

ASX 24 OPERATING RULES

SECTION 1 – ACCESS TO THE MARKET

Admission of Trading Participants

- 1000 For an applicant to be eligible for admission as a Trading Participant (other than a Principal Trader) the applicant must:
- (a) lodge an application in the form prescribed by the Exchange as set out in the Procedures;
 - (b) be a body corporate which is incorporated as a company or registered as a foreign company under the Corporations Act and not be applying in the capacity of a trustee under a trust;
 - (c) hold an Australian Financial Services Licence which authorises the applicant to carry on its business as a Trading Participant (unless such a licence is not required by ASIC);
 - (d) satisfy the Exchange that it is of high business integrity. In assessing whether an applicant is of high business integrity for the purposes of Rule 1000(d), but without limiting the discretion of the Exchange, the Exchange may have regard to the matters set out in the Procedures;
 - (e) satisfy the Exchange, in the manner set out in the Procedures, that it has organisational competencies which are adequate for the performance of its obligations as a Participant under these Rules;
 - (f) satisfy the Exchange in the manner set out in the Procedures, that it has organisational competencies sufficient to prevent any action or inaction which results in a market for a Product not being both fair and orderly;
 - (g) satisfy the Exchange, in the manner set out in the Procedures, that it has organisational competencies sufficient to not interfere with the efficiency, orderliness and proper functioning of the Trading Platform;
 - (h) warrant to the Exchange that it is in compliance with the management requirements set out in the ASIC Market Integrity Rules;
 - (i) satisfy the Exchange that it has in place and will maintain adequate clearing arrangements, including, where relevant, a Clearing Guarantee from a Guarantor Clearing Participant; and
 - (j) if the applicant is applying to be admitted up to one year after the Effective Time (as defined in Section 8), satisfy the Exchange that it complies with the Capital Requirements (as defined in Section 8) (or any other requirements applicable in accordance with the conditions of any exemption from the Capital Requirements under Rules 8400 to 8431).
- 1001 A Principal Trader may only enter into transactions on its own behalf. For an applicant to be eligible for admission as a Trading Participant which is a Principal Trader only the applicant must meet the requirements set out in Rule 1000 except that the application does not need to meet the requirements set out in Rule 1000(j) above.
- 1002 If an applicant is a body corporate incorporated or resident outside Australia, then the Exchange may impose additional requirements as specified in the Procedures.

Trading

- 1100 Trading Messages may only be submitted into a Trading Platform by a Trading Participant in accordance with an appropriate Trading Permission.

Products

1110 A Trading Participant may apply for, and the Exchange may give to a Trading Participant, a Trading Permission in respect of one or more Products if the Exchange considers it appropriate and is satisfied that the applicant will have in place and maintain adequate clearing and settlement arrangements in accordance with Rule 1000(i) for those products and have the technical capacity and knowledge required to exercise the Trading Permission for those Products and will meet any other requirement set out in the Procedures.

Trading Platform

1120 A Trading Participant may apply for, and the Exchange may give to a Trading Participant, Trading Permission in respect of one or more parts of the Trading Platform if the Exchange considers it appropriate and is satisfied that the applicant will have in place and maintain the technical capacity and knowledge required to exercise the Trading Permission and will meet any other requirements set out in the Procedures.

Capacity

1130 Subject to the Exchange's powers under Rule 3130, a Trading Participant may apply for a Trading Permission for a level of Throughput Capacity as set out in the Procedures.

Client Access

1140 A Trading Participant may apply for, and the Exchange may give to a Trading Participant, Trading Permission to provide client access if the Exchange considers it appropriate to give the Trading Permission and is satisfied that the applicant will have in place and maintain the required standards to exercise the Trading Permission and will meet any other requirements set out in the Procedures. Any Trading Messages submitted pursuant to this Trading Permission are considered to be submitted by the Trading Participant.

Admission or Trading Permission

Grant of admission or Trading Permission

1200 The decision as to whether to grant admission as a Trading Participant or grant a Trading Permission is at the absolute discretion of the Exchange. The Exchange may grant or refuse admission without giving any reasons.

Conditions

1210 When the Exchange admits a Trading Participant or grants a Trading Permission it may at that time (or at any later time) impose any conditions on the admission or Trading Permission which it considers appropriate having regard to Rule 6120.

Allocation of Unique Identifiers

1300 The Exchange will allocate one unique identifier to each:

- (a) Trading Participant;
- (b) Open Interface Device;
- (c) client of a Trading Participant that submits Trading Messages other than through the Trading Participant's system.

1301 A Trading Participant must allocate a unique identifier to each:

- (a) computer or other device which can connect to an Open Interface Device of a Trading Participant; and
- (b) client of that Trading Participant that submits Trading Messages other than through the Trading Participant's system (being the unique identifier allocated by the Exchange under Rule 1300(c)).

Ongoing Requirements

1400 A Trading Participant must at all times comply with the following general requirements:

- (a) continue to satisfy the applicable Admission Requirements (but subject to Rules 1500 to 1506);
- (b) comply with any conditions imposed on a Trading Participant under these Rules;
- (c) comply with the Rules, directions, decisions and requirements of the Exchange;
- (d) not dispose, transfer, lease, assign or encumber any rights or obligations under these Rules, except as expressly permitted by these rules or with the prior written approval of the Exchange; and
- (e) notify the Exchange of the matters set out in the Procedures in the time and manner set out in the Procedures.

1401 A Trading Participant must at all times comply with the following Operational Requirements:

- (a) have and maintain the necessary organisational and technical resources and competencies to ensure that:
 - (i) trading Messages submitted by the Trading Participant do not interfere with the proper functioning of the Trading Platform; and
 - (ii) the Trading Participant complies with the Rules; including any resources and competencies specified in the Procedures;
- (b) have arrangements in place so that at all times the Trading Participant can determine the origin of all orders and Trading Messages including the matters specified in the Procedures;
- (c) maintain and enforce at all times appropriate security arrangements which are designed to prevent unauthorised entry of Trading Messages; and
- (d) maintain records of the matters set out in the Procedures for the time set out in the Procedures.

Ongoing compliance for partnerships

1500 Rule 1000(b) does not apply to a Trading Participant which is a partnership but the other Admission Requirements (as modified by Rules 1500 to 1506) apply.

1501 These Rules apply to the partnership as if it were a person. In addition, the obligations which are imposed on a Trading Participant are imposed on each partner, jointly and severally, but may be discharged by any of the partners.

1502 Any breach of a Rule that would be a breach by the partnership, or by any partner, is taken to have been a breach by each partner.

1503 A change in the composition of the partnership does not affect the continuity of the partnership. No partner of a Trading Participant may be a body corporate.

1504 Unless the Exchange accepts alternative arrangements or undertakings, each new partner of a Trading Participant which is a partnership must have undertaken to the Exchange to, and to cause the Trading Participant to, comply with and be bound by the Rules, directions,

decisions and requirements of the Exchange to the extent necessary in connection with the business conducted or to be conducted by the Trading Participant.

1505 All partners of a Trading Participant must be resident in Australia.

1506 In applying the Rules to the partnership:

- (a) a reference in a Rule to a "body corporate" is taken to be a reference to a "partnership";
- (b) a reference in a Rule to a "director" is taken to be a reference to a "partner";
- (c) a reference in a Rule to a "Related Body Corporate" of a Trading Participant (or an applicant) is taken to be a reference to a "Related Party" of any partner;
- (d) a reference in a Rule to an "Employee" or "Representative" is taken to also include a reference to a partner;
- (e) a reference in a Rule to the Trading Participant (or the applicant) being "incorporated" somewhere is taken to be a reference to them being "formed" there; and
- (f) in paragraph (a) of the definition of "Controller" the reference to the total votes attached to voting shares is taken to be a reference to the total voting power in the partnership.

Note: An Existing Exchange Participant (as defined in Section 8) which is a partnership will be taken to be approved by the Exchange as a Trading Participant under Rule 8100. No new applications for admission by partnerships will be approved.

Resignation of Trading Participant

1600 If a Trading Participant wishes to resign as a Trading Participant, it must:

- (a) give at least 20 Business Days' written notice to the Exchange of its intention to resign and the proposed date of resignation;
- (b) satisfy the Exchange that it has taken, or will have taken before the proposed date of resignation, proper steps for the orderly winding down of its activities as a Trading Participant; and
- (c) comply with any reasonable direction of the Exchange in relation to the orderly winding down of its activities as a Trading Participant.

1601 A notice given by a Trading Participant under Rule 1600(a) is not effective until the notice is accepted by the Exchange in writing. The Exchange may accept a Trading Participant's resignation when the Trading Participant has:

- (a) complied with Rule 1600(a); and
- (b) satisfied all its obligations to the Exchange including, without limitation, paid all outstanding fees owing to the Exchange by the Trading Participant under these Rules.

The Exchange will not unreasonably refuse to accept a Trading Participant's resignation under this Rule 1601.

1602 A Trading Participant is bound by the Rules until the Exchange has accepted the Trading Participant's resignation under Rule 1601 or until the Trading Participant's admission is terminated under these Rules. A Trading Participant's obligations under the Rules after resignation continue in accordance with Rules 5500 and 5501.

Use of Exchange Systems

1700 A Trading Participant that uses Exchange Software and Exchange Equipment is governed by the terms of usage set out in the Procedures.

Trading on Behalf of US Customers

1800 A Trading Participant may enter transactions on behalf of US customers if it complies with the conditions set out in the Procedures.

SECTION 2 – PRODUCTS

Products that may be dealt with under the Exchange's Licence

2000 The following is a list the classes of Financial Products that may be dealt with on the Market by Trading Participants under the Exchange's Australian market licence:

- (a) Derivatives.

2001 For the purposes of these Rules Products are referred to as Derivatives Market Contracts (as applicable).

Derivatives Market Contracts

2200 Derivatives Market Contracts are Futures Market Contracts, Options Market Contracts and any other contract that the Exchange authorises for trading on the Trading Facility and determines to be a Derivative Market Contract.

Underlying Financial products, Indices, Instruments etc

2210 In relation to Options Market Contracts the Exchange may approve:

- (a) Financial Products as Underlying Financial Products if a substantial number of the Financial Products are, or, in the opinion of the Exchange, will be, widely held and actively traded on financial markets;
- (b) an index as an Underlying Index where that index is listed in, or meets the criteria set out in, Schedule 1; and
- (c) any Futures Market Contract as an Underlying Financial Product.

2211 In relation to Futures Market Contracts the Exchange may approve any instrument, commodity, Financial Product or index as an Underlying Instrument, Underlying Commodity, Underlying Financial Product or Underlying Index (respectively). The Underlying Instruments, Underlying Commodities, Underlying Financial Products and Underlying Indices (or the criteria for determining them) are set out in Schedule 1.

2212 The Exchange may withdraw approval previously given under Rule 2210 or 2211 for any reason including, without limitation, if the Exchange considers the relevant instrument, commodity, Financial Product or index no longer meets the current criteria for approval. If the Exchange withdraws approval:

- (a) the Exchange must notify Trading Participants of the withdrawal; and
- (b) a Trading Participant must not enter a Derivatives Market Transaction for any Contract Series in respect of the relevant instrument, commodity, Financial Product or index unless the Exchange determines that the entry into the Derivatives Market Transaction is appropriate having regard to Rule 6120.

Contract Series Open for Trading

2220 The Exchange may open for trading Contract Series which may be:

- (a) Options Market Contracts; or
- (b) Futures Market Contracts.

The Exchange will notify Trading Participants of Contract Series open for trading as set out in Schedule 1.

- 2221 The general specifications of Contract Series are set out in Schedule 1. At the time it opens a Contract Series for trading, the Exchange will notify Trading Participants of the particular specifications of the relevant Contract Series (including, for example, in the case of an Options Market Contract, the Expiry Date, exercise style and Contract Size).
- 2222 A Trading Participant must not enter into any Derivatives Market Transaction in respect of a Contract Series after Trading Close (or such other time as the Exchange determines and notifies to Trading Participants before it opens that Contract Series for trading under Rule 2220 on the Expiry Date (in the case of Options Market Contracts) or on the last Trading Day (in the case of Futures Market Contracts) of that Contract Series.

Adjustments

2230 The Exchange may:

- (a) subject to Schedule 1, make adjustments to the terms of a Contract Series;
- (b) set out in the Procedures adjustments which will generally apply in certain circumstances;
- (c) without limitation, if it considers an adjustment should be made to a Contract Series as a result of any event:
 - (i) make an adjustment to the terms of the Contract Series; and
 - (ii) direct the Approved Clearing Facility and any Alternative Clearing Facility to make an adjustment to the number of Open Contracts registered with it; in order to ensure that the value of the Open Contracts is as far as practicable the same as it would have been had the event not occurred;
- (d) determine when an adjustment is to be effective; and
- (e) unless it considers it inappropriate to do so in the circumstances, round the adjustment of any term under this Rule 2230 to the nearest cent or unit of the Underlying Instrument, Financial Product, commodity or Index, as applicable.

2231 The Exchange must notify Trading Participants of an adjustment to a Contract Series as soon as it is practicable and appropriate to do so (which will usually be before the adjustment to Open Contracts under Rule 2230 becomes effective).

2232 If the Exchange considers it is not reasonably practicable to make an adjustment for an event under Rule 2230 to ensure that the value of the Open Contracts is as far as practicable the same as it would have been had the event not occurred, the Exchange may decide not to make an adjustment and may direct that Open Contracts be terminated or closed out by the relevant Approved Clearing Facility in accordance with the Clearing Rules.

Effect of Futures Contracts

2300 The effect of a Futures Contract which is cash settled is that the parties will make an adjustment between them at a specified future time ("the Settlement Day") according to whether the value of the Contract on the Settlement Day ("the Settlement Value") is greater or less than the value of the Futures Contract at the time of the making of the Futures Contract ("the Contract Value") as set out in the Procedures.

2301 The effect of a Futures Contract which is deliverable is that the Seller will deliver and the Buyer will accept the commodity or thing which is the subject of the Futures Contract, as agreed between the parties and in accordance with the Individual Contract Specifications for that Futures Contract and as set out in the Procedures.

Effect of Options Contracts

2400 In the case of:

- (a) deliverable Call Option Contracts over a Futures Contract;
- (b) deliverable Put Option Contracts over a Futures Contract;
- (c) deliverable Strip Options Contracts which are Call Option Contracts;
- (d) deliverable Strip Options which are Put Option Contracts;
- (e) deliverable Call Option Contracts over an Underlying Physical;
- (f) deliverable Put Option Contracts over an Underlying Physical;
- (g) cash settled Call Option Contracts; and
- (h) cash settled Put Option Contracts;

the effect of the Option Contract and the rights and obligations of Buyers and Sellers must be effected in accordance with the Procedures.

Determination of Daily Settlement Price

2500 The Daily Settlement Price for each Class of Contract is calculated as set out in the Procedures.

Determination of Settlement Price

2501 The Settlement Price for each Class of Contract shall be determined in accordance with the relevant Individual Contract Specifications and the Procedures. The Settlement Price so determined shall, subject to Rule 3100 be accepted as final.

Appointment of the Approved Clearing Facility as Agent and Attorney

2600 Without prejudice to any other provisions in these Rules:

- (a) each Trading Participant who is a party to a deliverable Futures Contract irrevocably appoints the Approved Clearing Facility as its agent and attorney to perform all acts on its behalf, and to exercise all powers necessary to effect delivery of the Futures Contract, together with all powers which are reasonably incidental to those acts and powers;
- (b) the Approved Clearing Facility may perform any of its duties or obligations under these Rules by or through its officers, employees or agents; and
- (c) each Clearing Participant will indemnify the Approved Clearing Facility and keep the Approved Clearing Facility indemnified against any loss or claim arising from the Approved Clearing Facility's performance of its obligations in relation to any safe accommodation service.

Warehouse Receipts

2700 This Rule 2700 applies in respect of Warehouse Receipts which are issued in respect of a Class of Contract which is listed on the Exchange.

- (a) In this Rule 2700, "Warehouse Receipt" includes a Warehouse Receipt which is forged or which contains any endorsement or signature which is forged, irregular, or which has been placed on the Warehouse Receipt without the authority of the person whose signature it purports to be.
- (b) None of the Exchange, Approved Clearing Facility, their respective officers, employees, agents or contractors will be liable in respect of, or in connection with:
 - (i) the delivery of a Warehouse Receipt;
 - (ii) the transfer of title, or failure to transfer title, of a commodity by an Approved Warehouse in respect of a Warehouse Receipt;
 - (iii) the limitation or exclusion of liability by an Approved Warehouse in respect of a Warehouse Receipt.

- (c) The Exchange, the Approved Clearing Facility and Approved Warehouses intend that the rights represented by a Warehouse Receipt may be transferred by the endorsement and delivery of that Warehouse Receipt by the holder, and that Warehouse Receipts will be used by all Trading Participants on that basis. However, the Approved Warehouse, in issuing the Warehouse Receipt does not warrant the negotiability of the Warehouse Receipt, and neither the Approved Clearing Facility nor the Exchange warrants the negotiability of a Warehouse Receipt. No right of action can be acquired by any person (including the holder of a Warehouse Receipt) against an Approved Warehouse, the Approved Clearing Facility or the Exchange by reason only of a Warehouse Receipt being in fact not negotiable.
- (d) Provided that the Seller has acted in good faith and in the ordinary course of business:
 - (i) the delivery to a Buyer or the Approved Clearing Facility of an endorsed Warehouse Receipt and certificates as required by these Rules or the Rules of the Approved Clearing Facility in respect of a Futures Contract shall fully discharge the obligations of the Seller;
 - (ii) the Seller is not required to prove that the endorsements (if any) are regular and were made by or under the authority of the persons whose endorsement they purport to be; and
 - (iii) the Buyer has no right of action against the Seller of the Warehouse Receipt even if it contains any endorsement or signature which is forged, irregular, or which has been placed on the Warehouse Receipt without the authority of the person whose signature it purports to be.
- (e) The Buyer agrees with the Approved Clearing Facility, the Exchange and Clearing Participants that the Buyer has no right of action against any holder or previous holder of the Warehouse Receipt even if it contains endorsements which are irregular, unauthorised or forged provided that the holder was a bona fide purchaser without notice. These Rules constitute an effective release of liability that such a holder would but for this Rule 2700 otherwise be under.

SECTION 3 – TRADING RULES

General Obligations

- 3000 A Trading Participant is responsible for the accuracy of details, the integrity and bona fides of all Trading Messages that are submitted containing their unique identifier, regardless of the method by which the Trading Message is submitted.
- 3001 If a Trading Message embedded with a Trading Participant's unique identifier is submitted, the Trading Message is taken for all purposes under these Rules to have been submitted in a Trading Platform by or with the knowledge of the Trading Participant and the Trading Participant is responsible for that message.
- 3002 Except as otherwise permitted in these Rules or permitted in writing by the Exchange, Derivatives Market Transactions must be made in a Trading Platform in accordance with these Rules.

ORDERLY TRADING

Fair and Orderly Markets

- 3100 The Exchange may take any action it considers necessary to ensure that a market for one or more Products is fair, orderly and transparent, including, without limitation:
- (a) suspending or halting trading in one or more Products for any period of time;
 - (b) cancelling or amending any Transaction;
 - (c) directing any Trading Participant to take, or not to take, a specified action in connection with the affected markets;
 - (d) modifying or restricting access to the Trading Platform by one or more Trading Participants;
 - (e) taking, or refraining from taking, any other action which the Exchange considers is appropriate having regard to Rule 6120;
 - (f) requesting any relevant Approved Clearing Facility (or any relevant Alternative Clearing Facility) to exercise its powers relating to the situation or practice; and
 - (g) directing that Products be offered or settled at a price other than that provided for by the Rules, in such manner and on such conditions as it may determine.
- 3101 A Trading Participant must:
- (a) not do anything which results in a Market for a Product not being both fair and orderly, or fail to do anything where failure has that effect;
 - (b) not take advantage of a situation arising as a result of a breakdown or malfunction in the Exchange's procedures or systems or an error in any Trading Message submitted by the Exchange; and
 - (c) ensure that a representative of the Trading Participant is available to receive communications from other Trading Participants or from the Exchange during the times set out in the Procedures.

Technical failure

- 3110 Without limiting the Exchange's powers under Rule 3130, if access to a Trading Platform is affected because of a systems or communication failure the Exchange may:
- (a) suspend or restrict trading in one or more Products;
 - (b) impose such Session States it considers appropriate in relation to a Product; or
 - (c) take any other steps which it considers appropriate having regard to Rule 6120.

The Procedures may set out further consequences of a suspension or restriction under this Rule and any further steps prior to the resumption of trading.

- 3111 A Trading Participant must notify the Exchange as soon as practicable, by the means set out in the Procedures, if it is unable to transmit or receive Trading Messages due to a systems or communication failure other than due to an action taken by the Exchange pursuant to these Rules. The Procedures may set out further steps to be taken by the Trading Participant after notifying the Exchange.
- 3112 If a Trading Platform registers that a Trading Participant is no longer able to transmit Trading Messages because of a systems or communications failure or a Trading Participant has notified the Exchange under Rule 3111:
- (a) The Exchange may cancel in the Trading Platform all Orders of a Trading Participant (after the period and in the manner set out in the Procedures) unless, before cancellation is effected, the Trading Participant has requested the Exchange not to effect the cancellation; and
 - (b) the Trading Participant may request the Exchange, on a reasonable endeavours basis, to cancel orders in a Trading Platform on the Trading Participant's behalf.
- 3113 In relation to any action taken or failure to take action by the Exchange (or its officers, employees, agents, delegates or contractors) under Rule 3112:
- (a) the Trading Participant agrees that the Exchange has no liability for activities conducted on behalf of a Trading Participant;
 - (b) the Trading Participant indemnifies and will keep indemnified the Exchange against all actions, proceedings, claims, demands, damages, costs, expenses and any other amounts against or incurred by the Exchange.

Communications with a Trading Platform

- 3120 If the Exchange reasonably believes there is some fact or matter which may impair the ability of a Trading Participant to communicate Trading Messages reliably with a Trading Platform or to correctly process those Trading Messages, the Exchange may on reasonable notice require a Trading Participant to undertake testing as specified by the Exchange.
- 3121 If the testing referred to in Rule 3120:
- (a) has been completed and the Exchange continues to reasonably believe there is some fact or matter which may impair the ability of a Trading Participant to communicate Trading Messages reliably with a Trading Platform or to correctly process those Trading Messages; or
 - (b) is not completed within the time specified by the Exchange;

the Exchange may immediately take any steps which it considers appropriate having regard to Rule 6120 including any steps specified in the Procedures. The Exchange must immediately notify a Trading Participant of any steps taken.

Efficiency and Proper Functioning of market or Trading Platform

- 3130 The Exchange may take any action it considers appropriate, having regard to Rule 6120, to maintain the operational efficiency and proper functioning of the Trading Platform. That action may include, without limitation:
- (a) suspending Trading Permission of a Trading Participant whose actions have, in the opinion of the Exchange, adversely impacted on the operational efficiency or proper functioning of a market or the Trading Platform;

- (b) modifying the access to, or the functioning of, a Trading Platform in respect of that Trading Participant; or
- (c) suspending or modifying the operation of a Trading Platform generally.

If the Exchange takes action under this Rule in relation to a Trading Participant referred to in (a) or Trading Participants generally the Exchange must notify as soon as reasonably practicable the Trading Participant concerned or Trading Participants generally, as applicable.

State of Emergency

3140 If the Exchange determines that a State of Emergency exists, it may do any or all of the following:

- (a) suspend trading in one or more Products or a Trading Platform;
- (b) direct Trading Participants to take, or refrain from taking, a specified action in connection with the affected Products or a Trading Platform;
- (c) take, or refrain from taking, any other action which the Exchange considers is appropriate having regard to Rule 6120; and
- (d) request an Approved Clearing Facility (or any relevant Alternative Clearing Facility) to exercise its powers relating to emergencies.

Trade Errors, Cancellations and Dealing Disputes

Request for Cancellation

3200 If a Trading Participant submits an Order incorrectly which is subsequently executed, it may submit a request to the Exchange to obtain the consent of the counterparty to cancel the trade if certain conditions specified in the Procedures are met. Subject to the exceptions specified in the Procedures, if the conditions are met the Exchange will cancel the trade.

Exchange Cancellation of Erroneous Trades

3210 The Exchange will, subject to the exceptions specified in the Procedures, undertake an Exchange enforced cancellation of trades of its own volition on such conditions as specified in the Procedures.

Dealing Disputes

3220 A Trading Participant may notify the Exchange if it believes another Trading Participant has executed an erroneous trade (a 'Dealing Dispute'). The Exchange will promptly consider whether Rule 3210 applies to the situation and commence the process under that Rule.

Appeal

Appeal of Decisions of Exchange

3230 If a Trading Participant is dissatisfied with the actions taken by the Exchange under Rules 3200 to 3220 the Trading Participant may appeal to the Appeal Tribunal in accordance with the provisions of the ASX Enforcement and Appeals Rulebook.

Exchange Power Not Limited

3240 Nothing in Rules 3200 to 3220 limits or precludes the Exchange exercising its powers under Rules 3100 to 3140 in relation to circumstances which are covered by Rules 3200 to 3220.

3241 Nothing in Rules 3220 to 3220 precludes the Exchange from taking any other action which it is permitted to take under these Rules in connection with the circumstances giving rise to

the Dealing Dispute including, without limitation, the taking of enforcement action or exercising any power under the ASX Enforcement and Appeals Rulebook.

No Liability of the Exchange

3250 Without limiting Rules 6800 to 6802, none of the Exchange, its officers, employees, agents or contractors are liable to a Trading Participant or any other person for any loss, liability, damage, cost or expense arising in any way (including, without limitation, by negligence) from the bona fide exercise of any power, right or discretion conferred upon the Exchange by Rules 3200 to 3220.

Trading of Derivatives Market Contracts

Position Limits

3400 The Exchange 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). The Exchange will notify Trading Participants of a change to a Position Limit before the change becomes effective.

3401 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.

Exercise limits

3410 The Exchange 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). The Exchange will notify Trading Participants of a change to an Exercise Limit before the change becomes effective.

3411 A Trading Participant must not exercise an Options Market Contract if the exercise will have the effect that an Exercise Limit is exceeded.

Restrictions on Exercise

3420 The Exchange 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 6120. A Trading Participant must only exercise Options Market Contracts in accordance with the terms of this restriction. Unless the Exchange specifically advises to the contrary, any Exercise Limit ceases to be effective during the 10 Business Days immediately prior to and including the date on which the relevant Options Series Expires.

Transactions outside Trading Hours

3430 Unless the Rules expressly provide otherwise, Trading Participants must only enter into a Derivatives Market Transaction during Trading Hours.

3431 A Trading Participant may enter into, amend or cancel a Derivatives Market Transaction after Trading Close and before the time set out in the Procedures if the Trading Participant complies with the steps set out in the Procedures. A Derivatives Market Transaction is entered into when the Trading Participant has complied with those steps.

3432 A Trading Participant may enter into a Derivatives Market Transaction outside of Trading Hours on behalf of an overseas client at the time and in the circumstances set out in the

Procedures. A Derivatives Market Transaction is entered into when the Trading Participant has complied with those steps.

Reporting

3500 A Trading Participant must report to the Exchange, in the time and manner set out in the Procedures, each Derivatives Market Transaction entered into by the Trading Participant, including daily beneficial ownership reports, except for transactions listed in the Procedures. A Trading Participant is taken to have reported information if that information is generated automatically and supplied to the Exchange through facilities provided by the Exchange in accordance with any applicable Procedures.

Registration with the Approved Clearing Facility, Allocation and Designation

Original Contract Extinguished on Registration with Approved Clearing Facility

3700 Upon the registration of each contract with the Approved Clearing Facility such contract so registered shall be extinguished and replaced by a contract or contracts with the Approved Clearing Facility in accordance with the Clearing Rules and the original parties shall be released from their obligations to each other.

No Recognition of Rights of Other Parties

3701

- (a) All trading on the Markets of the Exchange or otherwise pursuant to the Rules shall be between Trading Participants as principals and the Exchange shall not be obliged to recognise the interest of any other party other than such Trading Participants; and
- (b) Upon the registration of a contract with the Approved Clearing Facility the Exchange shall not be obliged to recognise the interest of any party other than the party to a contract with the Approved Clearing Facility arising from such contract.

Approved Clearing Facility Clearing as Party

3702 Where a Contract is traded on the Markets of the Exchange or otherwise traded pursuant to the Rules and registered with the Approved Clearing Facility, references in the Rules to the Buyer or Seller of a Contract shall be read as a reference to the other party to a contract with the Approved Clearing Facility as a party.

Transmission by Exchange to Approved Clearing Facility

3703 Particulars of all Trades executed on the Trading Platform shall be promptly transmitted by the Exchange to the Approved Clearing Facility and shall be available for registration in accordance with the Clearing Rules.

Definition of Client

3704 In Rules 3704 and for the purposes of the definition of "Client" in the Clearing Rules, "Client" shall mean a Client within the meaning of Section 981A(1) of the Corporations Act or a person whose monies are required or authorised to be placed in a clients' segregated account by the Corporations Act.

Recording of Trades in Clearing System

3705 Trades may be recorded in the Clearing System in the name of:

- (a) the Trading Participant which executed the Trade or which is responsible for the Trade; or
- (b) another Trading Participant or Clearing Participant to whom a Trade is Allocated.
- (c) Trades may only be Allocated by a Trading Participant referred to in Rule 3705(a).
- (d) Trades may only be Allocated to a Trading Participant or a Clearing Participant.

Deemed Confirmation of Trades Upon Recording

3706 All Trades recorded as having been Traded by the Trading Platform shall be deemed Confirmed by both parties immediately upon such recording.

Deemed Confirmation where there has been an Objection

3707 Upon the resolution of a Dealing Dispute in accordance with Rule 3220 the Trade(s) as determined by the Exchange shall be deemed to be Confirmed by the parties and the Exchange shall correct any entries in the Clearing System accordingly.

Action by Participant on Entering a Trade in the Clearing System

3708 Where a Trade is entered into the Clearing System in the name of a Trading Participant the Trading Participant shall:

- (a) Designate the Trade in the Clearing System as a House Trade or a Client Trade; or
- (b) Allocate the Trade to another Trading Participant entitled to receive Allocations.

Action by Participant who Receives an Allocation of a Trade within the Clearing System

3709 Where a Trading Participant receives an Allocation of a Trade within the Clearing System it may either:

- (a) Designate the Trade in the Clearing System as a House Trade or a Client Trade; or
- (b) Allocate the Trade to another Trading Participant entitled to receive Allocations.

The Party Deemed to have Confirmed the Trade

3710

- (a) Where a Trade has been Designated pursuant to Rule 3709(a) the Trading Participant who Designated the Trade shall be deemed to have Confirmed the Trade.
- (b) Where a Trade has been Allocated pursuant to Rule 3709(b) the Trading Participant who Allocated the Trade shall be deemed to have Confirmed the Trade and such Confirmation stands until the Trade is Confirmed by the other Trading Participant to whom the Trade has been Allocated.
- (c) Where a Trade has been Allocated pursuant to Rule 3709(b) to a Trading Participant that is a Facility Participant, the Trading Participant who Allocated the Trade shall be deemed to have Confirmed the Trade.

Failure to Designate or Allocate a Trade

3711 Where a Trade is Confirmed pursuant to Rule 3706 a failure to Designate or Allocate such Trade by 6.30 pm on the Trading Date, or such other time set out in the Procedures, shall, subject to any provision of the Rules or the Clearing Rules, be deemed to have been Designated as a House Trade.

Where Executing Participant is Not a Clearing Participant

3712 Where the Trading Participant which executed the Trade is a Trading Participant which is not a Clearing Participant then:

- (a) Confirmation of the Trade by the Trading Participant shall also be deemed to be a confirmation by the Guarantor Clearing Participant of the Trading Participant;
- (b) the Trade shall be deemed to be immediately Allocated to the Guarantor Clearing Participant of the Trading Participant; and
- (c) an Allocation deemed to be made under sub-paragraph (b) shall cease to apply upon the Trading Participant Allocating a Trade to another Trading Participant and the Allocation being confirmed by that Trading Participant.

Time to Designate and Allocate

3713

- (a) All Designations and Allocations shall be effected by the time set out in the Procedures.
- (b) The Exchange may grant an extension of time to Allocate or Designate but is under no obligation to grant such an extension.

Registration of Trades

3714 A Trading Participant shall ensure that all transactions it enters into on the Markets of the Exchange are registered in its name if the Trading Participant is a Clearing Participant or in the name of its Guarantor Clearing Participant, if it is not a Clearing Participant.

Documents to be given to a client and client agreements

3801 A Trading Participant must include the minimum terms specified in Procedures in Client Agreements in the circumstances set out in the Procedures. The Client Agreement may include other terms and conditions agreed between the Trading Participant and the client, provided those terms are not inconsistent with the terms set out in the Procedures. To the extent of any inconsistency, the terms set out in the Procedures will prevail.

SECTION 4 – EXECUTION, QUOTE DISPLAY AND REPORTING SERVICES

General Rules Relating to the Trading Platform

4000 The Trading Platform is operated by the Exchange and consists of Execution Services and Reporting Services including the Central Order Book (Execution Service).

Session States

4010 The Exchange may place a Trading Platform into a Session State with respect to trading in one or more Products. Without limiting the generality of this provision, the Exchange may place an Execution Service or Quote Display Service into different Session States with respect to trading in different Products at the same time.

4011 The Exchange will use reasonable endeavours to notify Trading Participants (by message or code displayed in the relevant Trading Platform or in such other reasonable manner as the Exchange considers appropriate) which Session State is in force in respect of trading in a particular Product at all times during which a Trading Platform is operating in respect of such Product.

4012 Trading Participants acknowledge that entry and maintenance of Trading Messages and dealing in a Trading Platform will occur subject to the parameters in respect of the Session State in force in respect of the relevant Product from time to time.

4013 The parameters applicable during particular Session States are set out in the Procedures. Unless the Exchange notifies Trading Participants otherwise (by message or code displayed in the relevant Trading Platform or such other means as the Exchange considers appropriate), Session States shall apply in respect to Trading in a Trading Platform in Products at the times set out in the Procedures.

Order Entry and Expressions of Interest

4020 Bids and Offers may only be entered in a Trading Platform in multiples of the Price Steps.

4021 A Trading Participant must, when entering a Bid or Offer or Expression of Interest in a Trading Platform in respect of a Derivatives Market Contract, specify the quantity of the Derivative Market Contracts the subject of that Bid or Offer, and such other information specified in the Procedures.

4025 A Trading Participant must not:

- (a) enter a number of Orders into a Trading Platform; or
- (b) issue a number of Quote Requests,

which is determined by the Exchange to be excessive as set out in the Procedures.

Priority of Orders

4030 Bids and Offers entered into a Trading Platform are ranked In Price/Time Priority, subject to the exceptions set out in the Procedures.

4032 Subject to the exceptions specified in the Procedures, if a Trading Participant:

- (a) reduces the quantity of a Bid or Offer in an Execution Service, the amendment does not affect the priority ranking of the Bid or Offer;

- (b) withdraws a Bid or Offer from an Order Book, the Bid or Offer loses its priority ranking. If the Bid or Offer is re-entered, it will be treated as a new Bid or Offer;
- (c) effects any other amendments to a Bid or Offer, the Bid or Offer loses its priority ranking and will, upon amendment, be treated as a new Bid or Offer.

Terms of Contract

- 4040 Subject to Rule 4041, upon matching in a Trading Platform of Trading Messages in accordance with these Rules, a contract is formed between the Trading Participants whose Trading Messages are matched on the terms of the relevant Contract Series at the price and volume matched and subject to these Rules.
- 4041 Each Trading Participant that is party to a Market Transaction acknowledges that the Clearing Obligations owing to it or by it in respect of that Market Transaction will be performed as principal obligations of the Relevant Clearing Participant in respect of those Clearing Obligations (which may be the counterparty Trading Participant or a Clearing Participant with whom such Trading Participant has a Clearing Agreement).

Removal or Retention of Orders at End of Day

- 4070 At the end of each Trading Day unmatched Orders in a Trading Platform will be dealt with as specified in the Procedures.

Central Order Book

- 4400 The Central Order Book is a facility for trading Derivatives Market Contracts prescribed by the Exchange.

Pre-Negotiated Orders

- 4401 Pre-negotiated orders may only be effected in the manner set out in the Procedures.

Strategy Orders

- 4402 Strategy orders may only be effected in the manner set out in the Procedures.

Custom Market Orders

- 4403 Custom Market orders may only be effected in the manner set out in the Procedures.

Reporting Facilities

Exchange for Physical Transactions

- 4800 An Exchange for Physical (EFP) consists of two separate but related transactions, being:

- (a) a Futures Market Transaction; and
- (b) a transaction in a physical commodity or instrument.

An EFP may only be effected in accordance with these Rules and the relevant Procedures.

- 4801 An EFP may only be entered into where:

- (a) a genuine transaction in a physical commodity or instrument, as specified in the Procedures, is executed whereby actual physical delivery or cash settlement occurs either at the time the transaction is effected or at a later time as agreed between both parties;

- (b) at or about the same time as the transaction referred to in paragraph (a) is agreed a Trading Participant or Trading Participants enter into a Futures Market Transaction opposite in effect to the transaction referred to in paragraph (a);
- (c) the buyer of the Futures Market Transaction in paragraph (b) is the seller of the transaction in paragraph (a) and the seller of the Futures Market Transaction in paragraph (b) is the buyer of the transaction in paragraph (a); and
- (d) the transaction referred to in paragraph (a) is for the same or substantially similar value or amount of the commodity or instrument, (or a substantially similar commodity or instrument), as the subject of the Futures Market Transaction referred to in paragraph (b) as determined by reference to the Procedures.

4802 EFPs must be reported to the Exchange in accordance with this Rule and Rule 3500. The Futures Market Transaction component of an EFP reported to the Exchange is only effective once the Exchange confirms the Futures Market Transaction in accordance with the Procedures and is otherwise satisfied with the EFP. Futures Market Transactions confirmed by the Exchange will be registered in accordance with this Rule.

4803 For the purposes of Rule 4801 an EFP cannot be effected where a Trading Participant acts for a person or party that is transacting as the buyer of both components of the EFP referred to in Rule 4801(a) and (b), or the seller of both components of the EFP referred to in Rule 4801(a) and (b).

4804 Trading Participants must retain appropriate evidence of transactions entered into under an EFP referred to in Rule 4801.

Block Trade Orders

4820 Block Trade orders may only be effected in the manner set out in the Procedures.

4821 A Market Transaction is entered into when a Block Trade is effected under this Rule.

SECTION 5 – MONITORING CONDUCT AND ENFORCING COMPLIANCE

Information, Monitoring and Investigation

Self reporting

5000 A Trading Participant must notify the Exchange in writing immediately if any of the circumstances set out in the Procedures occur.

Provision of Information

5010 The Exchange may at any time investigate the activities of a Trading Participant in relation to the performance by the Trading Participant of its obligations (including for the avoidance of doubt its ability in future to perform its obligations) under the Rules or as the Exchange otherwise considers appropriate having regard to Rule 6120. As part of any investigation, the Exchange may require a Trading Participant to do one or more of the following:

- (a) to provide any information known to the Trading Participant;
- (b) by notice, to provide or permit inspection at the offices of the Trading Participant or any other place notified by the Exchange at which any records are in the custody, control or possession of the Trading Participant;
- (c) by notice, to appear, and have its Employees appear, for interviews before the Exchange to give any information required by the Exchange in relation to the activities of the relevant Trading Participant; or
- (d) by notice, to provide specified information relating to any dealings in Products of the relevant Trading Participant.

5011 If a Trading Participant is required to provide information or receives a notice under Rule 5010:

- (a) provide the information, or provide or permit inspection of the records in accordance with the notice;
- (b) appear, and ensure its Employees appear, for interviews before the Exchange and give the information required by the Exchange in accordance with the notice;
- (c) provide assistance to the Exchange as the Exchange may reasonably require in relation to the information required or the notice; and
- (d) bear any costs incurred by the Trading Participant in connection with providing the information or complying with the notice or providing assistance to the Exchange.

5012 The Exchange may, in connection with any investigation, do one or more of the following:

- (a) give directions about who may be present at an interview of another person;
- (b) impose conditions on the attendance of a person, including in relation to appropriate undertakings as to confidentiality; and
- (c) impose any other requirement which the Exchange considers to be reasonably necessary to preserve the integrity of the investigation.

A Trading Participant must comply, and ensure that its Employees comply, with any requirement imposed under this Rule 5012.

5013 The Exchange may appoint an agent to conduct investigations on its behalf. If the Exchange appoints an agent to conduct investigations on its behalf the Trading Participant must do all things required under these Rules as if the investigation were conducted by the Exchange.

5014 Subject to Rule 5015, if:

- (a) the Exchange is entitled to exercise its powers against a Trading Participant under Rules 5010 to 5012 in respect of particular circumstances; and
- (b) a Related Body Corporate of the Exchange has similar powers under its operating rules and is entitled to exercise those powers against the same Trading Participant in respect of the same or similar circumstances,

the Exchange need not exercise those powers separately but may, exercise those powers together with the exercise by the Related Body Corporate of its powers.

5015 Even though the exercise of powers is consolidated under Rule 5014, the Exchange must comply with the Rules which govern those powers. The consolidation of the exercise of powers under Rule 5014 does not confer on the Exchange or on the Related Body Corporate any powers in addition to those conferred on them by these Rules or the rules of the Related Body Corporate.

Provision of independent expert report or certification

5020 The Exchange may by notice to a Trading Participant require the Trading Participant to provide a:

- (a) report from a suitably qualified independent expert approved by the Exchange expressing an opinion as to:
 - (i) the performance by the Trading Participant of its obligations (including for the avoidance of doubt its ability in future to perform its obligations) under the Rules;
 - (ii) the Trading Participant's capacity to continue to meet the requirements for admission as a Trading Participant or the granting of a relevant Trading Permission; or
 - (iii) any other matter which in the opinion of the Exchange is necessary to assist the Exchange in the discharge of its functions under these Rules or as the Exchange otherwise considers appropriate having regard to Rule 6120; or
- (b) certification from a suitably qualified independent expert approved by the Exchange as to compliance by the Trading Participant with the Operational Requirements,

in a form acceptable to the Exchange, including in such form as may be set out in the Procedures.

5021 If the Exchange gives notice to a Trading Participant requiring that Trading Participant to provide a report or certification under Rule 5020,

- (a) the Exchange must specify in that notice the date and time by which the Trading Participant is to provide the report or certification; and
- (b) the Trading Participant must provide that report or certification to the Exchange within the time specified in the notice.

5022 If the Exchange considers that the information contained in the report or certification warrants further investigation it may direct the Trading Participant to do one or both of the following:

- (a) give to the Exchange or the independent expert further information which the Exchange considers appropriate having regard to Rule 6120; and
- (b) require the Trading Participant to cause the independent expert to submit a further report or certification covering further matters specified by the Exchange by a date and time specified by the Exchange.

- 5023 If a Trading Participant fails to comply with a requirement of, or direction by, the Exchange under Rule 5020, 5021 or 5022, the Exchange may appoint a suitably qualified independent expert to investigate the Trading Participant and prepare a report or certification in a form and within a time determined by the Exchange.
- 5024 The Trading Participant must give all reasonable assistance required by the independent expert referred to in Rules 5020, 5021, 5022 or 5023 to prepare the report or certification and must at the request of the independent expert direct third parties to make available all information the independent expert requires.
- 5025 An independent expert appointed by the Exchange under Rule 5023 is taken to be the Trading Participant's attorney for the purpose of obtaining any information or documents from third parties which in the opinion of the independent expert or the Exchange are necessary for the independent expert to prepare the report or certification.
- 5026 Unless the Exchange otherwise determines, the relevant Trading Participant must pay the costs of the report or certification of the independent expert prepared under Rules 5020, 5022 or 5023 and bear any other costs incurred by it in respect of the report or certification.

Sanctions

Enforcement actions for breach of rules

- 5100 If the Exchange considers that a Trading Participant has contravened the Rules or breached a condition imposed by the Exchange under the Rules, the Exchange may take any action in accordance with the provisions of the Australian Securities Exchange Enforcement and Appeals Rulebook.

Actions for breaches of Trading Permission Requirements

- 5110 If the Exchange reasonably considers that:

- (a) a Trading Participant is not complying with the Trading Permission Requirements; or
- (b) it is otherwise appropriate having regard to Rule 6120,

the Exchange may immediately suspend or withdraw the Trading Permission of a Trading Participant in whole or in part, including in respect of:

- (a) one or more:
 - (i) Products;
 - (ii) parts of the Trading Platform; or
- (b) a level of Throughput Capacity; or
- (c) Client Access under Rule 1140.

- 5111 A suspension of the Trading Permission of a Trading Participant by the Exchange under Rule 5110 will remain in force until the Exchange is satisfied that:

- (a) the Trading Participant complies, or will comply, with the Trading Permission Requirements; or
- (b) the suspension is no longer appropriate having regard to Rule 6120, (as applicable).

Actions for breaches of Operational Requirements

- 5120 If the Exchange reasonably considers that:

- (a) a Trading Participant is not complying with the Operational Requirements; or
- (b) it is otherwise appropriate having regard to Rule 6120,

The Exchange may do one or more of the following:

- (a) restrict or prohibit the submission of Trading Messages:
 - (i) containing one or more unique identifiers:
 - a. allocated by the Exchange under Rule 1300; or
 - b. allocated by the Trading Participant under Rule 1301; or
 - (ii) by means of one or more Open Interface Devices or such other device set out in the Procedures of the Trading Participant; or
- (b) direct the Trading Participant to immediately suspend, limit or prohibit the submission of Trading Messages:
 - (i) containing one or more unique identifiers:
 - a. allocated by the Exchange under Rule 1300; or
 - b. allocated by the Trading Participant under Rule 1301; or
 - (ii) which are from a device or person to which or whom such unique identifier(s) referred to in (i) above has/have been allocated; or
- (c) take any other action as may be set out in the Procedures.

5121 A restriction, prohibition or direction imposed, or any other action taken, under Rule 5120 will remain in force until the Exchange is satisfied that:

- (a) the Trading Participant complies, or will comply, with the Operational Requirements; or
- (b) the restriction, prohibition, direction or other action taken is no longer appropriate having regard to Rule 6120, (as applicable).

Actions for breaches of trading restrictions and limits for Derivative Market Contracts

5140 Where a Trading Participant has breached, or, where applicable, caused its Clearing Participant to breach, a Position Limit or an Exercise Limit or a restriction imposed under Rules 3400 to 3420, the Exchange 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, to take, or not to take, a specified action;
- (b) take, or refrain from taking, any other action which the Exchange considers is appropriate having regard to Rule 6120; and
- (c) request an Approved Clearing Facility to exercise its powers under the Clearing Rules.

Notice of actions taken by the Exchange under Rules 5110, 5120, or 5140

5150 Where the Exchange takes action (including for the avoidance of doubt, gives a direction) under Rules 5110, 5120 or 5140:

- (a) The Exchange will, as soon as practicable, notify the Trading Participant of the action taken by the Exchange.
- (b) The Exchange may publish a market notice (or otherwise make an announcement or publication) detailing the action that has been taken, including the name of the Trading Participant(s) and any other information which the Exchange considers relevant to such action.

Suspension, termination and other actions against Trading Participant for event of default

5160 If the Exchange considers that an event of default under Rule 5161 has occurred, or if Rule 5162 applies, the Exchange may take any or all of the following actions in respect of the Trading Participant, in the name of (if appropriate) and at the expense of the Trading

Participant, in any order immediately or at any other time the Exchange determines, and without the need for any prior notice to or consent of the Trading Participant or any other person:

- (a) cancel a Derivatives Market Transaction effected by the Trading Participant which has not been reported to an Approved Clearing Facility for registration;
- (b) suspend the Trading Participant's admission as a Trading Participant;
- (c) subject to Rule 5201 terminate the Trading Participant's admission as a Trading Participant;
- (d) impose restrictions on the Trading Participant's rights or privileges as a Trading Participant; or
- (e) without prejudice to any other rights which the Exchange may have under the Rules, under statute, at law or in equity, take any other action, or take no action, or direct the Trading Participant to take any action or no action, in order to eliminate or minimise risk with respect to Market Transactions entered into by the Trading Participant or which the Exchange considers appropriate for the protection of the Exchange, an Approved Clearing Facility, the Market or other Trading Participants.

5161 The Exchange may regard any of the following events as an event of default by a Trading Participant:

- (a) if the Trading Participant is a Clearing Participant, the Trading Participant ceases to be a Clearing Participant under the Clearing Rules;
- (b) if the Trading Participant is a Clearing Participant, the Trading Participant is suspended from being a Clearing Participant, or suspended from clearing certain categories of Market Transaction under the Clearing Rules;
- (c) if the Trading Participant is not a Clearing Participant, and the Trading Participant's Clearing Guarantee from a Guarantor Clearing Participant is withdrawn;
- (d) the Trading Participant fails to pay any amount due and payable to the Exchange or an Approved Clearing Facility or fails to perform any of its obligations to the Exchange or an Approved Clearing Facility or fails to comply with any reasonable direction, decision or requirement of the Exchange or an Approved Clearing Facility;
- (e) the Trading Participant indicates that it will or may suspend payment to the Exchange, an Approved Clearing Facility or to creditors;
- (f) the Trading Participant is or states that it is insolvent under administration, or ceases or indicates that it will or may cease to carry on business;
- (g) the Trading Participant becomes, or the Trading Participant or any other person takes any step which might result in the Trading Participant becoming, an externally-administered body corporate or an insolvent under administration (as those terms are defined in section 9 of the Corporations Act);
- (h) any distress, execution or other process is levied or enforced or served upon or against any property of the Trading Participant;
- (i) an investigator, inspector or other officer is appointed, or an investigation directed or commenced under the Corporations Act or other legislation to investigate all or part of the affairs of the Trading Participant or a related entity, in circumstances which are, in the opinion of the Exchange, material to the capacity of the Trading Participant to meet its obligations to other Trading Participants, the Exchange or an Approved Clearing Facility;
- (j) the Trading Participant does not have the level of capital required (or fails to comply with any exemption);
- (k) the Trading Participant no longer satisfies the criteria for admission as a Trading Participant or fails to comply with any condition of admission as a Trading Participant;
- (l) the Trading Participant made a wilful omission or misstatement in respect of a material matter prior to, or in connection with, its application for admission as a Trading Participant;

- (m) The Trading Participant has failed to comply with any of Rules 5010 to 5013 or 5020 to 5026;
- (n) the Trading Participant has failed to comply with a determination made by an Old Tribunal (as defined in Rule 8000) pursuant to the Old Australian Securities Exchange Disciplinary Processes and Appeals Rulebook (as defined in Rule 8000);
- (o) the Trading Participant fails to comply with any action taken by the Exchange in accordance with Rule 5100 or the provisions of the ASX Enforcement and Appeals Rulebook (including as may be affirmed or varied by the Appeal Tribunal (as the case may be following an appeal against such action) pursuant to the ASX Enforcement and Appeals Rulebook); and
- (p) the Trading Participant is suspended, expelled or terminated as a member or participant of any Australian or overseas derivatives, securities, commodity or stock exchange or market or any clearing house or clearing and/or settlement facility or is subject to sanctions imposed by an Australian or overseas regulatory authority.

5162 If an event, or series of events whether related or not, occurs in relation to a Trading Participant or a related entity of a Trading Participant, which is not an event of default under Rule 5161, including without limitation:

- (a) the Trading Participant fails to comply, or indicates that it will or may fail to comply with any of the Rules or the terms of any agreement with the Exchange;
- (b) the Trading Participant fails to comply, or indicates that it will or may fail to comply with any of the rules of, or the terms of any agreement with, an Approved Clearing Facility;
- (c) The Exchange is informed by another derivatives, securities, commodity or stock exchange or market or any clearing house or clearing and/or settlement facility that the Trading Participant or a Related Body Corporate of the Trading Participant is not complying with its obligations to that exchange, market, clearing house or clearing and/or settlement facility;
- (d) the Trading Participant breaches Chapter 7 of the Corporations Act, or regulations made under that Chapter (as referred to in Corporations Regulation 7.2.07(b)(v)); or
- (e) the Trading Participant breaches a condition on its Australian financial services licence (as referred to in Corporations Regulation 7.2.07(b)(vi)),

and the Exchange considers the event or series of events has or may have a material adverse effect on:

- (a) the capacity of the Trading Participant to meet all its obligations to the Exchange, a related entity of the Exchange or an Approved Clearing Facility or other Trading Participants;
- (b) the financial position of the Exchange, an Approved Clearing Facility or the Trading Participant; or
- (c) the Market or an Underlying Market,

the Exchange may take any or all of the actions set out in Rule 5160 in relation to the Trading Participant as if an event of default under Rule 5161 had occurred.

5163 If the Exchange suspends a Trading Participant's admission as a Trading Participant under Rule 5160:

- (a) the period of suspension will be the period that the Exchange considers necessary or desirable. The Exchange may extend the period of suspension if it considers an extension is necessary or desirable;
- (b) the Trading Participant must not hold itself out as a Trading Participant during a period of suspension; and
- (c) during a period of suspension, the Exchange may, pursuant to its powers under Rule 5160(c), terminate the admission of the Trading Participant.

- 5164 Where the Exchange takes action (including for the avoidance of doubt, gives a direction) under Rule 5160:
- (a) the Exchange will, as soon as practicable, notify the Trading Participant of the action taken by the Exchange and its reasons for taking that action;
 - (b) where the action involves the cancellation of a Market Transaction under Rule 5160(a), the Exchange will also notify the other Trading Participant which was party to that Market Transaction of that cancellation, and may include in such notification its reasons for taking that action; and
 - (c) the Exchange may, subject to Rule 5201 (in relation to termination), publish a market notice (or otherwise make an announcement or publication) detailing the action that has been taken, including the name of the Trading Participant(s) and any other information which the Exchange considers relevant to such action.
- 5165 Each Trading Participant irrevocably appoints severally the Exchange, and every officer, employee, agent and other representative for the time being of the Exchange, at the option of the Exchange, to be the agent of the Trading Participant and irrevocably authorises the Exchange and every officer, employee, agent and other representative for the time being of the Exchange, at the option of the Exchange, to do all acts and execute all documents on its behalf for the purpose of exercising the powers conferred on the Exchange by Rule 5100.
- 5166 Without limiting Rules 6800 to 6802, none of the Exchange, its officers, employees, representatives, agents or contractors are liable to a Trading Participant or to any other person for any loss, liability, damage, cost or expense arising in any way (including, without limitation, by negligence) from the bona fide exercise of any power, right or discretion conferred upon the Exchange by Rule 5160.
- 5167 Each Trading Participant indemnifies and will keep indemnified the Exchange and its officers, employees, representatives, agents and contractors against all actions, proceedings, claims, demands, damages, costs, expenses and any other amounts against or incurred by any of the Exchange or its officers, employees, representatives, agents or contractors arising out of or in connection with any event of default under Rule 5161, any circumstances under Rule 5162 or any action taken by, or any inaction by, any of the Exchange or its officers, employees, representatives, agents or contractors under Rule 5160.
- 5168 No person need enquire whether any action taken under Rule 5160 is properly or validly taken nor will a person be affected by any notice or claim that any action taken under Rule 5160 is improper or unnecessary.
- 5169 Without limiting Rule 5500 or 5501, the rights, powers and remedies of the Exchange under Rules 5160 to 5168 in relation to a Trading Participant survive the termination of the Trading Participant's admission as a Trading Participant.

Appeals

- 5200 If a Trading Participant is dissatisfied with a decision of the Exchange to:
- (a) issue an Enforcement Notice under Section 2 of the ASX Enforcement and Appeals Rulebook, or any sanction imposed by the Enforcement Notice;
 - (b) suspend the admission of the Trading Participant under Rule 5160; or
 - (c) terminate the admission of the Trading Participant under Rule 5160,

it may appeal to the Appeal Tribunal in accordance with the provisions of the ASX Enforcement and Appeals Rulebook.

5201 The Exchange may not implement or announce a decision to:

- (a) take enforcement action against a Trading Participant under Rule 2.5 of the ASX Enforcement and Appeals Rulebook; or
- (b) terminate a Trading Participant's admission as a Trading Participant under Rule 5160,

before the expiry of the time for giving a notice of appeal or, if a notice of appeal is given in accordance with the ASX Enforcement and Appeals Rulebook, before the appeal is determined.

5202 Without limiting Rules 5160 or 5164, the Exchange may implement and announce a decision to suspend the admission of a Trading Participant under Rule 5160, before the expiry of the time for giving a notice of appeal or before the appeal is determined.

Sanctions against Trading Participants who are partnerships

5300 The Exchange may take any action under this Section 5 against a Trading Participant which is a partnership in the name of the Trading Participant without taking action against each partner in the partnership. Where the Trading Participant is considered pursuant to this Section 5 to have contravened the Rules each partner is jointly and severally liable to pay any penalty imposed and any other sum directed to be paid to the Exchange and to ensure that any other sanction imposed by the Exchange (or any Appeal Tribunal) is enforced and implemented.

Effect of termination on obligations of Trading Participants

5500 Where a Trading Participant ceases to be a Trading Participant (including as a result of resignation or termination of the admission of the Trading Participant) this does not affect any accrued rights which the Exchange, a Related Body Corporate of the Exchange or other Trading Participants have against the Trading Participant or any accrued obligations which the Trading Participant has to the Exchange, a Related Body Corporate of the Exchange or to other Trading Participants.

5501 Without limiting Rule 5500, after the Trading Participant ceases to be a Trading Participant under these Rules:

- (a) the Rules continue to apply and the Exchange will continue to have jurisdiction in respect of the Trading Participant concerning any conduct or any failure to comply with the Rules which occurred before the cessation of the admission of the Trading Participant, whether that conduct or failure was by the Trading Participant or by any other person for whose conduct the Trading Participant was responsible;
- (b) the Trading Participant continues to be bound by any indemnity given by the Trading Participant under these Rules; and
- (c) other Rules continue to apply in respect of the Trading Participant to the extent required to give effect to paragraphs (a) and (b).

SECTION 6 – GENERAL RULES

Operation of Rules and Procedures

Application and Effect of these Rules

6000 These Rules form part of the operating rules of the Exchange for the purposes of the Corporations Act 2001. These Rules should be read in conjunction with:

- (a) the Procedures;
- (b) the ASX Enforcement and Appeals Rulebook; and
- (c) the Corporations Act.

To the extent of any inconsistency between these Rules and the Procedures, these Rules will prevail.

6001 These Rules are binding on the Exchange and Trading Participants in the manner set out in:

- (a) section 793B of the Corporations Act; and
- (b) Rule 6002.

6002 These Rules have the effect of a contract under seal between the Exchange and Trading Participants under which:

- (a) each Trading Participant covenants with the Exchange and each other Trading Participant to observe the Rules and to perform the obligations which the Rules purport to impose on the Trading Participant, in the manner provided by the Rules; or
- (b) the Exchange covenants with each Trading Participant to observe the Rules and to perform the obligations which the Rules purport to impose on the Exchange, in the manner provided by the Rules.

6003 The ASX Enforcement and Appeals Rulebook forms part of these Rules where relevant for the purposes of the Corporations Act.

Inconsistency with ASIC Market Integrity Rules

6010 If there is an inconsistency between the Rules and the ASIC Market Integrity Rules, these Rules will be read down to the extent of the inconsistency.

Procedures

6020 The Exchange may from time to time approve written Procedures relating to the operations of the Exchange and the Market, the conduct of Trading Participants and the structure and operation of electronic communications between the Exchange and Trading Participants.

6021 The Procedures do not form part of these Rules. However, if a Rule requires a person to comply with any part of the Procedures, failure by the person to comply with that part of the Procedures is a contravention of the Rule.

6022 The Exchange may approve changes to the Procedures from time to time and must notify Trading Participants of any changes to the Procedures.

Waiver

- 6030 The Exchange may relieve any person or class of person from the obligation to comply with a provision (other than an indemnity or disclaimer provision) of these Rules, either generally or in a particular case or category, and either unconditionally or subject to such conditions as the Exchange thinks fit. If any conditions on a waiver are imposed, all of the conditions must be complied with for the waiver to be effective. The Exchange may withdraw a waiver at any time. Any request by a Trading Participant for a waiver under this Rule 6030 must be in writing.
- 6031 Failure to comply with a condition imposed under Rule 6030 is a contravention of that Rule.
- 6032 The Exchange may specify a period or specific event during which any relief under Rule 6030 may apply, in which case such relief is limited to such period or event.
- 6033 The Exchange must establish and maintain a register for recording details of relief granted under Rule 6030 in accordance with the Procedures.
- 6034 A failure by the Exchange to exercise, or any delay in exercising, any of its rights, powers or remedies (in whole or in part) under the Rules does not operate as a waiver of those rights, powers or remedies upon that or any subsequent occasion, nor does any single or partial exercise of any right, power or remedy prevent any further exercise of that or any other right, power or remedy.

Exercise of Exchange Powers

Exercise and Delegation of Functions and Powers

- 6100 Unless the contrary intention appears, powers conferred on the Exchange by or under these Rules may be exercised by resolution of the board of the Exchange or by any authorised delegate of the Exchange.
- 6101 Unless the contrary intention appears, the Exchange may delegate, either generally or as otherwise provided by the terms of delegation, any of the powers and functions of the Exchange to any officer or employee of a person carrying out functions for or on behalf of the Exchange.
- 6102 Where the Exchange delegates any of its powers or functions to one or more officers or persons in accordance with Rule 6103, those delegates may sub-delegate such of the delegated powers as the Exchange approves from time to time.
- 6103 If any power or function is delegated:
- (a) performance or exercise by the delegate of the power or function is taken to be performance or exercise by the Exchange, as the case requires;
 - (b) the delegation does not prevent the performance or exercise of the power or function by the Exchange, as the case requires; and
 - (c) where the performance or exercise depends upon the opinion, belief or state of mind of the Exchange, as the case requires, the power or function may be performed or exercised by the delegate upon the opinion, belief or state of mind of the delegate.

Multiple Action

- 6110 Any action taken or not taken by the Exchange under any Rule does not restrict the Exchange or prohibit the Exchange from taking any other action under, or enforcing:
- (a) the same Rule (including in respect of more than one person); or
 - (b) any other Rule,

even if that action or enforcement relates to the same or substantially the same facts or conduct.

Reference to the Exchange exercising discretion where it considers “appropriate”

- 6120 Where a Rule provides that the Exchange may act in a manner which it considers "appropriate", when deciding whether or not to act, and how to act, the Exchange will have regard to:
- (a) the obligations, duties, powers and discretions which the Exchange has as the holder of, or in connection with, the holding of an Australian market licence under Part 7.2 of the Corporations Act;
 - (b) the obligations, duties, powers and discretions which an Approved Clearing Facility has as the holder of, or in connection with the holding of, an Australian CS facility licence under Part 7.3 of the Corporations Act;
 - (c) the obligations, duties, powers and discretions which an Approved Settlement Facility has as the holder of, or in connection with the holding of, an Australian CS facility licence under Part 7.3 of the Corporations Act; and
 - (d) the obligations, duties, powers and discretions which an operator of any Underlying Market has as the holder of, or in connection with the holding of, an Australian market licence under Part 7.2 of the Corporations Act.

Defects, irregularities and deficiencies

6130 A decision, resolution, proceeding or act of the Exchange under these Rules is not invalidated by any:

- (a) defect;
- (b) irregularity; or
- (c) deficiency,

of notice or time unless:

- (d) a Trading Participant concerned by the defect, irregularity or deficiency requests the Exchange to resolve that the decision, resolution, proceeding or act is invalid;
- (e) the Exchange reasonably believes that the defect, irregularity or deficiency has caused or may cause substantial injustice which cannot reasonably be avoided; and
- (f) the Exchange accordingly resolves that the decision, resolution, proceeding or act is invalid.

6131 An action or inaction by the Exchange under the Rules may not be challenged on the ground that a Rule, Procedure, direction, decision or requirement of the Exchange, or any agreement made by the Exchange, is ultra vires the Exchange or otherwise invalid.

6132 If any of the provisions of the Rules or the Procedures becomes at any time illegal, invalid or unenforceable in any respect under the law of any jurisdiction, the legality, validity or enforceability of the remaining provisions of the Rules and the Procedures, and the legality, validity or enforceability of the provision under the law of any other jurisdiction is not affected or impaired in any way.

Exchange actions as required under ASIC Market Integrity Rules

6200 If ASIC has under the Corporations Act or the ASIC Market Integrity Rules:

- (a) issued a direction to, or otherwise required, a Trading Participant, to take, or not take, certain action in respect of the Market; or

- (b) issued a direction to, or otherwise required, the Exchange to take, or not take, certain action in respect of the Market or a Trading Participant,

the Exchange may take, or not take, such action as the Exchange considers appropriate to give effect to, or to comply with, such direction or requirement having regard to Rule 6120, including such action, or non action, as specified in the Procedures.

Fees, duties and taxes

Fees and other charges

- 6300 The Exchange may determine fees to be paid by Trading Participants in connection with the admission of Trading Participants, including access to and use of trading facilities, the Exchange's monitoring and enforcement functions, its facilities and any other services operated or provided by the Exchange or a Related Body Corporate of the Exchange in connection with these Rules. The fees, and any change to those fees, will take effect from the time notified by the Exchange to Trading Participants.
- 6301 The Exchange may impose additional fees where a Trading Participant has failed to pay a fee determined under Rule 6300 by the time specified or to perform an obligation under these Rules by the time required under these Rules.
- 6302 A Trading Participant must pay the fees determined under Rule 6300 (and any late fees imposed under Rule 6301) by the times and in the manner determined by the Exchange and notified to Trading Participants.
- 6303 If any Trading Participant fails to pay any levy, fee or any sum of money (in this Rule 6303, a "sum") for which it is liable to the Exchange or any Related Party of the Exchange, within one month from the time when such sum became payable, the amount of such sum will carry interest at the rate determined in accordance with Schedule 5 of the Uniform Civil Procedure Rules 2005 (NSW).

Duties and taxes

- 6310 A Trading Participant is liable for all stamp duty, transaction taxes, goods and services taxes and other duties or taxes which may be payable in respect of any:
- (a) Market Transaction;
 - (b) transaction between the Trading Participant and the Exchange or any Related Body Corporate of the Exchange;
 - (c) services provided by the Exchange or any Related Body Corporate of the Exchange to the Trading Participant; or
 - (d) documents lodged by it with, or issued to it by, the Exchange or any Related Body Corporate of the Exchange in connection with the conduct of the Trading Participant's business with the Exchange, an Approved Clearing Facility or an Approved Settlement Facility.

Each Trading Participant indemnifies the Exchange against all liability for payment of those duties or taxes. The Exchange and any Related Body Corporate of the Exchange may debit any account of the Trading Participant with it by the amount of any duties or taxes payable by the Trading Participant or the Trading Participant's Clearing Participants.

Foreign Trading Participants and other Trading Participants with Overseas Activity

6400 A Trading Participant that proposes to locate any part of its business as a Trading Participant (including, without limitation, an Open Interface Device or a computer or other device connected to an Open Interface Device), or to locate any of its personnel engaged in its business as a Trading Participant, outside Australia (the "Overseas Activity") must comply with the requirements set out in the Procedures.

6401 If a Trading Participant is incorporated outside Australia or conducts part of its business as a Trading Participant outside Australia and:

- (a) any tax or duty of any kind would be liable to be paid by the Exchange, a Related Body Corporate of the Exchange or any other person bound by these Rules (each an "Entity");
- (b) the Trading Participant would be required by any law or regulation to withhold payment of an amount or deduct a tax or duty of any kind from an amount payable by it to any Entity; or
- (c) an Entity or Entities are required by any law or regulation to withhold payment of an amount or deduct a tax or duty of any kind from an amount payable by the Entity or Entities,

in respect of any transaction or agreement between that Trading Participant and any Entity or Entities, and that duty or tax would not be liable to be paid or would not be required to be withheld or deducted if the Trading Participant were incorporated in Australia and conducting its business as a Trading Participant wholly in Australia, then the Trading Participant must disclose to each relevant Entity that the duty or tax may be payable, or withholding or deduction may have to be made, before the relevant transaction or agreement to which the duty or tax relates is entered into or instructions are accepted. The disclosure must be in writing and include the nature of the duty, tax or withholding and the amount of the likely duty, tax or withholding or the appropriate rate of duty or tax.

6402 Without limiting any other indemnity given by a Trading Participant under these Rules, each Trading Participant indemnifies the Exchange in respect of any loss or damage caused to the Exchange as a result of a failure by that Trading Participant to observe the requirements of Rules 6400 to 6402.

Persons acting for Trading Participant

Responsibility for individuals involved in business

6500 A Trading Participant is responsible for all actions and omissions of its Employees.

Authorised Signatories

6510 A Trading Participant must submit to the Exchange, in the manner and form set out in the Procedures, details of persons who are authorised by the Trading Participant to sign documentation and to deal with trading issues in connection with the operation of its business as a Trading Participant.

6511 A Trading Participant must promptly notify the Exchange in writing if any of the persons whose names are submitted under Rule 6510 cease to be authorised by the Trading Participant to sign the relevant documentation or to deal with trading issues or if any new person is given that authority.

6512 The Exchange is entitled to rely on the list referred to in Rule 6510 as updated from time to time under Rule 6511 as evidence that the persons whose names are on the list at any given time are authorised to sign on behalf of the Trading Participant documentation presented to the Exchange or to deal with trading issues in connection with the operation of its business as a Trading Participant.

6513 Nothing in Rules 6510 to 6512 limits the persons whom the Exchange is entitled to assume are authorised by the Trading Participant to sign documentation and to deal with trading issues in connection with the operation of its business as a Trading Participant.

Compensation Arrangements

Payment of compensation arrangement levies

6620 Each Trading Participant must pay any levies raised against it by the Exchange in accordance with the rules of any compensation arrangement that the Exchange is required to maintain in accordance with the Corporations Act or Regulations.

Records, Information, Returns and Recording

Requirement for Records and Information

6700 All records which a Trading Participant is required to maintain under Rules 8500 to 8520 must be kept in writing and in the English language or in a manner which will enable them to be readily accessible by the Exchange and readily converted into writing in the English language. The Exchange may direct a Trading Participant to convert records into writing and into English. That direction must be complied with by the time specified by the Exchange when giving the direction.

6701 If the records which a Trading Participant is required to maintain under 8500 to 8520 are kept outside Australia:

- (a) the Trading Participant must send, or cause to be sent, to Australia records which will enable true and fair financial statements to be prepared; and
- (b) the Exchange may direct a Trading Participant to produce any of its records in Australia.

A Trading Participant must comply with any direction given by the Exchange under paragraph (b) by the time specified by the Exchange when giving the direction.

6702 Where documentation or information is provided or made available by or on behalf of a Trading Participant under Rule 6700 or 6701 in a language other than English or in a form that is not readily accessible by the Exchange, the Trading Participant indemnifies the Exchange against any costs and expenses the Exchange incurs in connection with translating that documentation or information into English and obtaining access to that documentation or information.

6703 A Trading Participant is not entitled to the return of any particulars, notices or any other documentation lodged with the Exchange under the Rules but a Trading Participant may, upon giving 24 hours' notice in writing to the Exchange as applicable, inspect and make copies, at the Trading Participant's cost, of those particulars, notices or other documentation in respect of dealings by that Trading Participant with the Exchange.

The Trading Participant must pay the costs, if any, of the Exchange as applicable of making available to the Trading Participant those particulars, notices or documentation.

6704 A Trading Participant must ensure that all information which the Trading Participant or its Employees give to the Exchange is complete, accurate and not misleading. If the Trading Participant becomes aware that information which it, or its Employees, have given previously to the Exchange was incomplete, inaccurate or misleading, the Trading Participant must promptly notify the Exchange in writing.

6705 A Responsible Executive must ensure that all information which the Responsible Executive gives to the Exchange is complete, accurate and not misleading. If the Responsible Executive becomes aware that information which he or she has given previously to the Exchange was incomplete, inaccurate or misleading, the Responsible Executive must promptly notify the Exchange in writing.

Returns and reports

6710 Where a Trading Participant is required by the Exchange under these Rules to prepare or submit a return or report:

- (a) the Trading Participant must prepare or submit that return or report in the manner and form and by the time specified in the Rule or otherwise required by the Exchange;
- (b) the Trading Participant must ensure that the information contained in the return or report is extracted accurately from the records of the Trading Participant; and
- (c) the Exchange may require a director of the Trading Participant to certify that paragraphs (a) and (b) have been complied with.

Disclosure of Information

6720 The Exchange may, where it considers it appropriate in accordance with Rule 6120, disclose information regarding Trading Participants and their activities that are relevant to the Exchange to:

- (a) the Commission;
- (b) the Reserve Bank of Australia;
- (c) the Australian Prudential Regulation Authority;
- (d) an Approved Clearing Facility;
- (e) an Approved Settlement Facility; or
- (f) any governmental agency or regulatory authority.

6721 The Exchange will take all reasonable measures to protect from unauthorised use or disclosure information provided to it in confidence, including Open Position information, by or on behalf of a Trading Participant pursuant to the Rules. For the purposes of this Rule the disclosure of information including client level information in the following circumstances does not constitute unauthorised use or disclosure:

- (a) pursuant to a Reciprocal Arrangement;
- (b) required to be disclosed by the Exchange under any law or any order of any court or tribunal, authority or regulatory body;
- (c) which at the time of disclosure to or by the Exchange, was generally available to and known by the public;
- (d) for the purposes of monitoring compliance with, or the enforcement of, the Rules or the adjudication of those matters (including, without limitation, to the Appeal Tribunal);
- (e) to a Related Body Corporate of the Exchange, for the purpose of enabling that Related Body Corporate to assess whether the Trading Participant is complying with, will comply with or has complied with the operating rules of, or any contractual arrangement with, that Related Body Corporate;
- (f) to an Approved Clearing Facility, for the purpose of enabling the Approved Clearing Facility to assess whether the Trading Participant (or Clearing Participants which clear Market Transactions of the Trading Participant) is complying with, will comply with or has complied with the Approved Clearing Facility's operating rules or procedures;

- (g) to the Approved Settlement Facility, for the purpose of enabling the Approved Settlement Facility to assess whether the Trading Participant is complying with, will comply with or has complied with the Approved Settlement Facility's operating rules or procedures;
- (h) to any governmental agency or regulatory authority including, without limitation, another market operator, clearing house or clearing and settlement facility (in Australia or elsewhere) which requests the Exchange to provide the information to it, in the proper exercise of its powers relating to:
 - (i) the order and good government of Trading Participants; or
 - (ii) the efficient, honest, fair, competitive and informed trading, clearing and settlement of financial products (in Australia or elsewhere); and
 - (iii) any entity which provides financial backing or insurance to the Exchange for the purpose of enabling that entity to assess the risk to the Exchange or that entity from trading activities generally or to assess any claim made in connection with the Trading Participant's activities.

6722 The Exchange will take all reasonable measures to protect from unauthorised use or disclosure information provided to it in confidence by or on behalf of an operator of a disputes or complaints resolution scheme or similar scheme to which a Trading Participant is a party. For the purposes of this Rule the disclosure of information by the Exchange, or a Related Party of the Exchange, to any of the entities or in any of the circumstances set out in Rules 6720 and 6721 will not be an unauthorised use or disclosure.

6723 The Exchange may disclose to the operator of a disputes or complaints resolution scheme, or similar scheme to which a Trading Participant is a party, such information relating to the Trading Participant as the Exchange has and which it considers relevant to a request for information from the operator or to some other aspect of a complaint involving the Trading Participant.

6724 The Exchange may only disclose information under Rule 6723 on condition that the operator of the disputes or complaints resolution scheme agrees to maintain the confidentiality of the information except that the operator may disclose the information:

- (a) if required by law or in court proceedings;
- (b) if required for the purpose for which the Exchange has given it the information;
- (c) if a government authority or agency has requested the information; or
- (d) if the information is already generally available at the time the operator discloses the information.

Recording by the Exchange

6730 The Exchange and each Trading Participant may record all telephone conversations between the Exchange and the Trading Participant.

Indemnities and Disclaimers

6800 Subject to Rule 6801, and without limiting Rules 3113, 3250 and 5166 the Exchange is not liable to any Trading Participant or any Trading Participant's clients for any direct, indirect or consequential loss, damage or expense (including legal costs) arising in any way out of:

- (a) the supply (or the failure to supply or any delay in supplying) of trading services in respect of Market Transactions including, without limitation, generation of trading information and production of documentation relating to a Trading Participant or its clients ("Trading Services");
- (b) the supply of any other services relating to the Market or any Trading Platform or Product ("Other Services");

- (c) any negligent conduct or omission of the Exchange including, without limitation, any systems malfunctions, systems failure, error in programming or error in input data in relation to any computer used or otherwise in connection with the supply of Trading Services or Other Services;
- (d) any implied warranties in relation to the supply of Trading Services or Other Services by the Exchange;
- (e) the exercise by the Exchange of a decision making power under the Rules or by an Approved Clearing Facility or an Approved Settlement Facility of a decision making power under the Clearing Rules; or
- (f) any action taken, or not taken, by the Exchange under Rule 6200.

6801 The Exchange excludes under Rule 6800 conditions and warranties implied by statute, general law or custom except any implied condition or warranty the exclusion or limitation of which would contravene any statute (including the Trade Practices Act 1974) or cause any part of Rules 6800 to 6802 to be void ("Non-Excludable Condition").

6802 The liability of the Exchange under any Non-Excludable Condition may be limited in the discretion of the Exchange respectively to:

- (a) in the case of services, the supply of the relevant services again or payment of the costs of having the relevant services supplied again; and
- (b) in the case of goods, the repair or replacement of those goods or the payment of the cost of having the goods repaired or replaced.

6803 Where a Rule excludes or limits the liability of the Exchange, releases the Exchange from liability, or provides for an indemnity in favour of the Exchange, then to the extent permitted by law, that exclusion, limitation, release or indemnity (as applicable) extends to:

- (a) every officer, employee, agent, delegate, person acting for or on behalf of the Exchange or contractor of the exchange; and
- (b) every Related Body Corporate of the exchange and every officer, employee, agent, delegate, person acting for or on behalf of that Related Body Corporate or contractor of that Related Body Corporate,

as if a reference in that Rule to the exchange included a reference to each of them.

6804 The benefit of any limitation, exclusion, release or indemnity in favour of any person other than the Exchange under Rule 6803 is held by the Exchange for the benefit of those other persons and the Exchange may enforce that benefit on their behalf.

Miscellaneous

Notice, notification and service of documents

6900 If any Rule requires or permits the giving of notice of any matters to any person, the Rule requires or permits the giving to that person of a written document containing those matters.

6901 Without limiting any other provision of Rules 6900 to 6904, any notice to be given by a Trading Participant to the Exchange must be given to the person holding the position notified by the Exchange to Trading Participants and may be given in the manner set out in the Procedures. Any notice to be given by the Exchange to a person, firm or corporation may be given in the manner set out in the Procedures.

6902 For the purposes of any Rule that requires or permits a document to be given to a person, whether the expression 'serve', 'give' or 'send' or any other expression is used, the document may be given, and will be taken to have been received, at the time and in the manner set out in the Procedures.

Nothing in this Rule 6902 or the Procedures prevents documents being sent or given to, or served on, a person in any other manner required or permitted by law.

6903 A Trading Participant must acquire and maintain an operating e-mail system for the purposes of receiving notices under Rule 6902.

6904 If under these Rules the Exchange is to give notice to some or all Trading Participants, accidental omission by the Exchange to give notice to one or more Trading Participants does not affect the validity or enforceability of any resolution, decision, proceeding or act in connection with which the notice was to be given.

Governing law and submission to jurisdiction

6910 All contracts or agreements between the Exchange or a Related Body Corporate of the Exchange and a Trading Participant which are constituted by the Rules or entered into under the Rules or as contemplated by the Rules are governed by the laws of New South Wales or as applicable the laws of Australia.

6911 The Exchange, each Related Body Corporate of the Exchange and each party to a contract or agreement referred to in Rule 6910 irrevocably and unconditionally:

- (a) submit to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them;
- (b) waive any immunity from any action in the courts exercising any jurisdiction in New South Wales; and
- (c) waive any right they have to object to any action being brought in those courts, including, without limitation, by claiming that the action has been brought in an inconvenient forum or that the courts in New South Wales do not have jurisdiction.

SECTION 7 – DEFINITIONS AND INTERPRETATION

Interpretation

General Principles of Interpretation

7000 In these Rules unless the context otherwise requires:

- (a) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or any legislative provision substituted for, and any regulation or statutory instrument issued under, that legislation or legislative provision;
- (b) a reference to the operating rules of an Approved Clearing Facility, the operating Rules of an Approved Settlement Facility, the ASX Enforcement and Appeals Rulebook, these Rules or the Procedures is a reference to those operating rules, the Rules or the Procedures as modified or amended from time to time;
- (c) the singular includes the plural and vice-versa;
- (d) a reference to a person, body, corporation, trust, partnership, unincorporated body, firm, association, authority or government includes any of them;
- (e) a word denoting any gender includes all genders;
- (f) if a word or expression is given a particular meaning, another part of speech or grammatical form of that word or expression has a corresponding meaning;
- (g) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- (h) reference to power includes a reference to authority and discretion;
- (i) a reference to a Rule (eg Rule 7040) includes a reference to all sub-Rules included under that Rule (eg Rule 7040(a) and Rule 7040(b));
- (j) a reference to a Section (eg Section 2) includes a reference to all Rules and sub-Rules within that Section;
- (k) a reference to any Rule or Procedure is a reference to that Rule or Procedure as amended from time to time;
- (l) a reference to time is to the time in Sydney, Australia;
- (m) a reference to currency is a reference to Australian currency;
- (n) a reference to writing includes typing, printing, lithography, photography, telex, facsimile or any other mode of representing or reproducing words in a visible form;
- (o) where there is a reference to the power of the Exchange to make, demand or impose a requirement there is a corresponding obligation of the relevant Trading Participant to comply with that demand or requirement in all respects; and
- (p) a reference to the Exchange notifying or giving notice to a Trading Participant or vice-versa is a reference to notifying or giving notice in accordance with Rules 6900 to 6904.

Words and expressions defined in the Corporations Act

7020 Words and expressions defined in the Corporations Act will unless otherwise defined or specified in these Rules or the contrary intention appears, have the same meaning in these Rules.

Headings and any Introductory Review

7030 Headings and any introductory overview at the beginning of each Section are for convenience of reference only and do not affect the interpretation of the Rules or the Procedures.

Conduct, Acts and Omissions

7040 In these Rules:

- (a) a reference to conduct or engaging in conduct includes a reference to doing, refusing to do or omitting to do, any act, including the making of, or the giving effect to a provision of, an agreement; and
- (b) unless the contrary intention appears, a reference to doing, refusing or omitting to do any act or thing includes a reference to causing, permitting or authorising:
 - (i) the act or thing to be done; or
 - (ii) the refusal or omission to occur.

7041 In these Rules, conduct engaged in on behalf of a person:

- (a) by an officer, Employee, or other agent of the person, and whether or not within the scope of the actual or apparent authority of the officer, Employee, or other agent; or
- (b) by any other person at the direction or with the consent or agreement (whether express or implied) of an officer, Employee, or other agent of the person, and whether or not the giving of the direction, consent or agreement is within the scope of the actual or apparent authority of the officer, Employee, or other agent,

is deemed to have been engaged in by the person.

7042 If for the purposes of these Rules in respect of conduct engaged in by a person, it is necessary to establish the state of mind of the person, it is sufficient to show that an officer, Employee, or other agent of the person, being an officer, Employee, or other agent by whom the conduct was engaged in and whether or not the conduct was within the scope of the actual or apparent authority of that officer, Employee, or other agent, had that state of mind.

In this Rule 7042, a reference to the state of mind of a person includes a reference to the knowledge, intention, opinion, belief or purpose of the person and the person's reasons for the person's intention, opinion, belief or purpose.

Regard to be had to purpose or object of Rule

7050 In the interpretation of a Rule, a construction that would promote the purpose or object underlying the Rules (whether that purpose or object is expressly stated in the Rules or not) is to be preferred to a construction which would not promote that purpose or object.

Notes

7060 If these Rules include a note about the operation of a Rule:

- (a) the note is not to be taken to be exhaustive; and
- (b) if the note is inconsistent with the Rule, the Rule prevails.

Change of name

7070 If:

- (a) the name of a body is changed in accordance with the law (whether or not the body is incorporated); or
- (b) the name of an office is changed by law,

then a reference in these Rules to the body or office under any former name, except in relation to matters that occurred before the change took effect, is taken as a reference to the body or office under the new name.

7072 As from the Effective Time (as defined in Rule 8000), these Rules (formerly known as the Operating Rules of Sydney Futures Exchange Limited) have been renamed the ASX 24 Operating Rules.

Effect of amendment to rules and procedures

7080 Unless expressly stated otherwise, where a Rule or Procedure is:

- (a) amended;
- (b) deleted; or
- (c) lapses or otherwise ceases to have effect,

that circumstance does not:

- (a) revive anything not in force or existing at the time at which that circumstance takes effect;
- (b) affect the previous operations of that Rule or Procedure or anything done under that Rule or Procedure;
- (c) affect any right, privilege, obligation or liability acquired, accrued or incurred under that Rule or Procedure;
- (d) affect any penalty, forfeiture, suspension, expulsion or other enforcement action taken or incurred in respect of any breach of that Rule or Procedure; or
- (e) affect any investigation, proceeding, enforcement process, appeal process, sanction or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture, suspension, expulsion or other enforcement action,

and any such investigation, proceeding, enforcement process, appeal process, sanction or remedy may be instituted, continued or enforced, and any such penalty, forfeiture, suspension, expulsion or other enforcement action may be imposed as if the circumstance had not taken effect.

Rule in force at time of contravention

7090 Unless expressly stated otherwise, in determining whether the act or omission of a party constitutes a contravention of the Rules or a breach of a condition imposed by the Exchange under the Rules, the matter will be determined with regard to the Rules in force at the time of the relevant act or omission.

Definitions

"Account" means an account of a Clearing Participant with an Approved Clearing Facility in which Derivatives Market Contracts cleared by the Clearing Participant are registered.

"Acquire" has the meaning set out in the Corporations Act.

"Admission Requirements" means the requirements for admission as a Trading Participant which are set out in Rules 1000 to 1002.

"Affiliated Accounts" means two or more accounts maintained or carried by a Trading Participant which that Trading Participant knows, or with the exercise of due care should know, or is advised by the Exchange, are controlled by or under common control with the same related or affiliated persons or entities or are acting pursuant to an express or implied agreement or understanding that they will act in concert.

"Allocation or Allocated" means the signification through the Relevant Clearing System that the bought or sold side of a Futures Contract or Option Contract is to be held in the name of another Trading Participant.

“Alternative Clearing Facility” means a CS Facility which, in the opinion of the Exchange, has:

- (a) adequate rules or procedures relating to the operation of the facility, including effective risk management procedures;
- (b) adequate arrangements for supervision and regulation of the facility; and
- (c) sufficient resources to conduct the facility and perform its supervisory and regulatory functions, and which is recognised by the Exchange as an Alternative Clearing Facility.

“API” means an Applications Programming Interface.

“Appeal Tribunal” means the tribunal convened in accordance with the provisions of the ASX Enforcement and Appeals Rulebook.

“Approved Clearing Facility” means a CS Facility approved by the Exchange as an Approved Clearing Facility and specified in the Procedures.

“Approved Foreign Bank” means a bank approved by the Exchange.

“Approved Securities” means those Securities approved by the Exchange and set out in the Procedures.

“Approved Settlement Facility” means a CS Facility approved by the Exchange as an Approved Settlement Facility and specified in the Procedures.

“Approved Warehouse” has the meaning defined by the relevant Rule for each Contract to which it applies.

“ASIC Market Integrity Rules” means the ASIC Market Integrity Rules applying to trading on the financial market operated by the Exchange.

“ASX” means ASX Limited (ABN 98 008 624 691).

“ASXO” means ASX Operations Pty Limited (ABN 42 004 523 782).

“Australian ADI” has the meaning set out in the Corporations Act.

“Australian CS Facility Licence” means a licence granted to the operator of a Clearing and Settlement Facility in accordance with the Corporations Act that authorises it to operate a facility providing Clearing and Settlement services in respect of all products traded on the Exchange.

“Australian Financial Services Licence” means a licence granted under Section 913B of the Corporations Act.

“Bid” means an offer to enter into a Derivatives Market Transaction in respect of the relevant Derivatives Market Contract as Buyer.

“Block Trade” means any trade which is executed via the Block Trade Facility.

“Block Trade Facility” means the facility described in the Procedures by which Block Trades are executed.

“Block Trade Order” means an order in a Class of Contract prescribed by the Exchange which must be executed via the Block Trade Facility.

“Business Day” means a day other than:

- (a) a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day; and
- (b) any other day which the Exchange notifies Trading Participants is not a Business Day.

“Buyer” means, in relation to a Derivatives Market Transaction, the Trading Participant whose purchase, bid or buy instruction, order or other Trading Message has resulted in the Derivatives Market Transaction being entered into, whether or not in connection with any other Derivatives Market Transaction and includes the taker of an Options Market Contract.

“Calendar Quarter” means the Calendar Quarter in which settlement of a particular Class of Contract is to take place or takes place.

“Capital Requirements” means, in relation to a Trading Participant, the NTA Requirements.

“Central Order Book” means a part of a Trading Platform known as the “central orderbook” which is a facility for submitting Trading Messages in respect of, and entering into transactions in respect of Derivatives Market Contracts.

“Call Option Contract” has the meaning set out in the Rules.

“CFD or Contract For Difference” means a Futures Contract designated by the Exchange as a Contract for Difference.

“CFD Daily Adjustment” means the daily cash flows relevant to a CFD Contract calculated by reference to the CFD Daily Settlement Price.

“CFD Daily Settlement Price” means the daily settlement price of a CFD Contract as determined by the Exchange.

“Class of Contract” means:

- (a) all those Contracts which have the same Individual Contract Specifications; and
- (b) all those Contracts whose Contract Units differ in terms of the number of securities, the class of securities or the company issuing the securities, provided the Individual Contract Specifications of such Contracts are otherwise the same.

“Clearing Guarantee” means the guarantee in the form set out in the Procedures from a Guarantor Clearing Participant.

“Clearing Obligation” means an obligation imposed on a Clearing Participant under the Clearing Rules.

“Clearing Participant” means a person admitted as a participant under the Clearing Rules.

“Clearing Rules” means the operating rules, procedures, practices, directions, decisions and requirements of an Approved Clearing Facility (and, when used in relation to a particular Approved Clearing Facility or Clearing Participant, refers to such rules of that Approved Clearing Facility or to which that Clearing Participant is subject).

“Client” means in relation to a Trading Participant, any person, firm or corporation on behalf of whom the Trading Participant enters, acquires or disposes of a Futures Contract or Option Contract, or on whose behalf the Trading Participant proposes to enter, acquire or dispose of a Futures Contract or Option Contract or from whom the Trading Participant accepts instructions to enter, acquire or dispose of Futures Contracts or Option Contracts.

“Client Access” means an arrangement whereby:

- (a) a Trading Participant permits either a client or an agent of the client to submit Trading Messages (to which the Trading Participant's unique identifier is attached) through the Trading Participant's system; or
- (b) a Trading Participant permits either a client or an agent of the client to submit Trading Messages (to which the Trading Participant's unique identifier allocated by the Exchange under Rule 1300(c) is attached) other than through the Trading Participant's system.

“Client Account” means an account of a Clearing Participant with an Approved Clearing Facility in which Derivatives Market Contracts cleared by the Clearing Participant for one or more clients are registered.

“Client Agreement” means an agreement between the Trading Participant and its client entered into under Rule 3801 of these Rules and/or the ASIC Market Integrity Rules as applicable.

“Client Identifier” means the unique identifier of at least one character assigned by a Trading Participant to each Client to identify the Client in the Trading Participant's dealing record.

“Client Positions” means Open Positions designated as Client Positions under the Clearing Rules.

“Client Trade” means a trade of a Trading Participant held on behalf of a Client.

“Close Out” means to extinguish an Open Position by matching it with offsetting an Open Position and effecting the settlement of each such Open Position against the other.

“Commission” means the Australian Securities and Investments Commission.

“Confirmation or Confirmed” means the confirmation that the bought or sold side of a Futures Contract or Options Contract has been:

- (a) entered, acquired or disposed of by a Trading Participant; or
- (b) accepted by Allocation from a Trading Participant.

“Contract” means a contract entered, acquired or disposed of on the Exchange or capable of being entered, acquired, or disposed of on the Exchange.

“Contract Premium” means the premium at which an Option Contract is traded.

“Contract Series” means a Futures Series or an Option Series.

“Contract Unit” means the amount of the underlying security, index, commodity, futures contract or other thing in respect of which the parties to a Contract make an agreement.

“Contract Value” means the value or worth of a Contract at the time of making that Contract.

“Controller” means:

- (a) a person holding 20% of the total votes attached to voting shares of an applicant or a Trading Participant or a person who, together with Related Parties, holds 20% of such votes; or
- (b) a person who has the power to control the Trading Participant or applicant Trading Participant, whether that power is direct or indirect or is, or can be, exercised as a

result of, by means of, in breach of, or by revocation of, trusts, relevant agreements and practices, or any of them, and whether or not they are enforceable,

but for the purposes of Section 1 and Section 4 does not include an entity if the entity, a holding company of the entity, or a subsidiary of the entity through which the entity has an interest in the applicant or Trading Participant is an entity listed on ASX or any other Australian market licensee or a Recognised Overseas Stock Exchange.

“Custom Market” means the facility within the Trading Platform whereby non-standard multi-legged strategies may be entered, consisting of up to six legs or such other number as determined by the Exchange and, in respect of either Futures Contracts or Option Contracts or a combination of both, entered, acquired or disposed of pursuant to Rule 4403.

“Custom Market Order” means a non-standard multi-legged strategy of either Futures Contracts or Option Contracts or a combination of both, consisting of up to 6 legs or such other number as determined by the Exchange, entered, acquired or disposed of pursuant to Rule 4403.

“Daily Settlement Price” means the official daily quotation for each Contract entered, acquired or disposed of on a Market of the Exchange for each delivery or cash settlement month (and in the case of Option Contracts, for each series) as determined by the Exchange for the purpose of margining and settling by the Approved Clearing Facility.

“Deal, Deal In or Dealing or Cognate Expressions” means deal or dealing as those terms are defined in Section 766C of the Corporations Act.

“Dealing Dispute” has the meaning given in Section 3.

“Declaration Date” means the last date on which an Option Contract may be exercised by the Buyer.

“Deny Automatic Exercise Request” means the notice which may be lodged in the Clearing System by Trading Participants holding a bought Option Position in the Clearing System pursuant to which the automatic exercise on the Declaration Date of an Option Contract in the money is denied.

“Derivative” in Rule 2000, has the same meaning set out in Section 761D of the Corporations Act.

“Derivatives Market Contract” means a Futures Market Contract, an Options Market Contract and any other contract that the Exchange authorises for trading on a Trading Platform and determines to be a Derivatives Market Contract.

“Derivatives Market Transaction” means a transaction between Trading Participants for one or more Derivatives Market Contracts.

“Designate” means the indication or designation by any means within the Clearing System that the trade is either a House Trade or a Client Trade.

“Dispose” has the meaning set out in the Corporations Act.

“Employee” in relation to a Trading Participant includes a director, employee, officer, agent, representative, consultant or adviser of that Trading Participant, or an independent contractor who acts for or by arrangement with a Participant.

“Entry of Order” means to enter, amend and/or cancel an order.

“Exchange” means Australian Securities Exchange Limited (ABN 000 943 377 (formerly known as Sydney Futures Exchange Limited).

“Exchange Equipment” means equipment required by a Participant in Order to access the Exchange System for the purpose of carrying out its activities as a Participant of the Exchange, which may be supplied from time to time by the Exchange or a Related Body Corporate.

“Exchange for Physical” (EFP) means a transaction of the kind described in Rule 4800.

“Exchange Software” means the software developed by or on behalf of the Exchange or a Related Body Corporate from time to time to operate the Exchange System and required by a Trading Participant in order to access the Exchange System for the purpose of carrying out its activities as a Trading Participant of the Exchange.

“Exchange System” means any system, including trading system, computer system or other electronic system (including the Exchange Software and Exchange Equipment) utilised by the Exchange or any of its Related Bodies Corporate from time to time in connection with any business of the Exchange or any of its Related Bodies Corporate.

“Exercise Limit” means a limit set by the Exchange under Rule 3410 or an exercise limit set by the Approved Clearing Facility under the Clearing Rules.

“Exercise Notice” means a notice given by the Buyer of an Options Market Contract in accordance with these Rules to exercise an Options Market Contract.

“Exercise Price” means the price specified by the Exchange for the exercise of an Options Market Contract (as adjusted in accordance with the Rules).

“Expiry Date” means, in relation to an Options Market Contract, the date determined by the Exchange as the date on which the Options Market Contract expires.

“Expiry Month” means the calendar month in which an Option Contract Expires.

“Expression of Interest” means an enquiry made to a Trading Participant either:

- (a) to obtain the current best bid and/or offer in a particular Market; or
- (b) to enquire as to the volume that may be obtained at a given price,

but is not a firm order to buy or sell.

“Facility Participant” means any person approved by the Exchange who has an Australian CS Facility Licence and is a Clearing Participant.

“Fidelity Fund” means the fund referred to in the Compensation Arrangement Rules.
Note: Refer to ASX’s website for Fidelity Fund Compensation Arrangement Rules.

“Final Trading Day” means the last day on which trading is permitted in any Contract within a Class of Contracts for the particular settlement month.

“Financial Market” means “Financial Market” as that term is defined in the Corporations Act.

“Financial Product” has the meaning set out in Division 3 of Part 7.1 of the Corporations Act.

“Futures Market Contract” means a contract on the terms of a Futures Series.

“Futures Series” means a set of contractual terms which include the terms set out in Schedule 1 and other terms determined by the Exchange under Rule 2221.

“Futures Market Transaction” means a Market Transaction for one or more Futures Market Contracts.

“Guarantor Clearing Participant” means in relation to a Trading Participant a Clearing Participant which has provided a guarantee of the trading of that Trading Participant as provided in Section 1 of the Rules and, unless the context otherwise requires, a reference to a Guarantor Clearing Participant in the Rules includes a Facility Participant.

“House Account” means an account of a Clearing Participant with an Approved Clearing Facility in which Derivatives Market Contracts cleared by the Clearing Participant for its own account are registered.

“House Trade” means any Trade other than a Client Trade.

“Individual Contract Specifications” means the terms of a Class of Contracts identified in Schedule 1.

“In Price/Time Priority” means, in respect of Bids and Offers, in accordance with the following order:

- (a) Bids entered into a Trading Platform are ranked from highest to lowest priced and Offers are ranked from lowest to highest priced;
- (b) Bids entered into a Trading Platform are ranked above Bids entered later at the same price and Offers entered into a Trading Platform are ranked above Offers entered later at the same price; and
- (c) an Order withdrawn from a Trading Platform loses its priority under (a) and (b) and, if re-entered, will be treated as a new Order.

“Intellectual Property” means:

- (a) any patent, trade mark (whether registered or common law), copyright, registered design or other design right, and any corresponding property right under the laws of any jurisdiction throughout the world;
- (b) any right under the laws of Australia, or of any jurisdiction throughout the world, to apply for the grant or registration of a patent, trade mark, copyright, design, or any corresponding property or right; and
- (c) any rights throughout the world in respect of an invention, discovery, trade secret, know-how, concept, idea, information, data, algorithm or formula.

“Interim Daily Settlement Price” means in respect of a Contract, the Daily Settlement Price for the Contract determined by the Exchange immediately following the Close of the Market.

“Intra-Day Option” means an Option which expires on the afternoon of the same Business Day of the relevant Trading Date.

“Intra-Day Option Futures Price” means the price against which an Intra-Day Option over a Futures Contract is settled.

“In Writing” means written, typed, printed or lithographed, or partly one and partly another and including any other mode of representing or reproducing words in a visible form, including electronically produced, displayed and recorded matter.

“Licence” in Rule 1700 means a licence or sub-licence.

“Licensed Software” means the Exchange Software which is the subject of a licence granted in Rule 1700.

“Licensor” means, a Third Party who, as an owner of intellectual property rights, licenses the Exchange or a Related Body Corporate to use those Intellectual Property rights in the manner set out in any relevant licence.

“List” means to make a Class of Contract available for acquisition or disposal on a trading facility operated by the Exchange.

“Mandatory Cancellation Range” means the range set out in Procedure 3200.

“Market” means a market in one or more of the Class of Contracts entered into, acquired or disposed of on the Exchange.

“Market Contract” has the meaning set out in the Clearing Rules.

“Market Transaction” means a transaction for one or more Products entered into on a Trading Platform or reported to the Exchange under these Rules.

“Message Facility” means a function of the Trading Platform which enables messages to be sent to the market.

“Minimum Volume Threshold” means the threshold determined by the Exchange from time to time, being the minimum number of lots in respect of each Contract.

“Month” means calendar month.

“No Cancellation Range” means the range set out in Procedure 3200.

“Non-quarter Months” means those months which are not Quarter Months.

“Non-US Exchanges” means exchanges, other than the Exchange and ASX, which are located outside the USA.

“Offer” in relation to a Derivatives Market Contract, means an offer to enter into a Derivatives Market Contract in respect of the relevant Contract Series as Seller.

“Open Contract” means a contract, on the terms of a Contract Series which is registered with an Approved Clearing Facility under the Clearing Rules (and any contract which replaces that contract through the transfer, adjustment or settlement to market of that contract under the Clearing Rules).

“Open” means the commencement of Open Trading in a particular Contract or such other time as is designated by the Exchange.

“Open Interface Device” means the means by which Trading Participants access a Trading Platform and which enables a Trading Participant to submit Trading Messages and as named in the Procedures.

“Open Position” means an open position exists where the obligations under a Contract held by a party, which has not been closed out are yet to be performed and shall refer as the context requires either to an open position as defined by the Clearing Rules held by a Clearing Participant or to such an open position which is held by a Participant on the instructions of a client, including open positions held, where applicable on markets other than Markets of the Exchange.

“Open Trading” means the Session State being the period of Trading in a particular Contract following the Pre-Opening Phase, during which bids and offers may be freely made, accepted, matched, cancelled and amended.

“Operational Requirements” is defined in Rule 1401.

“Options Market Contract” means a contract on the terms of an Option Series.

“Options Market Transaction” means a Market Transaction for one or more Options Market Contracts.

“Option Series” means a set of contractual terms which include the terms set out in Schedule 1 and other terms determined by the Exchange under Rule 2221.

“Option or Option Contract” means an Option over a Futures Contract or a number of Futures Contracts or an Option over an Underlying Physical as listed by the Exchange.

“Order” means an instruction to enter into a Derivatives Market Transaction, or an instruction to amend or cancel a prior instruction to enter into a Derivatives Market Transaction.

“Order System” means a software application, satisfactory to the Exchange, for entering orders into the Trading Platform through a terminal.

“Ordinary Option” means an Option over a Futures Contract which expires in the same Settlement Month as the Underlying Futures Contract, on or about the Final Trading Day as the Underlying Futures contract.

“Overnight Option” means an Option which expires in the morning of the relevant Trading Date.

“Overnight Option Futures Price” means the price against which an Overnight Option over a Futures Contract is settled.

“Overnight Option Months” means Futures Contract months in which the Exchange has determined that Overnight Options may be traded.

“Position Limit” means a limit set by the Exchange under Rule 3400 or a position limit set by an Approved Clearing Facility under the Clearing Rules.

“Pre-Opening Phase” means the Session State being a period of ten (10) minutes (or such other period as may be determined by the Exchange) prior to the Open in respect of a particular Contract during which bids and offers may be entered into the Trading Book for execution at a common price on the Open.

“Pre-Price Discovery Phase” means the Session State being a phase where the market is halted and appropriate orders are Purged in preparation for the Price Discovery Phase.

“Prescribed Rate” means the base rate charged by the Exchange’s principal banker to corporate customers from time to time in respect of overdraft loans in excess of \$100,000 calculated on a daily basis and a year of 365 days.

“Price Discovery Phase” means the Session State being a second Pre-Opening Phase.

“Prioritised Execution” means a method of prioritising orders for execution based upon orders being received on the Trading Platform obtaining priority of execution over:

(a) all subsequent entries at the same price;

- (b) all entries at a lower price in the case of a bid to buy; and
- (c) all entries at a higher price in the case of an offer to sell,

with each entry being recorded by the Trading Platform.

“Price Step” means the minimum bid increment that can be entered on a Trading Platform as set out in the Procedures.

“Principal Trader” means a Trading Participant with Trading Permission for one or more Products which limits it to trading on its own behalf.

“Procedures” means any document, electronic file or other information (recorded by any mode of representing words or reproducing words) approved by the Exchange and given where applicable to third party providers in accordance with Rules 6020 to 6022 and, without limitation, includes the Exchange Operating Rule Procedures as amended from time to time.

“Product” means a Derivatives Market Contract.

“Purge” means the process whereby, in the event of a terminal losing connection to the Trading Platform for a period of time, an order which has not been designated as “Retain” will be automatically cancelled by the Trading Platform.

“Put Option Contract” has the meaning set out in Section 2.

“Qualifying Error Range” means the range set out in Procedure 3200.

“Quarter Months” means March, June, September and December.

“Reciprocal Arrangement” means any agreement or arrangement between the Exchange and any governmental agency or regulatory authority (including, without limitation, an exchange, market operator, clearing house or clearing and settlement facility) in Australia or elsewhere whose functions include the regulation of trading in, or clearing and settlement of Financial Products (in Australia or elsewhere) which provides for the disclosure of information between the Exchange and the other party in relation to dealings in, or clearing and settlement of, derivatives or securities (in Australia or elsewhere).

“Related Body Corporate” has the meaning set out in Section 50 of the Corporations Act.

“Related Party” means:

- (a) in relation to a body corporate:
 - (i) the meaning in Section 228 of the Corporations Act; or
 - (ii) a Substantial holder of the body corporate;
- (b) in relation to a trust, which is not a registered management investment scheme, the management company, trustee and their related parties within the meaning of Section 228 of the Corporations Act;
- (c) in relation to a trust which is a registered managed investment scheme, the responsible entity and a related party of the responsible entity under Section 228 of the Corporations Act, as modified by Section 601LA of the Corporations Act;
- (d) in relation to a person:
 - (i) his or her spouse, de facto spouse, parent, son, or daughter, or a spouse or de facto spouse of that person;
 - (ii) an entity over which one or more of the persons referred to in paragraph (i) has control;
 - (iii) an entity that he or she controls, or its holding company or which is controlled by the holding company;

- (iv) a person who acts, or proposes to act, in concert with anyone referred to above;
- (v) a person who was a related party in the previous 6 months, or who would be a related party in the future, under the tests in Section 228 of the Corporations Act (applied with any necessary adaptation).

“Relevant Clearing Participant” means, in relation to a Trading Participant:

- (a) where the Trading Participant is not itself a Clearing Participant and has a third party clearing arrangement with only one Clearing Participant to clear all of its Market Transactions in a class of Product, that Clearing Participant; and
- (b) where the Trading Participant is itself a Clearing Participant and clears all of its Market Transactions in a class of Products, itself; and
- (c) where the Trading Participant has third party clearing arrangements with more than one Clearing Participant, or is itself a Clearing Participant and has third party clearing arrangements with other Clearing Participants to clear its Market Transactions in a class of Product, the Clearing Participant which it has identified through the Open Interface Device in respect of the Market Transaction.

“Representative” in relation to a Trading Participant, means a “representative” within the meaning of Section 910A of the Corporations Act.

“Retain” means in the event of a Trading Terminal losing connection to the Trading Platform for a specified period an order designated as “Retain” will remain active in the Trading Platform.

“Roll” means trading a position from the nearest delivery month to an equivalent position in a different delivery month.

“Rules” means these rules.

“Security or security” means:

- (a) a “security” within the meaning of Section 761A of the Corporations Act; or
- (b) a managed investment product.

“Seller” means, in relation to a Derivatives Market Transaction, the Trading Participant whose sell or offer instruction, order or other Trading Message has resulted in the Derivatives Market Transaction being entered into.

“Serial Option” means an Option over a Futures Contract which expires in a Settlement Month which is different from the Settlement Month of the Underlying Futures Contract.

“Settlement Day” means the day on which:

- (a) the parties to a cash settled contract are required, in accordance with the Rules, to make an adjustment between them according to whether the settlement value of the contract is greater or less than the contract value;
- (b) the parties to a deliverable contract are required, in accordance with the Rules, to give delivery in the case of the Seller and to take delivery and make payment in the case of the Buyer;
- (c) the parties to an exercised deliverable Option over an Underlying Physical are required, in accordance with the Rules, to transfer the Underlying Physical and make payment for them.

“Settlement Month” means the calendar month in which the Final Trading Day in a particular Class of Contract occurs.

“Settlement Price” means the price of a contract on the Settlement Day.

“Settlement Quarter” means the quarter in which settlement of a particular Class of Contract is to take place or takes place.

“Settlement Value” means the value or worth of a cash settled contract on the Settlement Day.

“Session State” means, in respect of a Trading Platform, a Session State specified by the Exchange during which trading will take place in accordance with the parameters specified by the Exchange. Unless otherwise specified the parameters specified in the Procedures will apply.

“Shared Order” means an order that may be viewed and actioned by authorised Representatives of the same Trading Participant.

“Spread Order” means a type of strategy order under Section 3.

“State of Emergency” means any of the following:

- (a) fire, power failure or restriction, communication breakdown, accident, flood, embargo, boycott, labour dispute, unavailability of data processing or any other computer system or facility, act of God;
- (b) act of war (whether declared or undeclared) or an outbreak or escalation of hostilities in any region of the world which in the opinion of the Exchange prevents or significantly hinders the operation of the market;
- (c) an act of terrorism; or
- (d) other events which, in the opinion of the Exchange prevents or significantly hinders the operation of the market.

“Support Fee” means the fee determined by the Exchange from time to time, charged by the Exchange, for providing support services in relation to the Exchange System.

“Throughput Capacity” means the number of transactions per second which can be processed through an Open Interface Device.

“To Trade” and similar expressions means to enter, acquire or dispose of Contracts on a Market operated by the Exchange.

“Trading Close” means the time determined by the Exchange and notified to Trading Participants as the time on each Trading Day at which the entry of orders into a Trading Platform must cease.

“Trading Day” means a day determined by the Exchange to be a Trading Day and notified to Trading Participants.

“Trading Date” means the period from any commencement of Open Trading to the Close of Trading (disregarding any temporary interruptions to Trading).

“Trading Hours” means the times on a Trading Day determined by the Exchange and notified to Trading Participants as the times between which Market Transactions may be entered into by Trading Participants on a Trading Platform.

“Trading Infrastructure Fee” means any and all charges determined by the Exchange from time to time payable by a Trading Participant to the Exchange in consideration for, or in any way connected with, the use of the Exchange System.

“Trading Messages” means those messages submitted into a Trading Platform relating to trading functions, such as Orders, amendment or cancellation of Orders and the reporting or cancellation of Market Transactions on the Trading Platform.

“Trading Participant” means a Participant which has Trading Permission in respect of one or more Products.

“Trading Permission” means the right to submit Trading Messages in a Trading Platform.

“Trading Permission Requirements” means the requirements in Rules 1110, 1120, 1130, and 1140 (as applicable).

“Trading Period” means the period from the Open of Trading to the Close of Trading on the following Business Day, or such other period as may be designated by the Board.

“Trading Platform” means a platform made available by the Exchange to Trading Participants for the entry of Trading Messages, the matching of Orders, the advertisement of invitations to trade and the reporting of transactions. Parts of the Trading Platform may be referred to as ‘a Trading Platform’ or ‘the relevant Trading Platform’.

“Underlying Commodity” means in relation to a Derivatives Market Contract, the commodity which underlies that contract as determined by the Exchange.

“Underlying Financial Product” means in relation to a Derivatives Market Contract, the Financial Product underlying that contract as determined by the Exchange.

“Underlying Futures Contract” means the Futures Contract or Contracts upon which an Option over a Futures Contract is based.

“Underlying Index” means in relation to a Derivatives Market Contract, the index which underlies that contract, as determined by the Exchange.

“Underlying Instrument” means in relation to Option Series and Futures Series, the instrument which underlies that Option Series or Futures Series as determined by the Exchange.

“Year” means calendar year.

SECTION 8 – TRANSITIONAL PROVISIONS

Definitions used in this Section

8000 In this Section 8:

“Approved Subordinated Debt” means an amount owing by a Trading Participant which is payable at a time or by installments approved by the Exchange and is to the satisfaction of the Exchange effectively subordinated so that any right of the creditor in question to receive payment in the case of bankruptcy of or any composition or compromise with creditors by or appointment of a trustee in bankruptcy or in the case of liquidation, liquidator in respect of the Trading Participant or the partners or any of them is extinguished to such an extent as will ensure payment or provision for payment in full of all claims of all other present and future creditors of the Trading Participant in priority to the claim of the subordinated creditors and in respect of which a Subordinated Loan Deed has been executed under seal by the Trading Participant, the lender and the Exchange.

The Deed shall specifically provide:

- (a) that its terms are not to be varied without the agreement in writing of all parties;
- (b) that the lender’s rights to receive interest and principal payments pursuant to the loan are subordinated at all times to other creditors;
- (c) that repayment of the loan in whole or in part is subject to the approval of the Exchange, which shall not be given unless it is satisfied that the Participant will, after repayment, be able to maintain the minimum level of net tangible assets required by the Rules;
- (d) that the obligation to repay the loan and to pay interest will be suspended for the duration of any period in which the level of the Trading Participant’s Net Tangible Assets falls below the minimum required by the Rules,

and shall also contain such other provisions as may be required by the Exchange.

“Commence” means:

- (a) in relation to disciplinary proceedings relating to conduct or a failure prior to the Effective Time, the provision of a contravention notice by the Exchange to the Regulated Person pursuant to Rule 2.1 of the Old Australian Securities Exchange Disciplinary Processes and Appeals Rulebook; and
- (b) in relation to appeal proceedings relating to conduct or a failure prior to the Effective Time, the provision of notice of appeal by the relevant person or the Exchange pursuant to Rule 3.1 of the Old Australian Securities Exchange Disciplinary Processes and Appeals Rulebook.

“Effective Time” means the date of commencement of Schedule 1 to the Corporations Amendment (Financial Market Supervision) Act 2010.

“Existing Exchange Participant” means a person that, immediately before the Effective Time, was admitted by the Exchange as a Full Participant or Proprietary Full Participant under the Old Exchange Rules.

“Initial Margin” means the amount which a Trading Participant requires to be paid by a Client in respect of a Futures Contract entered into or proposed to be entered into on behalf of a Client.

“NTA” means:

- (a) the sum of the values of the assets (both fixed and current) owned by the Trading Participant or prospective Trading Participant as the case may be (such value being the lower of cost or Market) less the sum of any liabilities (secured and unsecured) attaching to those assets or to the Trading Participant or prospective Trading Participant generally (and in the case of a partnership then attaching to the partners).

The values of assets for the purpose of this definition shall not include the value attributed to any future tax benefits, goodwill, patent, trademark, Participation rights granted by the Exchange, a Commitment provided in accordance with the Approved Clearing Facility Rules or any asset used to secure that Commitment, preliminary expense or other items of a like nature which in the opinion of the auditors of the Exchange are regarded in current accounting practice as intangible or the value attributed to any debt owed to the Trading Participant which is disputed or may otherwise be regarded as doubtful or the value of any asset which is not capable of being realised within twelve (12) months on a going concern basis. Liabilities shall include provision for estimated liability for income tax, long service leave and any other contingency for which in the opinion of the auditors of the Exchange provision is properly made in current accounting practice. Liabilities may, if the Exchange so approves, having regard to all the circumstances, exclude Approved Subordinated Debt.

or

- (b) such other assets as are set out in the Procedures.

"NTA Requirements" means the requirements that a Trading Participant, other than a Principal Trader, must ensure at all times that the value of the NTA is not less than one million dollars (\$1,000,000) or such other amount set out in the Procedures.

"Old Australian Securities Exchange Disciplinary Processes and Appeal Rulebook" means the Australian Securities Exchange Disciplinary Processes and Appeals Rulebook in force before the Effective Time.

"Old Exchange Rules" means the Exchange Rules in force before the Effective Time.

"Old Tribunal" means the Disciplinary Tribunal or Appeal Tribunal (as the context requires) convened in accordance with the Old Australian Securities Exchange Disciplinary Processes and Appeal Rulebook, irrespective of whether it is convened before or after the Effective Time.

"Previous Exchange Rules" means the Old Exchange Rules and the business rules of Sydney Futures Exchange Pty Ltd in force immediately before 11 March 2004.

"Regulated Person" has the meaning it had in the Old Exchange Rules.

"Responsible Executive" has the meaning it had in the Old Exchange Rules.

"Transitional Requirement End Date" means the date which is one year after the Effective Time.

"Unprofessional Conduct" has the meaning it had in the Old Exchange Rules.

"Variation Margin" means the difference between the value of a Futures Contract or Option Contract as shown in the contract, and the value of that contract at any given time.

Transitional arrangements for existing Exchange Participants

- 8100 From the Effective Time:
- (a) each Existing Exchange Participant is taken to be admitted as a Trading Participant under these Rules. In the case of an Existing Exchange Participant who is only a Proprietary Full Participant under the Old Exchange Rules, the Existing Exchange Participant is taken to be admitted as a Trading Participant who is only a Principal Trader under these Rules;
 - (b) any condition, restriction or limitation imposed on an Existing Exchange Participant or any waiver, consent or approval granted to an Existing Exchange Participant, under the Previous Exchange Rules are, to the extent that they are applicable under these Rules, taken to be imposed or granted under these Rules.
- 8101 From the Effective Time each Existing Exchange Participant is automatically granted Trading Permission with respect to the Products in respect of which it had Trading Permission as an Existing Exchange Participant pursuant to the Old Exchange Rules and subject to the same conditions to which such permission was subject (if any).
- 8102 If an Existing Exchange Participant has Trading Permission for one or more Products it will automatically be granted Trading Permission with respect to the following parts of the Trading Platform as at the Effective Time:
- (a) the Central Order Book.
- 8103 To the extent applicable under these Rules, any information or documentation (including applications or agreements) provided by an Existing Exchange Participant prior to the Effective Time pursuant to or referring to the Old Exchange Rules is following the Effective Time deemed to be information or documentation provided pursuant to or referring to these Rules.
- 8104 To the extent applicable under these Rules, any information or documentation (including applications or agreements) provided by an Existing Exchange Participant prior to the Effective Time pursuant to or referring to the Old Exchange Rules is following the Effective Time deemed to be information or documentation provided pursuant to or referring to these Rules.
- 8105 To the extent applicable under these Rules, any determinations (including as to fees) made by the Exchange prior to the Effective Time pursuant to the Old Exchange Rules are following the Effective Time deemed to be determinations made by the Exchange pursuant to these Rules.
- 8106 Nothing in these Rules affects any accrued rights which the Exchange or any other person has against any Existing Exchange Participant, Responsible Executive or any other person under the Previous Exchange Rules or any accrued obligations which an Existing Exchange Participant, Responsible Executive or any other person has under the Previous Exchange Rules to the Exchange or to any other person. Without limiting this Rule, following the Effective Time:
- (a) Exchange and the Old Tribunal will continue to have jurisdiction in respect of any Existing Exchange Participant or Responsible Executive concerning any conduct or failure occurring prior to the Effective Time as set out in Rules 8300 and 8301;
 - (b) each Existing Exchange Participant, Responsible Executive and any other person continues to be bound by any warranty undertaking or indemnity given prior to the Effective Time by such person under the Previous Exchange Rules to the Exchange or any other person; and
 - (c) the Previous Exchange Rules continue to apply in respect of any Existing Exchange Participant, Responsible Executive and any other person to the extent required to give effect to this Rule 8106.

Sanctions

8300 Following the Effective Time:

- (a) the Exchange will have jurisdiction pursuant to Rule 5100 and the ASX Enforcement and Appeals Rulebook and may take any action under that rule or rulebook in respect of a Trading Participant concerning any conduct or failure under:
 - (i) these Rules, where that conduct or failure occurred after the Effective Time; or
 - (ii) these Rules and the Old Exchange Rules, where the relevant conduct or failure the subject of the action spans both prior to and following the Effective Time, irrespective of when the Exchange became aware of, or should have become aware of, that conduct or failure;
- (b) the Appeal Tribunal will have jurisdiction pursuant to the ASX Enforcement and Appeals Rulebook and may conduct appeal proceedings (including the holding of any hearings or engaging in any procedures) under those Rules in respect of a Trading Participant concerning any conduct or failure under:
 - (i) these Rules, where that conduct or failure occurred after the Effective Time; or
 - (ii) these Rules and the Old Exchange Rules, where the relevant conduct or failure the subject of the proceedings spans both prior to and following the Effective Time, irrespective of when the Exchange became aware of, or should have become aware of, that conduct or failure;
- (c) The Exchange will continue to have jurisdiction pursuant to Rule 5.13 of the Old Rules and the Old Australian Securities Exchange Disciplinary Processes and Appeals Rulebook and may take disciplinary action under that rule or rulebook after the Effective Time in respect of a Regulated Person concerning any conduct under, any failure to comply with, or any engagement in Unprofessional Conduct under, the Old Exchange Rules, where that conduct or failure occurred prior to the Effective Time, irrespective of when the Exchange became aware of, or should have become aware of, that conduct or failure;
- (d) the Old Tribunal shall continue to have jurisdiction to conduct disciplinary proceedings (including any appeal proceedings from those disciplinary proceedings) or appeal proceedings (as the case may be) in accordance with, and pursuant to its jurisdiction under, the provisions of the Old Australian Securities Exchange Disciplinary Processes and Appeal Rulebook in respect of a Regulated Person concerning any conduct under, any failure to comply with, or any engagement in Unprofessional Conduct under, the Old Exchange Rules where that conduct or failure occurred prior to the Effective Time, irrespective of whether disciplinary or appeal proceedings have Commenced prior to the Effective Time or when the Exchange became aware of, or should have become aware of, that conduct or failure;
- (e) For the purposes of paragraphs (c) and (d) above:
 - (i) the maximum penalty that may be imposed on a Regulated Person shall be the maximum penalty that would have been imposed for the relevant conduct or failure under the rules in existence at the time that the relevant conduct or failure occurred, irrespective of whether the disciplinary proceedings or appeal proceedings (as the case may be) were Commenced before or after the Effective Time;
 - (ii) the Exchange and the Old Tribunal shall take disciplinary action and conduct the disciplinary proceedings or appeal proceedings (as the case may be) with due regard to the relevant rules that were in force at the time that they were alleged to have been contravened.
- (f) The Old Exchange Rules and the Old Australian Securities Exchange Disciplinary Processes and Appeals Rulebook continue to apply in respect of the Regulated Person to the extent required to give effect to the paragraphs above.

- (g) Nothing in this Rule 8300 limits the continued operation of Section 5 of the Old Exchange Rules where disciplinary proceedings or appeal proceedings have Commenced (as defined in the Old Exchange Rules) prior to the Effective Time (as defined in the Old Exchange Rules).

8301 For the avoidance of doubt, where the relevant conduct or failure the subject of the action or proceeding spans both prior to and following the Effective Time:

- (a) The Exchange and the Appeal Tribunal will have jurisdiction and may take action or conduct appeal proceedings as referred to in Rules 8300(a) & (b) above;
- (b) Rules 8300(c), (d) and (e) do not apply to such conduct or failure.

Capital Requirements

Application of Rules

8400 Rules 8400 to 8401 apply until the Transitional Requirement End Date. Subject to Rules 8430 and 8431 after that date they cease to apply.

8401

- (a) A Trading Participant must at all times comply with the NTA Requirements, unless the Trading Participant is only a Principal Trader; or
- (b) the Trading Participant is a Clearing Participant of an Approved Clearing Facility and complies with the capital requirements under the Clearing Rules.

Continuing obligations regarding compliance until the Transitional Requirement End Date

8430 Where Rules 8400 to 8401 would, other than for Rule 8400, require a Trading Participant to do any thing (including provide any information) after the Transitional Requirement End Date regarding compliance by the Trading Participant with its obligations under Rules 8400 to 8401 during the period to the Transitional Requirement End Date, then notwithstanding Rule 8400 the Participant continues to be obliged to do that thing.

Rules 8400 to 8401 continue to apply in respect of any Market Participant to the extent required to give effect to this Rule 8430.

8431 Nothing in Rule 8400 affects any accrued rights which the Exchange has against a Trading Participant under Rules 8400 to 8401 or any accrued obligations which a Trading Participant has under Rules 8400 to 8401 to the Exchange as at the Transitional Requirement End Date. Without limiting this Rule, following the Transitional Requirement End Date:

- (a) the Exchange and the Appeal Tribunal will continue to have jurisdiction in respect of any Trading Participant and may take action or conduct proceedings under Rule 5100 and the ASX Enforcement and Appeals Rulebook (as applicable) concerning any conduct or failure under Rules 8400 to 8401 on or prior to the Transitional Requirement End Date;
- (b) each Trading Participant continues to be bound by any warranty, undertaking or indemnity given on or prior to the Transitional Requirement End Date by the Trading Participant under Rules 8400 to 8401 to the Exchange; and
- (c) Rules 8400 to 8401 continue to apply in respect of any Trading Participant to the extent required to give effect to this Rule 8431.

Accounts and Audit

Application of Rules

8500 Rules 8500 to 8520 apply until the Transitional Requirement End Date. Subject to Rules 8530 and 8531, after that date they cease to apply.

8501 Rules 8500 to 8520 do not apply to Trading Participants that are only approved as Principal Traders.

Financial Statements

8510 A Trading Participant must prepare and deliver to the Exchange by the time and in the form set out in the Procedures:

- (a) financial statements, which give a true and fair view of the financial position and performance of the business and which are prepared in accordance with accounting standards and principles which are generally accepted in Australia, unless the Exchange determines otherwise; and
- (b) an auditor's report in a form set out in the Procedures.

8511 The Exchange may extend by up to one month the time by which the Trading Participant must deliver the financial statements and auditor's report under Rule 8510, if it considers that an extension is appropriate in the circumstances.

Scope of audits

8520 A Trading Participant must give its auditor access to its premises and Employees and all records, documents, explanations and other information required by the auditor in respect of any audit conducted under Rule 8510. A Trading Participant must:

- (a) not impose any limitation on the extent of any audit required under Rule 8510; and
- (b) permit and direct the auditor to notify the Exchange immediately if any limitation is imposed on the auditor, or if the auditor is hindered or delayed in the performance of the auditor's duties.

The records of each of the Trading Participant's nominee companies must be included in the audit.

Continuing obligations regarding compliance until the Transitional Requirement End Date

8530 Where Rules 8500 to 8520 would, other than for Rule 8500, require a Trading Participant to do any thing (including provide any information) after the Transitional Requirement End Date regarding compliance by the Trading Participant with its obligations under Rules 8500 to 8520 during the period to the Transitional Requirement End Date, then notwithstanding Rule 8500 the Participant continues to be obliged to do that thing.

Rules 8500 to 8520 continue to apply in respect of any Trading Participant to the extent required to give effect to this Rule 8530.

8531 Nothing in Rule 8500 affects any accrued rights which the Exchange has against a Trading Participant under Rules 8500 to 8520 or any accrued obligations which a Trading Participant has under Rules 8500 to 8520 to the Exchange as at the Transitional Requirement End Date. Without limiting this Rule, following Transitional Requirement End Date:

- (a) The Exchange and the Appeal Tribunal will continue to have jurisdiction in respect of any Trading Participant and may take action or conduct proceedings under Rule 5100 and the ASX Enforcement and Appeals Rulebook (as applicable) concerning

any conduct or failure under Rules 8500 to 8520 on or prior to the Transitional Requirement End Date;

- (b) each Trading Participant continues to be bound by any warranty undertaking or indemnity given on or prior to the Transitional Requirement End Date by the Trading Participant under Rules 8500 to 8520 to the Exchange; and
- (c) Rules 8500 to 8520 continue to apply in respect of any Trading Participant to the extent required to give effect to this Rule 8531.

Margins and Right of Close Out

Application of Rules

8600 Rules 8600 to 8603 apply until the Transitional Requirement End Date. Subject to Rules 8604 and 8605, after that date they cease to apply.

8601 A Trading Participant, other than a Principal Trader, shall comply with the following margin obligations:

- (a) **Calling Initial Margin**
 - (i) As soon as possible after the execution of the Client's instructions, a Trading Participant shall Call the minimum Initial Margin that is determined from time to time by the Exchange in such manner as the Exchange sees fit.
 - (ii) In calculating the amount of Initial Margin, a Trading Participant shall not offset the Initial Margin on another Contract due by the Client to the Trading Participant unless that other contract is for the opposite position in the same delivery month and in respect of the same commodity.
- (b) **Calling Variation Margin**
 - (i) Subject to Rule 8601(b)(ii), Trading Participants must Call Variation Margin from the Client when the Client has a net debit Variation Margin Position, unless the Client is a Clearing Participant and the Contracts are registered with the Approved Clearing Facility in the name of that Clearing Participant.
 - (ii) Where the amount of a Call in Rule 8601(b)(i) would be one thousand dollars (\$1,000) or less, the making of such a Call shall be at the discretion of the Trading Participant.
- (c) **Liability for Margins**
 - (i) Liability of the Client for the Initial Margin shall arise upon execution of the instructions given by the Client, irrespective of the time when the Call is made.
 - (ii) Liability for Variation Margin shall arise at the same time as the Variation Margin comes into existence, irrespective of the time when any Call is made.
- (d) **Satisfaction of Calls for Margin**
 - (i) Calls for Initial Margin and Variation Margin must be satisfied by payment unless the Trading Participant agrees to accept and receives, in lieu of payment, Approved Securities as determined by the Exchange.
 - (ii) If the Trading Participant receives Approved Securities in accordance with Rule 8601(d)(i), such Approved Securities shall be retained by the Trading Participant until such time as the liability of the Client is extinguished either by the relevant contracts being Closed Out or payment being made by a

Buyer or delivery in accordance with the Rules being effected by a Seller. If the liability of the Client is not so extinguished then the Approved Securities may be realised by the Trading Participant and the proceeds applied against that liability.

- (iii) Liability of the Client for Initial Margin must be covered at all times.
- (e) Time for Payment of Margins
- (i) Where a Call is made for Initial or Variation Margin the Trading Participant shall stipulate the time for payment or lodgement of Approved Securities, which must not be greater than the time prescribed by the Exchange.
 - (ii) Subject to Rule 8601(e)(iv), no Trading Participant shall provide credit for a Client beyond the periods specified in Rule 8601(e).
 - (iii) Time shall be of the essence in respect of payment or lodgement under Rule 8601(e).
 - (iv) A Trading Participant will not be in breach of Rule 8601(e)(ii) where the Trading Participant exercises a reasonable discretion, as determined by the Exchange, to not Close Out in accordance with Rule 8601(g)(iii).
- (f) Spread Margins
- (i) Where a Trading Participant holds a Spread position on behalf of a Client then the Trading Participant shall Call an Initial Margin of not less than the amount for that Spread determined from time to time by the Approved Clearing Facility.
 - (ii) When one leg of a Spread is in the first delivery (spot) month the Initial Margin required on that leg shall not be less than the amount required by the Approved Clearing Facility from time to time on the first delivery (spot) month.
 - (iii) Under these circumstances the other leg of the Spread shall attract the normal Initial Margin requirements.
- (g) Obligation of Close Out
- (i) Subject to Rule 8601(g)(iii), where a Client is in default by failing to pay a Call, (or lodge Approved Securities) within the time prescribed under Rule 8601(e)(i), a Trading Participant must, immediately upon expiry of the prescribed time period, Close Out to the extent necessary to counter the Call, all or any existing Open Positions in any Market held by the Trading Participant on account of the Client.
 - (ii) The Trading Participant shall not be liable to the Client for any loss sustained by the Client as a result of the Trading Participant Closing Out in accordance with Rule 8601(g)(i).
 - (iii) A Trading Participant shall not be obliged to Close Out futures positions in accordance with Rule 8601(g)(i) where the Trading Participant exercises a reasonable discretion, as determined by the Exchange, to not Close Out.
- (h) Margin Requirements for Trading on Financial Markets other than Markets of the Exchange
- (i) Where a Trading Participant is Dealing in Contracts on behalf of Clients on those Financial Markets determined by the Exchange which is not a Market of the Exchange, the Trading Participant must comply with any margin obligations contained in the rules of that Financial Market.
 - (ii) Where the rules of a Financial Market referred to in Rule 8601(h)(i) do not contain any margin obligations, the Trading Participant must comply with the margin obligations set out in Rule 8601 when Dealing in Contracts on behalf

of Clients on that Financial Market as if it were dealing in Contracts on behalf of Clients on a Market of the Exchange.

Continuing obligations regarding compliance until Transitional Requirement End Date

8602 Where Rules 8600 to 8601 would, other than for Rule 8600, require a Trading Participant to do any thing (including provide any information) after the Transitional Requirement End Date regarding compliance by the Trading Participant with its obligations under Rules 8600 to 8601 during the period to the Transitional Requirement End Date, then notwithstanding Rule 8600 the Participant continues to be obliged to do that thing.

Rules 8600 to 8601 continue to apply in respect of any Trading Participant to the extent required to give effect to this Rule 8602.

8603 Nothing in Rule 8600 affects any accrued rights which the Exchange has against a Trading Participant under Rules 8600 to 8601 or any accrued obligations which a Trading Participant has under Rules 8600 to 8601 to the Exchange as at the Transitional Requirement End Date. Without limiting this Rule, following the Transitional Requirement End Date:

- (a) The Exchange and the Appeal Tribunal will continue to have jurisdiction in respect of any Trading Participant and may take action or conduct proceedings under Rule 5100 and the ASX Enforcement and Appeals Rulebook (as applicable) concerning any conduct or failure under Rules 8600 to 8601 on or prior to the Transitional Requirement End Date;
- (b) each Trading Participant continues to be bound by any warranty undertaking or indemnity given on or prior to the Transitional Requirement End Date by the Trading Participant under Rules 8600 to 8603 to the Exchange; and
- (c) Rules 8600 to 8601 continue to apply in respect of any Trading Participant to the extent required to give effect to this Rule 8603.