

MARKET NOTICE

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Subject: New Billing Model for Interest Rate Derivatives: Effective 1st July 2014

Dear JSE Stakeholder

The Interest Rate Derivatives market will be implementing a new fee structure for Bond Futures and Bond Options. These changes will become effective on the **1st July 2014**. This communication serves to provide **notice to the market** as there will be a change in billing methodology.

The revised billing model will imply a reduction in fees to the market of R81,042.70 for Bond Futures and Bond Options based on 01 June 2013 – 31 May 2014 trade data. The majority of Interest rate Derivative members will receive a fee decrease based on the new fee sliding scale. Any members that receive a fee increase will be limited to less than 1%

The change to the fee sliding scale for Bond Futures and Options:

- o The current three band sliding scale to be changed to a two band sliding scale.

The current sliding scale on Bond Futures and Bond Options:

Sliding Scale (per deal)	Bond Future Fees Per Contract	Bond Option Fees Per Contract
1 - 1 499	R 0.50	R 0.50
1 500 - 4 999	R 0.35	R 0.35
5 000 and above	R 0.25	R 0.25

The revised billing model that will come into effect on the 1st July 2014:

New Sliding Scale (per deal)	Bond Future Fees Per Contract	Bond Option Fees Per Contract
1 - 1 499	R 0.40	R 0.40
1 500 - 4 999	R 0.25	R 0.25

*All of the above fees are inclusive of VAT (14%)

These are the only Interest Rate Derivative billing changes that will be implemented on 01 July 2014 whilst all other billing strategies will continue as communicated in 2013. The Interest Rate Derivatives Team will meet with all members to discuss the direct impact on each member accordingly.

If you have any objections to these fee changes or would like any further information please contact irc@jse.co.za or call Bronwyn Kempgen on 011 520 7360.