
MARKET NOTICE

Johannesburg
Stock Exchange

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Number: 505/2017

Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives

DATE 28 November 2017

SUBJECT: TREATMENT OF PEREGRINE HOLDINGS LIMITED (PGR) CORPORATE ACTION - UNBUNDLING
29 NOVEMBER 2017 (EX-DATE)

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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 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, 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

Peregrine Holdings Limited (PGR) shareholders will receive 1 Sandown Capital Ltd (SDC) share for every 1 PGR share held.

With regard to this corporate action the following adjustments will be made to all contracts with the underlying of PGR on Wednesday, 29 November 2017 (**Ex-date**). The adjustments will be made to positions as at close of business on Tuesday, 28 November 2017 (**LDT**).

1. Futures positions

- The JSE will list a new contract i.e. Peregrine Holdings Limited (PGR) / Sandown Capital Ltd SDC (SDCQ) Basket (PDCQ).
- The JSE will also list Sandown Capital Ltd (SDC) SSF (SDCQ).
- Positions in PGRQ as held on close of business on Tuesday, 28 November 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 PGRQ 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 (PDCQ).

- The new PDCQ future will comprise of a basket of PGR and SDC shares in the following ratio: -

1 New PDCQ future = 100 PGR shares + 100 SDC shares.

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

(1 * PGR share price) + (1 * SDC share price).

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

1 New PDCQ future = 100 PGR share + 100 SDC shares.

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

(1 * PGR share price) + (1 * SDC 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 Peregrine Holdings Limited (PGR) ECFD contract (PGRC) you will receive 1 Sandown Capital Ltd (SDC) ECFD contract (SDCC).

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>