

MARKET NOTICE

Johannesburg
Stock Exchange

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www.jse.co.za

Number: 495/2016
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
Date: 8 September 2016

SUBJECT: LISTING CURRENCY CAN-DO FUTURE CONTRACT UP AND OUT BARRIER OPTION (CAHA) ON USD/ZAR

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Designation: Head : Interest Rate and Currency Derivatives

The following instrument has been added to the list with immediate effect and will be available for trading as from today. Insofar as any contractual provision set out below is inconsistent with the rules and regulations (“Rules”) of the JSE Limited (“JSE”), the Rules will prevail unless the JSE expressly permits the Parties to give effect to their contractual provisions

Summary Contract Specifications:

| GENERAL TERMS | |
|-----------------------------------|--|
| Description | Knock-Out Barrier Option (barrier monitored continuously during the Knock-In Determination Period) |
| Can-Do Name | Can-Do (CAHA) |
| Can-Do Code | CAHA |
| Underlying Instrument | Currency Future USD/ZAR |
| Contract Size (Multiplier) | USD1 nominal |
| Minimum Price Movement | 0.0001 (ZAR0.10) |

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| Currency Pair | USD/ZAR |
| Quotations | When determining the exchange rate for the Currency Pair, the amount of ZAR per one USD (rounded to four decimals) shall be determined |
| Settlement | The option contracts related to the Currency Future Can-do Contract, if exercised, will settle by means of Cash Settlement, the Option Cash Settlement Amount to be paid in ZAR |
| Mark-to-Market | Notwithstanding the definition of the Knock-In Determination Period, the JSE will only consider reported data up to and including 17:00 in order to price the contract on a daily basis. Any Knock-In event which occurs after this cut-off time will only be considered on the subsequent trading day from a valuations perspective. |
| Exchange Fees | Sliding Scale – See below |
| Initial Margin | ZAR 37 (as determined by the JSE on a monthly basis) |
| Class Spread Margin | ZAR 37 |
| V.S.R. | 6 |
| Trade Date | The date the Currency Future Can-do Contract is concluded |
| Business Day | Any day on which banks are open for business in Johannesburg and currency prices are published by the JSE. |
| Option Style | <p>Style of the option contracts related to the Currency Future Can-do Contract: European, meaning that the rights granted under the option contracts related to the Currency Future Can-do Contract are exercisable on the date and at the time mentioned in Expiration and Valuation Date.</p> <p>Style of the Knock-In Event: American, meaning that whether or not a Knock-In Event has occurred will be determined during the Knock-In Determination Period.</p> |
| Initial Reference Level | The currency exchange rate for the Currency Pair as agreed by the Long Party and the Short Party on the Trade Date, being the level of the Currency Pair from which any movement in such currency exchange rate (the minimum of which is the Minimum Price Movement) will be determined |
| Long Party | The holder of the long position in respect of the Currency Future Can-do Contract |

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| Short Party | The holder of the short position in respect of the Currency Future Can-do Contract |
| TERMS & CONDITIONS | |
| Option Type | Up-and-Out USD/ZAR US Dollar Call Option, being a call option contract (barrier monitored continuously) |
| Buyer of related option contracts | The party that is the Long Party to the Currency Future Can-do Contract |
| Seller of related option contracts | The party that is the Short Party to the Currency Future Can-do Contract |
| Strike Price | ZAR 14.0000 /USD 1.00 |
| Knock-Out Price | ZAR 14.6000/USD 1.00 |
| Knock-Out Event | <p>A Knock-out Event will only be deemed to have occurred in the event the JSE, in accordance with its discretion, determines that a foreign exchange transaction has occurred during the Knock-out Determination Period for the purchase of a minimum notional amount of USD1Million against the payment of ZAR at an exchange rate for the Currency Pair equal to or Higher than the Knock-out Price.</p> <p>If a Knock-out Event occurs, the Currency Future Can-do Contract will terminate, all related option contracts will be closed out on the JSE at zero value and initial margin will be returned to the Buyer and the Seller.</p> |
| Knock-Out Determination Period | The period from (and including) the Trade Date to (and including) the Expiration and Valuation Date. |
| PROCEDURE FOR EXERCISE | |
| Expiration and | 03/10/2016 |

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|--------------------------------------|---|
| Valuation Date | 10:00 (10:00 a.m.) New York time (i.e. 16:00 (4:00 p.m.) Johannesburg time), being the date and time of expiration of the option contracts related to the Currency Future Can-do Contract |
| Reference Price | The closing currency exchange rate for the Currency Pair observed by the JSE on the Expiration and Valuation Date based off Reuters ZAR=D3. |
| Automatic Exercise | Applicable, meaning that if the Reference Price is equal to or in excess of the Strike Price at the Expiration and Valuation Date, the related option contracts will be deemed automatically exercised |
| Cash Settlement | Applicable. If the Strike Price Differential is greater than zero, the Short Party shall pay the Long Party the Option Cash Settlement Amount for the number of option contracts held at the Expiration and Valuation Date. |
| Option Cash Settlement Amount | An amount equal to the number of option contracts exercised on the Expiration and Valuation Date multiplied by the Strike Price Differential, multiplied by the Multiplier multiplied by 1000. |
| Strike Price Differential | An amount equal to the greater of: a) the Reference Price minus the Strike Price; and b) zero. |

Exchange Fees – Sliding Scale Fee Structure: As per link below

<https://www.jse.co.za/currencyfees>

***The above instrument has been designated as “Foreign” by the South African Reserve Bank.**

If you have any queries, please feel free to contact Warren Geers (+27 11 520 7470) / warreng@jse.co.za or Elaine Mabiletsa (+27 11 520 7431) / elainem@jse.co.za

This Market Notice will be available on the website at <https://www.jse.co.za/redirects/market-notices-and-circulars>