

MARKET NOTICE

Number: 109/2024

Relates to:

- Equity Market
- Equity Derivatives Market
- Commodity Derivatives Market
- Currency Derivatives Market
- Interest Rate Derivatives Market
- Bond Market
- Bond ETP Market

Date: 09 April 2024

SUBJECT: TREATMENT OF TRANSACTION CAPITAL LIMITED (TCP) CORPORATE ACTION – UNBUNDLING – 11 APRIL 2024 (EX. DATE)

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Designation: Chief Information & Operating Officer – JSE Clear

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 r 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.

Unbundling

Transaction Capital Limited (TCP) shareholders will receive 0.32678 **We Buy Cars Holdings Limited (WBC)** shares for every 1 **Transaction Capital Limited (TCP)** share held.

With regards to this corporate action, the following adjustments will be made to all contracts with the underlying of TCP on Thursday, 11 April 2024 (**Ex-date**). The adjustments will be made to positions held as at close of business on Wednesday, 10 April 2024 (**LDT**).

IMPORTANT NOTE for position holders:

Certain types of corporate actions require futures and options positions to be adjusted. This is done by applying the relevant position factor (determined as per published methodologies). The application of the position factor often results in decimal values, as a result rounding is a key part of the corporate action processing.

Therefore, current positions multiplied with the factor are rounded up or down to the nearest whole contract which determines the adjusted position. Smaller positions (depending on the factor) may as a result not receive additional contracts.

Please refer to the published guidance note for details:

<https://www.jse.co.za/content/Guidance%20Notes/ITaC%20Guidance%20Note%20on%20Corporate%20Actions.pdf>

Adjusted positions will be created at an initial value of zero.

Please note:

Position adjustments will be made to all contracts where TCP is the underlying share. These contracts include:

Contract Code	JSE Instrument Type
20JUN24 TCP CSH	Single Stock
20JUN24 TCP PHY	Single Stock
20JUN24 TCP CSH DN	Dividend Neutral
19SEP24 TCP CSH	Single Stock
19SEP24 TCP PHY	Single Stock
19SEP24 TCP CSH DN	Dividend Neutral
18APR24 TCP PHY DN	Dividend Neutral
19DEC24 TCP CSH	Single Stock
19DEC24 TCP PHY	Single Stock
19DEC24 TCP CSH DN	Dividend Neutral
16MAY24 TCP PHY DN	Dividend Neutral
20JUN24 TCP PHY DN	Dividend Neutral
18JUL24 TCP PHY DN	Dividend Neutral
20MAR25 TCP CSH	Single Stock
20MAR25 TCP PHY	Single Stock
20MAR25 TCP CSH DN	Dividend Neutral
15AUG24 TCP PHY DN	Dividend Neutral

Please note:

The new basket future contract **BSK137** will be created during the EOD batch process on LDT 10 April 2024 and will be available for trading on Ex-date 11 April 2024.

1. Futures positions.

- The JSE will list the new basket future contract **BSK137** which will contain the following constituents:
 - Transaction Capital Limited (TCP)
 - We Buy Cars Holdings Limited (WBC)
- Positions in Transaction Capital Limited (TCP) as held on close of business on Wednesday, 10 April 2024 (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 Thursday, 11 April 2024 (Ex-date).

E.g. If you had 10 futures contracts in Transaction Capital Limited (TCP), 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 TCP and WBC shares in the following ratio: -

$$\underline{1 \text{ New Basket Future Contract} = (1 \text{ TCP Contracts} + 0.32678 \text{ WBC contract}) \times \text{Nominal} (100)}$$

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

$$\underline{\text{A notional basket containing } 1 \text{ TCP contracts} + 0.32678 \text{ WBC contract.}}$$

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

$$\underline{1 \text{ New Basket Futures Contract} = (1 \text{ TCP shares} + 0.32678 \text{ WBC share})}$$

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

$$\underline{(1 * \text{TCP share price}) + (0.32678 * \text{WBC share price}).}$$

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 Transaction Capital Limited (TCP) ECFD you will receive 0.32678 We Buy Cars Holdings Limited (WBC) ECFD.

TREATMENT FOR ALLOCATION ON ADDITIONAL CONTRACTS

With the implementation of ITaC, the JSE has enhanced the position adjustment process.

Please see link below to the Guidance Note issued on treatment of corporate actions as distributed in October 2018 and specifically refer to Section 8 for details of the position adjustment process:

<https://www.jse.co.za/content/Guidance%20Notes/ITaC%20Guidance%20Note%20on%20Corporate%20Actions.pdf>

Should you have any queries regarding this Market Notice, please e-mail: clearops@jse.co.za

This Market Notice is available on the JSE website at: [JSE Market Notices](#)