

SECTION 25 TRADING RESTRICTIONS AND LIMITS – DERIVATIVES MARKET CONTRACTS

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SECTION 25 TRADING RESTRICTIONS AND LIMITS – DERIVATIVES MARKET CONTRACTS

Section 25 provides that ASX may set out restrictions and limitations on:

- (a) the number of Derivatives Market Contracts in a Contract Series or Class that may be entered into;
- (b) the exercise of Options Market Contracts in a Contract Series or Class;
- (c) Trading Participants offering, or bidding for, Options Market Contracts over an Underlying Cash Market Product where they have received orders which may materially affect the market price in the Underlying Financial Product.

25.1 POSITION LIMITS

25.1.1 ASX may prescribe Position Limits

ASX may set out in the Procedures (or otherwise notify to Trading Participants) a limit on the number of Derivatives Market Contracts in a Contract Series or Class which may be entered into or registered with an Approved Clearing Facility (either generally or in one or more Accounts or in respect of one or more persons).

Introduced 11/03/04. Origin ASX 7.10.1.1, ASXF 14.1.1 Amended 28/11/05

25.1.2 Trading Participant not to breach Position Limit

A Trading Participant must not enter into a Derivatives Market Transaction if the registration of that Derivatives Market Transaction with an Approved Clearing Facility or entering that Derivatives Market Transaction will have the effect that a Position Limit is exceeded.

Introduced 11/03/04. Origin ASX 7.10.1.2, ASXF 14.1.2 Amended 28/11/05

25.1.3 Notice of change in Position Limit

ASX will notify Trading Participants of a change to a Position Limit before the change becomes effective.

Introduced 11/03/04. Origin ASX 7.10.1.3, ASXF 14.1.3

25.2 EXERCISE LIMITS

25.2.1 ASX may prescribe Exercise Limits

ASX may set out in the Procedures (or otherwise notify to Trading Participants) a limit on the exercise of Options Market Contracts in a Contract Series or Class (either generally or in one or more accounts or in respect of one or more persons).

Introduced 11/03/04. Origin ASX 7.10.2.1, ASXF 14.2.1 Amended 28/11/05

25.2.2 Trading Participant not to breach Exercise Limit

A Trading Participant must not exercise an Options Market Contract if the exercise will have the effect that an Exercise Limit is exceeded.

Introduced 11/03/04. Origin ASX 7.10.2.2, ASXF 14.2.2 Amended 28/11/05

25.2.3 Notice of change in Exercise Limit

ASX will notify Trading Participants of a change to an Exercise Limit before the change becomes effective.

Introduced 11/03/04. Origin ASX 7.10.2.3, ASXF 14.2.3

25.3 RESTRICTIONS ON EXERCISE

25.3.1 ASX may impose restrictions

ASX may at any time impose a restriction on the exercise of Options Market Contracts if it considers the restriction is appropriate having regard to Rule 1.13.

Introduced 11/03/04. Origin ASX 7.10.3.1, ASXF 14.3.1 Amended 28/11/05

25.3.2 Consequences of restriction

If ASX imposes a restriction on exercise under Rule 25.3.1, a Trading Participant must only exercise Options Market Contracts in accordance with the terms of the restriction.

Introduced 11/03/04. Origin ASX 7.10.3.2, ASXF 14.3.2 Amended 28/11/05

25.3.3 Restriction to lapse

Unless ASX specifically directs to the contrary, any restriction imposed under Rule 25.3.1 and any Exercise Limit ceases to be effective during the 10 Business Days immediately prior to and including the date on which the relevant Option Series expires.

Introduced 11/03/04. Origin ASX 7.10.3.3, ASXF 14.3.3 Amended 28/11/05

25.4 UNEXECUTED ORDER IN UNDERLYING FINANCIAL PRODUCTS

25.4.1 Trading Participant not to make Bids or Offers

If a Trading Participant has or receives an Order to buy or sell an Underlying Financial Product in the Underlying Market which may materially affect:

- (a) the market price of the Underlying Financial Product in the Underlying Market;
or
- (b) the level of an Underlying Index, the level of which is calculated by reference to the value of that Underlying Financial Product and other Products,

the Trading Participant must not make Bids or Offers to enter into an Options Market Transaction over that Underlying Financial Product as Principal (within the meaning of Rule 7.3.5) until the order in the Underlying Financial Product has been executed in the Underlying Market.

Introduced 11/03/04. Amended 28/11/05

25.5 BREACH OF RESTRICTIONS

25.5.1 Actions of ASX

Where a Trading Participant has breached, or, where applicable, caused its Clearing Participant or Nominating Trading Participant to breach, a Position Limit or an Exercise Limit or a restriction imposed under Rule 25.2 or Rule 25.3, without limiting the other powers which ASX has under these Rules, ASX may do any or all of the following in connection with the enforcement of those limits or restrictions:

- (a) direct the Trading Participant, or its Clearing Participant or Nominating Trading Participant, to take, or not to take, a specified action;
- (b) take, or refrain from taking, any other action which ASX considers is appropriate having regard to Rule 1.13; and
- (c) request an Approved Clearing Facility to exercise its powers under the Clearing Rules.

Introduced 11/03/04. Origin ASXF 14.4