

MARKET NOTICE

Number: 227
Date: 12 August 2014

Johannesburg
Stock Exchange

Tel: +27 11 520 7000
Fax: +27 11 520 8584

www.jse.co.za

Name and Surname: Leila Fourie
Designation: Director: Post-Trade Services
Market: Derivatives
Tel: 011 520 7000
E-mail address: leilaf@jse.co.za

SUBJECT: AFRICAN BANK INVESTMENTS LTD (ABL)

Members are referred to the Market Notices F7145/A2062/Y1395 dated Monday, 11 August 2014 which referred to the suspension of ABL and which stated that members would be permitted to reduce their positions in futures and options on ABL but not open new or increase their existing positions.

The JSE has received enquiries from members regarding physically settled ABL single stock futures contracts which impose obligations on parties to these contracts to take delivery of, or pay for the underlying securities. The members have requested guidance in respect of the manner in which they would be able to fulfil their obligations in respect of these physically settled SSF contracts whilst ABL is suspended. In particular, the JSE has been requested to provide guidance if market participants wish to perform all their outstanding obligations in terms of the SSFs prior to its expiry by closing out their futures positions and effecting delivery of the underlying shares in accordance with the terms of the SSFs and the JSE's Rules.

After careful consideration and with reference to Section 12.4 of the Financial Markets Act, 2013, the JSE has agreed to allow the above to take place subject to the following requirements –

- Both parties to the SSF (short and long **position** holder) have to agree that they will fulfill all their obligations prior to the expiry of the SSF;
- Both parties have to agree on the price at which the SSFs will be closed out and physical settlement will be effected.

The following procedures should be followed -

Dividend Neutral Contracts

- Trades must be booked on the Q contract at the agreed closing price between counterparties.
- Trades must be booked on the F contract at R0.00 between the counterparties.

Single Stock Futures Contracts

- Trades must be booked at the agreed price between the counterparties.

Deliveries of the underlying equity securities

- Trades must be booked by a JSE equities member at the agreed price.
- The Trades must be booked as Report Only trade type OX.

Should members have any queries or comments in respect of the above, they should contact JSE Clear Operations on 011 520 7469 or at safexops@jse.co.za