 27 May 2020

SUBJECT: TREATMENT OF REMGRO LTD (REM) CORPORATE ACTION - UNBUNDLING 3 JUNE 2020 (EX-DATE)

Name and Surname: Matthias Kempgen
Designation: Head - Derivatives Operations, Post Trade Services

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

Remgro Limited (REM) shareholders will receive 0.69939 **RMB Holdings Limited (RMH)** share for every 1 **Remgro Limited (REM)** shares held.

With regards to this corporate action, the following adjustments will be made to all contracts with the underlying of REM on Wednesday, **3 June 2020 (Ex-date)**. The adjustments will be made to positions as at close of business on Tuesday, **2 June 2020 (LDT)**

Please note:

The new basket future contract **BSK088** will be created during the EOD batch process on LDT 2 June 2020 and will be available for trading on Ex-date 3 June 2020.

1. Futures positions.

- The JSE will list the new basket future contract **BSK088** which will contain the following constituents:
Remgro Limited (REM) / RMB Holding Limited (RMH)
- Positions in Remgro Limited (REM) as held on close of business on Tuesday, 2 June 2020 (LDT) will be closed out at a value of zero and new positions will be created in the new basket future contract at a value of zero on 3 June 2020 (Ex-date).

E.g. If you had 10 futures contracts in Remgro Limited (REM), the JSE will close out this position at a value of zero and open a new position of 10 futures contracts in the new basket created.

- The new basket futures contract will comprise of REM and RMH shares in the following ratio: -
1 New Basket Future Contract = (1 REM Contracts + 0.69939 RMH contract) x Nominal (100)
- The MTM price of the new basket future contract will be determined by calculating the fair value of: -
A notional basket containing 1 REM contracts + 0.69939 RMH contract
- At expiry date the future will be physically settled according to the following ratio: -
1 New Basket Futures Contract = (1 REM shares + 0.69939 RMH share)
- The final settlement price of the new basket futures contract at expiry will be determined as follows: -
(1 * REM share price) + 0.69939 * RMH 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

- For every 1 REM Limited (REM) ECFD you will receive 0.69939 RMB Holdings Limited (RMH) ECFD.

TREATMENT FOR ALLOCATION ON ADDITIONAL CONTRACTS

With the implementation of ITaC, the JSE has enhanced the position adjustment process.

Please see link below to the Guidance Note issued on treatment of corporate actions as distributed in October 2018 and specifically refer to Section 8 for details of the position adjustment process:

<https://www.jse.co.za/content/Guidance%20Notes/ITaC%20Guidance%20Note%20on%20Corporate%20Actions.pdf>

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

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