

CIRCULAR TO: ALL MEMBERS NO: 98/00

AMENDMENTS TO BUSINESS RULES

Members are advised of amendments which have been made to the Business Rules of the Exchange, as set out below and in the Annexures. They come into effect immediately, but are subject to regulatory disallowance.

1 Article 3.6(3)(r) - Qualifications of Offshore-Based SYCOM Traders

This amendment permits offshore-based employees of Full Members' affiliate companies to access SYCOM without being SFE Registered Representatives, where they can demonstrate equivalent qualifications.

Where a Full Member seeks to access SYCOM from offshore via an affiliate, the Business Rules provided that the relevant trader must also be a representative of the Full Member. The trader was therefore subject to SFE's Registered Representative requirements. These requirements are considered to be unnecessary where the trader has already met comparable regulatory requirements in that offshore jurisdiction.

Article 3.6(3)(r)(i) and (ii), as amended to remove these unnecessary registration obligations, read as follows (additions underlined, deletions lined through):

(r)(i) Subject to Article 3.6(3)(r)(ii), ~~To ensure that any Director, partner, employee or representative of the Member who advises, or solicits instructions from, persons or corporations in relation to the sale or purchase of Futures or Options Contracts is registered with the Exchange as a Registered Representative at the time of engaging in such activities and where the Registered Representative is approved under Articles 37.2(d1) or (g) that such activities are within the restrictions or conditions imposed under those Articles.~~

(ii) Where a Full Member accesses SYCOM pursuant to TR.4.3, any Officer or Representative duly authorised by the Full Member is not required to be registered with the Exchange as a Registered Representative where the Full Member can demonstrate to the satisfaction of the Business Conduct Committee that the Officer or Representative is regulated within the relevant offshore jurisdiction to a standard equivalent to that applying to Registered Representatives.

2 Article 9.1(d) - Fees

This amendment facilitates recovery of GST credits by Clearing Members, by enabling the SFE Board to impose directly on Clearing Members the liability for the trading fee imposed by the Exchange which Clearing Members currently pay as agent of Full Members.

Trading fees are currently imposed on Full Members, but collected by the relevant Clearing Member as the agent of the Full Member. The fee is recovered directly from clients.

In order to retain this system of fees being recovered directly from clients once the Goods and Services Tax is imposed on trading fees, it is necessary to modify the legal relationships. The liability for paying the fee is to be imposed directly on the Clearing Member, rather than the Clearing Member paying the trading fee as agent of Full Members. This ensures that Clearing Members can obtain credits for the GST that will be incorporated in the trading fee charged by the Exchange (and collected on its behalf by the Clearing House).

Article 9.1(d) achieves this change to legal relationships, and after amendment reads as follows (additions underlined, deletions lined through):

- (d) *In addition to imposing special levies the Board may impose a trading fee on all Members or on Members of a particular class or particular classes, or on a group of Members who do not constitute a class of membership (which may also be a group comprising all or some of the Clearing Members), for the purpose of raising monies for the pursuance of the objects of the Exchange.*

Without limiting the generality of the above, such fee may be calculated by reference to the number of contracts traded on the Markets of the Exchange or on a particular Market or Markets of the Exchange by or on behalf of the Member, or in such other manner as the Board sees fit.

On 16 May 2000 the Board determined that the Exchange fee is payable by Clearing Members.

3 First Schedule, Part CB

This is a house-keeping amendment which removes wording which erroneously suggests that Locals are still permitted to conduct give-up trades.

A redundant reference to Locals dealing on behalf of Full Members remains in the form of declaration which must be made by any Locals seeking to deal on behalf of other persons on offshore exchanges. There are no such Locals currently carrying on such a business. Accordingly this anomalous reference in Part CB of the First Schedule has been removed. The relevant part of the Schedule, with the amendment highlighted, is set out below.

Part CB

I/We

- (a) **will/will not be resident or carry on business in Australia.*
- (b) **will/will not accept instructions from, or Deal on behalf of any persons firms or corporations wishing to sell or purchase Futures or Options Contracts on a Futures Exchange or Recognised Futures Exchange other than the Sydney Futures Exchange and in accordance with my obligations as a Local Member.*
- (c) *will not accept instructions from or Deal on behalf of persons wishing to sell or purchase Futures or Options Contracts on the Sydney Futures Exchange ~~(other than from a Full Member)~~.*

3. Wheat Futures By-Laws

Amendments have been made to the Wheat Futures By-Laws for two purposes:

- to WF.10(c), (d) and (e) to clarify which approved warehouse charges are the responsibility of sellers and which of buyers, when delivery is made/taken, to rename 'freight discount' as 'location differential' and to provide that, from the commencement of the November 2000 contract, location differential is fixed for the life of the contract; and
- to WF.6, 11, 22, 23 and 24 and WFO.104(a) to provide for a document safe accommodation service for Clearing Members in relation to wheat tender documentation, similar to that which is available for the Greasy Wool contract.

Details of the amendments are set out in Annexure A.

4 Screen Trading Rules

The current rules provide that the Screen Dealing Committee is appointed by the Board but that, on a day to be determined by the Board, election procedures will come into force, and henceforth the Committee will be elected. Prior to determining this date, the Board decided that a number of amendments to the rules were appropriate, and these have been made.

The Board has determined that the provisions for election are now to come into force; accordingly an election will be held shortly, and nomination forms will be sent to Members requesting them to nominate suitable candidates for the Committee.

Details and the amendments are set out in Annexure B.

BARBARA JONES
COMPANY SECRETARY

19 MAY 2000

WHEAT FUTURES BY-LAWS

1 Amendments to WF.10

Additional provisions are required as a consequence of changes in the fee structure of the Wheat Futures contract Approved Warehouse operators. A recent change has been made at up-country delivery locations (ie all locations except Newcastle), such that both 'in charges' and 'out charges' are levied rather than just 'in charges'.

These amendments clarify the charges which are the responsibility of the seller and of the buyer when taking delivery.

The amendments also bring the Wheat Contract By-Laws into line with the By-Laws for the other grain contracts in that, after November 2000 the 'freight discount' will be renamed the 'location differential' and will be set for the life of the contract. 'Location differential' more accurately reflects the nature of the matter, and is approximately equivalent to the industry accepted standard export freight rates between the country delivery location and the port of export.

2 Amendments to WF.6, 11, 22, 23 and 24 and WFO.104(a)

These amendments provide for a document safe accommodation service for Clearing Members in relation to wheat tender documentation. The Clearing House is appointed as agent of the Clearing Member to endorse the Warehouse Receipt which transfers title to the buyer. The service similar to that which is available for the Greasy Wool contract and the new grains contracts; its use is optional and need not be utilised by Clearing Members.

3 Part D of the Fifth Schedule

The Schedule has been amended to state which additional documentation is required in relation to the safe accommodation service.

The sections in the By-Laws and the Fifth Schedule which have been amended are set out below.

- WF.6 (a) Tender documentation must be lodged with the Clearing House by a time determined by the Board in consultation with the Clearing House as set out in the Fifth Schedule Part F on any Notice Day within the Delivery Period pursuant to WF.8. (Amended 11/8/97)
- (b) Tender documentation lodged on any Notice Day within the Delivery Period after the time prescribed in WF.6(a) shall be carried forward to the next Notice Day. (Amended 11/8/97)
- (c) Buyer documentation must be lodged with the Clearing House by a time determined by the Board in consultation with the Clearing House as set out in the Fifth Schedule Part F. Buyer documentation must be lodged on the first Business Day in the Delivery Period and each subsequent day of the Delivery Period when any open long positions change. (Amended 11/8/97)
- (d) Tender documentation must be lodged with the Clearing House by a time determined by the Board in consultation with the Clearing House as set out in the Fifth Schedule Part F on the final day of trading of the delivery month or such Clearing Members shall be in default. (Amended 11/8/97)0.
- (e) A tender shall not be withdrawn or substituted without the consent of the Clearing House. (Amended 11/8/97)

Safe Accommodation

- (f) A Seller may request the Clearing House to retain the documentation in safe accommodation in accordance with WF.22 and WF.23 until such time as the Seller notifies the Clearing House that it intends to deliver the wheat pursuant to these By-Laws.
- (g) The Clearing House will not act on any instructions received from a Member unless it is satisfied that all requirements under these By-Laws have been complied with.
- (h) Where tender documentation is held in safe accommodation, a safe accommodation receipt evidencing such documentation must be submitted to the Clearing House together with any other certificate which may be determined by the Board and indicated in the Fifth Schedule.
- (i) The Seller is obliged to ensure and undertake that at the time of tendering the safe accommodation receipt, all documentation evidenced by the safe accommodation receipt continues to satisfy all requirements and specifications as provided for in these By-Laws.

Value of Wheat

- WF.10(a) No price premium shall apply to wheat that has a protein level greater than 9.0%.
- (b) In the event of an excess above 50.00 metric tonnes the deliverer shall forego all rights to such excess and the weight shall be deemed to be 50.00 metric tonnes.
- (c) Wheat which is stored in an Approved Warehouse other than at Newcastle, New South Wales will be subject to a freight discount as determined by the Board or its designate from time to time.

This By-Law will come into effect for the November 2000 contract month onwards and will replace the above WF.10(c)

- (c) Wheat which is stored in an Approved Warehouse other than at Newcastle, New South Wales will be subject to a location differential, set for the life of the contract, as determined by the Board or its designate from time to time.

This By-Law will come into effect for the January 2001 contract month onwards and will replace the above WF.10(c) that commences in November 2000

- (c) Wheat which is stored in an Approved Warehouse will be subject to a location differential, set for the life of the contract, as determined by the Board or its designate from time to time.

For all Wheat Futures Contract months up to and including November 2000

- WF.10 (d) When wheat is stored in an Approved Warehouse other than at Newcastle, New South Wales;
- (i) the Seller shall ensure that all taxes, government levies or industry levies applicable to the wheat have been paid prior to any Warehouse Receipt being issued; and
- (ii) the Seller shall be responsible for payment of all charges, by whatever name, made/levied by that Approved Warehouse prior to effective delivery pursuant to WF.11 including ~~those~~ charges described as "storage", "handling", "delivery", "entrance", "exit", "in charges" or "out charges" and the like.

- WF.10 (e) When wheat is stored in an Approved Warehouse at Newcastle, New South Wales;

- (i) the Seller shall ensure that all taxes, government levies or industry levies applicable to the wheat have been paid prior to any Warehouse Receipt being issued; and
- (ii) the Seller shall be responsible for payment of the following charges howsoever described and levied by that Approved Warehouse prior to effective delivery pursuant to WF.11: “storage”, “delivery”, “entrance”, and “in charges”. When wheat is stored in an Approved Warehouse at Newcastle, New South Wales the Buyer shall be responsible for payment of the following charges howsoever described and levied by that Approved Warehouse, “exit” fees or “out charges” and the like.

For all Wheat Futures Contracts from January 2001

- WF.10 (d) When wheat is stored in an Approved Warehouse
- (i) the Seller shall ensure that all taxes, government levies or industry levies applicable to the wheat have been paid prior to any Warehouse Receipt being issued; and
 - (ii) the Seller shall be responsible for payment of all charges, by whatever name, made/levied by that Approved Warehouse prior to effective delivery pursuant to WF.11 including ~~those~~ charges described as; “storage”, “handling”, “delivery”, “entrance”, “exit”, “in charges” and “out charges” and the like.

Effective Delivery

- WF.11(a) On receipt of tender documentation from the Seller, the Clearing House shall assign wheat as tendered for delivery to a Buyer. The Seller irrevocably appoints the Clearing House as its agent and attorney to perform all acts on its behalf, and to exercise all powers necessary to assign wheat as tendered for delivery to a Buyer. Such assignment by the Clearing House shall be final. A Buyer to whom a delivery has been assigned by the Clearing House is obligated to take such delivery and make payment pursuant to WF.13.
- (b) For the purposes of assignment, Clearing Members must provide information to the Clearing House in relation to Open Positions by such a time and in such a format as determined by the Board of the Clearing House from time to time.
 - (c) Effective delivery shall be made by the Clearing House delivering to the Buyer either:
 - (i) a Warehouse Receipt endorsed by the Clearing House and any other party required by the receipt, and any other documents required by these By-Laws; or
 - (ii) a safe accommodation receipt evidencing the endorsed Warehouse Receipt and other documents in (i) above.

Safe Document Accommodation Procedure

- WF.22(a) Where a Clearing Member requests that documentation be retained in safe accommodation pursuant to WF.6(f), the Clearing House shall arrange for the documentation referred to in WF.6 to be kept in a secure manner and shall, as soon as reasonably practicable, after the documentation is accepted, deposit the documentation in the safe accommodation provided by it.
- (b) The Clearing House shall provide the Clearing Member with a safe accommodation receipt evidencing the deposit of the documentation in the safe accommodation.
 - (c) The Clearing House shall record the deposit of the documentation in safe accommodation and once the documentation has been lodged, the Clearing House holds the documentation as bailee for the Clearing Member.

- (d) Where a safe accommodation receipt is used to tender wheat pursuant to the Tendering Procedure, the Clearing House shall issue the Buyer with a safe accommodation receipt evidencing the documentation retained in safe accommodation. The Buyer may subsequently notify the Clearing House of its election to uplift the documentation evidenced by the safe accommodation.

Obligation for Loss From Safe Accommodation

- WF.23 If any documentation held in safe accommodation is lost, stolen, destroyed or damaged:
- (a) the Clearing House must as soon as practicable after it becomes aware of the loss, theft, destruction or damage take all appropriate action required by law or custom for the replacement of the documentation;
- (b) each Clearing Member must do all things necessary to assist the Clearing House for the purpose of paragraph (a); and
- (c) if the Clearing House is liable as bailee to a Clearing Member in relation to any loss, theft, destruction of, or damage to, any documentation retained in safe accommodation, the Clearing House shall, subject to the Clearing By-Laws, only be liable to indemnify the Clearing Member for the cost of replacement of such documentation.

Agency and Indemnity

- WF.24 Without prejudice to any other provisions in these By-Laws:
- (a) each Member irrevocably appoints the Clearing House as agent and attorney for that Member to perform all acts on its behalf, and to exercise all powers, specifically delegated to the Clearing House by these By-Laws, together with all powers which are reasonably incidental to those acts and powers;
- (b) the Clearing House may perform any of its duties or obligations under these By-Laws by or through its officers, employees or agents;
- (c) each Clearing Member must, subject to the Tendering Procedures, indemnify the Clearing House and keep the Clearing House indemnified against any loss or claim arising from the Clearing House's performance of its obligations in relation to the safe accommodation service.

- WFO.104(a) The Declaration date for a Wheat Option Contract shall be the Business Day seven (7) days prior to the first Notice day of the corresponding Wheat Futures Contract delivery month, unless that day is not a business day in which case the Declaration date shall be the business day immediately prior to that day, or such other date as determined by the Board or its designate.
- (b) Trading shall cease on the Declaration Date at the time of cessation of Wheat Futures Contract trading.

FIFTH SCHEDULE PART D TENDER DOCUMENTATION

Tender documentation comprises that documentation as approved by the Board from time to time and must be provided by the Seller to the Clearing House as follows:

- (i) Delivery Notification
- (ii) Tender Information Summary
- (iii) Warehouse Receipt pursuant to By-Law WF.4(d) or
- (iv) Where documentation referred to in (i)-(iii) above is held in safe accommodation, a safe accommodation receipt evidencing such documentation must be submitted to the Clearing House.

Pursuant to WF.5, the Warehouse Receipt is included in the tender documentation. All tender documentation is available from the Clearing House for completion.

**TRADING RULES RELATING TO
ELECTION OF THE SCREEN DEALING COMMITTEE**

1 Amendments to TR.6.2

Amendments have been made to TR.6.2 which provide for:

- (a) the Board to determine prior to each election that the number of members to be elected in each class shall be less than the maximum; the Board has not used this power for the forthcoming election;
- (b) Exchange employees on the Committee to be appointed by the Chief Executive rather than by the Board; and
- (c) for the Chief Executive to nominate his designate to be a member of the Committee.

2 Amendment to TR.6.2A:

Amendments have been made to TR.6.2A:

- (a) to provide for each Member to have only one vote (rather than each SYCOM Trader having one vote);
- (b) to provide for each class of member to vote for representatives in their own class only, not for representatives of both classes;
- (c) to add a provision (reflecting Article 3.20(f)) to state that where two or more Full Members are associated only ONE of them is entitled to stand for election to the Committee, remain on the Committee, vote for the Committee or nominate a candidate to stand for election to the Committee;
- (d) to provide that, for greater continuity, the terms of office of members of the Committee are periods of two years rather than one year as at present (except for persons filling casual vacancies), so that in general half the Committee would retire in each year;
- (e) to simplify the existing arrangements (as set out in TR.6.2A(f) and (g)) for filling a casual vacancy and to provide that such vacancies may be filled by the members of the existing Committee, with the approval of the Board, until the next election;
- (f) to amend the requirement that members of the Committee must have two years screen trading experience, this requirement being unrealistic having regard to the fact that the Exchange's full time screen dealing commenced only in November last year, and to replace it with a requirement for two years experience in trading futures and/or options which must include at least six months screen dealing experience;
- (g) to clarify some issues (in particular to provide that those persons who may vote on behalf of Full Members may be those who are authorised to vote at general meetings of the Exchange or who are appointed pursuant to the Corporations Law provisions) and to re-arrange some of the sections in to a more logical sequence.

A marked up version of the amendments is set out below, followed by a clean version of TR6.2A.

Marked up version

TR.6.2 The Screen Dealing Committee shall consist of:

- (a) a maximum of two (2) SYCOM Traders of Local Members elected as hereinafter provided and approved by the Board;
- (b) a maximum of ten (10) SYCOM Traders of Full Members elected as hereinafter provided and approved by the Board;
- (c) a maximum of two (2) employees of the Exchange appointed by the ~~Board~~ Chief Executive from time to time;
- (d) the Chief Executive or his designate,
provided that subject to the maintenance of a quorum, a vacancy on the Screen Dealing Committee shall not affect the Screen Dealing Committee's ability to act.

The Board may determine prior to each election that the number of members to be elected in each class shall be less than the maximum number referred to in paragraph (a) or (b) above.

TR.6.2A **Election of Screen Dealing Committee**

- (a) (i) Each year as close as practicable to the date of the Annual General Meeting, the Secretary ~~of the Exchange~~ shall call for nominations from Full Members and Local Members to fill the number of ~~elected~~ positions available on the Screen Dealing Committee (the Committee) which are available to be filled by election pursuant to TR.6.2.
- (ii) Where:
 - (A) a third party has an interest in more than one Full Member;
 - (B) a Full Member has an interest in another Full Member; or
 - (C) the Board has, pursuant to Article 3.20(a), approved a third party having an interest in two Full Members where one or more of those Full Members has an interest in another Full Member,
then only one such Full Member shall be entitled to stand for election to the Committee, remain on the Committee, vote for the Committee or nominate a candidate to stand for election to the Committee.
For the purposes of this TR.6.2A, 'interest' has the same meaning as it has in Article 3.20(b).
- ~~(b)(ii)~~ Candidates for election to the ~~Screen Dealing~~ Committee must, unless the outgoing ~~Screen Dealing~~ Committee agrees otherwise, have a minimum of twenty-four (24) months continuous and recent ~~screen trading~~ experience in trading futures and/or options, which must include at least six months screen trading experience.
- ~~(c)(ii)~~ Subject to TR.6.2A(a)(ii), ~~s~~Separate nominations shall be called for in respect of candidates to ~~represent~~ be elected by Full Members and candidates to ~~represent~~ be elected by Local Members, and separate ballots in respect of each class shall be conducted. ~~although they may be conducted simultaneously and on the same ballot paper. Persons entitled to vote shall be entitled to vote for candidates representing both Full Members and Local Members.~~
- ~~(d)(b)~~ Subject to TR.6.2A(a)(ii), a ~~A~~ Full Member may ~~not~~ nominate and ~~may not~~ be represented on the Committee by ~~more than~~ one representative at any one time.
- (e) Subject to TR.6.2A(a)(ii), retiring members may offer themselves for re-election.
- ~~(f)(iv)~~ Subject to TR.6.2A(a)(ii), each ~~The~~ nomination form shall be signed by the candidate and the candidate's Sponsoring Full Member.
- ~~(g)(e)~~ Subject to TR.6.2A(a)(ii), the Secretary shall provide to each Full Member and to each Local Member a ballot paper containing a list of persons who have been properly nominated and who have consented to stand for election.

- ~~(h)(d)~~ Subject to TR.6.2A(a)(ii), at each election each Full Member may allot one vote for each position available for Full Member representatives on the Committee and each Local Member may allot one vote for each position available for Local Member representatives on the Committee. Persons who may vote shall be: Eligibility to vote in elections for the Screen Dealing Committee shall be limited to SYCOM® Traders and to one representative of each Full Member whose name is nominated In Writing to the Secretary, who need not be a SYCOM® Trader.
- (i) in respect of a Full Member which is a corporation or firm, and subject to TR.6.2A(a)(ii), a person appointed by the Member as an authorised representative pursuant to Section 250D of the Corporations Law or pursuant to Article 6.9; and
- (ii) Local Members who are individuals and, in respect of Local Members which are corporations or firms, the SYCOM Trader of that Member.
- ~~(i)(e)~~ Subject to TR.6.2A(m), in each class, the candidates in respect of whom the greatest number of votes have been cast, shall, if approved by the Board, be declared elected by the Board. In the event that an equality of votes has been cast in one or both classes, if the number of candidates having an equality of votes is equal to the number of vacancies, all such candidates shall be elected; if the number of candidates having an equality of votes is greater than the number of vacancies, the successful candidates shall be determined by lot.
- ~~(j)(e)~~ Subject to paragraph (m)(i):
- (i) an elected candidate shall be elected to the ~~Screen Dealing~~ Committee for a term of approximately two (2) years ~~one (1) year~~ unless elected to fill a casual vacancy;
- (ii) at each annual election:
- (A) in respect of the members elected by the Full Members, one half of their number or if that number cannot be divided by two, the number nearest one half, together with any member or members appointed to fill a casual vacancy) shall retire; as amongst the elected members those to retire shall be the persons who have been longest in office and where they have equal seniority since their last election those to retire shall be determined by lot unless they agree which of them will retire; and
- (B) in respect of the members elected by the Local Members, each member who has held office for two years shall retire; where both members have equal seniority, the member to retire shall be determined by lot unless they agree which of them will retire; however, in the event that immediately prior to an election, two persons are members, one having been elected and one having filled a casual vacancy:
- if the elected member has held office for less than two years he/she shall continue in office until the next election and only the person filling the casual vacancy shall retire; and
 - if the elected member has held office for two years, then both shall retire.
- (k) In the event of a casual vacancy occurring amongst the elected members of the Committee, the continuing members may, with the approval of the Board, and subject to TR.6.2A(a)(ii), appoint a person to fill the position until the next annual election; the person so appointed shall be eligible for election.
- ~~(l)(h)~~ The Board shall have the power at any time by written notice to remove any person as a member of the ~~Screen Dealing~~ Committee where it is of the opinion that the person is not a fit and proper person to be a member of the ~~Screen Dealing~~ Committee or if the ~~Screen Dealing~~ Committee so recommends.
- (m) At the first election which takes place after the date determined by the Board pursuant to paragraph (n)(i):
- (i) half the candidates, being those who receive the highest number of votes from Full Members, shall hold office for a term of approximately two (2)

years (until the third election following the date determined in accordance with paragraph (n)(i) and the remaining half, who receive the next highest number of votes, shall hold office for a term of approximately one (1) year (until the second election following the date determined in accordance with paragraph (n)(i); and

(ii) the candidate who receives the highest number of votes from Local Members shall hold office for a term of approximately two (2) years (until the third election following the date determined in accordance with paragraph (n)(i) and the candidate who receives the next highest number of votes shall hold office for a term of approximately one (1) year (until the second election following the date determined in accordance with paragraph (n)(i).

~~(e) (i) An elected candidate shall be elected to the Screen Dealing Committee for a term of approximately one (1) year, unless elected to fill a casual vacancy. The term of office of a person elected to fill a casual vacancy shall terminate on the date on which it would have terminated had a casual vacancy not occurred. A retiring Screen Dealing Committee member who has been elected shall retain office until a successor has been elected.~~

~~(f) In the event of a casual vacancy occurring amongst the elected Members of the Screen Dealing Committee where the previous election occurred not more than three (3) months prior to the casual vacancy arising, subject to his or her consent:~~

~~(i) the candidate who received the next highest number of votes at the previous ballot shall fill the vacancy, provided he or she receives no less than 10% fewer votes than the elected candidate who received the lowest number of votes;~~

~~(ii) should the 10% criteria in (i) not be satisfied, then paragraph (g) applies; or~~

~~(iii) where there are two (2) candidates who have received the same number of votes, and who comply with the 10% criteria in paragraph (i), the successful candidate shall be selected by the drawing of lots by the Trading Manager.~~

~~(g) In the event of a casual vacancy occurring amongst the elected Members of the Screen Dealing Committee where the previous election occurred three (3) or more months prior to the casual vacancy arising, the continuing members of the Screen Dealing Committee shall unless proximity to the next annual election makes it impractical, cause an election to be held forthwith to fill the vacancy;~~

~~The provisions of this TR.6.2A relating to election of Screen Dealing Committee Members shall apply mutatis mutandis to any such election.~~

~~(n)(i)~~ (i) These election procedures shall commence on a date determined by the Board.

(ii) Pending such determination and the election and approval of elected members, the positions to be held by the elected members of the ~~Screen Dealing~~ Committee shall be held by persons appointed by the Board.

(iii) The Board may also determine that ~~(A)~~ the first election shall be held at a date other than close to the time of an annual general meeting; ~~and~~
~~(B) that the first members of the Screen Dealing Committee elected and approved under these provisions shall hold office until the second annual general meeting after their election and approval.~~

Clean version of TR.6.2A

TR.6.2A Election of Screen Dealing Committee

- (a) (i) Each year as close as practicable to the date of the Annual General Meeting, the Secretary shall call for nominations from Full Members and Local Members to fill the number of positions on the Screen Dealing Committee (the Committee) which are available to be filled by election pursuant to TR.6.2.

- (ii) Where:
 - (A) a third party has an interest in more than one Full Member;
 - (B) a Full Member has an interest in another Full Member; or
 - (C) the Board has, pursuant to Article 3.20(a), approved a third party having an interest in two Full Members where one or more of those Full Members has an interest in another Full Member,

then only one such Full Member shall be entitled to stand for election to the Committee, remain on the Committee, vote for the Committee or nominate a candidate to stand for election to the Committee.

For the purposes of this TR.6.2A, "interest" has the same meaning as it has in Article 3.20(b).
- (b) Candidates for election to the Committee must, unless the outgoing Committee agrees otherwise, have a minimum of twenty-four (24) months continuous and recent experience in trading futures and/or options, which must include at least six months screen trading experience.
- (c) Subject to TR.6.2A(a)(ii), separate nominations shall be called for in respect of candidates to be elected by Full Members and candidates to be elected by Local Members, and separate ballots in respect of each class shall be conducted.
- (d) Subject to TR.6.2A(a)(ii), a Full Member may nominate and be represented on the Committee by one representative at any one time.
- (e) Subject to TR.6.2A(a)(ii), retiring members may offer themselves for re-election.
- (f) Subject to TR.6.2A(a)(ii), each nomination form shall be signed by the candidate and the candidate's Sponsoring Full Member.
- (g) Subject to TR.6.2A(a)(ii), the Secretary shall provide to each Full Member and to each Local Member a ballot paper containing a list of persons who have been properly nominated and who have consented to stand for election.
- (h) Subject to TR.6.2A(a)(ii), at each election each Full Member may allot one vote for each position available for Full Member representatives on the Committee and each Local Member may allot one vote for each position available for Local Member representatives on the Committee. Persons who may vote shall be:
 - (i) in respect of a Full Member which is a corporation or firm, and subject to TR.6.2A(a)(ii), a person appointed by the Member as an authorised representative pursuant to Section 250D of the Corporations Law or pursuant to Article 6.9; and
 - (ii) Local Members who are individuals and, in respect of Local Members which are corporations or firms, the SYCOM® Trader of that Member.
- (i) Subject to TR.6.2A(m), in each class, the candidates in respect of whom the greatest number of votes have been cast, shall, if approved by the Board, be declared elected by the Board. In the event that an equality of votes has been cast in one or both classes, if the number of candidates having an equality of votes is equal to the number of vacancies, all such candidates shall be elected; if the number of candidates having an equality of votes is greater than the number of vacancies, the successful candidates shall be determined by lot.
- (j) Subject to paragraph (m)(i):
 - (i) an elected candidate shall be elected to the Committee for a term of approximately two (2) years unless elected to fill a casual vacancy;
 - (ii) at each annual election:
 - (A) in respect of the members elected by the Full Members, one half of their number or if that number cannot be divided by two, the number nearest one half, together with any member or members appointed to fill a casual vacancy) shall retire; as amongst the elected members those to retire shall be the persons who have been longest in office and where they have equal seniority since their last election those to retire shall be determined by lot unless they agree which of them will retire; and
 - (B) in respect of the members elected by the Local Members, each member who has held office for two years shall retire; where both

members have equal seniority, the member to retire shall be determined by lot unless they agree which of them will retire; however, in the event that immediately prior to an election, two persons are members, one having been elected and one having filled a casual vacancy:

- if the elected member has held office for less than two years he/she shall continue in office until the next election and only the person filling the casual vacancy shall retire; and
 - if the elected member has held office for two years, then both shall retire.
- (k) In the event of a casual vacancy occurring amongst the elected members of the Committee, the continuing members may, with the approval of the Board, and subject to TR.6.2A(a)(ii), appoint a person to fill the position until the next annual election; the person so appointed shall be eligible for election.
- (l) The Board shall have the power at any time by written notice to remove any person as a member of the Committee where it is of the opinion that the person is not a fit and proper person to be a member of the Committee or if the Committee so recommends.
- (m) At the first election which takes place after the date determined by the Board pursuant to paragraph (n)(i):
- (i) half the candidates, being those who receive the highest number of votes from Full Members, shall hold office for a term of approximately two (2) years (until the third election following the date determined in accordance with paragraph (n)(i) and the remaining half, who receive the next highest number of votes, shall hold office for a term of approximately one (1) year (until the second election following the date determined in accordance with paragraph (n)(i); and
 - (ii) the candidate who receives the highest number of votes from Local Members shall hold office for a term of approximately two (2) years (until the third election following the date determined in accordance with paragraph (n)(i) and the candidate who receives the next highest number of votes shall hold office for a term of approximately one (1) year (until the second election following the date determined in accordance with paragraph (n)(i).
- (n) (i) These election procedures shall commence on a date determined by the Board.
- (ii) Pending such determination and the election and approval of elected members, the positions to be held by the elected members of the Committee shall be held by persons appointed by the Board.
- (iii) The Board may also determine that the first election shall be held at a date other than close to the time of an annual general meeting.