

MARKET NOTICE

Number: 175/2019

Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives

Date: 19 June 2019

SUBJECT: TONGAAT – FULFILMENT OF PRE-EXISTING OBLIGATIONS ON A SUSPENDED STOCK

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Designation: Head – Equities & Equity Derivatives

Dear JSE Members

The JSE refers to the suspension of trading in the securities of Tongaat Hulett Limited (“Tongaatt” or “the Company”) on 10 June 2019. Trading in the securities of the Company was suspended in accordance with section 12 of the Financial Markets Act, 19 of 2012 (“FMA”) and paragraph 1.6 of the JSE’s Listings Requirements.

In accordance with the JSE’s well-established practices and the peremptory provisions of the FMA and the JSE’s Rules and Listings Requirements, no trading in any of the securities (equity, derivative and/or debt) of the Company is permitted after the suspension. The opening of new positions in Tongaat derivative securities, including the “rolling” of existing positions, is consequently not permitted.

The only exception to this general prohibition is recorded in section 12(4) of the FMA which allows the JSE to permit authorised users to buy and sell the Company’s securities for the sole purpose of fulfilling their obligations entered into in relation to those securities prior to the suspension. The JSE is, by virtue of the provisions of the FMA, prohibited from allowing any transactions in the Company’s securities other than transactions that fall within the ambit of the exception recorded in section 12(4) of the FMA.

In this regard and with specific reference to the expiry of derivative instruments on the Company’s shares on 20 June 2019, the JSE will permit short-position holders of physically settled futures contracts to fulfil their obligations as set out in the JSE’s rules and the applicable contract specifications as these obligations arose prior to the suspension. To give effect to these delivery obligations, short positions holders must appoint an authorised user in the JSE’s cash equities market to enter the share transaction (an OX trade) into the equities trading system in terms of the equities rules of the JSE, by no later than 10:00 on the business day following the expiry date. The JSE will also permit authorised users to close-out or reduce existing proprietary or client positions for the sole purpose of managing the

fulfilment of the delivery obligations of market participants that arose prior to the suspension. In this regard, authorised users must use all endeavours to ensure that the settlement obligations of market participants that existed prior to the suspension can be met. However, if despite using all endeavours, a market participant is unable to meet their settlement obligations arising out of a Tongaat derivative position, the relevant authorised user may request permission from the JSE to transact in the Tongaat derivative security prior to expiry in order to reduce their exposure and thereby manage their delivery obligations. A request to execute such transactions can be sent to the JSE Market Regulation Division at surveillance@jse.co.za or call Jacob Shayi on 011 5207816. The JSE's trading system may not be used for any other transactions in the suspended securities.

The JSE will use the last traded price of the Company's shares prior to the suspension to value all derivative securities of Tongaat.

Should you have any queries regarding this notice, please contact edm@jse.co.za

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