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jse.co.za

Dear JSE Registered Storage Operator

OUT LOADING REQUIREMENTS FOR JSE APPROVED STORAGE OPERATORS

Compliance by all JSE approved storage operators with the applicable requirements is an integral and important element to ensure the proper functioning of the JSE's commodities derivatives markets. The requirements applicable to the storage and physical delivery of commodities in fulfilment of listed futures contracts are of particular importance to ensure an efficient market in the derivative securities listed and traded on the JSE. The JSE therefore reminds storage operators of their obligations set out in Appendix D in respect of commodities stored in terms of JSE silo receipts:

2.1 The silo shall have a minimum load-out rate of 500 tons of commodity on a maize equivalent basis per 8 (eight) hour working day, under all weather conditions, subject to the requirements described in paragraph 8 of Appendix C. Silos registered for multiple commodities, the 500 tons represents the total minimum quantum that should be outload across all commodities on a single day and is not the requirement per commodity.

2.2 Although a minimum load-out rate is prescribed, the JSE requires each storage operator to load out as per the capacity of the infrastructure registered with the JSE. Storage operators are obliged to ensure that, the registered infrastructure of each registered site will operate at maximum capacity, regardless of the minimum requirements prescribed by the JSE.

2.3 A detailed list of each registered sites load-out rate is available on the JSE website together with the registered capacity of each site.

JSE therefore requires JSE approved storage operators to meet these criteria based on commodities stored and delivered in terms of JSE receipts. In respect of storage sites that are JSE registered for more than one product, e.g., maize and wheat, the collective out loading rate for the day is 500 tons across the two commodities. This minimum requirement applies specifically to all underlying commodities of JSE listed derivative securities. It is not permissible to include other commodities that are not traded through JSE securities ("**JSE Commodities**") in these calculations. It is of critical importance that all market participants know that each silo of an approved storage operator is able to deliver 500 tons of JSE Commodities per day.

It is also important to record that this requirement is not only applicable to commodities stored in terms of JSE silo receipts but is applicable to all JSE Commodities stored by silo operators (including folio accounts and own receipts).

The JSE will continue to conduct audits to ensure that all storage operators comply with these important requirements which is a pre-requisite for their continued registration as a JSE approved storage operator.

Any JSE approved storage operator who is aware of any of its facilities that is not able to meet this minimum out load criteria of 500 tons per day for JSE traded products should contact the JSE immediately on commodities@jse.co.za. Please also feel free to reach out to Anelisa Matutu should you require further clarification.

Executive Directors: Dr L Fourie (Group CEO)

Non-Executive Directors: P Nhleko (Chairman), ZBM Bassa, MS Cleary, VN Fakude, Dr SP Kana, FN Khanyile, IM Kirk, BJ Kruger, Dr MA Matooane

Group Company Secretary: GA Brookes

JSE Limited Reg No: 2005/022939/06

Member of the World Federation of Exchanges

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For a copy of the latest detailed agricultural contract specifications, please see this link
<https://www.jse.co.za/sites/default/files/media/documents/detailed-agricultural-contract-specifications/Detailed%20Agricultural%20Contract%20Specifications.pdf>

We trust this communication is clear and appreciate your continued support of the JSE Commodity Derivatives Market as an Approved Storage Operator.

Yours sincerely
Anelisa Matutu