

MARKET NOTICE

Number: F7294
Date: 20 November 2014

Johannesburg
Stock Exchange

Tel: +27 11 520 7000
Fax: +27 11 520 8584

www.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

Subject: Treatment of Datatec Limited (DTC) Corporate Action – Scrip Dividend 24th November 2014 (Ex-date)

Please note that the method of adjusting for the Share/Scrip election has been amended. After feedback from market participants, we reviewed the corporate action and concluded that there would be less rounding issues by treating the scrip election similar to the cash election.

The new method is also better as the Exchange will not have to list so many new Contracts with a different nominal.

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 (default being Scrip)

Datatec Limited (DTC) has declared a scrip dividend of 88 cents per share or shareholders could elect to receive 1.6363 DTC shares for every 100 DTC shares held on LDT, the 21st November 2014.

Due to the fact that the default selection on the Scrip Dividend is shares, the adjustments will be made to all contracts with the underlying of DTC on Monday, 24th November 2014 (Ex-date)

1. Futures contracts.

The futures position will be increased by the following factor:

Calculation of futures factor:

$$101.6363 / 100$$

$$= 1.016363$$

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.

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.

$$100 / 101.6363$$

$$= 0.983900437$$

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.

3. CFD contracts.

Current positions*Factor = the number of total contracts.

Calculation of futures factor:

101.6363 / 100

= 1.016363

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.

Should you have any queries please contact (011) 520-7649 or clearops@jse.co.za