

SCHEDULE 2 – FUTURES MARKET CONTRACTS

PART 1 FUTURES MARKET CONTRACTS OVER AN UNDERLYING INDEX

This part sets out the terms of a Futures Market Contract over an Underlying Index.

1. INTERPRETATION

In this part of the Schedule, the following words and expressions have the following meanings:

"**Contract Multiplier**" means, in relation to a Futures Market Contract, \$10 per point of the Underlying Index unless:

- (a) ASX notifies Market Participants that a different multiplier will apply to a Futures Market Contract before ASX opens that Futures Market Contract for trading under Rule 11.2; or
- (b) that multiplier is adjusted under paragraph 2.2.

Amended 28/11/05, 23/10/09

"**Contract Value**" is defined in paragraph 7.3.

"**Maturity Date**" means, in relation to a Futures Market Contract, the date determined by ASX as the date on which the Futures Market Contract matures. Unless ASX notifies Market Participants that a different date will apply to a Futures Market Contract before ASX opens that Futures Market Contract for trading under Rule 11, the Maturity Date will be:

- (a) the third Friday of the month in which the Futures Market Contract is expressed to mature; or
- (b) if the Underlying Market for the component stocks in an Underlying Index does not open for trading on the day referred to in paragraph (a), the immediately preceding trading day of that Underlying Market.

Amended 28/11/05, 23/10/09

"**Opening Price Index Calculation**" or "**OPIC**" is defined in paragraph 5.2.

"**Opening Traded Price**" means that price of the first recorded trade on a given day for a component security in an Underlying Index that occurs on the Underlying Market.

"**Settlement Amount**" is the amount of the difference referred to in paragraph 7.1 or 7.2 (as applicable).

"Settlement Value" is defined in paragraph 5.3.

2. SPECIFICATIONS DETERMINED BY ASX

2.1 When ASX opens a Futures Series for trading under Rule 11.2, ASX will determine:

- (a) the Underlying Index;
- (b) the Maturity Date; and
- (c) the Contract Multiplier.

Amended 28/11/05, 23/10/09

2.2 ASX may, under Rule 11.3, adjust any of the terms referred to in paragraph 2.1, except that ASX will only make an adjustment where the Underlying Index ceases to exist or the method of calculating the Underlying Index changes materially and a successor index is established that uses a method of calculation that is the same or substantially similar to the method used to calculate the underlying index prior to the event.

Amended 28/11/05, 23/10/09

3. BIDS AND OFFERS

Bids and offers for Futures Market Contracts over an Underlying Index must be expressed in terms of the number of points of the relevant Underlying Index. Unless ASX prescribes otherwise, the minimum tick size is 1 point of the Underlying Index.

Amended 28/11/05

4. LAST TRADING DAY

The last Trading Day for a Futures Market Contract is the Trading Day prior to the Maturity Date.

Amended 28/11/05

5. OPENING PRICE INDEX CALCULATION AND SETTLEMENT VALUE

5.1 ASX will determine, or procure that a third party determines, the Opening Price Index Calculation ("OPIC") of the Underlying Index, rounded to the nearest one decimal place and will notify the Approved Clearing Facility and Market Participants of the OPIC.

Amended 28/11/05

5.2 Where the Underlying Index comprises Cash Market Products, the OPIC for a Futures Market Contract will be determined by reference to the Opening Traded Price for each component Cash Market Product of the Underlying Index on the Maturity Date. Where a component Cash Market Product of an Underlying Index does not have an Opening Traded Price on the Maturity Date, the last traded price will be used for the purposes of the OPIC.

Amended 28/11/05

5.3 The settlement value ("**Settlement Value**") of a Futures Market Contract will be determined by multiplying the OPIC by the Contract Multiplier.

Amended 28/11/05

5.4 Where the OPIC is calculated by a third party (as identified in Schedule 3), unless ASX determines otherwise, the OPIC first reported to ASX by that person is conclusive for the purpose of the calculation of the Settlement Value, even if the OPIC is later revised by that person or ASX later determines that the OPIC reported was inaccurate.

Amended 28/11/05

6. UNAVAILABILITY OF OPENING PRICE INDEX CALCULATION

If ASX determines that the OPIC of an Underlying Index is unreported or unavailable, ASX may:

- (a) suspend the settlement of rights and obligations of Buyers and Sellers of Futures Market Contracts over that Underlying Index until ASX has access to the OPIC and is able to calculate the Settlement Value and has notified the market that the suspension is lifted; or
- (b) specify an OPIC and calculate the Settlement Value accordingly.

Amended 28/11/05

7. PAYMENT AND RECEIPT OF SETTLEMENT AMOUNT ON MATURITY

7.1 Subject to paragraph 11, these Rules and the Clearing Rules, on the next Business Day (as that term is defined in the Clearing Rules) following the Maturity Date of a Futures Market Contract:

- (a) if the Settlement Value of the Futures Market Contract is greater than the Contract Value of that Futures Market Contract, the Seller must pay the difference;
- (b) if the Settlement Value of the Futures Market Contract is less than the Contract Value of that Futures Market Contract, the Buyer must pay the difference.

Amended 28/11/05

7.2 Subject to paragraph 11, these Rules and the Clearing Rules, on the next Business Day (as that term is defined in the Clearing Rules) following the Maturity Date of a Futures Market Contract:

- (a) if the Settlement Value of the Futures Market Contract is greater than the Contract Value of that Futures Market Contract, the Buyer is entitled to receive payment of the difference;
- (b) if the Settlement Value of the Futures Market Contract is less than the Contract Value of that Futures Market Contract, the Seller is entitled to receive payment of the difference.

Amended 28/11/05

7.3 For the purposes of paragraphs 7.2 and 7.3, the Contract Value of a Futures Market Contract which is an Open Contract is:

- (a) where the Open Contract arose from the registration of a Futures Market Contract – the price or level of the Underlying Index at which the Market Futures Contract was registered with the Approved Clearing Facility; and
- (b) where the Open Contract arose through the daily settlement of another Open Contract under the Clearing Rules - the price at which the second Open Contract is registered in accordance with the Clearing Rules,

in each case, multiplied by the Contract Multiplier.

Amended 28/11/05

7.4 Subject to paragraph 11, payment of the Settlement Amount must be made in accordance with the Clearing Rules.

8. ADJUSTMENT TO OPENING PRICE INDEX CALCULATION

8.1 When notifying Market Participants under paragraph 5.2 of the OPIC, ASX may indicate that the OPIC has been calculated on a preliminary basis and is subject to adjustment on the following Trading Day. To the extent that an adjustment is made to the OPIC on that next Trading Day:

- (a) where the Settlement Value of a Futures Market Contract increases as a result of the adjustment, the Seller must pay, and the Buyer is entitled to receive, the difference; and
- (b) where the Settlement Value of a Futures Market Contract falls as a result of the adjustment, the Buyer must pay, and the Seller is entitled to receive, the difference.

Amended 28/11/05

8.2 Subject to paragraph 11, payment of any amount following any adjustment under paragraph 8.1 must be made on the next Business Day (as that term is defined in the Clearing Rules) following the adjustment.

9. LIMITATION OF STANDARD & POOR'S LIABILITY

In connection with trading of Futures Market Contracts over the Underlying Index, neither Standard & Poor's nor its agents/subcontractors involved in the compilation or calculation of the Underlying Index(es) will have any liability for any damages, claims, losses or expenses caused by any errors or delays in calculating or disseminating the Underlying Index.

Amended 28/11/05

10. STANDARD & POOR'S DISCLAIMER

In connection with trading of Futures Market Contracts over the Underlying Index, neither Standard & Poor's ("S&P") nor any other party involved in the compilation and calculation of the Underlying Index(es) guarantees the accuracy and/or completeness of the Underlying Index(es) or any data included therein. S&P makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the Underlying Index(es) or any data included therein. S&P makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Underlying Index(es) or any data included therein. Without limiting any of the foregoing, in no event will S&P have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility thereof.

Amended 28/11/05

11. ALTERNATIVE CLEARING FACILITY

Where a Futures Market Contract is cleared by an Alternative Clearing Facility under Rule 6.8, the determination of the Contract Value and the payment of any Settlement Amount and amounts following the adjustment of the OPIC in respect of that contract will be governed by the operating rules of that facility.

Amended 28/11/05

PART 2 FUTURES MARKET CONTRACTS OVER AN UNDERLYING COMMODITY

A. ELECTRICITY – [DELETED]

Deleted 30/12/09

B. GRAIN

This part sets out the terms of the deliverable Futures Market Contract over the relevant Underlying Commodity as set out in Part 2.B of Schedule 3.

1. INTERPRETATION

"Applicable Standards" means:

- (a) the relevant deliverable grade requirements as specified in Part 2B of Schedule 3; and
- (b) the relevant sampling methodology as specified in Part 2B of Schedule 3.

"Bulk Handler" means a company which operates Delivery Depots and with whom the Approved Clearing Facility has entered into an arrangement for the storage and handling of the Underlying Commodity.

Amended 19/08/09

"Bulk Handler Agreement" in respect of a commodity means a bulk handler agreement with the relevant Bulk Handler governing the storage and handling of an Underlying Commodity.

"Contract Multiplier" means, in relation to a Futures Market Contract, the number of tonnes in each contract unit as determined by ASX in accordance with paragraph 2 unless:

- (a) ASX notifies Market Participants that a different multiplier will apply to a Futures Market Contract before ASX opens that Futures Market Contract for trading under Rule 11; or
- (b) that multiplier is adjusted under paragraph 2.2.

Amended 28/11/05, 23/10/09

"Current Season" means:

- (a) in relation to an Underlying Commodity (other than Sorghum, Feed Wheat and Feed Barley):

- (i) the commodity has been harvested in the same industry accepted crop season within which the Delivery Month falls; or
 - (ii) the commodity has been upgraded by the Bulk Handler as if it had been harvested in the same industry accepted crop season within which the Delivery Month falls;
- (b) in relation to Sorghum, Feed Wheat and Feed Barley the commodity may be harvested in any industry accepted crop season so long as there is no regulatory control over that particular crop year.

Amended 03/01/06

"Deliverable Stock" means stock that has met the Applicable Standards and which has been transferred in accordance with the Tender Process into the Approved Clearing Facility account with the relevant Bulk Handler.

"Delivery Depot" means a facility for the storage and handling of the Underlying Commodity in a location approved by ASX, in consultation with the Approved Clearing Facility.

Amended 28/11/05

"Delivery Month" means the month in which the Futures Market Contract is expressed to mature.

Amended 28/11/05

"Delivery Period" means the period commencing on the second Trading Day of the Delivery Month and ending on the Maturity Date.

"Invoice Price" means the amount determined in accordance with paragraph 9.

"Maturity Date" means, in relation to a Futures Market Contract, the date determined by ASX as the date on which the Futures Market Contract matures. Unless ASX notifies Market Participants that a different date will apply to a Futures Market Contract before ASX opens that Futures Market Contract for trading under Rule 11, the Maturity Date will be:

- (a) the third Thursday of the month in which the Futures Market Contract is expressed to mature; or
- (b) if the day referred to in paragraph (a) is not a Trading Day, the immediately preceding Trading Day.

Amended 28/11/05, 23/10/09

"Notice Day" means any Trading Day during the Delivery Period where Tender Documentation is accepted by the Approved Clearing Facility in accordance with times prescribed by the Approved Clearing Facility.

"Settlement Amount" has the meaning given in paragraph 10.

"Settlement Day" means the Trading Day immediately following a Notice Day.

"Settlement Value" means the amount determined in accordance with paragraph 9.

"Shrinkage" means the amount that is deducted from the weight of the Underlying Commodity, expressed as a percentage, that is allowable by the relevant Bulk Handler as published by the Approved Clearing Facility.

"Specified Quantity" means the number of contract units multiplied by the Contract Multiplier.

"Tender Documentation" means the documentation required by the Approved Clearing Facility to affect tenders of the Underlying Commodity.

"Tender Process" means the process described in paragraph 6.

"Underlying Commodity" has the meaning given in Part 2.B of Schedule 3.

2. SPECIFICATIONS DETERMINED BY ASX

2.1 When ASX opens a Futures Market Contract for trading under Rule 11.2, ASX will determine:

- (a) The Underlying Commodity; and
- (b) The Maturity Date; and
- (c) The Contract Multiplier.

ASX may, under Rule 11.3, adjust any of the terms referred to in paragraph 2.1.

Amended 28/11/05, 23/10/09

3. BIDS AND OFFERS

Bids and offers for Futures Market Contracts over an Underlying Commodity must be expressed in terms of the price per tonne of the Underlying Commodity. Unless ASX prescribes otherwise, the minimum tick size is \$0.10 per metric tonne of Underlying Commodity.

Amended 28/11/05

4. LAST TRADING DAY

The last trading day for a Futures Market Contract over an Underlying Commodity will be the Maturity Date. Trading on the Last Trading Day will cease at the time prescribed by ASX.

Amended 28/11/05

5. DELIVERABLE STOCK

5.1 An Underlying Commodity cannot be admitted as Deliverable Stock unless it is stored in a Delivery Depot and is Current Season.

5.2 An Underlying Commodity will automatically be excluded from Deliverable Stock where:

- (a) it is transferred from the Approved Clearing Facility account with the relevant Bulk Handler;
- (b) it no longer meets the Applicable Standards;
- (c) it is no longer Current Season; or
- (d) ASX or the Approved Clearing Facility notifies Market Participants they have reason to believe the Underlying Commodity was sampled and graded in a manner inconsistent with these Rules.

Amended 28/11/05

5.3 Admission of an Underlying Commodity as Deliverable Stock is conclusive evidence binding the Seller that the Underlying Commodity meets the Applicable Standards.

6. TENDER PROCESS

Subject to paragraph 13, the tender process will be administered in accordance with the Clearing Rules.

7. BUYER AND SELLER OBLIGATIONS FOR DELIVERY

Upon the Notice Day and subject to paragraph 13, these Rules and the Clearing Rules:

- (a) the Seller is obligated to make delivery of the Specified Quantity of the Underlying Commodity which has been admitted to Deliverable Stock; and
- (b) the Buyer is obligated to pay the Settlement Amount in accordance with paragraph 10 which value is calculated in accordance with paragraph 9 and to take delivery of the Specified Quantity of the Underlying Commodity,

in the time and manner prescribed by the Clearing Rules.

8. VALUE OF UNDERLYING COMMODITY

8.1 Storage and Handling Fees

At the time of admission as Deliverable Stock, the Underlying Commodity will be valued ex Bulk Handler fees and charges, government and industry levies and government taxes.

Subject to paragraph 13, Deliverable Stock held in the Approved Clearing Facility account with the Bulk Handler will be subject to storage and handling costs, any other amounts owing to the Bulk Handler in accordance with the terms of the relevant Bulk Handler

Agreement, and any amounts as may be prescribed by the Approved Clearing Facility. The Seller and Buyer are liable to pay such costs.

8.2 Differentials and Adjustments

Subject to paragraph 13, Deliverable Stock will be subject to differentials, premium allowances and adjustments as may be prescribed by the Approved Clearing Facility.

ASX will post the applicable differentials and adjustments on its website and advise Market Participants of any amendments to differentials and adjustments by Notice.

Amended 28/11/05

8.3 Excess

Subject to paragraph 13, in the event that the Seller transfers to the Approved Clearing Facility account with the Bulk Handler an excess above the Contract Multiplier per contract unit per Delivery Depot the Seller will forego all rights to such excess and the weight will be deemed to be the Contract Multiplier.

Amended 28/11/05

9. INVOICE PRICE AND SETTLEMENT VALUE

9.1 Subject to paragraph 13, the daily settlement price will be determined by the Approved Clearing Facility in accordance with the Clearing Rules.

Amended 28/11/05

9.2 Subject to paragraph 13, the Invoice Price will be the daily settlement price per metric tonne for that day on which the Approved Clearing Facility accepts Tender Documentation, less any applicable fees, differentials and adjustments pursuant to paragraph 8 above.

Amended 28/11/05

9.3 Subject to paragraphs 9.4 and 13, the Settlement Value of a Futures Market Contract will be calculated by the Approved Clearing Facility by multiplying the Invoice Price by the Contract Multiplier.

Amended 28/11/05

9.4 The Settlement Value will be adjusted for tax and rounded to the nearest cent as follows:

- (a) multiplying the Settlement Value by the current Goods and Services Tax rate to calculate the "GST Amount"; and
- (b) adding the GST Amount to the Settlement Value.

10. PAYMENT AND RECEIPT OF SETTLEMENT AMOUNT

For the purpose of payment and receipt, the Settlement Value will be known as the Settlement Amount. The Approved Clearing Facility will issue an invoice to the Buyer by

the time prescribed by the Clearing Rules stating the Settlement Amount. Subject to paragraph 13, payment of the Settlement Amount in respect of an Open Contract must be made by the time and in the manner determined by the Approved Clearing Facility.

11. DEFAULT

Subject to paragraph 13, if a Seller or Buyer is in default for the purposes of the Clearing Rules, the default provisions in the Clearing Rules will take effect.

12. EXCLUSION OF LIABILITY AND WARRANTY

12.1 ASX does not make any representation or warranty concerning:

- (a) the quality or suitability for any purpose of any Underlying Commodity; or
- (b) the correspondence of any Underlying Commodity with any description or sample.

Amended 28/11/05

12.2 ASX will not have any liability for the performance by any Bulk Handler in relation to these Rules. Neither the Buyer nor the Seller will have any claim against ASX or its respective officers, employees and agents, for any loss or damage suffered as a result of, or in connection with, any delivery of or failure to deliver, any Underlying Commodity however such loss or damage may be caused.

Amended 28/11/05, 19/08/09

13. ALTERNATIVE CLEARING FACILITY

Where a Futures Market Contract is cleared by an Alternative Clearing Facility under Rule 5.8, the administration of the tender process, the Seller's obligations to make delivery of the Specified Quantity of the Underlying Commodity, the valuation of the Underlying Commodity, the determination of the Invoice Price and the Settlement Value, the rules relating to default by the parties and the payment of any Settlement Amount in respect of that contract will be governed by the operating rules of that facility.

Amended 28/11/05

C. WOOL

This part sets out the terms of the deliverable Futures Market Contract over the relevant Underlying Commodity as set out in Part 2.C of Schedule 3.

1. INTERPRETATION

"**Admission Documents**" means the documents required the Approved Clearing Facility to effect tenders of the Underlying Commodity.

"**Applicable Standards**" means the relevant deliverable grade requirements as specified in Part 2C of Schedule 3.

"**AWEX**" means Australian Wool Exchange Limited.

"**AWTA**" means Australian Wool Testing Authority.

"**Contract Multiplier**" means, in relation to a Futures Market Contract, the number of net clean kilograms in each contract unit as determined by ASX in accordance with paragraph 2 unless:

- (a) ASX notifies Market Participants that a different multiplier will apply to a Futures Market Contract before ASX opens that Futures Market Contract for trading under Rule 11; or
- (b) that multiplier is adjusted under paragraph 2.2.

Amended 28/11/05, 23/10/09

"**Deliverable Life**" means the period of 24 months from the date which the Underlying Commodity was originally tested or appraised (whichever is earlier) exclusive of the month the testing or appraisal occurs. In the event that there is more than 1 testing or appraisal date, the last testing or appraisal date is to be used for the purposes of determining the commencement of the period.

"**Deliverable Stock**" means stock that has met the requirements in paragraph 5 and which has been admitted in accordance with the Clearing Rules.

"**Delivery Month**" means the month in which the Futures Market Contract is expressed to mature.

Amended 28/11/05

"**Delivery Period**" means the period commencing on the second Thursday of the Delivery Month, or if that day is not a Trading Day, the immediately preceding Trading Day, and ending on the Maturity Date.

Amended 19/08/09

"IWTO" means International Wool Textile Organisation.

"Invoice Price" means the amount determined in accordance with paragraph 9.

"Maturity Date" means, in relation to a Futures Market Contract, the date determined by ASX as the date on which the Futures Market Contract matures. Unless ASX notifies Market Participants that a different date will apply to a Futures Market Contract before ASX opens that Futures Market Contract for trading under Rule 11, the Maturity Date will be:

- (a) the fourth Thursday of the month in which the Futures Market Contract is expressed to mature; or
- (b) if the day referred to in paragraph (a) is not a Trading Day, the immediately preceding Trading Day.

Amended 28/11/05, 23/10/09

"Notice Day" means any Trading Day during the Delivery Period where Tender Documentation is accepted by the Approved Clearing Facility.

"POB" means position-of-break.

"Settlement Amount" is defined in paragraph 10.

"Settlement Day" means the Trading Day immediately following a Notice Day.

"Settlement Value" means the amount determined in accordance with paragraph 9.

"Tender Documentation" means the documentation required by the Approved Clearing Facility to affect tenders of the Underlying Commodity.

Amended 19/08/09

"VM" means vegetable matter.

"VM Increment" means, in relation to Deliverable Stock, an amount equal to 0.1% of the total volume of Deliverable Stock.

"Wool Warehouse" means a facility for the storage and handling of the Underlying Commodity in a location approved by ASX, in consultation with the Approved Clearing Facility.

Amended 28/11/05

"Underlying Commodity" has the meaning given in Part 2C of Schedule 3.

2. SPECIFICATIONS DETERMINED BY ASX

2.1 When ASX opens a Futures Market Contract for trading under Rule 11.2, ASX will determine:

- (a) The Underlying Commodity; and

- (b) The Maturity Date; and
- (c) The Contract Multiplier.

Amended 28/11/05, 23/10/09

- 2.2 ASX may, under Rule 11, adjust any of the terms referred to in paragraph 2.1, except that ASX will only make an adjustment where the Underlying Commodity ceases to exist.

Amended 28/11/05, 23/10/09

3. BIDS AND OFFERS

Bids and offers for Futures Markets Contracts over the relevant Underlying Commodity must be expressed in terms of the price per net clean kilogram of the Underlying Commodity. Unless ASX prescribes otherwise, the minimum tick size is \$0.01 per net clean kilogram of Underlying Commodity.

Amended 28/11/05

4. LAST TRADING DAY

The last trading day for a Futures Market Contract over an Underlying Commodity will be the Maturity Date. Trading on the Last Trading Day will cease at the time prescribed by ASX.

Amended 28/11/05

5. DELIVERABLE STOCK

- 5.1 An Underlying Commodity cannot be admitted as Deliverable Stock unless at the time of admission it:

- (a) meets the Applicable Standards;
- (b) is, subject to paragraph 8.3, an amount or combined amount equal to the Contract Multiplier;
- (c) comprises of a lot or sub-lots that each consist of a single line of Underlying Commodity prepared in accordance with relevant industry practice;
- (d) is grouped together in a single Australian State in no more than 4 Wool Warehouses;
- (e) is delivered in whole bales in industry standard packs for the Underlying Commodity with each bale having a minimum and maximum gross greasy weight as prescribed by the IWTO unless ASX, the Approved Clearing Facility permits the delivery in an alternative manner;
- (f) has been tested by the AWTA or other body approved by ASX in accordance with the IWTO approved testing procedures within the last 12 calendar months; and

- (g) has been appraised by AWEX or other body approved by ASX within the last 12 calendar months;
- (h) is free of any taxes or encumbrances;
- (i) is stored in a Wool Warehouse; and
- (j) it is accompanied by the Admission Documents required by the Procedures.

Amended 28/11/05

5.2 For the purposes of paragraph 5.1, an Underlying Commodity which is comprised of sub-lots may have any or all of the following deliverable tolerances for 1 or more sub-lots if, and only if, the weighted average of all the sub-lots meets the Applicable Standards:

- (a) a Micron range as allowed by the AWTA Objective Matched Lot (OML) testing protocol;
- (b) a range of VM as directed by AWTA OML testing protocol;
- (c) a range of staple length of:
 - (i) 75 mm to 100 mm (inclusive) for 19.5 Micron wool;
 - (ii) 75 mm to 105 mm (inclusive) for 21.0 Micron wool; and
 - (iii) 75 mm to 105 mm (inclusive) for 22.6 Micron wool;
- (d) a minimum strength of 25 n/ktx; and
- (e) a IWTO Schlumberger Dry Top and Noil Yield in a range as allowed by the AWTA OML protocol.

5.3 An Underlying Commodity will automatically be excluded from Deliverable Stock where any or all of the following applies:

- (a) it does not meet the requirements of paragraph 5.1, and if applicable paragraph 5.2;
- (b) it has the characteristics of Carbonised wool;
- (c) it has the characteristics of Cotted wool;
- (d) it has the characteristics of Discoloured wool;
- (e) it has the characteristics of Scoured wool;
- (f) it has the characteristics of Slipe wool;
- (g) it is appraised and requires prefixes, suffixes or qualifiers (except M);
- (h) it contains Noogoora Burr; or

- (i) ASX, the Approved Clearing Facility notifies Market Participants they have reason to believe the Underlying Commodity was sampled and graded in a manner inconsistent with these Rules.

Amended 28/11/05

5.4 Subject to paragraph 14, an Underlying Commodity will be admitted to Deliverable Stock in accordance with the Clearing Rules.

5.5 Admission of an Underlying Commodity as Deliverable Stock is conclusive evidence binding the Seller that the Underlying Commodity meets the Applicable Standards.

6. TENDER PROCESS

6.1 Deliverable Stock must not be tendered for delivery unless the Maturity Date for the Open Contract falls within its Deliverable Life.

6.2 Subject to paragraph 14, the tender process will be administered in accordance with the Clearing Rules.

7. BUYER AND SELLER OBLIGATIONS FOR DELIVERY

Upon the Notice Day and subject to paragraph 14, these Rules and the Clearing Rules:

- (a) the Seller is obligated to make delivery of the Underlying Commodity which has been admitted to Deliverable Stock; and
- (b) the Buyer is obligated to pay the Settlement Amount in accordance with paragraph 10 which value is calculated in accordance with paragraph 9 and to take delivery of the Underlying Commodity;

in the time and manner prescribed by the Clearing Rules.

8. VALUE OF UNDERLYING COMMODITY

8.1 Fees and Taxes

At the time of admission as Deliverable Stock, the Underlying Commodity will be valued ex Wool Warehouse fees and ex wool and all other government taxes.

8.2 Differentials and Adjustments

Subject to paragraph 14, Deliverable Stock may be subject to applicable differentials and/or adjustments as may be prescribed by the Clearing Rules.

ASX will post differentials and other adjustments on its website and advise Market Participants of any amendments to differentials or adjustments by Notice.

Amended 28/11/05

8.3 Weight Tolerance Levels

Subject to paragraph 5, a Seller may tender for delivery an equivalent net clean amount of Underlying Commodity within the weight tolerance levels determined by ASX. In the event of excess above the upper tolerance level the Seller will forego all rights to such excess and the weight will be deemed to be equivalent to the upper tolerance level.

Amended 28/11/05

8.4 Excess VM Discount

The Invoice Price will be discounted by 3 cents per full VM Increment by which the VM content of the Deliverable Stock, as specified in the Admission Documents, exceeds 1%.

9. INVOICE PRICE AND SETTLEMENT VALUE

9.1 Subject to paragraph 14, the daily settlement price will be determined by the Approved Clearing Facility in accordance with the Clearing Rules.

Amended 28/11/05

9.2 Subject to paragraph 14, the Invoice Price will be the daily settlement price per net clean kilogram for the Underlying Commodity for that day on which the Approved Clearing Facility accepts the Tender Documentation, less any applicable fees, differential discounts and adjustments pursuant to paragraph 8.

Amended 28/11/05

9.3 Subject to paragraphs 9.4 and 14, the Settlement Value of a Futures Market Contract will be calculated by the Approved Clearing Facility by multiplying the Invoice Price by the net clean weight of Underlying Commodity accepted for tender by the Approved Clearing Facility.

Amended 28/11/05

9.4 The Settlement Value will be adjusted for tax and rounded to the nearest cent as follows:

- (a) multiplying the Settlement Value by the current Goods and Services Tax rate to calculate the "GST Amount"; and
- (b) adding the GST Amount to the Settlement Value.

10. PAYMENT AND RECEIPT OF SETTLEMENT AMOUNT

For the purposes of payment and receipt, the Settlement Value will be known as the Settlement Amount. The Approved Clearing Facility will issue an invoice to the Buyer by the time prescribed by the Clearing Rules stating the Settlement Amount. Subject to paragraph 14, payment of the Settlement Amount in respect of an Open Contract must be made by the time and in the manner determined by the Approved Clearing Facility.

11. DEFAULT

- 11.1 Subject to paragraph 14, if a Seller or Buyer is in default for the purposes of the Clearing Rules, the default provisions in the Clearing Rules will take effect.

12. DISPUTES

- 12.1 All documents required by paragraph 5 relating to testing and appraisal of the Underlying Commodity will be regarded as final and binding evidence of the test and the appraisal results and that the procedures and/or protocols for the conduct of the test or appraisal were conducted in the manner specified by ASX.

Amended 28/11/05

- 12.3 Where a Market Participant disputes a test result, appraisal or procedure undertaken by a testing or appraisal body, the Market Participant agrees that the testing or appraisal body is responsible and not ASX.

Amended 28/11/05

13. EXCLUSION OF LIABILITY AND WARRANTY

- 13.1 ASX does not make any representation or warranty concerning:

- (a) the quality or suitability for any purpose of any Underlying Commodity; or
- (b) the correspondence of any Underlying Commodity with any description or sample.

Amended 28/11/05

- 13.2 ASX will not have any liability for the performance by any Wool Warehouse or any testing or appraisal authority or organisation in relation to these Rules. Neither the Buyer nor the Seller will have any claim against ASX or its respective officers, employees and agents, for any loss or damage as a result of, or in connection with, any delivery of or failure to deliver, any Underlying Commodity suffered however such loss or damage may be caused.

Amended 28/11/05

14. ALTERNATIVE CLEARING FACILITY

Where a Futures Market Contract is cleared by an Alternative Clearing Facility under Rule 5.8, the admittance of the Underlying Commodity to Deliverable Stock, administration of the tender process, the Seller's obligations to make delivery of the Underlying Commodity, the valuation of the Underlying Commodity, the determination of the Invoice Price and the Settlement Value, the rules relating to default by the parties and the payment of any Settlement Amount in respect of that contract will be governed by the operating rules of that facility.

Amended 28/11/05

SCHEDULE 3 – UNDERLYING INSTRUMENTS, COMMODITIES, SECURITIES AND INDICES FOR FUTURES MARKET CONTRACTS

PART 1 UNDERLYING INDICES

S&P/ASX 50 Share Price Index (calculated by Standard & Poor's)

S&P/ASX 200 Share Price Index (calculated by Standard & Poor's)

S&P/ASX 200 Property Trusts (GIC) Sector Index (calculated by Standard & Poor's)

S&P/ASX Small Ordinaries (calculated by Standard & Poor's)

S&P/ASX Small Cap Industrials (calculated by Standard & Poor's)

S&P/ASX 200 Fin (including Property Trusts) (calculated by Standard & Poor's)

S&P/ASX 300 Fin (including Property Trusts) (calculated by Standard & Poor's)

S&P/ASX 300 Fin x Prop (calculated by Standard & Poor's)

S&P/ASX Mid Cap 50 (calculated by Standard & Poor's)

S&P/ASX Mid Cap Industrials (calculated by Standard & Poor's)

S&P/ASX 200 Resources (calculated by Standard & Poor's)

S&P/ASX 300 Resources (calculated by Standard & Poor's)

PART 2 UNDERLYING COMMODITIES

A. ELECTRICITY – [DELETED]

Deleted 30/12/09

B. GRAINS

MILLING WHEAT

The deliverable grade is Australian origin and is a minimum of GTA Wheat Standard APW2, Standard Reference number CSG-104, as specified by the Grain Trade Australia (GTA) ‘Wheat Standards’ and tested in accordance with the GTA Receival Standard Procedures.

Amended 11/06/09

WESTERN AUSTRALIA WHEAT

The deliverable grade is Australian origin and is a minimum of GTA Wheat Standard APW2, Standard Reference number CSG-104, as specified by the Grain Trade Australia (GTA) ‘Wheat Standards’ and tested in accordance with the GTA Receival Standard Procedures.

Introduced 11/06/09

FEED WHEAT – [DELETED]

Deleted 11/06/09

FEED BARLEY

The deliverable grade is Australian origin and is a minimum of GTA Feed Barley (F1) or equivalent as specified by the Grain Trade Australia (GTA) ‘Feed Barley Standards’ and tested in accordance with the GTA Receival Standards of the specified Bulk Handling Company. The deliverable grade must be free of any regulatory control that is applied on either a State basis or determined by crop year.

Amended 03/01/06, 11/06/09

SORGHUM

The deliverable grade is Australian origin and is a minimum of GTA Sorghum (SOR) or equivalent as specified by the Grain Trade Australia (GTA) ‘Sorghum Standards’ and tested in accordance with the GTA Receival Standards of the specified Bulk Handling Company. The deliverable grade must be free of any regulatory control that is applied on either a State basis or determined by a crop year.

Amended 03/01/06, 11/06/09

CANOLA

The deliverable grade is Australian origin and is a minimum of the Australian Oilseed Federation 'Trading Standard' for Canola (CSO1) or equivalent and tested in accordance with the 'Oilseeds Receival Standards' of the specified Bulk Handling Company. The deliverable grade must be free of any regulatory control that is applied on either a State basis or determined by a crop year.

Amended 03/01/06, 11/06/09

C. WOOL

19.5 MICRON WOOL

The deliverable grade for 19.5 Micron Wool is:

- (a) a maximum of 19.5 microns of Merino Fleece shorn from living sheep located in Australia;
- (b) Style 5 or better of good colour with no qualifiers except M;
- (c) a minimum average of 30 n/ktx;
- (d) a minimum average staple length of 78 mm;
- (e) a VM content of 1.8% of total volume or less;
- (f) an IWTO Schlumberger Dry Top and Noil Yield of greater than or equal to 63.0%; and
- (g) a maximum average POB in the middle of less than or equal to 70% and a greater than or equal to 30% POB at the tip and base combined.

21.0 MICRON WOOL

The deliverable grade for 21 Micron Wool is:

- (a) a maximum of 21 microns of Merino Fleece shorn from living sheep located in Australia;
- (b) Style 5 or better of good colour with no qualifiers except M;
- (c) a minimum average of 30 n/ktx;
- (d) a minimum average staple length of 80 mm;
- (e) a VM content of 1.8% of total volume or less;
- (f) an IWTO Schlumberger Dry Top and Noil Yield of greater than or equal to 63.0%; and
- (g) a maximum average POB in the middle of less than or equal to 70% and a greater than or equal to 30% POB at the tip and base combined.

22.6 MICRON WOOL

The deliverable grade for 22.6 Micron Wool is:

- (a) a maximum of 22.6 microns of Merino Fleece shorn from living sheep located in Australia;
- (b) appraised as Style 5 or better of good colour with no qualifiers except M;
- (c) a minimum average of 30 n/ktx;

- (d) a minimum average staple length of 80 mm;
- (e) a VM content of 1.8% of total volume or less;
- (f) an IWTO Schlumberger Dry Top and Noil Yield of greater than or equal to 63.0%; and
- (g) a maximum average POB in the middle of less than or equal to 70% and a greater than or equal to 30% POB at the tip and base combined.

Note- "n/ktx" means newtons per kilo text

SCHEDULE 4 – OPTIONS MARKET CONTRACTS

PART 1 OPTIONS MARKET CONTRACTS OVER AN UNDERLYING INDEX

This part sets out the terms of an Options Market Contract over an Underlying Index.

1. INTERPRETATION

In this part of the Schedule, the following words and expressions have the following meanings:

"Call Option" means, in the case of an Options Market Contract over an Underlying Index, a contract which gives the Buyer the right to receive from the Seller a Settlement Amount if the OPIC is greater than the Exercise Level.

Amended 28/11/05

"Exercise Level" means the level of the Underlying Index specified by ASX as the Exercise Level of that Options Market Contract.

Amended 28/11/05

"Index Multiplier" means, in relation to an Option, \$10 per point of the Underlying Index unless:

- (a) ASX notifies Market Participants that a different multiplier will apply to an Options Market Contract before ASX opens that Options Market Contract for trading under Rule 11.2; or
- (b) that multiplier is adjusted under paragraph 2.2.

Amended 28/11/05, 23/10/09

"Opening Price Index Calculation" or **"OPIC"** is defined in paragraph 7.1.

Amended 23/10/09

"Opening Traded Price" means that price of the first recorded trade on a given day for a component security in an Underlying Index that occurs on the Underlying Market.

"Put Option" means, in the case of an Options Market Contract over an Underlying Index, a contract which gives the Buyer the right to receive from the Seller a Settlement Amount if the OPIC is less than the Exercise Level.

Amended 28/11/05

"Settlement Amount" means the amount determined in accordance with paragraph 9.2.

"Settlement Value" is defined in paragraph 7.3.

Amended 23/10/09

2. SPECIFICATIONS DETERMINED BY ASX

2.1 When ASX opens an Options Market Contract for trading under Rule 11.2, ASX will determine:

- (a) the Underlying Index;
- (b) the Expiry Date;
- (c) the Exercise Level;
- (d) the Exercise Style (being either American-Style or European-Style);
- (e) the Exercise Price; and
- (f) the Index Multiplier.

Amended 28/11/05, 23/10/09

2.2 ASX may, under Rule 11.3, adjust any of the terms referred to in paragraph 2.1, except that ASX will only make an adjustment where the Underlying Index ceases to exist or the method of calculating the Underlying Index changes materially and a successor index is established that uses a method of calculation that is the same or substantially similar to the method used to calculate the underlying index prior to the event.

Amended 28/11/05, 23/10/09

3. BIDS AND OFFERS

Bids and offers for Options Market Contracts over an Underlying Index must be expressed in terms of the number of points of the relevant Underlying Index. Unless ASX prescribes otherwise, the minimum tick size is 1 point of the Underlying Index.

Amended 28/11/05

4. LAST TRADING DAY

The last Trading Day for an Options Market Contract is the Expiry Date. Trading in Options Market Contracts may continue until midday on the last Trading Day.

Amended 15/09/04, 28/11/05

5. PAYMENT OF PREMIUM

The Buyer of an Options Market Contract must pay the Premium to the Seller. Subject to paragraph 13, payment of the Premium must be made in accordance with the Clearing Rules.

Amended 28/11/05

6. EXERCISE OF OPTIONS

Subject to paragraph 13, the Buyer of an Options Market Contract may exercise the Options Market Contract by giving an Exercise Notice in accordance with the Clearing Rules.

Amended 28/11/05

7. OPENING PRICE INDEX CALCULATION AND SETTLEMENT VALUE

7.1 ASX will determine, or procure that a third party determines, the OPIC of the Underlying Index, rounded to the nearest one decimal place and will notify the Approved Clearing Facility and Market Participants of the OPIC.

Amended 28/11/05

7.2 Where the Underlying Index comprises Cash Market Products, the Opening Price Index Calculation ("OPIC") for an Options Market Contract will be determined by reference to the Opening Traded Price for each component Cash Market Product of the Underlying Index on the Expiry Date. Where a component Cash Market Product of an Underlying Index does not have an Opening Traded Price on the Expiry Date, the last traded price will be used for the purposes of the OPIC.

Amended 28/11/05

7.3 The settlement value ("**Settlement Value**") of an Options Market Contract will be determined by multiplying the OPIC by the Index Multiplier.

Amended 28/11/05

7.4 Where the OPIC is calculated by a third party, unless ASX determines otherwise, the OPIC first reported to ASX by that person is conclusive for the purpose of the calculation of the Settlement Value, even if the OPIC is later revised by that person or ASX later determines that the OPIC reported was inaccurate.

Amended 28/11/05

8. UNAVAILABILITY OF OPENING PRICE INDEX CALCULATION

If ASX determines that the OPIC of an Underlying Index is unreported or unavailable, ASX may:

- (a) suspend the settlement of rights and obligations of Buyers and Sellers of Options Market Contracts over that Underlying Index until ASX has access to the OPIC and is able to calculate the Settlement Value and has notified the market that the suspension is lifted; or
- (b) specify an OPIC and calculate the Settlement Value accordingly.

Amended 28/11/05, 19/08/09

9. PAYMENT AND RECEIPT OF SETTLEMENT AMOUNT ON EXERCISE

9.1 Subject to paragraph 13, these Rules and the Clearing Rules, after an Exercise Notice is given by the Buyer of an Options Market Contract to the Approved Clearing Facility, the Seller must pay to the Approved Clearing Facility in accordance with the Clearing Rules (and the Buyer will receive from the Approved Clearing Facility in accordance with the Clearing Rules) the Settlement Amount if:

- (a) in the case of a Call Option, the Exercise Level is less than the OPIC; and
- (b) in the case of a Put Option, the Exercise Level is greater than the OPIC.

Amended 28/11/05

9.2 Subject to paragraph 13, the amount of the Settlement Amount will be determined in accordance with the Clearing Rules.

10. ADJUSTMENT TO OPENING PRICE INDEX CALCULATION

When notifying Market Participants under paragraph 7.1 of the OPIC, ASX may indicate that the OPIC has been calculated on a preliminary basis and is subject to adjustment on the following Trading Day. To the extent that an adjustment is made to the OPIC on that next Trading Day, subject to paragraph 13, the Approved Clearing Facility will adjust the Settlement Value and payment of any amount following any adjustment must be made on the next Business Day (as that term is defined in the Clearing Rules) following the adjustment.

Amended 28/11/05

11. LIMITATION OF STANDARD & POOR'S LIABILITY

In connection with trading of the Options Market Contracts over the Underlying Index, neither Standard & Poor's nor its agents/subcontractors involved in the compilation or calculation of the Underlying Index(es) will have any liability for any damages, claims, losses or expenses caused by any errors or delays in calculating or disseminating the Underlying Index.

Amended 28/11/05

12. STANDARD & POOR'S DISCLAIMER

In connection with trading of the Options Market Contracts over the Underlying Index, neither Standard & Poor's ("S&P") nor any other party involved in the compilation and calculation of the Underlying Index(es) guarantees the accuracy and/or completeness of the Underlying Index(es) or any data included therein. S&P makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the Underlying Index(es) or any data included therein. S&P makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Underlying Index(es) or any data included therein. Without limiting any of the foregoing, in no event will S&P have any liability for

any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility thereof.

Amended 28/11/05

13. ALTERNATIVE CLEARING FACILITY

Where an Options Market Contract is cleared by an Alternative Clearing Facility under Rule 6.8, the payment and receipt of the Premium, the manner of exercise of the Options Market Contract, any adjustment to the OPIC and the determination, payment and receipt of any Settlement Amount in respect of that Options Market Contract will be governed by the operating rules of that facility.

Amended 28/11/05

PART 2 OPTIONS MARKET CONTRACTS OVER AN UNDERLYING FINANCIAL PRODUCT

This part sets out the terms of an Options Market Contract over an Underlying Financial Product.

1. INTERPRETATION

In this part of the Schedule, the following words and expressions have the following meanings:

"**Call Option**" means, in the case of an Options Market Contract over Underlying Financial Products, a contract which gives the Buyer the right to purchase from the Seller the Contract Size of the Underlying Financial Products at the Exercise Price.

Amended 28/11/05

"**Contract Size**" means the number of Underlying Financial Products the subject of the Options Market Contract determined by ASX.

Amended 28/11/05

"**Exercise Value**" means the Exercise Price of the Options Market Contract multiplied by the Contract Size.

Amended 28/11/05

"**Put Option**" means, in the case of an Options Market Contract over Underlying Financial Products, a contract which gives the Buyer the right to sell to the Seller the Contract Size of the Underlying Financial Products at the Exercise Price.

Amended 28/11/05

2. SPECIFICATIONS DETERMINED BY ASX

2.1 When ASX opens an Options Market Contract for trading under Rule 11.2, ASX will determine:

- (a) the Underlying Financial Product;
- (b) the Expiry Date;
- (c) the Exercise Price
- (d) the Contract Size; and
- (e) the Exercise Style (being either American style or European style).

Amended 28/11/05, 23/10/09

2.2 ASX may, under Rule 11.3, adjust any of the terms referred to in paragraph 2.1.

Amended 28/11/05, 23/10/09

3. BIDS AND OFFERS

Bids and offers for Options Market Contracts over an Underlying Financial Product must be expressed in terms of Australian Dollars.

Amended 28/11/05

4. LAST TRADING DAY

The Last Trading Day for an Options Market Contract is the Trading Day that falls on the Expiry Date of that Options Market Contract. Trading in an Options Market Contract ceases upon the Last Trading Day of that Options Market Contract.

Amended 28/11/05, 19/08/09

5. PAYMENT OF PREMIUM

The Buyer of an Options Market Contract must pay the Premium to the Seller. Subject to paragraph 8, payment of the Premium must be made in accordance with the Clearing Rules.

Amended 28/11/05

6. EXERCISE OF OPTIONS

Subject to paragraph 8, the Buyer of an Options Market Contract may exercise the Options Market Contract by giving an Exercise Notice in accordance with the Clearing Rules.

Amended 28/11/05

7. AGREEMENT TO BUY AND SELL UNDERLYING FINANCIAL PRODUCTS ON EXERCISE

7.1 Subject to paragraph 8, these Rules and the Clearing Rules, after an Exercise Notice is given by the Buyer of an Options Market Contract to the Approved Clearing Facility, an agreement arises between the Buyer and the Seller of the Options Market Contract to buy and sell the relevant Underlying Financial Products, pursuant to which:

- (a) in the case of a Call Option, the Seller agrees to transfer the number of the Underlying Financial Products representing the Contract Size to the Buyer and the Buyer agrees to pay the Exercise Value to the Seller; and
- (b) in the case of a Put Option, the Buyer agrees to transfer the number of the Underlying Financial Products representing the Contract Size to the Seller and the Seller agrees to pay the Exercise Value to the Buyer.

Amended 28/11/05

7.2 Subject to paragraph 8, the purchase and sale of Underlying Financial Products under this paragraph 7 will be made in accordance with the Clearing Rules.

8. ALTERNATIVE CLEARING FACILITY

Where an Options Market Contract is cleared by an Alternative Clearing Facility under Rule 6.8, the payment and receipt of the Premium, the manner of exercise of the Options Market Contract and the purchase and sale of any Underlying Financial Products in respect of that Options Market Contract will be governed by the operating rules of that facility.

Amended 28/11/05

SCHEDULE 5 – UNDERLYING INDICES AND FINANCIAL PRODUCTS FOR OPTIONS MARKET CONTRACTS

PART 1 UNDERLYING INDICES

S&P/ASX 50 Share Price Index (calculated by Standard & Poor's)

S&P/ASX 200 Share Price Index (calculated by Standard & Poor's)

S&P/ASX 200 Property Trusts (GIC) Sector Index (calculated by Standard & Poor's)

S&P/ASX Small Ordinaries (calculated by Standard & Poor's)

S&P/ASX Small Cap Industrials (calculated by Standard & Poor's)

S&P/ASX 200 Fin (including Property Trusts) (calculated by Standard & Poor's)

S&P/ASX 300 Fin (including Property Trusts) (calculated by Standard & Poor's)

S&P/ASX 300 Fin x Prop (calculated by Standard & Poor's)

S&P/ASX Mid Cap 50 (calculated by Standard & Poor's)

S&P/ASX Mid Cap Industrials (calculated by Standard & Poor's)

S&P/ASX 200 Resources (calculated by Standard & Poor's)

S&P/ASX 300 Resources (calculated by Standard & Poor's)

SCHEDULE 6 – SHORT SELLING MARGIN REQUIREMENTS

1. Before a Trading Participant makes a Short Sale of an Approved Short Sale Product or an Approved Short Sale ETF on behalf of a client, the Relevant Clearing Participant must secure from the client an initial margin of cover of not less than 20% of the contract price of the Approved Short Sale Product or an Approved Short Sale ETF short sold. The Trading Participant must ensure that its Relevant Clearing Participant secures and holds the initial margin of cover from the client in accordance with this clause. The Relevant Clearing Participant must hold that cover in trust until the Short Sale has been covered by a purchase of the same number of Approved Short Sale Products or the issue of the Approved Short Sale ETFs from a third party.

2. Where the Relevant Clearing Participant acts as agent in arranging the borrowing of Cash Market Products to effect a delivery in settlement of a Short Sale, the Trading Participant must ensure that its Relevant Clearing Participant retains the margin of cover until the client has covered his short position by the delivery of replacement Cash Market Products to the lender.

Amended 28/11/05

3. Any margin of cover required by this Schedule 6 must be provided in cash or Cash Market Products admitted to Official Quotation (which are not suspended), or both. When Cash Market Products are provided in accordance with paragraph (2) they must be regarded as having a value of the lower of:

- (a) 90% of their market price at the time the margin of cover is required from the client; or
- (b) such value as the Trading Participant or Clearing Participant (as applicable) considers is reasonable at the time the margin of cover is required from the client, having regard to the business undertaken by the Issuer of the Cash Market Products, the relevant risk attached to the assets of the ETF, the number of Cash Market Products provided and the volatility of the market price of the Cash Market Products in the preceding period of 12 months.

Amended 28/11/05

4. Whenever the market price of:

- (a) Approved Cash Market Products or Approved ETFs short sold rises in excess of 10% of the contract price of the Cash Market Products short sold the Trading Participant must immediately call on its selling client to provide an additional margin of cover equal to the amount of the increase. That additional cover must also be held in trust;
- (b) Cash Market Products provided by a client as margin cover falls, the Trading Participant or Clearing Participant (as applicable) must immediately call on the selling client to provide to the Trading Participant or Clearing Participant (as applicable) an additional margin of cover. That additional cover must also be held in trust.

Amended 28/11/05

5. In addition to the requirements of paragraphs (1), (2), (3) and (4) a Trading Participant or Clearing Participant (as applicable) may require its selling client at any time to pay or

provide security for 100% of the current cost of closing out a Short Sale at the point of time the demand is made.

6. The following business entities are exempted from the requirements contained in paragraphs (1), (2), (3), (4) and (5) above:
- (a) Australian Life Insurance Companies with assets of statutory funds held in Australia exceeding \$30 million;
 - (b) Australian General Insurance Companies provided they are authorised by the Insurance Commissioner to undertake general insurance business and their total tangible assets exceed their total liabilities by no less than \$30 million as at the date of their last published audited balance sheet;
 - (c) Superannuation, Retirement and Pension Funds whose net assets are in excess of \$30 million as at the date of their last audited balance sheet and which have satisfied ASXL that the constituent documents of the Fund empower the Fund to enter into the appropriate contract;
 - (d) ADIs provided they have net assets in excess of \$30 million as at the date of their last published audited balance sheet or which lodge with ASX an approved Bank or insurance company bond or indemnity in the amount of \$30 million guaranteeing the performance of all short sale contracts entered into. ASX may in its absolute discretion refuse to approve a bond for the purposes of this Schedule;
 - (e) Investment Companies provided they have net assets in excess of \$30 million as at the date of their last published audited balance sheet and are listed on ASX's market.

Amended 19/08/09

7. If the client:
- (a) fails to provide margin of cover to the Relevant Clearing Participant; or
 - (b) having been called upon to provide an additional margin of cover or additional Cash Market Products, fails to do so by the commencement of the next trading session after the demand is made, the Trading Participant or the Relevant Clearing Participant (as applicable) may proceed to close out, or cause to be closed out, the Short Sale at the client's risk and expense.

Amended 28/11/05

8. If a profit results from the action taken by the Trading Participant pursuant to paragraph 7, the Relevant Clearing Participant will account to the client for the profit. If a loss results, the client will account to the Trading Participant or Relevant Clearing Participant (as applicable) for the loss.

SCHEDULE 7 – FORWARD DELIVERY LEGAL TITLE AND DEPOSIT REQUIREMENTS

1. LEGAL TITLE REQUIREMENTS

Before a Trading Participant makes a Forward Delivery Transaction on behalf of a selling client, it must:

- (a) notify its Relevant Clearing Participant (if applicable); and
- (b) if the Trading Participant is a Relevant Clearing Participant:
 - (i) secure from the client the Cash Market Products subject of the Forward Delivery Transaction; or
 - (ii) satisfy itself that the client:
 - (A) is the registered holder;
 - (B) has the legal right to become the registered holder; or
 - (C) has the irrevocable right to call for delivery to the buying client,

of the Cash Market Product the subject of the Forward Delivery Transaction, and is legally entitled or authorised to sell or dispose of those Cash Market Products; or

- (c) if the Trading Participant is not a Clearing Participant, ensure that its Relevant Clearing Participant has complied with paragraphs 1(b)(i) and (ii).

Amended 28/11/05

2. DEPOSIT REQUIREMENTS

- (a) Before a Trading Participant makes a Forward Delivery Transaction on behalf of a buying client, the Trading Participant must ensure that its Relevant Clearing Participant secures from the client:
 - (i) an initial deposit of not less than 25% of the consideration payable in respect of the Forward Delivery Transaction; and
 - (ii) where that consideration exceeds the market value of the relevant Cash Market Products at the time of the transaction – a margin equal to the difference between the consideration and the market value of the Cash Market Products.
- (b) For the purposes of paragraphs 2(a), 2(c) and 2(d) the aggregate amount held as margin and deposit must not exceed the consideration payable in respect of the Forward Delivery Transaction.

(c) Where the market price of the Cash Market Products subject to the Forward Delivery Transaction changes by at least 10% of the consideration payable in respect of the Forward Delivery Transaction, the Trading Participant or its Relevant Clearing Participant (as applicable) acting for the buying client must, as applicable:

- (i) immediately call on its client to provide; or
- (ii) repay to the client upon request by the client,

the amount necessary to maintain a margin equal to the difference between that consideration and the market value of those Cash Market Products.

(d) Where the market value of any Cash Market Products the subject of Official Quotation and accepted by a Clearing Participant as whole or part of the deposit or margins of cover prescribed in this Schedule 6 changes by at least 10% of the Forward Price the Trading Participant or Relevant Clearing Participant (as applicable) acting for the buying client who lodged such Collateral Securities must, as applicable:

- (i) immediately call on its client to provide; or
- (ii) repay to the client upon request by the client,

the amount necessary to maintain the percentage of the Forward Price originally secured by the Collateral Securities.

Amended 28/11/05

3. REMEDY IN EVENT OF DEFAULT BY CLIENT

(a) If the buying client who has been called on to provide a margin fails to comply within one Trading Day from the date of request the Trading Participant or the Clearing Participant concerned (as applicable) may as against and at the risk of its client proceed to sell out, or cause to be sold out, such of the Cash Market Products subject to the Forward Delivery Transaction in question as are necessary to provide for due completion of the Forward Delivery Transaction.

(b) A Trading Participant or Clearing Participant (as applicable) who takes action in accordance with paragraph 3(1) must immediately notify the relevant circumstances to ASX.

Amended 28/11/05

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