

INDEX DESCRIPTION

Version 1, 18 August 2011

INDEX DISCLAIMER

The Standard Bank of South Africa Limited (Standard Bank or Standard Bank of South Africa hereafter) and its affiliates do not guarantee the accuracy, up-to-date nature and/or the completeness of this document (the Index Description) which is subject to modification as provided herein or the Standard Bank Africa Commodity Index. Standard Bank of South Africa and its affiliates shall have no liability (whether in negligence or otherwise) for any errors omissions, delays or interruptions in this document, the Standard Bank Africa Commodity Index or any data or estimate included herein or therein, or for any reliance placed by any person on this document and the Index Sponsor is under no obligation to advise any person of any error therein. Prospective investors should note that the Index Composition, Rebalancing and Calculation methodologies described below relate to those which apply from and including the Live Date for the Index (being 18 August 2011). Any levels published in respect of the Index prior to this date, and any historical hypothetical levels may have been calculated on an alternative basis.

STANDARD BANK OF SOUTH AFRICA AND ITS AFFILIATES MAKE NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIM ALL WARRANTIES OF ACCURACY, UP-TO-DATE NATURE, COMPLETENESS, NON-INFRINGEMENT, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THIS DOCUMENT, THE STANDARD BANK AFRICA COMMODITY INDEX OR ANY DATA OR ESTIMATE INCLUDED HEREIN OR THEREIN. IN NO EVENT SHALL STANDARD BANK OF SOUTH AFRICA OR ANY OF ITS AFFILIATES HAVE ANY LIABILITY FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES WITH RESPECT TO THIS DOCUMENT, THE STANDARD BANK AFRICA COMMODITY INDEX AND ANY INFORMATION, DATA OR MATERIALS INCLUDED HEREIN OR THEREIN.

The information contained in this document does not purport to be complete and is subject to change. This document does not constitute an offer, or the solicitation of an offer, for the sale or purchase of any investment or security. This is a commercial communication. If you are in any doubt about the contents of this document or the investment or security to which this document relates you should consult a person authorised under the Financial Advisory and Intermediary Services Act, 2002 of the Republic of South Africa who specialises in advising on such investments or securities.

Although the Index Sponsor will obtain information for inclusion in or for use in the calculation of the Index from sources which the Index Sponsor considers reliable, the Index Sponsor will not independently verify such information and does not guarantee the accuracy and/or completeness of the Index or of any data included therein.

HISTORICAL DATA AND ANALYSIS SHOULD NOT BE TAKEN AS AN INDICATION OR GUARANTEE OF ANY FUTURE PERFORMANCE, ANALYSIS, FORECAST OR PREDICTION.

Non-Reliance: *You are acting for your own account, and will make your own independent decisions to enter into any transaction or financial product and as to whether that transaction is appropriate or proper for you based upon your own judgment and upon advice from such advisers as you deem necessary. You are not relying on any communication (written or oral) from Standard Bank of South Africa or any of its affiliates as investment advice or as a recommendation to enter into any transaction or financial product; it being understood that information and explanations related to the terms and conditions of a transaction or financial product shall not be considered investment advice or a recommendation to enter into that transaction or financial product. No communication (written or oral) received from Standard Bank of*

South Africa or its affiliates shall be deemed to be an assurance or guarantee as to the expected results of that transaction or financial product. No transaction or financial product relating to the Index is sponsored, endorsed, sold or promoted by the Index Sponsor and the Index Sponsor makes no express or implied representations or warranties as to (a) the advisability of purchasing or assuming any risk in connection with any such transaction or financial product (b) the levels at which the Index stands at any particular time on any particular date (c) the results to be obtained by the issuer of any security or any counterparty or any such issuer's security holders or customers or any such counterparty's counterparties or customers or any other person or entity from the use of the Index or any data included therein in connection with any licensed rights or for any other use or (d) any other matter.

Intellectual Property: *The Standard Bank Africa Commodity Index is developed by and is the exclusive property of Standard Bank of South Africa and may not be replicated (in whole or in part) in any manner whatsoever without prior written permission of Standard Bank of South Africa. The methodology outlined in this document in relation to the Index may not be reproduced or used for the creation of any indices, risk models or analytics, or in connection with issuing, offering, sponsoring, managing or marketing any securities, portfolios, financial products or other investment vehicles based on, linked to, tracking or otherwise derived from such information, without the prior written consent of the Index Sponsor.*

Any use of or access to products, services or information of Standard Bank of South Africa or its affiliates requires a licence from Standard Bank of South Africa or its affiliates, as applicable. All Standard Bank of South Africa product names are properties of Standard Bank of South Africa or its affiliates and Standard Bank of South Africa or its affiliates will assert and strictly enforce all of its rights it has with respect to any trademarks, registered trademarks (or application of such trademark pending registration), or service marks, as the case may be, in the event of any unauthorised use of its product name(s). By its use of this document any entity or individual is deemed to acknowledge that the Standard Bank Africa Commodity Index is not sponsored, endorsed, sold or promoted by any exchange or authority or by Bloomberg L.P.

For full details of the Standard Bank Africa Commodity Index please refer to web page www.standardbank.co.za/etns or Bloomberg page <SBAFCI> GO. Kindly note that this document does not represent an offer of funding or any product since any facility or product to be granted in terms of this document would be subject to Standard Bank of South Africa obtaining the requisite internal and external approvals. You acknowledge and agree that all copyright, database rights and other proprietary rights in the information available in this document or otherwise related to the Index shall remain the property of Standard Bank of South Africa. The Standard Bank Africa Commodity Index is a trade mark of Standard Bank of South Africa. Standard Bank of South Africa, 9th Floor, Standard Bank Centre, 5 Simmonds Street, Johannesburg 2001. PO Box 7725, Johannesburg 2000.

"Standard Bank Africa Commodity Index" is a Standard Bank of South Africa proprietary index. Any use of this index or its name must be with the consent of Standard Bank of South Africa.

1. GENERAL DESCRIPTION

This description (the **Index Description**) sets out the rules applicable to the Standard Bank Africa Commodity Index (the **Index**) and the basis upon which the Index will be calculated from and including the Live Date (being 18 August 2011). The Index Sponsor will publish the Total Return Index Level in accordance with Section 7 (*Publication of Total Return Index Levels and Other Relevant Information*) below. Terms used in this Index Description will have the meanings ascribed to them in section 4 (*Definitions*) below.

The Index will be based upon and reflect the performance of seven futures contracts (except during a Roll Period where the Index will be based upon and reflect the performance of fourteen futures contracts) each relating to a certain type of commodity and each with a certain Maturity (each an **Underlying Futures Contract**) as described in this Index Description. All Underlying Futures Contracts notionally comprised in the Index will relate to a single type of underlying commodity (a **Single Commodity**). Each Single Commodity in turn belongs to a Commodity Sector as shown below:

Single Commodity	Commodity Sector	Futures Exchange
Aluminium	Base Metal	LME
Copper	Base Metal	LME
WTI Crude Oil	Energy	NYMEX
Gold	Precious Metal	COMEX
Platinum	Precious Metal	NYMEX
Corn	Agriculture	CBOT
Wheat	Agriculture	CBOT

The Index is purely synthetic and the exposure to Underlying Futures Contracts is purely notional.

At all the relevant times, the Index will comprise a notional allocation to the relevant Underlying Futures Contracts. Underlying Futures Contracts will be comprised in the Index until a Roll Period is reached, at which point the allocation of the Index to the current Underlying Futures Contracts will be reduced and an allocation of the Index to new Underlying Futures Contracts will occur with Maturities determined on the basis of the Roll Calendar.

In relation to a Roll Period, each Underlying Futures Contract notionally comprised in the Index immediately prior to such Roll Period is referred to as an "**Existing Underlying Futures Contract**" and each Underlying Futures Contract which is to be notionally comprised in an Index immediately following such Roll Period is referred to as a "**New Underlying Futures Contract**" all as described in this Index Description.

In relation to any Index Calculation Date (whether or not occurring in a Roll Period), each Underlying Futures Contract notionally comprised in the Index as of such date is each referred to as a "**Relevant Underlying Futures Contract**". During a Roll Period this means each Underlying Futures Contract for which the Contract Roll Weight is greater than zero on the relevant Index Calculation Date.

The selection and rebalancing of Underlying Futures Contracts is described in more detail in section 3 (*Index Calculation, Composition and Rebalancing*).

The Index Currency shall be ZAR. The sponsor of the Index is Standard Bank of South Africa. This section 1 (*General Description*) is subject to and qualified by the remainder of the Index Description.

2. RISK FACTORS

Prior to making an investment decision in respect of any Financial Product prospective investors should carefully consider all of the information set out in this Index Description, including these risk factors. The risk factors set out below are not exhaustive. There may be other risks that a prospective investor should consider that are relevant to its particular circumstances or generally.

2.1 General

When considering any Financial Product, prospective investors should be aware that the Total Return Index Level can go down as well as up and that the performance of the Index in any future period may not mirror its past performance.

Any investment linked or related to the Index will not necessarily be the same as an investment in the Underlying Futures Contracts or other reference bases for the Index. For example, (without limitation) certain costs may be deducted in the calculation of the Interest Rate Return which is used to calculate the Total Return Index Level. Investors considering the performance of the Index must carefully consider the methodology for calculation of the Index and the provisions relating to Adjusted Contract Production Weight in respect of each Single Commodity *i*.

2.2 Research

Research teams within Standard Bank of South Africa or its Affiliates may issue research reports on Underlying Futures Contracts that are, or may become, Relevant Underlying Futures Contracts, New Underlying Futures Contracts or Existing Underlying Futures Contracts. These reports are entirely independent of the Index Sponsor's and the Index Calculation Agent's obligations hereunder and without regard to the potential impact on any Total Return Index Level or any Financial Product.

2.3 Index Calculation Agent

The Index Calculation Agent may change from time to time. Alexander Forbes Financial Services (Pty) Ltd are to be appointed as the Index Calculation Agent pursuant to a service level agreement with Standard Bank of South Africa, and should Alexander Forbes Financial Services (Pty) Ltd decline the appointment, the Index Calculation Agent will be any successor in such capacity appointed by the Index Sponsor in its sole discretion. The appointment of any Index Calculation Agent may be terminated by the Index Sponsor, in which case the Index Sponsor may (i) appoint a successor Index Calculation Agent selected by it in its discretion or (ii) otherwise fulfil the obligation of Index Calculation Agent itself.

2.4 Calculations and Determinations by the Index Sponsor and/or the Index Calculation Agent

The calculations and determinations of the Index Sponsor and/or the Index Calculation Agent in relation to the Index or any Underlying Futures Contract shall be binding on all parties in the absence of manifest error, provided that any determination of the Index Sponsor will prevail over any determination of the Index Calculation Agent. No party (whether the holder of a Financial Product or otherwise) will be entitled to proceed (and agrees to waive proceedings) against the Index Sponsor and/or the Index Calculation Agent in connection with any such calculations or determinations or any failure to make any calculations or determinations in relation to the Index or

any Underlying Futures Contract. For so long as the Index Sponsor and/or the Index Calculation Agent constitutes and calculates the Total Return Index Level, calculations and determinations by the Index Sponsor and/or the Index Calculation Agent in connection with the Index or any Underlying Futures Contract will be made in reliance upon the information of various publicly available sources that the Index Sponsor and/or the Index Calculation Agent has not independently verified. Neither the Index Sponsor nor the Index Calculation Agent accept any liability for loss or damage of any kind arising from the use of such information in any such calculation or determination.

Neither the Index Sponsor nor the Index Calculation Agent makes any representation (implied or otherwise) as to the performance of any Underlying Futures Contract or the Index.

2.5 Other Adjustments

Prospective investors should note carefully the provisions of section 5 (*Market Disruption*) and section 6 (*Adjustments, Modifications, Changes and Termination*) below. Pursuant to these provisions, *inter alia*, the methodology for determining which Underlying Futures Contracts will qualify as New Underlying Futures Contracts may be adjusted or replaced and/or other determinations and/or adjustments may be made as the Index Sponsor and/or the Index Calculation Agent considers appropriate and the method of determining the Index and/or the Total Return Index Level may be changed. In addition the Index may be terminated in some circumstances.

2.6 Conflicts of Interest

As at the Live Date, Standard Bank of South Africa acts as the Index Sponsor and will also act as Index Calculation Agent should the appointment of the any Index Calculation Agent not occur or be terminated under the terms of the service level agreement between the Index Sponsor and the Index Calculation Agent and no successor Index Calculation Agent be appointed. Conflicts of interest may exist or arise between the Index Sponsor, the Index Calculation Agent and/or Standard Bank entities who currently, or may at some time in the future, act in other capacities, including in respect of one or more of the Underlying Futures Contracts and/or as issuer, obligor, dealer or calculation agent of one or more Financial Products or in the provision of debt financing, equity capital or other services (including without limitation financial advisory services), or performing research roles. Subject always to the regulatory obligations of Standard Bank of South Africa in performing each or any of these roles, Standard Bank entities do not act on behalf of, or accept any duty of care or any fiduciary duty to any Financial Product investors or any other person. Each relevant Standard Bank entity will, in good faith and in a commercially reasonable manner acting in terms of its obligations, pursue actions and take steps that it deems appropriate to protect its interests without regard to the consequences for Financial Product investors. Standard Bank entities may be in possession at any time of information in relation to one or more of the Underlying Futures Contracts which may not be available to investors in any Financial Products. There is no obligation on any Standard Bank entity to disclose to any investor in any Financial Products any such information.

Standard Bank entities shall be entitled to receive fees or other payments pursuant to any Financial Products or otherwise and to exercise all rights, including rights of termination or resignation, which they may have, even though so doing may have a detrimental effect on investors in any such Financial Products.

The relevant research may or may not be considered by Standard Bank of South Africa when Standard Bank of South Africa is deciding to buy or sell proprietary positions. These, or other transactions in which Standard Bank of South Africa engages for its account, may be conducted in a manner inconsistent with the research and the administration of the Index.

2.7 Deductions from Total Return Index Levels

The Interest Rate Return used to calculate the Total Return Index Level takes into account a deduction of 0.125 per cent.. Accordingly the value and return on a Financial Product linked in whole or in part to the Index may be less than would otherwise be the case if such deduction was not made or may not arise.

2.8 Past performance information and previously published Index levels

The methodology for calculating the Index described herein reflects the methodology applicable from and including the Live Date of the Index (being 18 August 2011). Whilst levels for the Index may have been available prior to this date and further hypothetical past performance information (reflecting retrospective calculation of the Index on a hypothetical basis) may be provided, prospective investors should note that the methodology used in calculating any such previously published levels and/or hypothetical past performance information may have been different from that described herein. As such, any such Index levels calculated or published in respect of any day prior to the Live Date for the Index may not be directly comparable to values calculated and published thereafter. In particular, but without limitation:

- (i) the calculation of historical returns of the Index was calculated using the official commodity exchange prices of the futures contracts as distributed by Bloomberg or such sources the Index Sponsor uses in compiling research rather than being calculated or determined using other market data provided by Bloomberg. The application of such prices may have resulted in different Index levels than might otherwise have been the case;
- (ii) no limit up limit down conditions on any Index Roll Date were applied. The application of such limit up limit down conditions would have resulted in different Index levels than might otherwise have been the case; and
- (iii) furthermore the USDZAR Spot Exchange Rate applied was taken from that displayed on Bloomberg Code: USDZAR <Curncy>, rather than on Reuters Page: "ZAR = D3", potentially resulting in different Index levels than might otherwise have been the case.

The Index has been calculated on a live basis since 18 August 2011. All prospective investors should be aware that a retrospective calculation means that no actual investment which allowed a tracking of performance of the Index was possible at any time during the period of retrospective calculation and that as a result the comparison is purely hypothetical. The methodology and the strategy used for the calculation and retrospective calculation of the Index were developed with the advantage of hindsight. In reality it is not possible to invest with the advantage of hindsight and therefore this performance comparison is purely theoretical. ***In any event past performance is not necessarily an indication of future performance.***

2.9 Risks relating to commodities

In recent years, values of certain commodities, including the futures contracts which may be included in the Index from time to time, have been volatile and such volatility may be expected in the future. However, past experience is not necessarily indicative of what may occur in the future. The historical experience of such futures contracts should not be taken as an indication of future performance of such futures contracts once included in the Index and/or during the term of any Financial Product.

Furthermore the futures contracts which may be included in the Index relate to commodities which are mined, extracted or produced in (among other countries) emerging market countries, and as such investors should note that the risk of the occurrence of and the severity of the consequences of the

matters described herein may be greater than they would otherwise be in relation to the commodities located in more developed countries.

The value of a Financial Product will be affected by movements in commodity prices generally and those prices and other factors will have an effect on the Underlying Futures Contracts and Underlying Indices to which the commodities are linked.

Commodity prices generally may fluctuate widely and may be affected by numerous factors, including:

- (a) global or regional political, economic or financial events and situations, particularly war and terrorism;
- (b) expropriation and other activities which might lead to disruptions to supply from countries that are major commodity producers;
- (c) investment trading, hedging or other activities conducted by large trading houses, producers, users, hedge funds, commodities funds, governments or other speculators which could impact global supply or demand;
- (d) liquidity;
- (e) the weather, which can affect short-term demand or supply for some commodities;
- (f) future rates of economic activity and inflation, particularly in countries which are major consumers of commodities; and
- (g) major discoveries of sources of commodities.

2.10 Currency exchange risk

The Index is calculated in the relevant Index Currency (being ZAR). Underlying Futures Contracts are be traded in USD (the relevant **Reference Currency**) and hence for the purposes of making certain determinations in respect of such Underlying Futures Contracts, and for calculations of the Total Return Index Level, price information in respect of Underlying Futures Contracts expressed in the Reference Currency will be converted into the Index Currency at the then prevailing exchange rate between such currencies, as determined by the Index Calculation Agent. As such, investors in Financial Products are exposed not only to the performance of the Underlying Futures Contracts but also to the performance of the Reference Currency, which cannot be predicted. Investors should be aware that foreign exchange rates are, and have been, highly volatile and determined by supply and demand for currencies in the international foreign exchange markets, which are subject to economic factors, including inflation rates in the countries concerned, interest rate differences between the respective countries, economic forecasts, international political factors, currency convertibility and safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks (e.g., imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by devaluation or revaluation of a currency or imposition of exchange controls with respect to the exchange or transfer of a specified currency that would affect exchange rates and the availability of a specified currency).

2.11 Risks arising from the methodology utilised to determine the Relevant Underlying Futures Contracts

The Index will follow a notional rules-based proprietary trading strategy that operates on the basis of pre-determined rules. Accordingly, potential investors in Financial Products should determine whether those rules as summarised in this Index Description are appropriate in light of their individual circumstances.

The methodology utilised in the determination of the Underlying Futures Contracts is described in detail in section 3 (*Index Calculation, Composition and Rebalancing*). There is no mechanism in the Index methodology to ensure that the best performing Underlying Futures Contracts in the Single Commodities are included in the Index. There can be no assurance that the Index will outperform any alternative investment strategy. Any person entering into any Financial Product must form their own view as to the likelihood of the methodology utilised in the determination of the Underlying Futures Contracts achieving any return and whether or not the process and assumptions on which it are based are appropriate.

2.12 Convergence of market risks and volatility

The performance of the Index is dependent on the performance of the relevant underlying commodities. As a consequence, investors in Financial Products should appreciate that their investment is exposed to the performance of the relevant underlying commodities. Investors should note that the level of the relevant underlying commodities and therefore the Index may vary over time depending on a number of factors, including, without limitation, supply and demand on the underlying commodity macro-economic factors and global economic, financial, legal and political conditions.

Prospective investors in Financial Products should be aware that in some scenarios the risks described in section 2.9 (*Risks relating to commodities*) and section 2.10 (*Currency exchange risk*) may have a cumulative and converging effect on the level and volatility of the prices of the Underlying Futures Contracts. Volatility may arise due to market sentiment which relates to emerging markets globally.

3. INDEX CALCULATION, COMPOSITION AND REBALANCING

3.1 Calculation of the Index

Subject to the provisions set out in sections 5 (*Market Disruption*) and 6 (*Adjustments, Modifications, Changes and Termination*) below, the Index Calculation Agent will calculate the Total Return Index Level and the Spot Index Level used to determine the Total Return Index Level in respect of each Index Calculation Date following the Base Date.

The Spot Index Level and the Total Return Index Level both reflect the returns of all Single Commodities, and as of the Base Date, are each equal to 1000. The Adjusted Contract Production Weight of each Single Commodity as of the Base Date are fixed values and available for inspection in accordance with the provisions of section 7.2 (*Details of Total Return Index Levels, Adjustments and other Index Information*) below. Both the Spot Index Level and the Total Return Index Level are rounded to 7 decimal places with 0.0000005 rounded upwards.

In relation to each subsequent Index Calculation Date, the Spot Index Level, the Total Return Index Level and the quantities and weightings of each Single Commodity will be calculated in accordance with the following applicable methodology.

3.2 Index Rebalancing

During a Roll Period, the Existing Underlying Futures Contracts are replaced with New Underlying Futures Contracts. This is achieved as follows:

- (a) on the first Index Roll Date of the Roll Period the Index Calculation Agent determines the New Underlying Futures Contract for each Single Commodity, which will be comprised in the Index during and following the current Roll Period to and during the next Roll Period as the futures contract in respect of the relevant Single Commodity traded on the relevant Futures Exchange with a Maturity falling in the month next following the relevant Index Roll Month which is shown in the Roll Calendar in relation to the relevant Single Commodity and the Index Roll Month;
- (b) on the first Index Roll Date of the Roll Period for the purpose of calculating the Spot Index Level for that Index Roll Date the Index Calculation Agent then applies the Contract Roll Weight for Existing Underlying Futures Contracts (which is an 80% weighting for the first Index Roll Date) to the Existing Underlying Futures Contracts and the Contract Roll Weight for New Underlying Futures Contracts (which is a 20% weighting for the first Index Roll Date) to the New Underlying Futures Contracts;
- (c) on each successive Index Roll Date of that Roll Period (to and including the fifth Index Roll Date) for the purpose of calculating to the Spot Index Level for that Index Roll Date the Index Calculation Agent then applies the Contract Roll Weight for Existing Underlying Futures Contracts to the Existing Underlying Futures Contracts and the Contract Roll Weight for New Underlying Futures Contracts to the New Underlying Futures Contracts.

The Contract Roll Weight for Existing Underlying Futures Contracts decreases by 0.2 (i.e. 20%) each Index Roll Date following the Index Rebalancing Date and the Contract Roll Weight for New Underlying Futures Contracts increases by 0.2 (i.e. 20%) each Index Roll Date following the Index Rebalancing Date. Therefore on the fifth Index Roll Date the Contract Roll Weight for Existing Underlying Futures Contracts will be 0 (i.e. 0%) and the Contract Roll Weight for New Underlying Futures Contracts will be 1.0 (i.e. 100%).

3.3 Spot Index Level

The Index Calculation Agent will calculate the **Spot Index Level** in relation to each Index Calculation Date following the Base Date as follows:

- (a) In relation to any Index Calculation Date other than an Index Roll Date, the Spot Index Level will be determined in accordance with the following formula:

$$SI_t = FX_t \times \sum_{i=1}^7 (ACPW_{i,t}^c \times LCP_{i,t})$$

Where,

i is each Single Commodity;

SI_t is the Spot Index Level in respect of the relevant Index Calculation Date *t*;

$LCP_{i,t}$ is the Price of the Relevant Underlying Futures Contract for the relevant Single Commodity *i* in respect of the relevant Index Calculation Date *t*;

$ACPW_{i,t}^c$ is the Adjusted Contract Production Weight of the relevant Single Commodity *i* as determined in respect of the immediately preceding Index Rebalancing Date; and

FX_t is the USDZAR Spot Exchange Rate in respect of the relevant Index Calculation Date *t*.

- (b) In relation to any Index Roll Date, the Spot Index Level will be determined in accordance with the following formula:

$$SI_{t_r+n} = FX_{t_r+n} \times \sum_{i=1}^7 (ACPW_{i,t_r}^P \times CRW_{t_r+n}^L \times LCP_{i,t_r+n} + ACPW_{i,t_r}^C \times CRW_{t_r+n}^N \times NCP_{i,t_r+n})$$

Where,

i is each Single Commodity;

SI_{t_r+n} is the Spot Index Level in respect of the relevant Index Roll Date $t_r + n$;

LCP_{i,t_r+n} is the Price of the Existing Underlying Futures Contract for the relevant Single Commodity *i* in respect of the relevant Index Roll Date $t_r + n$;

NCP_{i,t_r+n} is the Price of the New Underlying Futures Contract for the relevant Single Commodity *i* in respect of the relevant Index Roll Date $t_r + n$;

$ACPW_{i,t_r}^C$ is the Adjusted Contract Production Weight of Single Commodity *i* as determined in respect of the Relevant Index Rebalancing Date;

$ACPW_{i,t_r}^P$ is the Adjusted Contract Production Weight of Single Commodity *i* applicable in respect of the Index Rebalancing Date immediately preceding the Relevant Index Rebalancing Date;

$CRW_{t_r+n}^L$ is the Contract Roll Weight for Existing Underlying Futures Contracts in respect of the Index Roll Date $t_r + n$;

$CRW_{t_r+n}^N$ is the Contract Roll Weight for New Underlying Futures Contracts in respect of Index Roll Date $t_r + n$; and

FX_{t_r+n} is the USDZAR Spot Exchange Rate in respect of Index Roll Date $t_r + n$.

3.4 Total Return Index Level

The Index Calculation Agent will calculate the **Total Return Index Level** in relation to each Index Calculation Date t following the Base Date in accordance with the following formula:

$$TR_t = TR_{t-1} \times \frac{FX_t}{FX_{t-1}} \times \left(\frac{SI_t}{SI_{t-1}} \times \frac{FX_{t-1}}{FX_t} + IRR_t \right)$$

Where,

TR_t is the Total Return Index Level in respect of the Index Calculation Date t ;

TR_{t-1} is the Total Return Index Level in respect of the Index Calculation Date immediately preceding the relevant Index Calculation Date t (or, if none, in respect of the Base Date);

SI_t is the Spot Index Level in respect of the Index Calculation Date t ;

SI_{t-1} is the Spot Index Level in respect of the Index Calculation Date immediately preceding the relevant Index Calculation Date t (or if none, in respect of the Base Date);

FX_t is the USDZAR Spot Exchange Rate in respect of the relevant Index Calculation Date t ;

FX_{t-1} is the USDZAR Spot Exchange Rate in respect of the Index Calculation Date $t-1$ (i.e. the Index Calculation Date immediately preceding the relevant Index Calculation Date t); and

IRR_t is the Interest Rate Return in respect of Index Calculation Date t which, if $LIBOR_{t-1} > spread$, is determined according to the following formula:

$$IRR_t = \left(\frac{1}{1 - \left(\frac{91}{360} \times (LIBOR_{t-1} - spread) \right)} \right)^{\frac{\Delta d}{91}} - 1$$

Otherwise, if $LIBOR_{t-1} \leq spread$ then $IRR_t = 0$

Where,

Δd is the number of calendar days from and including the Index Calculation Date immediately preceding the relevant Index Calculation Date (or if none, the Base Date) to but excluding Index Calculation Date t ;

spread is (a deduction of) 0.125%; and

$LIBOR_{t-1}$ is the Overnight USD LIBOR Rate in respect of the Index Calculation Date immediately preceding Index Calculation Date t (or, if none, in respect of the Base Date).

3.5 Average Production Value

The Index Calculation Agent will determine the **Average Production Value** of each Single Commodity i in respect of each Average Production Quantity Date, in accordance with the following formula:

$$APV_{i,y} = \frac{APQ_{i,y} \times AP_{i,y}}{\sum_{i=1}^7 APQ_{i,y} \times AP_{i,y}}$$

Where,

i in the above formula is each Single Commodity i ;

$APV_{i,y}$ is the Average Production Value of Single Commodity i in respect of Average Production Quantity Date y ;

$$APQ_{i,y} = \frac{1}{5} \sum_{i=1}^5 PQ_{i,y-m}$$

Where,

i is each of the five calendar years preceding (and excluding) year y ; and,

$PQ_{i,y-m}$ is the Production Quantity in the relevant Units of Single Commodity i as of year $y-m$ (m being each of the five calendar years preceding (and excluding) year y 1, 2, 3, 4 and 5); and

$$AP_{i,y} = \frac{1}{5} \sum_{i=1}^5 P_{i,y-p}$$

Where,

i is each of the five calendar years preceding (and excluding) year y ; and

$P_{i,y-p}$ is the End-of-Year Price of Single Commodity i as of end of year $y-p$ (p being each of the five calendar years preceding (and excluding) year y 1, 2, 3, 4 and 5).

3.6 Contract Production Weights

In respect of each Average Production Quantity Date, the Index Calculation Agent will adjust Average Production Values of each Single Commodity *i* as follows using the Average Production Values as of such Average Production Quantity Date. The adjusted Average Production Value of each Single Commodity *i*; following the application of each of the steps at (a) and (b) (below) (as applicable) will be the **Contract Production Weight** for each Single Commodity *i*:

- (a) Redistribution of Average Production Value - Redistribution using Single Commodity Weight Thresholds
- (i) The Index Calculation Agent will identify any Single Commodity with an Average Production Value above the Maximum Threshold.
 - (ii) For all Single Commodities with an Average Production Value above the Maximum Threshold (in the order Aluminium, Copper, WTI Crude Oil, Gold, Platinum, Corn and Wheat (the **Relevant Commodity Order**)) the Index Calculation Agent:
 - (A) will determine the excess weight by subtracting the Maximum Threshold from the Average Production Value for that Single Commodity; and
 - (B) will redistribute the excess weight determined in 3.6(a)(ii)(A) (if any) equally among Single Commodities with Average Production Values equal to or less than the Maximum Threshold.
 - (iii) The Index Calculation Agent will repeat as necessary (in the Relevant Commodity Order) the steps above at paragraphs 3.6(a)(i) and 3.6(a)(ii) above until no Single Commodity has an Average Production Value above the Maximum Threshold.
 - (iv) The Index Calculation Agent next identifies any Single Commodity with an Average Production Value (as adjusted above) below the Minimum Threshold.
 - (v) For all Single Commodities with an Average Production Value below the Minimum Threshold the Index Calculation Agent in the Relevant Commodity Order:
 - (A) determines the shortfall in Average Production Value by subtracting the Average Production Value (as adjusted above) for that Single Commodity from the Minimum Threshold;
 - (B) equally reduces the Average Production Values (as adjusted above) of Single Commodities with Average Production Values equal to or above the Minimum Threshold so that the sum of such reductions equals the relevant shortfall; and
 - (C) then increases the Average Production Value of the Single Commodity for which the shortfall is calculated at (A) above by the absolute value of the shortfall so that it is then equal to the Minimum Threshold.
 - (vi) If necessary, the Index Calculation Agent repeats the steps above at some or all of paragraphs 3.6(a)(i)-3.6(a)(v) (in that order) on an iterative basis until no Single Commodity has an Average Production Value greater than the Maximum Threshold or less than the Minimum Threshold.

- (b) Redistribution of Average Production Value - Redistribution using Commodity Sector Weight Thresholds
- (i) The Index Calculation Agent will next identify Commodity Sectors for which the aggregate Average Production Values (as adjusted above) of each Single Commodity *i* falling in that Commodity Sector (as shown in the table in section 1 (*General Description*) above) is greater than the Maximum Threshold.
 - (ii) For each Commodity Sector with an aggregate Average Production Value above the Maximum Threshold (as described above) the Index Calculation Agent (in the order: Base Metal, Energy, Precious Metal and Agriculture (the **Relevant Sector Order**)):
 - (A) will determine the excess aggregate Average Production Value by subtracting the Maximum Threshold from the aggregate Average Production Value of that Commodity Sector;
 - (B) will reduce the Average Production Value of each Single Commodity belonging to that Commodity Sector *pro rata* in proportion to its share in that Commodity Sector so that the aggregate value of such reductions is equal to the excess aggregate Average Production Weight determined in (A) above; and
 - (C) will equally distribute such excess aggregate Average Production Value among all Single Commodities which belong to a Commodity Sector which has an aggregate Average Production Value below the Maximum Threshold.
 - (iii) If necessary, the Index Calculation Agent will repeat the steps above at paragraphs 3.6(b)(i) and 3.6(b)(ii) on an iterative basis until no Commodity Sector has an aggregate Average Production Value above the Maximum Threshold.

3.7 Application of Ranking Scores

The Index Calculation Agent will calculate the adjusted Contract Production Weights of each Single Commodity *i* in respect of each Weight Calculation Date, as follows:

- (a) The Index Calculation Agent will determine the Ranking Score applicable to each Single Commodity *i* in accordance with the provisions of section 3.8 (*Determination of Ranking Score*) below.
- (b) The Index Calculation Agent will adjust the Contract Production Weights according to the Weight Adjustments (as set out in the definition of Ranking Score) to determine the Adjusted Contract Production Weights for each Single Commodity *i*.
- (c) After the adjustment in section 3.7(b) is performed, the Index Calculation Agent applies the Maximum Thresholds and Minimum Thresholds procedure as set out above at paragraphs 3.6(a) and 3.6(b) but determined as though all references to "Average Production Value" and "Average Production Values" in such paragraphs were references to "Adjusted Contract Production Weight" and "Adjusted Contract Production Weights".

Such adjusted Contract Production Weights, subject to the further adjustment as described in section 3.9 (*Adjusted Contract Production Weights*) below are referred to as the **Adjusted Contract Production Weights**. Any reference in the Index Description to an Adjustment Contract Production Weight, unless the context otherwise requires, will be deemed to refer to the relevant Adjusted

Contract Production Weight following adjustment as described in section 3.9 (*Adjusted Contract Production Weight*) below.

3.8 Determination of Ranking Score

The Index Calculation Agent will calculate the Ranking Score of each Single Commodity as at each Weight Calculation Date, by calculating the **Aggregated Risk Measure** for each Single Commodity as follows:

$$ARM_i = \sqrt{\sum_{t=T-3m}^{T-2} \ln\left(\frac{LCP_{i,t+1}}{LCP_{i,t}}\right)^2} + \sqrt{\sum_{t=T-6m}^{T-2} \ln\left(\frac{LCP_{i,t+1}}{LCP_{i,t}}\right)^2} + \sqrt{\sum_{t=T-12m}^{T-2} \ln\left(\frac{LCP_{i,t+1}}{LCP_{i,t}}\right)^2}$$

Where,

ARM_i is the Aggregated Risk Measure of Single Commodity i in respect of the relevant Weight Calculation Date;

$T-2$ is the second Index Calculation Date immediately prior to the relevant Weight Calculation Date;

$T-3m$ is the first Index Calculation Date on or (if such day is not an Index Calculation Date) after the date 3 calendar months immediately prior to $T-2$;

$T-6m$ is the first Index Calculation Date on or (if such day is not an Index Calculation Date) after the date 6 calendar months immediately prior to $T-2$;

$T-12m$ is the first Index Calculation Date on or (if such day is not an Index Calculation Date) after the date 12 calendar months immediately prior to $T-2$;

\ln is the natural logarithm;

$LCP_{i,t}$ is the Price of (i) the Relevant Underlying Futures Contract for the relevant Single Commodity i in respect of the relevant Index Calculation Date t or (ii) if the relevant Index Calculation Date is an Index Roll Date, the Existing Underlying Futures Contract for the relevant Single Commodity i in respect of the relevant Index Roll Date; and

$t+1$ is the Index Calculation Date immediately subsequent to the relevant Index Calculation Date t .

The Single Commodity with the lowest Aggregated Risk Measure has a Ranking Score of 1, and the Ranking Scores continue in ascending order so the Single Commodity with the highest Aggregated Risk Measure has a Ranking Score of 7. In the event that one or more Single Commodities have an equal Aggregated Risk Measure the Index Calculation Agent shall determine the Single Commodity(ies) with the lower(est) Ranking Score(s) from among such equal Single Commodities by ranking such equal Single Commodities in accordance with their Ranking Scores determined on the most recent Weight Calculation Date and the Single Commodity(ies) with the lower(est) such prior Ranking Score(s) will be deemed to have the lower(est) Ranking Score(s) from among such equal Single Commodities on the current Weight Calculation Date.

The Ranking Scores for each Single Commodity in respect of the Weight Calculation Dates from the Base Date to and including the Live Date are set out in Annex 2.

3.9 Adjusted Contract Production Weight

Following the above procedures the Index Calculation Agent will determine the Adjusted Contract Production Weight of each Single Commodity in respect of each Relevant Index Rebalancing Date, in accordance with the following formula:

$$ACPW_{i,tr}^C = \frac{SI_{tr-2}}{FX_{tr-2}} \times \frac{ACPW_{i,tr-2}}{NCP_{i,tr-2}}$$

Where,

SI_{tr-2} is the Spot Index Level in respect of the Relevant Weight Calculation Date;

FX_{tr-2} is the USDZAR Spot Exchange Rate in respect of the Relevant Weight Calculation Date;

$NCP_{i,tr-2}$ is the Price of the New Underlying Futures Contracts for the relevant Single Commodity i in respect of the Relevant Weight Calculation Date (i.e. the Underlying Futures Contract which, after the Roll Period, will be a Relevant Underlying Futures Contract for the Index);

$ACPW_{i,tr-2}$ is the Adjusted Contract Production Weight prior to adjustment in accordance with this section 3.9 (Adjusted Contract Production Weight) of Single Commodity i in respect of the Relevant Weight Calculation Date; and

$ACPW_{i,tr}^C$ is the Adjusted Contract Production Weight of Single Commodity i in respect of the Relevant Index Rebalancing Date.

The Adjusted Contract Production Weight for each Single Commodity as of the Live Date are as set out in Annex 1.

4. DEFINITIONS

Adjusted Contract Production Weight has the meaning given in section 3.7 (*Application of Ranking Scores*).

Affiliate means, in relation to any entity (the **First Entity**), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes **control** means ownership of a majority of the voting power of an entity.

Aggregated Risk Measure has the meaning given in section 3.8 (*Determination of Ranking Score*).

Aluminium means high grade primary aluminium.

Average Production Quantity has the meaning given in section 3.5 (*Average Production Value*).

Average Production Quantity Date means 18 August in each year from and including 1999 or if any day is not an Index Business Day the immediately following Index Business Day.

Average Production Value has the meaning given in section 3.5 (*Average Production Value*).

Base Date means 6 January 2000.

Bloomberg means Bloomberg L.P.

CBOT means the Chicago Board of Trade or its successor.

COMEX means the COMEX Division, or its successor, of the New York Mercantile Exchange, Inc. or its successor.

Commodity Sector means each of the following: Base Metal, Energy, Precious Metal and Agriculture.

Contract Calculation Date means, in respect of any Futures Contract, an Index Business Day on which the Futures Exchange in respect of that Futures Contract is (or, but for the occurrence of a Disrupted Day, would have been) open for trading during its regular trading session, notwithstanding the relevant Futures Exchange closing prior to its scheduled closing time.

Contract Production Weight has the meaning given in section 3.6 (*Contract Production Weights*).

Contract Roll Weight means, in respect of each applicable Index Roll Date of a Roll Period, the weighting to be applied to:

- (i) each Existing Underlying Futures Contract (the **Contract Roll Weight for Existing Underlying Futures Contracts**); and
- (ii) each New Underlying Futures Contract (the **Contract Roll Weight for New Underlying Futures Contracts**),

as specified in the table below:

Index Roll Date (i.e. being the <i>n</i>th Index Calculation Date to occur in the relevant Roll Period as shown below)	Contract Roll Weight for Existing Underlying Futures Contracts	Contract Roll Weight for New Underlying Futures Contracts
1st	0.8	0.2
2nd	0.6	0.4
3rd	0.4	0.6
4th	0.2	0.8
5th	0.0	1.0

Conversion Factor has the meaning given in the definition of "Unit".

Copper means high grade copper.

Corn means deliverable grade corn.

Currency per Unit has the meaning given in the definition of "Unit".

Disrupted Day means in respect of a Single Commodity any day on which a Market Disruption Event or a Disruption Event exists or occurs in respect of such Single Commodity.

Disruption Event has the meaning given in section 6 (*Adjustments, Modifications, Changes and Termination*).

End-of-Year Price means, in respect of a calendar year and a Single Commodity *i* (a) the Price of the futures contract in respect of the relevant Single Commodity *i* traded on the relevant Futures Exchange with the next expiry date to occur as of 20 December in such calendar year or, if that is not a Contract Calculation Date as of the immediately preceding Contract Calculation Date, expressed in the relevant Currency per Unit multiplied by (b) the relevant Conversion Factor.

Existing Underlying Futures Contract has the meaning given in section 1 (*General Description*).

Financial Product means any financial product (including, without limitation any notes, certificates, warrants or other financial instruments or contracts or any fund), the return on which is linked in whole or in part to the performance of the Index.

Financial Product Obligor means the obligor in respect of a Financial Product.

Futures Contract has the meaning given in section 5 (*Market Disruption*).

Futures Exchange means the exchange where the relevant futures contract is traded or any successor thereto acceptable to the Index Calculation Agent. As at the Live Date the relevant Futures Exchange for each Underlying Futures Contract is shown in the table set out in section 1 (*General Description*).

Gold means gold.

Hedging Party means at any relevant time, any Financial Product Obligor and/or any of its Affiliates or any other party providing a Financial Product Obligor directly or indirectly with hedging arrangements in relation to any Financial Product as the Financial Product Obligor may select at such time.

Hedge Position means any holding(s) of any Underlying Futures Contracts and/or any other relevant assets or contracts used in connection with hedging of any Financial Product and held by the Hedging Party and/or its hedging counterparty, whether directly or indirectly and whether individually or on a portfolio basis.

Index has the meaning given in section 1 (*General Description*).

Index Business Day means each business day determined in accordance with the Johannesburg Stock Exchange (the **JSE**) Holiday & Hours schedule (as published on the JSE website www.jse.co.za or any successor thereto acceptable to the Index Calculation Agent).

Index Calculation Agent means the Index Sponsor or such other third party appointed as such pursuant to a service level agreement with the Index Sponsor, or any successor in such capacity appointed by the Index Sponsor in its sole discretion. In the event that the appointment of the Index Calculation Agent pursuant to such service level agreement is terminated the Index Sponsor may (i) appoint a successor Index Calculation Agent or (ii) otherwise will fulfil the obligations of Index Calculation Agent itself. All references to Index Calculation Agent will be construed accordingly.

Index Calculation Date means each Index Business Day on which the Futures Exchange(s) in respect of each Relevant Underlying Futures Contract for that day is (or, but for the occurrence of a Disrupted Day would have been) open for trading during its regular trading session, notwithstanding the relevant Futures Exchange closing prior to its scheduled closing time.

Index Description has the meaning given in section 1 (*General Description*).

Index Rebalancing Date means each of the Base Date and thereafter the first Index Roll Date in each Roll Period.

Index Roll Date means each Index Calculation Date occurring in a Roll Period.

Index Roll Month means each of February, April, June, August, October and December commencing in February 2000.

Index Sponsor means Standard Bank of South Africa or any successor in such capacity.

Interest Rate Return has the meaning given in section 3.4 (*Total Return Index Level*).

Live Date means 18 August 2011.

LME means The London Metal Exchange Limited or its successor.

Maturity means the maturity of each New Underlying Futures Contract as set out in the Roll Calendar.

Maximum Threshold means 40 per cent.

Minimum Threshold means 5 per cent.

New Underlying Futures Contract has the meaning given in section 1 (*General Description*).

NYMEX means the NYMEX Division, or its successor, of the New York Mercantile Exchange, Inc. or its successor.

Overnight USD LIBOR Rate means, with respect to any relevant date the overnight USD LIBOR Rate as displayed on Bloomberg Page (Bloomberg Code: US00 O/N Index) (or any successor to such page or service acceptable to the Index Calculation Agent) as of 11 a.m London time on such date or, if no such rate appears, the USD LIBOR Rate the Index Calculation Agent determines would have prevailed but for such non-availability at such time.

Platinum means platinum.

Price means, in respect of a relevant futures contract and any day, the closing price for such day if available, or in the event that there is no closing price for such day, the closing or final price for such day used by the applicable Futures Exchange for determining the commodity futures contracts variation margin obligations on such Futures Exchange on the relevant day.

Production Quantity means, in relation to any calendar year, the number of Units of Single Commodity *i* extracted, produced or mined (as applicable) within Africa in such calendar year according to the Production Quantity Source(s).

Production Quantity Source(s) means the sources set out in the table below, with the Bloomberg Page specified, or any successor(s) to such page(s) or service(s) acceptable to the Index Sponsor or, in each case, such alternative source(s) as the Index Sponsor may select from time to time for such purpose:

<i>i</i>	Single Commodity <i>i</i>	Source	Bloomberg Page
1	Aluminium	World Bureau of Metal Statistics	MMST
2	Copper	World Bureau of Metal Statistics	MMST

<i>i</i>	Single Commodity <i>i</i>	Source	Bloomberg Page
3	WTI Crude Oil	BP – Statistical Review of World Energy	BPSR
4	Gold	GFMS Ltd Statistics	GMFS <GO>
5	Platinum	GFMS Ltd Statistics	GMFS <GO>
6	Corn	US Department of Agriculture	AGSD
7	Wheat	US Department of Agriculture	AGSD

Ranking Score means the score resulting from the Aggregated Risk Measure using data from the generic contract for each Single Commodity, calculated for each Single Commodity as described in section 3.8 (*Determination of Ranking Score*) below, and resulting in the corresponding **Weight Adjustment** as set out in the table below:

Ranking score	Weight Adjustment
1 (most stable Single Commodity)	+7.5%
2	+5.0%
3	+2.5%
4	+0.0%
5	-2.5%
6	-5.0%
7 (least stable Single Commodity)	-7.5%

Relevant Index Rebalancing Date means, in relation to any Index Roll Date, the first Index Roll Date of the relevant Roll Period in which the Index Roll Date falls.

Relevant Underlying Futures Contract has the meaning given in section 1 (*General Description*).

Relevant Weight Calculation Date means, in relation to any Index Rebalancing Date, the second Index Calculation Date prior to that Index Rebalancing Date or, in the case of the first Index Rebalancing Date (i.e. the Base Date), the Base Date.

Roll Calendar means the table below, being for each Single Commodity and each Index Roll Month, the list of the futures contracts Maturities in which new positions are initiated:

		INDEX ROLL MONTH					
<i>i</i>	Single Commodity <i>i</i>	February	April	June	August	October	December
1	Aluminium	May	July	September	November	January	March
2	Copper	May	July	September	November	January	March
3	WTI Crude Oil	May	July	September	November	January	March
4	Gold	June	August	December	December	February	April
5	Platinum	July	July	October	January	January	April
6	Corn	July	July	September	December	March	March
7	Wheat	July	July	September	December	March	March

Roll Period means the first five Index Calculation Dates commencing on (and including) the first Index Calculation Date of each Index Roll Month.

Single Commodity has the meaning given in section 1 (*General Description*).

Spot Index Level has the meaning given in section 3.3 (*Spot Index*).

Total Return Index Level has the meaning given in section 3.4 (*Total Return Index Level*).

Underlying Futures Contract has the meaning given in section 1 (*General Description*).

Unit means the unit as set out in the table below, **Currency per Unit** means the basis on which each Unit price is expressed as set out in the table below and **Conversion Factor** means the conversion factor as set out in the table below, in each case in relation to each Single Commodity *i*

<i>i</i>	Single Commodity <i>i</i>	Unit	Currency per Unit	Conversion Factor
1	Aluminium	metric tonnes	USD/metric tonnes	1
2	Copper	metric tonnes	USD/metric tonnes	1
3	WTI Crude Oil	barrels	USD/barrels	1
4	Gold	metric tonnes	USD/metric tonnes	32150.74
5	Platinum	troy oz	USD/troy oz	1
6	Corn	metric tonnes	USD/metric tonnes	0.3937
7	Wheat	metric tonnes	USD/metric tonnes	0.3674

USD means United States Dollars.

USDZAR Spot Exchange Rate means, with respect to any relevant date, the currency exchange rate for the sale of USD and the purchase of ZAR (expressed as the number of ZAR which may be bought with USD 1.00) as displayed on Reuters Page: "ZAR = D3" (or any successor to such page or service acceptable to the Index Calculation Agent) as of 11a.m. Johannesburg time on such date, and if no such rate is available, the rate determined by the Index Calculation Agent to be the USDZAR Spot Exchange Rate which would have prevailed but for such non-availability.

Weight Calculation Date means the second Index Calculation Date prior to each of the Base Date and each Index Rebalancing Date provided that for the purposes of determining the Relevant Underlying Futures Contracts as referred to in the definition of Index Calculation Date these will be each of the Existing Underlying Futures Contracts and the New Underlying Futures Contracts in respect of the Roll Period commencing on the relevant Index Rebalancing Date or Base Date as applicable.

Wheat means deliverable grade wheat.

WTI Crude Oil means West Texas Intermediate light sweet crude oil.

ZAR means South African Rand.

5. MARKET DISRUPTION

A Market Disruption Event (a **Market Disruption Event**) means an event that, if applicable in relation to any Single Commodity, would give rise to an alternative basis for determining the Price of any relevant Futures Contract or the termination of any relevant Futures Contract. A Market Disruption Event in respect of a specified Single Commodity will be deemed to arise (without limitation) upon the occurrence or existence of any of the following events in respect of any relevant Index Business Day:

- (a) Price Source Disruption;
- (b) Trading Disruption;
- (c) Disappearance of Commodity Reference Price;
- (d) Material Change in Formula; and
- (e) Material Change in Content.

If a Market Disruption Event occurs in relation to any Single Commodity (or related Futures Contract) on a Roll Date, then the Contract Roll Weight for the Existing Underlying Futures Contract and New Underlying Futures Contract in relation to that Single Commodity will not adjust in accordance with the Roll Calendar and the portion of the adjustment in Contract Roll Weight that would otherwise have taken place on such Roll Date will take place on the next succeeding Index Calculation Date on which no Market Disruption Event exists in relation to that Single Commodity (in addition to the portion of the adjustment in Contract Roll Weight (if any) scheduled to take place on that Index Calculation Date).

If the adjustment in Contract Roll Weight of any relevant Existing Underlying Futures Contract and New Underlying Futures Contract is not completed during a Roll Period as a result of the roll adjustment mechanism set out in the paragraph above, then any outstanding adjustment in Contract Roll Weight of such contracts will continue and will be completed in full on the first Index Calculation Date thereafter on which no Market Disruption Event exists in respect of that relevant Single Commodity.

A Market Disruption Event for any individual Single Commodity will not postpone the adjustment in Contract Roll Weight for any other Single Commodity unaffected by a Market Disruption Event.

In addition and without limitation where a Market Disruption Event occurs the Index Sponsor may make any adjustment or modification it considers necessary or desirable (including to the above procedures) to reflect or account for such Market Disruption Event and determine the effective date(s) thereof.

Without limitation:

- (a) if a Market Disruption Event occurs on an Index Rebalancing Date or on an Index Calculation Date prior to such Index Rebalancing Date with respect to any relevant Existing Underlying Futures Contract or any New Underlying Futures Contract used in the calculation of any relevant value for a Single Commodity, the Price(s) used to calculate such relevant values may be taken as the Price(s) on the first prior Index Calculation Date on which a Market Disruption Event had not occurred for any such Underlying Future Contract, or

- (b) if the Index is affected by a Market Disruption Event on an Index Calculation Date which is neither an Index Rebalancing Date nor any other Index Roll Date, then the Index Calculation Agent may calculate the Index in the following manner:
 - in case of a Market Disruption Event described in (b) (in the definition of Trading Disruption) below, the Price of the affected Futures Contract may be calculated based on the limit up/down price for the affected Underlying Future Contract on that day; and
 - for all other types of Market Disruption Events or market holidays, the most recent prior Price available may be employed for the calculation of the Index.

Definitions used in describing a Market Disruption Event:

Price Source Disruption means:

- (a) the failure of the Price Source to announce or publish any relevant Price (or the information necessary for determining any relevant Price); or
- (b) the temporary or permanent discontinuation or unavailability of the Price Source.

Trading Disruption means the material suspension of, or the material limitation imposed on, trading in any Futures Contract on any relevant Futures Exchange. For these purposes:

- (a) a suspension of the trading in the Futures Contract on any relevant day shall be deemed to be material only if:
 - (i) all trading in the Futures Contract is suspended for the entire day; or
 - (ii) all trading in the Futures Contract is suspended subsequent to the opening of trading on the relevant day, trading does not recommence prior to the regularly scheduled close of trading in such Futures Contract on such relevant day and such suspension is announced less than one hour preceding its commencement; and
- (b) a limitation of trading in the Futures Contract on any relevant day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the Futures Contract may fluctuate and the closing or settlement price of the Futures Contract on such day is at the upper or lower limit of that range.

Disappearance of Commodity Reference Price means (a) the permanent discontinuation of trading in the relevant Futures Contract on the relevant Exchange; or (b) the disappearance or permanent discontinuance or unavailability of a Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract.

Material Change in Formula means the occurrence since the Base Date of a material change in the formula for or method of calculating the relevant Price.

Material Change in Content means the occurrence since the Base Date of a material change in the content, composition or constitution of any relevant Futures Contract.

Where:

Price Source means the publication (or such other origin of reference including a Futures Exchange) containing (or reporting) any relevant Price (or prices from which any relevant Price is calculated).

Futures Contract means each Relevant Underlying Futures Contract, Existing Underlying Futures Contract, New Underlying Futures Contract or futures contract by reference to which an End-of-Year Price is determined, as applicable.

6. ADJUSTMENTS, MODIFICATIONS, CHANGES AND TERMINATION

6.1 Disruption Events

If a Disruption Event occurs or exists in respect of any Index Business Day, the Index Sponsor will determine whether the occurrence or existence of such Disruption Event is material in respect of the calculation and/or rebalancing of the Index. In the event that the Index Sponsor determines that the occurrence or existence of a Disruption Event is material, it will firstly determine the appropriate adjustment, if any, to be made to any one or more of the provisions hereof to account for such Disruption Event and shall determine the effective date of that adjustment. If the Index Sponsor determines that an adjustment cannot reasonably be made (taking into account all factors as the Index Sponsor determines appropriate, including, without limitation, Hedge Positions), the Index Sponsor may determine that the calculation and publication of the Total Return Index Level shall permanently cease and shall determine the effective date of such cessation and in such case, the Index shall terminate. Where an event or occurrence may constitute a Market Disruption Event and a Disruption Event, the Index Sponsor will be entitled to determine whether such event or occurrence should be treated as a Market Disruption Event or a Disruption Event.

As used herein,

Change in Law means that, on any Index Business Day (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Index Sponsor determines that (i) the use by the Index Calculation Agent of one or more Underlying Futures Contracts in an Index is prohibited by any relevant legal, governmental or regulatory body (ii) it has become illegal for any Hedging Party to hold, acquire or dispose of any relevant Underlying Futures Contract or Hedge Position(s) and/or (iii) any Hedging Party will incur a materially increased cost in performing its obligations in relation to a Financial Product or Hedge Position(s) (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of any Financial Product Obligor and/or any of its Affiliates or any Hedging Party).

Disruption Event means each of Change in Law, Extraordinary Hedging Event, Force Majeure Event, Hedging Disruption, Increased Cost of Hedging, Material Modification Event, Other Disruption Event or any event analogous to any of the foregoing or any Market Disruption Event for which the Index Sponsor determines that the consequences set out in section 5 (*Market Disruption*) are not appropriate, in each case as determined by the Index Sponsor.

Extraordinary Hedging Event means, any Hedging Custodian is dissolved, becomes insolvent or is unable to pay its debts as they become due, makes a general assignment, arrangement or composition with or for the benefit of its creditors, institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any law, has a secured party take possession of all or substantially all its assets, or takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts or fails to perform in full and in a timely manner any of its obligations to a Hedging Party and/or its hedging counterparty under any custodian or other arrangements or agreements entered into by such Hedging Party and/or its hedging counterparty at any time in relation to any Hedge Positions and/or any amounts in the Index Currency (which shall include, for the avoidance of doubt, a repudiation or termination of any such arrangements without the prior consent of the Hedging Party or its hedging counterparty).

Force Majeure Event means that any calculation or determination to be made by the Index Sponsor and/or the Index Calculation Agent in respect of the Index, the performance of any Financial Product

Obligor's obligations under any Financial Product or any Hedge Position and/or the performance of the Hedging Party's obligations in respect of any Hedge Position is prevented or materially hindered or delayed due to (a) any act, law, rule, regulation, judgment, order, directive, interpretation, decree or material legislative or administrative interference of any Government Authority or otherwise, or (b) the occurrence of civil war, disruption, military action, unrest, political insurrection, terrorist activity of any kind, riot, public demonstration and/or protest, or any other financial or economic reasons or any other causes or impediments beyond the control of the Index Sponsor, the Index Calculation Agent and/or any relevant Financial Product Obligor, as applicable, or (c) any expropriation, confiscation, requisition, nationalisation or other action taken or threatened by any Government Authority that deprives any Financial Product Obligor or the Hedging Party and/or any of its Affiliates of all or substantially all of its assets in a relevant or connected jurisdiction.

Government Authority means any nation, state or government, any province or other political subdivision thereof, any body, agency or ministry, any taxing, monetary, foreign exchange or other authority, court, tribunal or other instrumentality and any other entity exercising, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

Hedging Custodian means any custodian or depositary or any relevant clearing or settlement system used by a Hedging Party and/or its hedging counterparty in respect of hedging arrangements relating to any Financial Product.

Hedging Disruption means that any Hedging Party is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the commodity price risk or any other relevant price risk including but not limited to the currency risk of any Financial Product Obligor issuing and performing its obligations with respect to any Financial Product, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s), as determined by the Index Sponsor.

Increased Cost of Hedging means that, in the determination of the Index Sponsor, any Hedging Party would incur a materially increased (as compared with circumstances existing on the Live Date) amount of tax, duty, expense or fee to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, commodity price risk, foreign exchange risk and interest rate risk) of any Financial Product Obligor issuing and performing its obligations with respect to any Financial Product, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of a Financial Product Obligor and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

Material Modification Event means:

- (a) one or more Futures Contracts is traded on the relevant Futures Exchange in a different quality or another content, constitution or composition (for example in a different degree of purity or with a different point of origin);
- (b) any other event or measure as a result of which one or more Futures Contracts, as traded on the relevant Futures Exchange, is changed or altered;
- (c) a material suspension of, or a material limitation imposed on, trading in one or more Futures Contracts on the relevant Futures Exchange or in any other relevant futures contract or commodity on any exchange, trading system or quotation system, where such event is determined by the Index Sponsor or Index Calculation Agent not to be a Market Disruption Event;

- (d) the permanent discontinuation of trading, in one or more Futures Contracts on the relevant Futures Exchange, the disappearance of, or of trading in, any Single Commodity or the disappearance or permanent discontinuance or unavailability of any relevant price or value for any Single Commodity or any relevant Futures Contracts (notwithstanding any availability of the relevant Futures Exchange or the status of trading in any relevant Single Commodity or Futures Contracts);
- (e) one or more Futures Contracts is materially modified in content, composition or constitution on or prior to such Index Calculation Date;
- (f) the failure of any relevant Futures Exchange to announce or publish any relevant price or value for any Single Commodity or any Futures Contracts (or the information necessary for determining any such price or value) or the temporary or permanent discontinuance or unavailability of any relevant Futures Exchange, where such event is determined by the Index Sponsor or Index Calculation Agent not to be a Market Disruption Event; or
- (g) any relevant Futures Exchange announces that pursuant to the rules of such Futures Exchange, any material futures contract on or relating to any Single Commodity ceases (or will cease) to be listed, traded or publicly quoted on the relevant Futures Exchange for any reason.

Other Disruption Event means, in respect of any Futures Contract:

- (a) a natural or man-made disaster, armed conflict, act of terrorism, riot, labour disruption or any other circumstance in any relevant country or region which the Index Sponsor determines is likely to affect any Hedging Party's and/or its hedging counterparty's ability to acquire, hold, transfer or realise any Futures Contracts or any Hedge Position or otherwise to effect transactions in relation to such Futures Contracts or any Hedge Position, as the case may be; or
- (b) any event, action or circumstance whatsoever occurs which results in (or is likely to result in) the Hedging Party and/or its hedging counterparty receiving less than the full value of any Hedge Positions on the date such amounts are due.

6.2 Change in Index Calculation methodology

The application of the methodology described herein by the Index Sponsor shall be conclusive and binding. While the Index Sponsor currently employs the above described methodology to constitute and calculate the Index and the Total Return Index Level, no assurance can be given that market, regulatory, juridical, financial or fiscal circumstances will not arise that would, in the view of the Index Sponsor, necessitate a modification or change of such methodology (including, but not limited to, circumstances in which the Index Calculation Agent and the Index Sponsor determine that the Adjusted Contract Production Weight in respect of any Single Commodity cannot be determined in accordance with the provisions of section 3 (*Index Calculation, Composition and Rebalancing*) of this Index Description). In any such circumstances the Index Sponsor shall be entitled to make such modification or change or if the Index Sponsor determines that such a modification or change cannot reasonably be made, the Index Sponsor may determine that the calculation and publication of the Total Return Index Level shall permanently cease and shall determine the effective date of such cessation and in such case, the Index shall terminate.

The Index Sponsor may also make modifications to the terms of the Index and the method of calculating the Total Return Index Level in any manner that it may deem necessary or desirable to correct any manifest error or proven error or to cure, correct or supplement any defective provision contained herein.

The Index Sponsor will publish details of any modification or change to the Index or termination of the Index, in each case made or determined pursuant to this section 6.2, in accordance with the provisions of section 7 (*Publication of Total Return Index Levels and other Relevant Information*).

7. PUBLICATION OF TOTAL RETURN INDEX LEVELS AND OTHER RELEVANT INFORMATION

7.1 Total Return Index Level Publication

The Index Calculation Agent will make available the Total Return Index Level of the Index in respect of each Index Business Day following 18 August 2011 as soon as reasonably practicable after the time of valuation and determination on Bloomberg under the following pages:

- Bloomberg Ticker: <*SBAFCI*> *GO* Standard Bank Africa Commodity Index (being the Total Return Index).

7.2 Details of Total Return Index Levels, Adjustments and other Index Information

Details of each Total Return Index Level in respect of each Index Business Day following 18 August 2011, any material changes in the methodology, the composition or the terms of the Index (including as a result of any adjustment, modification or change made pursuant to section 6 (*Adjustments, Modifications, Changes and Termination*)), the publication details set out in this section 7 any other information specified in the Index to be available in accordance with the provisions of this section 7 and/or any termination of the Index shall be made available by publication on the website <http://www.standardbank.co.za/etns> or via SENS announcements as published through the JSE Limited or any successor to that page or service selected by the Index Sponsor from time to time.

Information that may be made available in terms of the Index Description may be requested from the contact details specified on the website <http://www.standardbank.co.za/etns>.

8. INDEX SPONSOR AND INDEX CALCULATION AGENT

- 8.1** Unless otherwise provided, all determinations made by the Index Sponsor or the Index Calculation Agent will be made by it acting in a commercially reasonable manner and in good faith and will be final, conclusive and binding in the absence of manifest error. In making any determinations, unless otherwise stipulated the Index Sponsor and/or the Index Calculation Agent may consider or refer to any such information and/or sources as it, in its sole discretion, deems appropriate for such purposes, including, without limitation, any Hedge Position relating to a Financial Product (if any).
- 8.2** Unless otherwise provided, all determinations made by the Index Calculation Agent will only be made after prior consultation with the Index Sponsor. For the avoidance of doubt, in the event of any uncertainty or disagreement between the Index Calculation Agent and the Index Sponsor during consultation the determination of the Index Sponsor shall be final and binding.
- 8.3** The Index Sponsor may delegate and/or transfer any of its obligations or functions under the terms of the Index to one or more third parties as it deems appropriate from time to time. The Index Calculation Agent may only delegate and/or transfer any of its obligations or functions under the terms of the Index with the express written permission of the Index Sponsor.

ANNEX 1

**ADJUSTED CONTRACT PRODUCTION WEIGHTS FOR EACH SINGLE COMMODITY AS OF
THE LIVE DATE**

	Aluminium	Copper	WTI Crude Oil	Gold	Platinum	Corn	Wheat
Adjusted Contract Production Weight	11.26%	8.85%	36.16%	19.19%	14.44%	5.10%	5.00%

ANNEX 2

**RANKING SCORES FOR EACH SINGLE COMMODITY AS OF THE WEIGHT CALCULATION
DATES SHOWN BELOW**

Roll Period	Aluminium	Copper	WTI Crude Oil	Gold	Platinum	Corn	Wheat
28-Jan-00	1	3	7	2	4	6	5
30-Mar-00	1	2	7	3	6	5	4
30-May-00	2	3	6	1	7	5	4
28-Jul-00	2	3	7	1	6	5	4
28-Sep-00	2	3	7	1	6	4	5
29-Nov-00	2	3	7	1	6	5	4
30-Jan-01	3	2	7	1	6	4	5
29-Mar-01	3	2	7	1	6	4	5
30-May-01	3	2	7	1	6	4	5
30-Jul-01	3	2	7	1	6	5	4
27-Sep-01	2	1	7	3	6	5	4
29-Nov-01	2	4	7	1	6	3	5
30-Jan-02	5	4	7	1	6	2	3
28-Mar-02	3	4	7	1	6	2	5
30-May-02	2	4	7	1	5	3	6
30-Jul-02	2	3	7	1	4	6	5
27-Sep-02	2	3	7	1	4	6	5
28-Nov-02	2	3	7	1	4	5	6
30-Jan-03	2	4	7	1	3	5	6
28-Mar-03	1	5	7	2	3	4	6
29-May-03	1	5	7	2	4	3	6
30-Jul-03	2	3	7	1	5	4	6
29-Sep-03	2	4	7	1	3	5	6
27-Nov-03	2	4	7	1	3	5	6
29-Jan-04	1	4	7	2	3	5	6
30-Mar-04	1	5	7	2	3	4	6
28-May-04	2	5	7	1	3	4	6
29-Jul-04	2	5	7	1	3	4	6
29-Sep-04	2	5	7	1	3	4	6
29-Nov-04	3	6	7	1	2	4	5
28-Jan-05	4	6	7	1	2	3	5
30-Mar-05	4	5	7	1	2	3	6
30-May-05	3	5	7	1	2	4	6
28-Jul-05	3	4	7	1	2	6	5
29-Sep-05	3	4	7	1	2	6	5
29-Nov-05	3	5	7	1	2	4	6
30-Jan-06	5	6	7	1	2	3	4
30-Mar-06	6	3	7	1	2	5	4

30-May-06	6	7	5	2	1	4	3
28-Jul-06	6	7	4	2	1	3	5
28-Sep-06	6	7	3	2	1	4	5
29-Nov-06	7	6	3	1	2	5	4
30-Jan-07	7	6	5	1	2	3	4
29-Mar-07	6	7	5	2	1	3	4
30-May-07	3	7	4	1	2	6	5
30-Jul-07	3	5	4	1	2	7	6
27-Sep-07	3	5	4	1	2	6	7
29-Nov-07	3	6	4	1	2	5	7
30-Jan-08	3	7	4	1	2	5	6
28-Mar-08	3	6	4	1	2	5	7
29-May-08	2	4	5	1	3	6	7
30-Jul-08	2	4	6	1	3	5	7
29-Sep-08	1	3	6	2	5	4	7
27-Nov-08	1	6	7	2	4	3	5
29-Jan-09	1	5	7	2	3	4	6
30-Mar-09	1	6	7	2	3	4	5
28-May-09	1	6	7	2	3	4	5
30-Jul-09	2	6	7	1	3	4	5
29-Sep-09	3	4	7	1	2	6	5
27-Nov-09	3	4	7	1	2	5	6
28-Jan-10	3	4	7	1	2	5	6
30-Mar-10	3	5	7	1	2	4	6
28-May-10	3	6	7	1	2	4	5
29-Jul-10	3	6	7	1	2	5	4
29-Sep-10	3	4	6	1	2	5	7
29-Nov-10	3	4	5	1	2	6	7
28-Jan-11	3	4	5	1	2	6	7
30-Mar-11	3	4	5	1	2	6	7
27-May-11	3	4	5	1	2	6	7
28-Jul-11	3	4	5	1	2	6	7