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Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
Date: 5 June 2020

SUBJECT: TREATMENT OF TRENCOR LTD (TRE) CORPORATE ACTION - UNBUNDLING 10 JUNE 2020 (EX-DATE)

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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

Trencor Limited (TRE) shareholders will receive 1.72885 **Textainer Group Holdings Limited (TXT)** shares for every 100 **Trencor Limited (TRE)** shares held.

With regards to this corporate action, the following adjustments will be made to all contracts with the underlying of TRE on Wednesday, **10 June 2020 (Ex-date)**. The adjustments will be made to positions as at close of business on Tuesday, **9 June 2020 (LDT)**

Please note:

The new basket future contract **BSK089** will be created during the EOD batch process on LDT 9 June 2020 and will be available for trading on Ex-date 10 June 2020.

1. Futures positions.

- The JSE will list the new basket future contract **BSK089** which will contain the following constituents:
Trencor Limited (TRE) / Textainer Group Holdings Limited (TXT)
- Positions in Trencor Limited (TRE) as held on close of business on Tuesday, 9 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 10 June 2020 (Ex-date).

E.g. If you had 10 futures contracts in Trencor Limited (TRE), 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 TRE and TXT shares in the following ratio: -

$$\underline{1 \text{ New Basket Future Contract} = (100 \text{ TRE Contracts} + 1.72885 \text{ TXT contract}) \times \text{Nominal (100)}}$$

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

$$\underline{\text{A notional basket containing } 100 \text{ TRE contracts} + 1.72885 \text{ TXT contract}}$$

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

$$\underline{1 \text{ New Basket Futures Contract} = (100 \text{ TRE shares} + 1.72885 \text{ TXT share})}$$

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

$$\underline{(100 * \text{TRE share price}) + 1.72885 * \text{TXT share price).}$$

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 TRE Limited (TRE) ECFD you will receive 1.72885 TXT Group Holdings Limited (TXT) 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.

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