
MARKET NOTICEJohannesburg
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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: 13 May 2022

SUBJECT: TREATMENT OF RESILIENT REIT LIMITED (RES) CORPORATE ACTION – UNBUNDLING
18 MAY 2022 (EX-DATE)

Name and Surname: Matthias Kempgen
Designation: Chief Operating Officer – JSE Clear

Member's 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 adjust Single Stock futures and options.

Unbundling

Resilient REIT Limited (RES) shareholders will receive 0.48 **Lighthouse Properties PLC (LTE)** shares for every 1 **Resilient REIT Limited (RES)** share held.

With regards to this corporate action, the following adjustments will be made to all contracts with the underlying of RES on Wednesday, **18 May 2022 (Ex-date)**. The adjustments will be made to positions as at close of business on Tuesday, **17 May 2022 (LDT)**.

Affected Contracts:

Contract Code	JSE Instrument Type
15JUN22 RES PHY	Single Stock
15JUN22 RES PHY DN	Dividend Neutral
15JUN22 RES CSH	Single Stock
15JUN22 RES CSH DN	Dividend Neutral
15SEP22 RES PHY	Single Stock
15SEP22 RES PHY DN	Dividend Neutral
15SEP22 RES CSH	Single Stock
15SEP22 RES CSH DN	Dividend Neutral
15DEC22 RES PHY	Single Stock
15DEC22 RES PHY DN	Dividend Neutral
15DEC22 RES CSH	Single Stock
15DEC22 RES CSH DN	Dividend Neutral
16MAR23 RES CSH CFD RODI	CFD
16MAR23 RES CSH CFD SABOR	CFD
16MAR23 RES PHY	Single Stock
16MAR23 RES PHY DN	Dividend Neutral
16MAR23 RES CSH	Single Stock
16MAR23 RES CSH DN	Dividend Neutral

Please note:

The new basket future contract **BSK114** will be created during the EOD batch process on LDT 17 May 2022 and will be available for trading on Ex-date 18 May 2022.

1. Futures positions.

- The JSE will list the new basket future contract **BSK114** which will contain the following constituents:
Resilient REIT Limited (RES) / Lighthouse Properties PLC (LTE)
- Positions in Resilient REIT Limited (RES) as held on close of business on Tuesday, 17 May 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 18 May 2022 (Ex-date).

E.g. If you had 10 futures contracts in Resilient REIT Limited (RES), 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 RES and LTE shares in the following ratio: -

$$\underline{1 \text{ New Basket Future Contract} = (1 \text{ RES Contracts} + 0.48 \text{ LTE contract}) \times \text{Nominal (100)}}$$

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

$$\underline{\text{A notional basket containing 1 RES contracts} + 0.48 \text{ LTE contract}}$$

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

$$\underline{1 \text{ New Basket Futures Contract} = (1 \text{ RES shares} + 0.48 \text{ LTE share})}$$

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

$$\underline{(1 * \text{RES share price}) + (0.48 * \text{LTE share price})}$$

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 Resilient REIT Limited (RES) ECFD you will receive 0.48 Lighthouse Properties PLC (LTE) 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-notices>