
MARKET NOTICEJohannesburg
Stock ExchangeTel: +27 11 520 7000
www.jse.co.za**Number:** 51/2019Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives**DATE** 22 February 2019**SUBJECT:** TREATMENT OF NASPERS LTD -N- (NPN) CORPORATE ACTION - UNBUNDLING 27 FEBRUARY 2019 (EX-DATE)**Name and Surname:** Matthias Kempgen**Designation:** Head - Derivatives Operations, Post Trade Services

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, 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

Naspers Ltd -N- (NPN) shareholders will receive 1 **MultiChoice Group Ltd (MCG)** share for every 1 **Naspers Ltd -N- (NPN)** shares held.

With regard to this corporate action the following adjustments will be made to all contracts with the underlying of NPN on Wednesday, **27 February 2019 (Ex-date)**. The adjustments will be made to positions as at close of business on Tuesday, **26 February 2019 (LDT)**.

The JSE will be creating baskets with the below constituents effective as per the table below. The baskets will be available for trading from 27 February 2019:

	NPNQ -> NMCQ	NPNF -> NMCF	NPNS -> NMCS
Constituents effective 27 February 2019	<ul style="list-style-type: none"> Naspers Ltd -N- (NPN) MultiChoice Group Ltd (MCG) 	<ul style="list-style-type: none"> Naspers Ltd -N- (NPN) MultiChoice Group Ltd (MCG) 	<ul style="list-style-type: none"> Naspers Ltd -N- (NPN) MultiChoice Group Ltd (MCG)

1. Futures positions

- The JSE will list new contracts i.e. Naspers Ltd -N- (NPN) / MultiChoice Group Ltd (MCG) baskets (NMCQ, NMCF and NMCS).
- Positions in NPNQ, NPNF and NPNS as held on close of business on Tuesday, **26 February 2019 (LDT)** will be closed out at a value of zero and new positions will be created in the new basket contracts at a value of zero.

E.g. If you had 10 futures contracts in the NPNQ 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 contract (NMCQ).

- The new NMCQ future will comprise of a basket of NPN and MCG shares in the following ratio:

$$\underline{1 \text{ New NMCQ Future} = (1 \text{ NPN Contract} + 1 \text{ MCG contract}) \times \text{Nominal} (100)}$$

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

$$\underline{\text{A notional basket containing 1 NPN contract} + 1 \text{ MCG contract}}$$

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

$$\underline{1 \text{ New NMCQ Future} = (100 \text{ NPN shares} + 100 \text{ MCG shares})}$$

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

$$\underline{(1 * \text{NPN share price}) + (1 * \text{MCG share price})}$$

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 Naspers Ltd -N- (NPN)(NPNC) you will receive 1 MultiChoice Group Ltd (MCG)(MCGC) ECFD.

4. Single Stock Baskets containing NNS (NNSQ/NNSS)

An adjustment will be made to the NNS basket, the NNS Basket will consist of Naspers Ltd -N- (NPN) / Novus Holdings (NVS) / MultiChoice Group Ltd (MCG).

5. Initial Margin Requirements

NPN is currently margined at roughly 12% of notional. The JSE will be applying a margin to MCG that is roughly 15% of notional whilst the market establishes a fair value for this counter.

PLEASE NOTE:

Please also refer to notice with reference 48/2019 issued 20 February 2019 highlighting the zero fee approach for deals in baskets containing NPN.

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-notices-and-circulars>