



Market Notice

Number: F4651 - Correction

Date: 28 February 2011

Treatment of RMB Holdings Limited (RMHQ) Corporate Action – Unbundling 07 March 2011

Correction – 04th and 07th February has been replace with 04th and 07th March

Members notice is drawn to section 13 of the JSE Derivatives Directives, Equity Derivatives Contract Specifications (http://www.jse.co.za/ssf/contract_specifications.jsp), which states:

“13. Corporate Events

The Executive Committee reserves the right to adopt any procedure or to adjust any individual equity future or option on an individual equity future (Single Stock futures or options on Single Stock futures), 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, members and any other interested parties, of such event and the procedure or adjustment adopted. Such events include, for example, mergers, take-overs, unbundlings, capitalisation issues and rights issues”

The implication of this is that anybody trading in Single Stock futures or options on Single Stock futures 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.

RMB Holdings Limited (RMH) shareholders will receive 1 RMI Holdings Limited (RMI) share for every 1 RMH share held.

With regard to this corporate action the following adjustments will be made to positions on Monday, 07th March 2011 (Ex date). The adjustments will be made to the positions held in RMHQ, as at close of business on Friday, 04th March 2011 (**LDT**).



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Borkum (Chairman), AD Botha, MR Johnston, DM Lawrence, W
Luhabe, A Mazwai, NS Nematswerani, N Payne, G Serobe,
Company Secretary: GC Clarke

1. Futures positions.

- The JSE will list a new contract i.e. RMB Holdings Limited RMH/ RMI Holdings Limited (RMI) basket (RXRQ).
- Positions in RMHQ as held on close of business on Friday, 04th March 2011 (**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 RMHQ 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 (RXRQ).

- The new RXRQ future will comprise of a basket of RMH and RMI shares in the following ratio: -

$$\underline{1 \text{ New RXRQ future} = 100 \text{ RMH shares} + 100 \text{ RMI shares.}}$$

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

$$\underline{(1 * \text{RMH share price}) + (1 * \text{RMI share price}).}$$

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

$$\underline{1 \text{ New RXRQ future} = 100 \text{ RMH shares} + 100 \text{ RMI shares.}}$$

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

$$\underline{(1 * \text{RMH share price}) + (1 * \text{RMI share price}).}$$

2. Option positions.

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

Please Note

In addition to the above changes, the JSE will list a new futures contract i.e. RMI Holdings Limited (RMIQ)

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