
MARKET NOTICEJohannesburg
Stock ExchangeTel: +27 11 520 7000
www.jse.co.za

Number: 512/2021

Relates to:

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

Date: 29 October 2021

SUBJECT: TREATMENT OF OLD MUTUAL LIMITED (OMU) CORPORATE ACTION – UNBUNDLING 3
NOVEMBER 2021 (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 make adjustments to the Single Stock futures and options.

Unbundling

Old Mutual Limited (OMU) shareholders will receive 1.31954 Nedbank Group Ltd (**NED**) share for every 100 **Old Mutual Limited (OMU)** shares held.

With regards to this corporate action, the following adjustments will be made to all contracts with the underlying of OMU on Wednesday, **3 November 2021 (Ex-date)**. The adjustments will be made to positions as at close of business on Tuesday, **2 November 2021 (LDT)**

Please note:

The new basket future contract **BSK107** will be created during the EOD batch process on LDT 2 November 2021 and will be available for trading on Ex-date 3 November 2021.

1. Futures positions.

- The JSE will list the new basket future contract **BSK107** which will contain the following constituents:
Old Mutual Limited (OMU) / Nedbank Group Ltd (NED)
- Positions in Old Mutual Limited (OMU) as held on close of business on Tuesday, 2 November 2021 (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 3 November 2021 (Ex-date).

E.g. If you had 10 futures contracts in Old Mutual Limited (OMU), 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 OMU and NED shares in the following ratio: -

$$\underline{1 \text{ New Basket Future Contract} = (1 \text{ OMU Contracts} + 0.0131954 \text{ NED contract}) \times \text{Nominal (100)}}$$

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

$$\underline{\text{A notional basket containing } 1 \text{ OMU contracts} + 0.0131954 \text{ NED contract}}$$

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

$$\underline{1 \text{ New Basket Futures Contract} = (1 \text{ OMU shares} + 0.0131954 \text{ NED share})}$$

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

$$\underline{(1 * \text{OMU share price}) + 0.0131954 * \text{NED share price).}$$

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 100 Old Mutual Limited (OMU) ECFD you will receive 1.31954 Nedbank Group Ltd (NED) 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 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>