

CONTRACT SPECIFICATIONS –FUTURES –JULY 2015

| FUTURES CONTRACT | EURONEXT Milling Wheat |
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| Trading system code | MATF |
| Trading Hours | Contract initially available for trading from 09h00 to 12:00 South African time (Monday to Friday except national holidays), however participants are reminded market makers will only quote when the reference market is available. The intention is that the trading hours be extended to 17h00 in the coming months. |
| Underlying Instrument | A No 2 milling wheat futures contract meeting all quality specifications as listed and traded on EURONEXT. The JSE reserves the right to amend the contract specifications including settlement methodology should these be amended by the reference exchange. |
| Contract Size | 50 metric tons |
| Contract Months | March, May, September, December |
| Listing Programme | Ensure a minimum of two expiries are always available for trading |
| Expiration Dates and Times | Last trading day of the contract will be the second last business day preceding the first business day of the contract month at 12h00 South African time. The final cash settlement value will be finalised and released on the last trading day. The clearance date of the contract will be the first business day of the contract month. The clearance day can further be defined as the day on which all remaining open positions are closed off automatically by the clearing application. |
| Quotations | In South African currency per metric ton |
| Determination of the final Cash Settlement Value (see the product trading calendar on the web page | The final settlement price for cash settlement of the contract will require two components, a EURONEXT settlement value and a Euro/Rand exchange rate. The EURONEXT settlement value will refer to an average of 30 iterations referencing trades in the underlying derivative contract, taken every 1 minute for a period of 30 minutes ending SA Summer: 16h01-16h30 and SA Winter: 15h01-15h30 {EURONEXT TRADING TIMES 10:45-18:30 Paris, SA summer |

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| https://www.jse.co.za/services/trading-calendars for the detailed trading calendar) | <p>+1hour and winter on par)</p> <p>The Euro/ Rand exchange rate required to determine the final settlement price in South African Rand per ton will be on the same basis applied to the currency futures market, namely: 10 iterations, Arithmetic average of the EUR/USD mid price (of the bid and offer) taken every 30 seconds and crossed at every iteration with the USD/ZAR price for a period of 5 minutes, commencing at 09H55 ending at 10H00 New York time. The two variables are calculated to 4 decimals and rounded off to 2 decimals for the final Rand settlement value.</p> <p>Final settlement value is published on the same business day</p> |
| Minimum Price Movement | Twenty RSA cents per ton |
| Settlement Method | Cash settled in South African Rand (ZAR) |
| Initial Margin | <p>The margining methodology as defined by JSE Risk will be applied and updated every two weeks.</p> <p><i>Please consult the web page for the latest initial margin requirements. The exchange also provides for calendar spread margin (offset between different expiry months) and is working on a series spread margin offset for JSE listed wheat contracts where there is a good daily correlation.</i></p> |
| Daily Mark-to-market | <p>As per the defined Commodity Derivatives MTM process referencing bids, offers and trades on the local SA contract.</p> <p><i>JSE reserves the right to consider the EURONEXT mtm price from time to time to align expiries that are not liquid.</i></p> |
| Exchange Fees | R10.00 per contract (incl VAT) |
| Daily price limits | No price limits will be applicable |

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| Position Limits | No speculative position limits will initially apply however the JSE may at its discretion implement limits as per Rule 10.4 and defined in the Derivative Directives. |
| Volatility Scanning Range | 3.5 |
| Qualifying Audience allowed to participate | <ul style="list-style-type: none"> - Individuals and Foreigners have no limits. - Corporate entities have no limits. - Pension funds and long term insurance companies subject to their 25% foreign allocation limits - Asset managers and registered collective investment schemes subject to their 35% foreign allocation limits. |
| Trade types accommodated | All trading activity (bids and offers) must be entered onto the central order book from 10h45 through until 12h00 to align with the quoting of the other JSE listed wheat products. The JSE will accommodate reported transactions negotiated outside the central order book provided they market related to the underlying EURONEXT reference market. If these are entered into outside of the admin period ending at 14h00, they must be reported to the JSE by 07h30 the following morning and must be market related – the transactions will then be captured as a report only and will reflect under volumes matched on the day they are captured. Initially no minimum volume requirement will apply to these transactions. |

CONTRACT SPECIFICATIONS –OPTIONS

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| Underlying Instrument | One MATF contract |
| Option Type | American style options |
| Contract Size | One contract =50 metric tons |
| Contract months | March, May, September, December |
| Price quotations | Options will be quoted in Rand (ZAR) per contract |
| Strike price | R20 per ton strike price interval |
| Expiration of trading | The JSE will mirror the option expiration dates as per the EURONEXT trading calendar except trading will stop in line with MATF (local SA) trading times. Should the EURONEXT option expiration day be a holiday in South Africa, then the business day prior will be used. The options trading period will expire at 12h00 South African time referencing the MATF futures trading activity for the mtm price on the day. |
| Option exercise criteria | Options are American style with the long position holder able to exercise the option position at any time during trading hours up to and including the expiration date. All in the money options will be automatically exercised by the JSE. |
| Daily mark-to-market | Options are American style with the long position holder able to exercise the option position at any time during trading hours up to and including the expiration date. All in the money options will be automatically exercised by the JSE. |
| Settlement Method | In the money options will expire into futures positions that will be cash settled on last trading day in South African Rand (ZAR). |
| Exchange Fees | R 6.00 per contract (incl Vat), all options exercised into futures will not be charged a JSE fee, if exercised early the trades should not be included in any post trade activity to realise this benefit. Options that are abandoned will be charged the above option fee. |