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SECTION 10 ACCOUNTS

This Section deals with the establishment of Accounts for the registration of Derivatives Market Contracts and Cash Market Transactions and the recording of Cash Cover, Collateral and Excess Cash in respect of both Derivatives CCP Contracts and Cash CCP Transactions. It sets out:

- (a) a Participant's obligation to establish a Client Account and a House Account and the circumstances in which Derivatives Market Contracts are to be registered in these Accounts;
- (b) a Participant's obligation to instruct ASX Clear to establish a Cash Market Account and the circumstances in which Cash Market Transactions are to be registered in this Account;
- (c) the responsibility of Participant's for the performance of obligations which arise in respect of those Accounts;
- (d) the time at which the premium payable in respect of an Options CCP Contract will be debited or credited by ASX Clear to an Account;
- (e) the circumstances in which ASX Clear will record Cash Cover in respect of an Account, the value of Collateral attributed to each Account and the aggregate amount of Excess Cash credited in respect of Accounts;
- (f) the obligation of ASX Clear to pay Participants interest on Cash Cover and Excess Cash credited to that Participant; and
- (g) how ASX Clear may treat Cash Cover and Excess Cash relating to Client Accounts, House Accounts and Cash Market Accounts, Client Accounts for different Approved Market Operators and in the event of a Participant's insolvency.

10.1 GENERAL

10.1.1 Participant to establish Accounts

A Participant must establish with ASX Clear, in accordance with the Procedures, the following Accounts in the name of the Participant:

- (a) a general Client Account for the registration of Derivatives Market Contracts of Clients other than where Derivatives Market Contracts are to be registered in a Client Account established under paragraph (b);
- (b) one or more Client Accounts for the registration of Derivatives Market Contracts for:
 - (i) each Client that requests a separate Client Account;

- (ii) each Market Maker for whom the Participant provides clearing services;
 - (iii) each Local Participant for whom the Participant provides clearing services; and
 - (iv) each Client for whom the Participant wishes to register Derivatives Market Contracts separately;
- (c) one or more House Accounts for the registration of Derivatives Market Contracts undertaken by the Participant on its own account; and
- (d) a Cash Market Account for the registration of Cash Market Transactions or transactions under an Offsetting Transaction Arrangement.

A Participant must also establish any additional Accounts specified in the Procedures or as otherwise directed by ASX Clear from time to time.

Introduced 11/03/04 Origin OCH 4.1.1, 4.1.1A, 4.1.2 Amended 07/06/13, 28/04/14

10.2 RESPONSIBILITY, RECORDS AND INTEREST

10.2.1 Responsibility of Participant

A Participant is responsible to ASX Clear for the performance of all obligations which arise in respect of all Accounts established by the Participant.

Introduced 11/03/04 Origin OCH 4.1.3

10.2.2 Record of Cash Cover

ASX Clear will record the amount of Cash Cover credited to a Participant in respect of each Account.

If Derivatives CCP Contracts referable to more than one Approved Listing Market Operator are registered in the same Account, ASX Clear may if the Participant requests it, or will if ASX Clear determines it necessary, also record separately the amount of Cash Cover credited in respect of each Approved Listing Market Operator.

Introduced 11/03/04 Origin OCH 4.1.4 Amended 27/06/11

10.2.3 Record of Collateral

ASX Clear will record the value of Collateral attributed to each Account under Rule 14.6.4.

If Derivatives CCP Contracts referable to more than one Approved Listing Market Operator are registered in the same Account, ASX Clear will specify in the Procedures the extent to which the Collateral may be applied to discharge Payment Obligations in respect of those transactions.

Introduced 11/03/04 Origin OCH 4.1.5 Amended 27/06/11

10.2.4 Record of Excess Cash

ASX Clear will record:

- (a) the amount of Excess Cash credited to a Participant in respect of its Cash Market Account; and
- (b) the aggregate amount of Excess Cash credited to a Participant in respect of all House Accounts for a particular Approved Listing Market Operator; and
- (c) the amount of Excess Cash credited to a Participant in respect of each Client Account for a particular Approved Listing Market Operator.

Introduced 11/03/04 Origin OCH 4.1.6 Amended 27/06/11, 07/06/13, 30/11/15

10.2.5 Interest on Cash Cover and Excess Cash

ASX Clear must pay to a Participant, in accordance with the Procedures, interest on Cash Cover and Excess Cash credited to that Participant. ASX Clear may charge and deduct an administration fee from the interest otherwise payable to a Participant. ASX Clear will determine the interest rate and the administration fee that will apply from time to time. ASX Clear will notify Participants of any alteration to the interest rate and the administration fee and will notify each Participant in the manner specified in the Procedures of any interest credited or administration fee debited to that Participant.

Introduced 11/03/04 Origin OCH 4.1.7 Amended 07/06/13

10.3 APPLICATION OF CASH COVER AND EXCESS CASH

10.3.1 Cash Cover and Excess Cash represents property of ASX Clear

All Cash Cover and Excess Cash credited by ASX Clear to a Participant in accordance with Rule 10.2.2 or Rule 10.2.4 is the absolute legal and beneficial property of ASX Clear and represents a debt equal to the credit balance of the Cash Cover and Excess Cash owing by ASX Clear to the Participant. The Participant has no proprietary right or proprietary interest in Cash Cover and Excess Cash credited to it.

Introduced 11/03/04 Origin OCH 4.2.1

10.3.2 Treatment of Cash Cover and Excess Cash relating to Client Accounts for different Approved Market Operators

ASX Clear must not, unless the Client is the same legal entity, apply or set off any amount of Cash Cover or Excess Cash recorded under Rule 10.2.2 or Rule 10.2.4 in respect of Client Accounts established for an Approved Listing Market Operator in or towards payment or satisfaction of the Participant's obligations to ASX Clear in respect of Client Accounts established for any other Approved Listing Market Operator.

Introduced 11/03/04 Origin OCH 4.2.2 Amended 27/06/11

10.3.3 Treatment of Cash Cover and Excess Cash relating to Client Accounts, House Accounts and Cash Market Accounts

ASX Clear must not, except in accordance with Rule 10.3.4 or Rule 12.17.3, apply or set off any amount of Cash Cover recorded under Rule 10.2.2 in respect of a Client Account or any amount of Excess Cash recorded in respect of a Client Account under Rule 10.2.4 in or towards payment or satisfaction of the Participant's obligations to ASX Clear in respect of Derivatives CCP Contracts registered in any House Account or any other Client Account, or any Cash CCP Transaction registered in a Cash Market Account.

Introduced 11/03/04, amended 10/06/04. Origin OCH 4.2.3 Amended 07/06/13, 30/11/15

10.3.4 Insolvency of Participant

If a Participant becomes insolvent, ASX Clear will not apply or set off any amount of Cash Cover recorded under Rule 10.2.2 in respect of a Client Account or Excess Cash recorded in respect of a Client Account under Rule 10.2.4 in or towards payment or satisfaction of the Participant's obligations to ASX Clear in respect of Derivatives CCP Contracts registered in any House Account or any other Client Account, or Cash CCP Transaction registered in any Cash Market Account provided that (and only to the extent that) the liquidator confirms in writing to ASX Clear that:

- (a) the liquidator will deposit that amount in the account maintained by the Participant under Rule 4.1.1(c)(ii) for the holding of Client money, if ASX Clear pays that amount to the Participant; and
- (b) the liquidator will either distribute that amount to Clients of the Participant or apply that amount to discharge liabilities of the same amount that Clients owe to the Participant.

Nothing in this Rule 10.3.4 affects the operation of Rule 10.3.1 or creates any proprietary right or interest in any Cash Cover or Excess Cash in favour of the Participant or its Clients.

Introduced 11/03/04 Origin OCH 4.2.4 Amended 07/06/13, 30/11/15

10.4 ACCOUNTING FOR PREMIUM

10.4.1 Premium to be debited to Buyer

The Procedures will specify whether the Premium payable by the Buyer of a Options CCP Contract will be debited by ASX Clear to the relevant Account of the Buyer:

- (a) at the time the contract is closed out, exercised or lapses, as applicable; or
- (b) at the time the contract is registered with ASX Clear.

Introduced 11/03/04 Origin OCH S2.1.1

10.4.2 Premium to be credited to Seller

The Procedures will specify whether the Premium payable to the Seller of a Options CCP Contract will be credited by ASX Clear to the relevant Account of the Seller:

- (a) at the time the contract is closed out, allocated an Exercise Notice or lapses, as applicable; or
- (b) at the time the contract is registered with ASX Clear.

Introduced 11/03/04 Origin OCH S2.1.2

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