

MARKET NOTICE

Johannesburg
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Number: 120/2019

Relates to:

- ☐ Equity Market
- ☒ Equity Derivatives
- ☐ Commodity Derivatives
- ☐ Interest Rate and Currency Derivatives

DATE 15 April 2019

SUBJECT: TREATMENT OF TIGER BRANDS LTD (TBS) CORPORATE ACTION - UNBUNDLING 24 APRIL 2019 (EX-DATE)

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Designation: Head - Derivatives Operations, Post Trade Services

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

Tiger Brands Ltd (TBS) shareholders will receive 25.86927 **Oceana Group Ltd NM (OCE)** share for every 100 **Tiger Brands Ltd (TBS)** shares held.

With regard to this corporate action the following adjustments will be made to all contracts with the underlying of TBS on Wednesday, **24 April 2019 (Ex-Date)**. The adjustments will be made to positions as at close of business on Tuesday, **23 April 2019 (LDT)**.

The JSE will be creating baskets with the below constituents effective as per the table below. The baskets will be available for trading from 24 April 2019:

	TBSQ -> TOCQ	TBSF -> TOCF	TBSS -> TOCS
Constituents effective 24 April 2019	<ul style="list-style-type: none"> Tiger Brands Ltd (TBS) Oceana Group Ltd NM (OCE) 	<ul style="list-style-type: none"> Tiger Brands Ltd (TBS) Oceana Group Ltd NM (OCE) 	<ul style="list-style-type: none"> Tiger Brands Ltd (TBS) Oceana Group Ltd NM (OCE)

1. Futures positions

- The JSE will list new contracts i.e. Tiger Brands Ltd (TBS) / Oceana Group Ltd NM (OCE) baskets (TOCQ, TOCF and TOCS).
- Positions in TBSQ, TBSF and TBSS as held on close of business on Tuesday, **23 April 2019 (LDT)** will be closed out at a value of zero and new positions will be created in the new basket contracts at a value of zero.

E.g. If you had 10 futures contracts in the TBSQ 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 (TOCQ).

- The new TOCQ future will comprise of a basket of TBS and OCE shares in the following ratio:

$$\underline{1 \text{ New TOCQ Future} = (1 \text{ TBS Contract} + 0.2586927 \text{ OCE contract}) \times \text{Nominal (100)}}$$

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

$$\underline{A \text{ notional basket containing } 1 \text{ TBS contract} + 0.2586927 \text{ OCE contract}}$$

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

$$\underline{1 \text{ New TOCQ Future} = (100 \text{ TBS shares} + 25.86927 \text{ OCE shares})}$$

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

$$\underline{(1 * \text{TBS share price}) + (0.2586927 * \text{OCE share price})}$$

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 Tiger Brands Ltd (TBS)(TBSC) you will receive 25.86927 Oceana Group Ltd NM (OCE)(OCEC) ECFD.

Should you have any queries please contact Clearops@jse.co.za or +27 11 520-7349.

This Market Notice will be available on the website at <https://www.jse.co.za/redirects/market-notice-and-circulars>