

MARKET NOTICE

Johannesburg
Stock Exchange

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Relates to:

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

Date: 9 December 2022

SUBJECT: TREATMENT OF BARLOWORLD LIMITED (BAW) CORPORATE ACTION – UNBUNDLING
13 DECEMBER 2022 (EX-DATE)

Name and Surname: Matthias Kempgen

Designation: Chief 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 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.

Unbundling

Barloworld Limited (BAW) shareholders will receive 1 Zeda Limited (**ZZD**) shares for every 1 **Barloworld Limited (BAW)** shares held.

With regards to this corporate action, the following adjustments will be made to all contracts with the underlying of BAW on Tuesday, **13 December 2022 (Ex-date)**. The adjustments will be made to positions as at close of business on Monday, **12 December 2022 (LDT)**.

Please note:

Adjustments will be made to all contracts where BAW is the underlying share. These contracts include:

Contract Code	JSE Instrument Type
15DEC22 BAW PHY	Single Stock
15DEC22 BAW PHY DN	Dividend Neutral
15DEC22 BAW CSH	Single Stock
15DEC22 BAW CSH DN	Dividend Neutral
16MAR23 BAW PHY	Single Stock
16MAR23 BAW PHY DN	Dividend Neutral
16MAR23 BAW CSH	Single Stock
16MAR23 BAW CSH CFD RODI	CFD
16MAR23 BAW CSH CFD SABOR	CFD
16MAR23 BAW CSH DN	Dividend Neutral
15JUN23 BAW PHY	Single Stock
15JUN23 BAW PHY DN	Dividend Neutral
15JUN23 BAW CSH	Single Stock
15JUN23 BAW CSH DN	Dividend Neutral
21SEP23 BAW PHY	Single Stock
21SEP23 BAW PHY DN	Dividend Neutral
21SEP23 BAW CSH	Single Stock
21SEP23 BAW CSH DN	Dividend Neutral
21DEC23 BAW PHY	Single Stock
21DEC23 BAW PHY DN	Dividend Neutral
21DEC23 BAW CSH	Single Stock
21DEC23 BAW CSH DN	Dividend Neutral

Please note:

The new basket future contract **BSK126** will be created during the EOD batch process on LDT 12 December 2022 and will be available for trading on Ex-date 13 December 2022.

1. Futures positions.

- The JSE will list the new basket future contract **BSK126** which will contain the following constituents:
 - Barloworld Limited (BAW)
 - Zeda Limited (ZZD)

- Positions in Barloworld Limited (BAW) as held on close of business on Monday, 12 December 2022 (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 13 December 2022 (Ex-date).

E.g. If you had 10 futures contracts in Barloworld Limited (BAW), 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 BAW and ZSD shares in the following ratio: -

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

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

$$\underline{\text{A notional basket containing 1 BAW contracts} + 1 \text{ ZSD contract}}$$

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

$$\underline{1 \text{ New Basket Futures Contract} = (1 \text{ BAW shares} + 1 \text{ ZSD share})}$$

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

$$\underline{(1 * \text{BAW share price}) + (1 * \text{ZSD share price}).}$$

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 Barloworld Limited (BAW) ECFD you will receive 1 Zeda Limited (ZSD) 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://clientportal.jse.co.za/content/guidance%20notes/itac%20guidance%20note%20on%20corporate%20actions.pdf>

Should you have any queries regarding this Market Notice, please contact clearops@jse.co.za

This Market Notice is available on the website at <https://clientportal.jse.co.za/communication/jse-market-notice>