
MARKET NOTICEJohannesburg
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Number: 427/2017
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives

DATE 2 October 2017

SUBJECT: TREATMENT OF CURRO HOLDINGS LIMITED (COH) CORPORATE ACTION - UNBUNDLING 3 OCTOBER 2017 (EX-DATE)

Name and Surname: Ashraf Stemmet
Designation: Head of Operations – Clearing & Settlement

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 seems 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

Curro Holdings Limited (COH) shareholders will receive 1 Stadio Holdings Limited (SDO) share for every 1 COH share held.

With regard to this corporate action the following adjustments will be made to all contracts with the underlying of COH on Tuesday, 3 October 2017 (**Ex-date**). The adjustments will be made to positions as at close of business on Tuesday, 2 October 2017 (**LDT**).

1. Futures position

- The JSE will list a new contract i.e. Curro Holdings Limited (COH) / Stadio Holdings Limited (SDO) basket (CSHQ).
- The JSE will also list Stadio Holdings Limited (SDO) SSF (SDOQ)
- Positions in COHQ as held on close of business on Monday, 2 October 2017 (**LDT**) will be closed out at a value of zero and new positions will be created in the new Basket contract at a value of zero.

E.g. If you had 10 futures contracts in the COHQ 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 Basket contract (CSHQ).

- The new CSHQ future will comprise of a basket of COH and SDO shares in the following ratio: -

$$\underline{1 \text{ New CSHQ future} = 100 \text{ COH shares} + 100 \text{ SDO shares.}}$$

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

$$\underline{(1 * \text{COH share price}) + (1 * \text{SDO share price}).}$$

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

$$\underline{1 \text{ New CSHQ future} = 100 \text{ COH share} + 100 \text{ SDO shares.}}$$

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

$$\underline{(1 * \text{COH share price}) + (1 * \text{SDO share price}).}$$

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 Curro Holdings Limited (COH) ECFD contract (COHC) you will receive 1 Stadio Holdings Limited (SDO) (SDOC) ECFD.

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

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