

## Market Notice

Number: F4342

Date: 23 June 2010

### Treatment of Randgold & Exploration Company Limited (RNGQ) Corporate Action – Unbundling and Capitalisation Issue - 28 June 2010

### Valuation of suspended JCI Limited (JCDQ) contract. – 28 June 2010

Members notice is drawn to section 13 of the JSE Derivatives Directives, Equity Derivatives Contract Specifications ([http://www.jse.co.za/ssf/contract\\_specifications.jsp](http://www.jse.co.za/ssf/contract_specifications.jsp)), which states:

#### “13. Corporate Events

The Executive Committee reserves the right to adopt any procedure or to adjust any individual equity future or option on an individual equity future (Single Stock futures or options on Single Stock futures), 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, members and any other interested parties, of such event and the procedure or adjustment adopted. Such events include, for example, mergers, take-overs, unbundling's, capitalisation issues and rights issues.”

The implication of this is that anybody trading in Single Stock futures or options on Single Stock futures 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.

#### Cautionary announcement

“R&E shareholders are further cautioned in trading in their entitlements in Gold Fields shares between Monday, 28 June 2010 and Friday, 2 July 2010, both days inclusive until actual distribution of the Gold Fields shares to R&E shareholders on Monday, 5 July 2010.” \*

\* An extract from SENS announcement dated 18/06/2010.



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**Executive Directors:** RM Loubser (CEO), JH Burke, FM Evans  
NF Newton-King, LV Parsons **Non-Executive Directors:** HJ  
Borkum (Chairman), AD Botha, MR Johnston, DM Lawrence, W  
Luhabe, A Mazwai, NS Nematswerani, N Payne, G Serobe,  
**Company Secretary:** GC Clarke

### **Unbundling.**

Shareholders in Randgold & Exploration Company Limited (RNGQ) will receive 24.8739 shares in JCI Limited (JCDQ) for every 1 share held in Randgold & Exploration Company Limited (RNGQ) and will continue to own their existing Randgold & Exploration Company Limited (RNGQ) shares.

### **Capitalisation Issue.**

Shareholders of Randgold & Exploration Company Limited (RNGQ) will also receive 0.0809 shares in Goldfields Limited (GFIQ) for every 1 share held.

With regard to this corporate action the following adjustments will be made to the positions held in RNGQ, as at close of business on Friday, 25<sup>th</sup> June 2010 (**LDT**) and will be effective on Monday, 28<sup>th</sup> June 2010 (**Ex. Date**).

#### **1. Futures positions.**

- The JSE will list a new contract i.e. Basket (RGJQ).
- Positions in RNGQ as held on close of business on Friday, 25<sup>th</sup> June 2010 (**LDT**) will be closed out at a value of zero and new positions will be created in the new contract at a value of zero.

**E.g.** If you had 10 futures contracts in the RNGQ 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 (RGJQ).

- The new RGJQ future will comprise of a basket of RNG, GFI and JCD shares in the following ratio: -

1 New RGJQ future = 100 RNG shares + 8.09 GFI shares + 2487.39 JCD shares.

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

(1 \* RNG share price) + (0.0809 \* GFI share price) + (24.8739 \* JCD share price).

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

1 New RGJQ future = 100 RNG shares + 8.09 GFI shares + 2487.39 JCD shares.

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

(1 \* RNG share price) + (0.0809 \* GFI share price) + (24.8739 \* JCD 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.

**Please note** - The JCDQ contract is currently suspended and the following rules for trading in suspended contracts will apply;

- All trade in the Futures contract, JCDQ, will be suspended, unless the transaction will result in the reduction or closure of current open interest. Transactions that roll-over an existing position and do not increase the open interest will be permitted;
- Prior arrangements must be made with the JSE before conducting the trades as described in point 1 above; and
- On Futures close-out, the transfer of the underlying share must be reported on the Equities market using the OX trade type.
- Members may trade in the suspended underlying JCD shares, provided it is the corresponding hedge to a listed derivatives contract and the JSE Surveillance division (Peter Redman 011 520 7054) is contacted prior to the trade taking place.
- The value for the currently suspended JCDQ contract in the basket will be calculated by the JSE in consultation with corporate advisors.
- **Participants are warned that the suspended JCDQ MTM price may also be affected in the price determination.**

Should you have any queries please contact Imraan Hendrix on (011) 520-7349

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