

Market Notice

Number F4768

Date 26 May 2011

Treatment of Mvelaphanda Resources Limited (MVLQ) Corporate Action – Special Dividend, Scheme of Arrangement and Termination 30 May 2011 (Ex Date)

Members notice is drawn to section 13 of the JSE Derivatives Directives, the contract specifications of Individual Equity Futures and options, 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.

Special Dividend.

Mvelaphanda Resources Limited (MVL) has declared a special dividend of 31 cents per share. With regard to this corporate action, the following adjustments will be made to positions held in the futures contracts on Monday, 30th May 2011 (**Ex date**). The adjustments will be made to the positions held as at close of business on Friday, 27th May 2011 (**LDT**).

1. Futures contracts.

The futures position will be increased by the following factor:



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Executive Directors: RM Loubser (CEO), NF Newton-King,
F Evans (CFO) **Non-Executive Directors:** HJ Borkum
(Chairman), AD Botha, ZL Combi, MR Johnston, DM Lawrence,
A Mazwai, NS Nematswerani, N Nyembezi-Heita, N Payne
Alternate Directors: JH Burke, LV Parsons

Calculation of factor:

Spot price / adjusted price

Where:

Spot price = the official closing price of the underlying share on Friday, 27th May 2011 (**LDT**).

Adjusted price = Spot price – 0.31 (special dividend).

E.g. if the official closing price of the underlying share on Friday, 27th May 2011 (**LDT**) is 4.50 the following would apply:-

Spot price = 4.50

Adjusted price = 4.50 – 0.31
= 4.19

Factor = 4.50 / 4.19
= 1.07398568019

I.e. Current positions*Factor (rounded to nearest whole contract) = the number of total contracts. Additional contracts will be created at an initial value of zero.

NB: -

- Please refer to Notice F708 for clarity regarding the allocation of additional contracts.
- In the event of an uneven allocation across all position holders, the position holder with the higher decimal fraction will receive priority above the position holder with the lower decimal fraction.

2. Option contracts.

- a. The options position will be increased by the same factor as the futures above.
- b. The option strikes will be adjusted by the following factor:

Calculation of options factor (based on the example above):

Adjusted price / spot price

Options factor = 4.19 / 4.50

$$= \underline{0.931111111111}$$

E.g. if the old strike is 4.50 the following would apply:-

$$\begin{aligned} \text{New strike} &= \text{Old strike} * \text{options factor} \\ &= 4.50 * 0.931111111111 \\ &= \underline{4.19} \end{aligned}$$

Existing positions will be closed out at a 0 value and new positions opened at the new strike with a 0 value.

NB: -

- Please refer to Notice F708 for clarity regarding the allocation of additional contracts.
- In the event of an uneven allocation across all position holders, the position holder with the higher decimal fraction will receive priority above the position holder with the lower decimal fraction.

Scheme Of Arrangement.

For every 100 Mvelaphanda Resources Limited (MVL), shareholders will receive 9.598 Northam Platinum Limited (NHM) shares. With regard to this corporate action, the following adjustments will be made on Monday, 30th May 2011 (**Ex date**). The adjustments will be made to the new positions in MVLQ after the Special Dividend corporate action as above.

1. Futures contracts.

Futures position in the MVLQ contract will be converted into the NHMQ contract in the following ratio:

$$\text{RATIO: } \underline{1 \text{ MVLQ FUTURE} = 0.09598 \text{ NHMQ FUTURES}}$$

Example: -

Position on LDT: +100 JUN11 MVLQ Futures

Position on Ex Date: +10 JUN11 NHMQ Futures (9.598 rounded)

Positions in MVLQ will be closed out at zero and additional contracts in NHMQ will be created at an initial value of zero.

Termination.

Once all the above adjustments have been made, the MVLQ contract will be terminated.

NB: -

Please note the above adjustments will also be applicable to the MVLF contract.

Should you have any queries please contact Imraan Hendrix on (011) 520-7349

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