JOHANNESBURG STOCK EXCHANGE
Equity Derivatives

# Market Notice

**Number:** F5856

**Date** 05 February 2013

## New Can-Do Option (XW7Q) – Strike Resetting Option

The following new Can-Do Option has been added to the list with immediate effect and will be available for trading on today. Insofar as any contractual provision set out below is inconsistent with the rules and regulations ("Rules") of the JSE Limited ("JSE"), the Rules will prevail unless the JSE expressly permits the Parties to give effect to their contractual provisions.

### Summary Contract Specifications:

| GENERAL TERMS | |
|---|---|
| **Description** | Timer Put Option (strike resets monitored discretely) |
| **Can-Do Name** | Can-Do XW7Q |
| **Can-Do Code** | XW7Q |
| **Contract Size (Multiplier)** | 10 (for the avoidance of doubt, this means that each option references the Index, multiplied by 10 ZAR) |
| **Minimum Price Movement** | One one-hundredth of an Index point (i.e. 0.01) |
| **Quotations** | Of the underlying Index, the value to two decimal places |
| **Clearing House Fees** | See Can-Do Booking Fee Schedule: http://www.jse.co.za/booking_fee_schedule.jsp |
| **Initial Margin** | R 2160.00 |
| **Class Spread Margin** | R 1080.00 |
| **V.S.R.** | 2.0 |
| **Trade Date** | The date the Can-Do option position is first opened on the JSE |
| **Business Day** | Any day on which banks are open for a normal trading day in Johannesburg and the Index is published by the JSE. |
| **Option Style** | European |
| **Index** | FTSE/JSE Shareholder Weighted Top 40 Index (Bloomberg code: JSHR40 <Index>) |

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|---|---|
| **Final Reset Date** | 20 March 2014 |
| **Initial Index Reference Level** | 7,744.65 |
| **Strike Price Reset Event** | Means, in respect of the Index, if, at a Strike Price Reset Valuation Time on a Strike Price Reset Determination Day, the level of the Index (as published by the JSE) is equal to or greater than:<br>a) Strike Price Reset Level, the Strike Prices of the Options are increased to Strike Price Reset Values<br>For the avoidance of doubt:<br>a) the Strike Price can only reset upwards, never downwards; and<br>b) a Strike Price Reset Event can only occur once in respect of any given Strike Price Reset Level. |
| **Strike Price Reset Levels** | 1) 106.66% of the Initial Index Reference Level<br>2) 113.33% of the Initial Index Reference Level<br>3) 120% of the Initial Index Reference Level |
| **Strike Price Reset Values** | 1) Option 1 – 101.33% of the Initial Index Reference Level respectively<br>2) Option 1 – 107.66% of the Initial Index Reference Level respectively<br>3) Option 1 – 114% of the Initial Index Reference Level respectively |
| **Strike Price Reset Determination Days** | Means each scheduled Trading Day from (and including) the Trade Date, to (and including) the Final Reset Date. |
| **Strike Price Valuation Time** | The Scheduled Closing Time on the JSE. |
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| **TERMS & CONDITIONS – OPTION 1** | |
| **Type** | Put |
| **Buyer** | Is the party that is the Long Party to the Can-Do option |
| **Seller** | Is the party that is the Short Party to the Can-Do option |
| **Strike Price** | 95% of the Initial Index Reference Level |
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| **TERMS & CONDITIONS – OPTION 2** | |
| **Type** | Vanilla Put |

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|---|---|
| **Buyer** | Is the party that is the Short Party to the Can-Do option |
| **Seller** | Is the party that is the Long Party to the Can-Do option |
| **Strike Price** | 80% of the Initial Index Reference Level |
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| **PROCEDURE FOR EXERCISE** | |
| **Expiration and Valuation Date** | 20 March 2014 |
| **Expiration and Valuation Time** | End of Auction Call session. |
| **Reference Price** | The same method as the one utilized for the expiry of standard single stock options on standard quarterly SAFEX expiry dates. |
| **Automatic Exercise** | Applicable. For the avoidance of doubt, Option 1 and Option 2 will be automatically exercised (either together or separately) where the Strike Price Differential for that Option is greater than zero. |
| **Cash Settlement** | Applicable, both for Option 1 and Option 2. If the Strike Price Differential for a given Option is greater than zero, the Short Party shall pay to the Long Party the Cash Settlement Amount for the number of Options held at the Expiration and Valuation Date. |
| **Cash Settlement Amount** | Means an amount equal to the number of options exercised on the Expiration and Valuation Date multiplied by the Strike Price Differential, multiplied by the Multiplier. |
| **Strike Price Differential** | For any given Option, means an amount equal to the greater of:<br>a) the Strike Price minus the Reference Price (after adjustment due to any Strike Price Reset); and<br>b) zero. |

Can-Do instruments are loaded into the Nutron system as simple futures. The value displayed is the fair market value of the instrument with its correct valuation (in the case of an option, the instrument valuation is the option premium)

Should you have any queries regarding Can-Do Options, please contact the Can-Do Team on 011 520-7096/7981 or cando@jse.co.za

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