



Market Notice

Number: F6958
Date: 03 April 2014

Treatment of Bidvest Limited (BVT) Corporate Action – Scrip Dividend 07th April 2014 (Ex-date)

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

Scrip Dividend.

Bidvest Limited (BVT) has declared a scrip dividend of 3.213 cents per share or shareholders could elect to receive 1.65 BVT shares for every 100 BVT shares held on LDT, the 04th April 2014.

Cash Election

If it is more beneficial for shareholders to receive the cash amount, adjustments will be made as follows:

1. Futures contracts.

The futures position will be increased by the following factor:



JSE Limited Registration Number: 2005/022939/06
One Exchange Square, Gwen Lane, Sandown, South Africa.
Private Bag X991174, Sandton, 2146, South Africa.
Telephone: +27 11 520 7000, Facsimile: +27 11 520 8584
www.jse.co.za

Executive Directors: NF Newton-King (CEO),
A Takoordeen (CFO)
Non-Executive Directors: HJ Borkum (Chairman), AD Botha, M Jordaan
MR Johnston, DM Lawrence, A Mazwai, Dr. MA Matooane, NP Mnxasana,
NS Nematswerani, N Nyembezi-Heita, N Payne
Alternate Directors: JH Burke, LV Parsons
Company Secretary: GC Clarke

Calculation of futures factor:

Spot price / adjusted price

Where:

Spot price = the official closing price of the underlying share on Friday, 04th April 2014 (LDT).

Adjusted price = Spot price – 3.213 (scrip dividend).

E.g. if the official closing price of the underlying share on Friday, 04th April 2014 (LDT) is 282.38 the following would apply:-

$$\text{Spot price} = \underline{282.38}$$

$$\begin{aligned} \text{Adjusted price} &= 282.38 - 3.213 \\ &= \underline{279.167} \end{aligned}$$

$$\begin{aligned} \text{Futures factor} &= 282.38 / 279.167 \\ &= 1.011509239 \end{aligned}$$

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

$$\begin{aligned}\text{Options factor} &= 279.167 / 282.38 \\ &= \underline{0.988621715}\end{aligned}$$

E.g. if the old strike is 22.50 the following would apply:-

$$\begin{aligned}\text{New strike} &= \text{Old strike} * \text{options factor} \\ &= 22.50 * 0.988621715 \\ &= \underline{22.24398858}\end{aligned}$$

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.

Share/Scrip Election

If it is more beneficial for shareholders to elect to receive the BVT shares, a contract on the identical share will be listed on the exchange, with a contract size which will be determined on Monday, 07th April 2014.

Adjustments will be made to the contract size options on the Single Stock Futures as described above.

Positions in the existing contract will be closed out at a value of zero and new positions will be created in the

Should you have any queries please contact Andre Koen on (011) 520-7469 / andrek@jse.co.za or safexops@jse.co.za

Brett Kotze

Designation Head of Operations – Clearing & Settlement
Division Post trade services
Tel +27 11 520 7587
Fax +27 11 520 8587
E-mail address: brettk@jse.co.za

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