JOHANNESBURG STOCK EXCHANGE
Equity Derivatives

Market Notice

Number: **F4533**

Date: **10 November 2010**

Treatment of IPATH S&P 500 VIX Short-Term Futures ETN (VXXG) Corporate Action

Members notice is drawn to section 13 of the JSE Derivatives Directives, Equity Derivatives Contract Specifications (http://www.jse.co.za/ssf/contract_specifications.jsp), which states:

"13. Corporate Events

The JSE reserves the right to adopt any procedure or to adjust any single stock future or option on a single stock future, in a manner it deems fit, to deal with any extraordinary corporate events that may occur from time to time in relation to a share that is the underlying instrument of the equity option and to notify position holders, derivatives members and any other interested parties, of such event and the procedure or adjustment adopted. Such events include, for example, mergers, take-overs, unbundlings, capitalisation issues and rights issues."

The implication of this is that anybody trading in Single Stock futures or options on Single Stock futures in which the underlying stock is the subject of an extraordinary corporate event should be aware that the JSE may make adjustments to the Single Stock futures and options.

Reverse Split

iPath S&P 500 VIX Short-Term Futures Exchange Traded Notes (VXX) has announced a 1-for-4 reverse stock split. With regard to this corporate action, the following adjustments will be made Today, 10th November 2010. The adjustments will be made to positions held in VXXG as at close of business on Monday, 08th November 2010**.**

Futures contracts.

1. The exchange will close out part of the positions in VXXG at a zero price and the new position will be calculated as follows:

New position = Position at Ex date * 0.25

E.g. if there was a position of 100 in VXXG on Monday, 08th November 2010 the following would apply:-

New position = Position at Ex date * 0.25
= 100 * 0.25
= 25

2. The exchange will calculate the new price of VXXG as follows:

New Price = Old Price * 4

E.g. if the official closing price of VXXG was 76.00 the following would apply:-

New Price = Old Price * 4
= 76.00 * 4
= 304

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