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**MARKET NOTICE**Johannesburg  
Stock ExchangeTel: +27 11 520 7000  
[www.jse.co.za](http://www.jse.co.za)**Number:** 166/2019Relates to:  Equity Market  
 Equity Derivatives  
 Commodity Derivatives  
 Interest Rate and Currency Derivatives**DATE** 7 June 2019**SUBJECT:** TREATMENT OF TSOGO SUN HOLDINGS LTD (TSH) CORPORATE ACTION - UNBUNDLING  
12 JUNE 2019 (EX-DATE)**Name and Surname:** Matthias Kempgen**Designation:** Head - Derivatives Operations, Post Trade Services

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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**

**Tsogo Sun Holdings Ltd (TSH)** shareholders will receive 1 **Tsogo Sun Hotels LTD (TGO)** share for every 1 **Tsogo Sun Holdings Ltd (TSH)** share held.

With regards to this corporate action the following adjustments will be made to all contracts with the underlying of TSH on Wednesday, **12 June 2019 (Ex-Date)**. The adjustments will be made to positions as at close of business on Tuesday, **11 June 2019 (LDT)**.

**Please note:**

The new basket future contract will be created during the EOD batch process on LDT 11 June 2019 and will be available for trading on Ex-Date 12 June 2019. Please note that the new basket future contract details will be provided on Ex-Date 12 June 2019.

**1. Futures positions**

- The JSE will list a new basket future contract containing the following constituents:  
Tsogo Sun Holdings Ltd (TSH) / Tsogo Sun Hotels LTD (TGO) basket.
- Positions in Tsogo Sun Holdings Ltd (TSH) as held on close of business on Tuesday, 11 June 2019 (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 Ex-Date 12 June 2019.

**E.g.** If you had 10 futures contracts in Tsogo Sun Holdings Ltd (TSH), 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 TSH and TGO shares in the following ratio:  
1 New Basket Future Contract = (1 TSH Contract + 1 TGO contract) x Nominal (100)
- The MTM price of the new basket future contract will be determined by calculating the fair value of:  
A notional basket containing 1 TSH contract + 1 TGO contract.
- At expiry date the future will be physically settled according to the following ratio:  
1 New Basket Future Contract = (1 TSH shares + 1 TGO shares)
- The final settlement price of the new basket futures contract at expiry will be determined as follows:  
(1 \* TSH share price) + 1 \* TGO 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 Tsogo Sun Holdings Ltd (TSH) you will receive 1 Tsogo Sun Hotels LTD (TGO) ECFD.

Should you have any queries please contact [Clearops@jse.co.za](mailto:Clearops@jse.co.za) or +27 11 520-7349.

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