



Market Notice

Number: Y1260

Date: 8 November 2013

New Currency Future Can-do Contract (CAFC) –Portfolio of Options on USD/ZAR

The following new Currency Future Can-do Contract (CAFC) has been added with immediate effect and is available for trading today.

Insofar as any contractual provision set out below is inconsistent with the rules, directives, regulations and margin methodologies (“**Rules**”) of the JSE Limited (“**JSE**”) in respect of Interest Rate and Currency Derivatives Market, the Rules will prevail unless the JSE expressly permits the Parties to give effect to their contractual provisions.

Summary Contract Specifications:

| GENERAL TERMS | |
|-----------------------------------|---|
| Description | Portfolio of Options (constituted by Option 1 and Option 2 mentioned below) |
| Can-Do Name | Can-Do CAFC |
| Can-Do Code | CAFC |
| Underlying Instrument | In respect of Option 1 and Option 2: Currency Future USD/ZAR 12 December 2014 |
| Contract Size (Multiplier) | USD1 nominal |
| Minimum Price Movement | ZAR 0.0001 |
| Currency Pair | USD/ZAR |
| Quotations | When determining the exchange rate for the Currency Pair, the amount of ZAR per one USD (rounded to four decimals) shall be determined |
| Settlement | Subject to Netting of Payments below, the option contracts related to the Currency Future Can-do Contract, being Option 1 and Option 2, if exercised, will settle by means of Cash Settlement, the Option Cash Settlement Amount in respect of each such option contract to be paid in ZAR. |



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| Mark-to-Market | Explicit Daily The forward value of the arithmetic average of the traded underlying observed for a 5 minute period between 16:55 and 17:00 Johannesburg time. |
| Exchange Fees | Sliding Scale – See below |
| Initial Margin | ZAR 345.00 (as determined by the JSE on a monthly basis) |
| Class Spread Margin | ZAR 0.00 |
| V.S.R. | 2.50% |
| Trade Date | The date the Currency Future Can-do Contract is concluded |
| Business Day | Any day on which banks are open for business in Johannesburg and currency prices are published by the JSE. |
| Option Style | Style of the option contracts related to the Currency Future Can-do Contract, being Option 1 and Option 2: European, meaning that the rights granted under the option contracts related to the Currency Future Can-do Contract are exercisable on the date and at the time mentioned in Expiration and Valuation Date. |
| Initial Reference Level | The currency exchange rate for the Currency Pair as agreed by the Long Party and the Short Party on the Trade Date, being the level of the Currency Pair from which any movement in such currency exchange rate (the minimum of which is the Minimum Price Movement) will be determined |
| Long Party | The holder of the long position in respect of the Currency Future Can-do Contract |
| Short Party | The holder of the short position in respect of the Currency Future Can-do Contract |
| TERMS & CONDITIONS | |
| Option 1 | Vanilla USD/Rand USD Put Option, being a put option contract |
| Buyer of related option contracts | The party that is the Long Party to the Currency Future Can-do Contract |
| Seller of related option contracts | The party that is the Short Party to the Currency Future Can-do Contract |
| Strike Price | ZAR10.1000 / USD 1.00 |
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| Option 2 | Vanilla USD/Rand USD Call Option, being a call option contract |
| Buyer of related option contracts | The party that is the Short Party to the Currency Future Can-do Contract |
| Seller of related option contracts | The party that is the Long Party to the Currency Future Can-do Contract |
| Strike Price | ZAR12.1000 / USD 1.00 |
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| PROCEDURE FOR EXERCISE | |
| Expiration and Valuation Date | 12 December 2014 10:00 (10:00 a.m.) New York time (i.e. 17:00 (5:00 p.m.) Johannesburg time), being the date and time of expiration of the option contracts related to the Currency Future Can-do Contract |
| Reference Price | The closing currency exchange rate for the Currency Pair observed by the JSE on the Expiration and Valuation Date. |
| Automatic Exercise | Applicable, meaning that if the Reference Price is equal to or: (i) as it concerns Option 1, in excess of Strike Price 1, (iii) as it concerns Option 2, in excess of Strike Price 2; at the Expiration and Valuation Date, Option 1 and Option 2, as may be applicable, will be deemed automatically exercised |
| Cash Settlement | Applicable. If the Strike Price Differential is greater than zero, the Short Party shall pay the Long Party the Option Cash Settlement Amount for the number of option contracts held at the Expiration and Valuation Date. |
| Option Cash Settlement Amount | For Option 1 and Option 2: An amount, payable by the Seller to the Buyer, equal to the number of option contracts exercised on the Expiration and Valuation Date multiplied by the relevant Strike Price Differential, multiplied by the Multiplier multiplied by 1000. |
| Strike Price Differential | In respect of Option 1 - An amount equal to the greater of: a) the Strike Price minus the Reference Price; and b) zero. In respect of Option 2 - An amount equal to the greater of: |

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| | <p>a) the Reference Price minus the Strike Price; and</p> <p>b) zero.</p> |
| Netting of Payments | <p>If at the Expiration and Valuation Date Option Cash Settlement Amounts would otherwise be payable in terms of Option 1 and Option 2 by either the Long Party or Short Party to the other, then, at such time on such date, each party's obligation to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party, replaced by an obligation upon the party by which the larger aggregate amount would have been payable to pay to the other party the excess of the larger aggregate amount over the smaller aggregate amount.</p> |

***Please note that due to do the nature of this Can Do structure, the value can be negative.**

Exchange Fees – Sliding Scale Fee Structure:

| Sliding Scale – Number of contracts traded | Option Trading Fee per contract |
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| 1 – 499 | R0.63 |
| 500 – 999 | R0.60 |
| 1,000 – 2,999 | R0.55 |
| 3,000 – 4,999 | R0.53 |
| 5,000 – 7,499 | R0.48 |
| 7,500 – 9,999 | R0.30 |
| 10,000 and above | R0.23 |

The fees will be capped at ZAR39,900 per deal to entice bigger contracts.

*All the above fees include VAT of 14%.

***The above instrument has been designated as “Foreign” by the South African Reserve Bank.**

If you have any queries, please feel free to contact Warren Geers (+27 11 520 7470) / warreng@jse.co.za or Cindy Pillay (+27 11 520 7689) / cindyp@jse.co.za.

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