

Global WMP Option		
Underlying Futures Contract	One NZX Derivatives Market Contract No. 1 Global Whole Milk Powder (WMP) Futures Contract	
Price basis	USD/tonne	
Minimum Price Movement (Tick Size and Value)	US\$0.50 per tonne	
Daily Price Limits by Contract Month	None	
Contract Months	Every calendar month such that 6 months are available for trading	
Trading Day	08:00 hrs - 16:02 hrs NZST/NZDST	
Last Trading Day	1 Business Day prior to the last trading day of WMP Futures	
Exercise Price Intervals	All contract months minimum US\$50 intervals	
Exercise Procedures	American Style (See procedure 3.4 of the New Zealand Clearing Limited Clearing and Settlement Procedures and NZX Derivatives Procedures or contract term 6 of the Options on Dairy Futures Contract Terms and Administrative Procedures)	
Clearing House	New Zealand Clearing Limited	
Common Trading Facilities	Block Trading Facility	√
	Exchange for Physicals Facility	X
	Exchange for Swaps Facility	X
Common Trading Facilities Minimum Volume Thresholds	Minimum Volume Thresholds for each Contract or Class of Contracts are specified in Part C Appendix One of the Procedures.	
Exchange Code	W	
Cross Transactions Minimum Time Period	15 seconds	
Position Limits	20,000 futures-equivalent contracts in any contract month	
Exchange Rules	The Contracts are Traded on the NZX Derivatives Market and subject to the NZX Derivatives Market Rules and Procedures	

#### Commencement of trading in new options Contracts<sup>1</sup>

At the commencement of option trading in a Contract Month, NZX will list five put and five call options on each Contract Month comprising of:

- two put and two call options "Out of the Money"
- one put and one call option "At the Money"
- two put and two call options "In the Money"

When a sale, bid, offer or settlement price in the Underlying Futures Contract occurs at, or passes through an Exercise Price, NZX will list additional option Contracts within a \$1,000 range above or below the Exercise Price that the Underlying Futures Contract sale, bid, offer or settlement price occurred at or passed through.

<sup>1</sup> This additional information is not part of the Contract Specification, but is provided for information only.



## DairyFutures&Options

### Listing of additional Exercise Prices on request

NZX may, at its sole discretion (whether or not on the request of a Trading Participant) list additional Exercise Prices in any of the 6 months available for trading in NZX Derivatives Market Contract No. 4 Options on Dairy Futures. Requests for new Exercise Prices do not have to be within the \$1,000 range as used by NZX for listing of new Exercise Prices at the commencement of trading. A 24 hour notice period is required for the listing of Exercise Prices on request although in some cases listing may occur intra-day. Participants should submit their request to [surveillance@nzx.com](mailto:surveillance@nzx.com).

New Contracts may be listed for trading up to and including the Expiry Date for that option.

NZX, in its sole discretion, may:

- (a) modify the provisions above relating to the establishment of Exercise Prices;
- (b) modify the procedure for the listing of new Exercise Prices as it considers appropriate in light of the market conditions.

### Expiry months

NZX may at its discretion at any time determine the number of Contract Months able to be traded under these Contract Terms in respect of an option for the Underlying Futures Contract, provided that such number does not exceed the number of delivery months for the time being quoted in respect of the Underlying Futures Contract.

### Options Exercise

Options must be exercised by 4.02pm on a Trading Day including the Last Trading Day.

*Where a Daily Settlement Price results in decimals and/or a price that is not a valid Tick Size this price will be rounded to the nearest whole Tick. Where the Daily Settlement Price results in a decimal that is exactly 0.250 or 0.750 this will be rounded up to the nearest whole Tick.*

*This is an Individual Contract Specification for the purpose of the NZX Derivatives Market Rules ("Rules") as amended or supplemented from time to time. Capitalised terms used herein have the meanings given in the Rules, the Procedures and the Contract T&Ps unless otherwise defined. The information published in this Individual Contract Specification cannot and does not substitute the Rules, Procedures or Contract T&Ps, which should be read in full.*

*This Individual Contract Specification shall not constitute investment advice nor an offer, invitation, solicitation or recommendation to engage in any transaction. NZX and its subsidiaries take no responsibility for any errors or omissions or losses, direct, consequential or otherwise arising from actions based upon this information. Before entering into any transaction you should take steps to ensure that you understand the transaction and have made an independent assessment of its appropriateness in light of your own objectives and circumstances. You should also consider seeking advice from independent advisors.*

© NZX Limited 2011 All Rights Reserved

NZX LIMITED, LEVEL 2, NZX CENTRE, 11 CABLE STREET, PO BOX 2959, WELLINGTON, NEW ZEALAND.  
Phone +64 4 472 7599 Fax +64 4 496 2893 [www.nzx.com](http://www.nzx.com)