

**MARKET NOTICE**

 Johannesburg  
 Stock Exchange

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[www.jse.co.za](http://www.jse.co.za)

**Number:** 555/2017  
**Relates to:**  Equity Market  
 Equity Derivatives  
 Commodity Derivatives  
 Interest Rate and Currency Derivatives  
**Date:** 18 December 2017

**SUBJECT:** LISTING NEW STRIKE RESETTING COLLAR OPTION (XS15)

**Name and Surname:** Valdene Reddy  
**Designation:** Head - Equities and Equity 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	
<b>Description</b>	European strike resetting put and strike resetting call. (strike resets monitored discretely)
<b>Can-Do Name</b>	Can-Do XS15
<b>Can-Do Code</b>	XS15
<b>Contract Size (Multiplier)</b>	10 (for the avoidance of doubt, this means that each option references the Index, multiplied by 10 ZAR)
<b>Minimum Price Movement</b>	One one-hundredth of an Index point (i.e. 0.01)
<b>Quotations</b>	Of the underlying Index, the value to two decimal places
<b>Clearing Fees House</b>	See Can-Do Booking Fee Schedule - Fee Model EXO: <a href="https://www.jse.co.za/content/JSEpricingItems/MPL/2017EquityDerivativesMarketPriceList.pdf">https://www.jse.co.za/content/JSEpricingItems/MPL/2017EquityDerivativesMarketPriceList.pdf</a>
<b>Initial Margin</b>	R 4,990

<b>Class Spread Margin</b>	R 0
<b>V.S.R.</b>	5
<b>Business Day</b>	Any day on which banks are open for a normal trading day in Johannesburg and the Index is published by the JSE.
<b>Option Style</b>	European
<b>Underlying Index</b>	FTSE/JSE Shareholder Weighted Top 40 Index (Bloomberg code: JSHR40 Index)
<b>Final Reset Date</b>	20 <sup>th</sup> December 2018
<b>Initial Index Reference Level</b>	11,500.00
<b>Strike Price Reset Event</b>	<p>Means, in respect of the Index, if, at a Strike Price Reset Valuation Time on a Strike Price Reset Determination Day, the level of the Index (as published by the JSE) is equal to or greater than:</p> <p style="padding-left: 40px;">a) Strike Price Reset Level 1, the Strike Prices of both Options are increased to Strike Price Reset Value 1</p> <p>For the avoidance of doubt:</p> <p style="padding-left: 40px;">a) the Strike Price can only reset upwards, never downwards; and</p> <p style="padding-left: 40px;">b) A Strike Price Reset Event can only occur once in respect of any given Strike Price Reset Level.</p>
<b>Strike Price Reset Levels</b>	1. 130% (14,950.00) of the Initial Index Reference Level
<b>Strike Price Reset Values</b>	Option 1 - 91% (10,465.00) and Option 2 - 116.20% (13,363.00) of the Initial Index Reference Level respectively
<b>Strike Price Reset Determination Days</b>	Means each scheduled Trading Day from (and including) the Trade Date, to (and including) the Final Reset Date.
<b>Strike Price Valuation Time</b>	The Scheduled Closing Time on the JSE.
<b>TERMS &amp; CONDITIONS - OPTION 1</b>	
<b>Type</b>	European Put
<b>Buyer</b>	Is the party that is the Long Party to the Can-Do option
<b>Seller</b>	Is the party that is the Short Party to the Can-Do option
<b>Strike Price</b>	90% (10,350.00) of the Initial Index Reference Level

<b>TERMS &amp; CONDITIONS - OPTION 2</b>	
<b>Type</b>	European Call
<b>Buyer</b>	Is the party that is the Short Party to the Can-Do option
<b>Seller</b>	Is the party that is the Long Party to the Can-Do option
<b>Strike Price</b>	115.20%% (13,248.00) of the Initial Index Reference Level
<b>PROCEDURE FOR EXERCISE</b>	
<b>Expiration and Valuation Date</b>	20 <sup>th</sup> December 2018
<b>Expiration and Valuation Time</b>	Standard SAFEX quarterly expiry time (normally 12:15pm on expiry date)
<b>Reference Price</b>	The same method as the one utilised for the expiry of Standard index futures and options on standard quarterly SAFEX expiry dates.
<b>Automatic Exercise</b>	Applicable. For the avoidance of doubt, Option 1 and Option 2 will be automatically exercised (either together or separately) where the Strike Price Differential for that Option is greater than zero.
<b>Cash Settlement</b>	Applicable, both for Option 1 and Option 2. If the Strike Price Differential for a given Option is greater than zero, the Short Party shall pay to the Long Party the Cash Settlement Amount for the number of Options held at the Expiration and Valuation Date.
<b>Cash Settlement Amount</b>	The strike price differential for Option 1 multiplied by the number of contracts multiplied by the multiplier  less  The strike price differential for Option 2 multiplied by the number of contracts multiplied by the multiplier
<b>Strike Price Differential for Option 1 (European Put)</b>	Means an amount equal to the greater of: a) the Strike Price minus the Reference Price (after any adjustment due to any strike price reset); and b) zero.
<b>Strike Price Differential for Option 2 (European Call)</b>	Means an amount equal to the greater of: c) the Reference Price minus the Strike Price (after any adjustment due to any strike price reset); and d) zero.

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Can-Do Type	EXO - Exotic Option
Can-Do Underlying Type (Index/Stock/Bask/Other)	Index
Underlying Code	FTSE/JSE Shareholder Weighted Top 40 Index (Bloomberg code: JSHR40 Index)
Non-Linear Flag (Y/N)	Yes
Zero fee OTM Flag (Y/N)	No

\*The JSE reserves the right to amend the levels of the Initial Margin, Class Spread Margin and V.S.R.

Should you have any queries regarding this notice, please contact [edm@jse.co.za](mailto:edm@jse.co.za)

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