



ASX CLEAR OPERATING RULES PROCEDURES

ASX Clear Pty Limited
ABN 48 001 314 503
Exchange Centre
20 Bridge Street
Sydney NSW 2000 Australia

For the purposes of this Procedure, information relating to OTC Options Market Transactions includes: OTC SPAN files, OTC Position reports and OTC Deal reports.

Introduced 28/05/12

PROCEDURE 1.22.1 ASX CLEAR TO CONDUCT ANNUAL REVIEW

The review will comprise:

- (a) reviewing ASX Clear's information processing facilities and integrity of the Clearing System including:
 - (i) maintenance of security and confidentiality over the data of Participants;
 - (ii) security over the physical operation of the Clearing System;
 - (iii) backup and disaster recovery procedures; and
 - (iv) Clearing System access controls; and
- (b) assessing the integrity and accuracy of information generated by the Clearing System, including:
 - (i) internal controls over data input by ASX Clear; and
 - (ii) processing and reporting of transaction data.

Introduced 11/03/04

Recovery Rules

Nothing in these Procedures limits the Recovery Rules. These Procedures do not prevail over the Recovery Rules.

Explanatory Note:

The Recovery Rules may affect the operation of the Procedures.

Introduced XX/XX/XX

[Explanatory Note: this amendment clarifies that no power in the Recovery Rules is intended to be limited by the Procedures]

SECTION 4 RIGHTS AND OBLIGATIONS OF PARTICIPANTS

PROCEDURE 4.1.1 GENERAL COMPLIANCE

The continuing education requirements for Responsible Executives from 1 July 2004 are the successful completion of at least 8 hours (or 8 hours equivalent) Compliance Education every Year determined:

- (a) if the Responsible Executive is a member of:
- Australian Compliance Institute (ACI);
 - Australian Financial Market Association (AFMA);
 - Financial Planning Association (FPA);
 - ~~Stockbrokers Association of Australia Securities and Derivatives Industry Association (SDIASAA)~~;
 - An Accountant Professional Standards Scheme recognised pursuant to Australian State or Federal Professional Standards legislation;
 - A Solicitors Professional Standards Scheme recognised pursuant to Australian State or Federal Professional Standards legislation;
 - Another professional association recognised by ASX Clear as providing equivalent quality and measurement standards of relevant continuing education as those above, or

by reference to the quality and measurement standards of continuing education or continuing professional development established by that professional body; or

- (b) otherwise, by reference to the quality and measurement standards of continuing education or continuing professional development established for their members by one of the professional bodies set out below:
- Australian Compliance Institute; or
 - ~~Stockbrokers Association of Australia Securities and Derivatives Industry Association.~~

For the purpose of the Procedure:

- “Compliance Education” means education or professional development directly related to compliance obligations, policies, procedures and ethics with specific relevance to the Participant’s and Responsible Executives obligations under the ASX Operating Rules, the ASX Clear Operating Rules and the ASX Settlement Operating Rules.
- “Year” means the period 1 July to 30 June.

When a Participant appoints a person to the role of RE during a year, the Participant must be able to demonstrate to ASX Clear that the Responsible Executive has undertaken Compliance Education since the date of appointment as an RE with that Participant which satisfies the continuing education requirement pro-rata to the number of full months that the RE held that role during that Year.

Demonstrating compliance with Continuing Education requirements

SECTION 8 ~~CLEARING FUND CONTRIBUTIONS, EMERGENCY ASSESSMENTS~~ AND PRIORITY OF APPLICATION OF CLEARING ASSETS

PROCEDURE 8.1.1 ASX CLEAR MAY SEEK CONTRIBUTION

Currently ASX Clear does not collect Contributions.

Introduced 26/03/07 Amended 10/12/07, 02/02/09, 30/09/09, 07/06/13

PROCEDURE 8.1.2 CALCULATION OF CONTRIBUTION AMOUNT

Currently ASX Clear does not collect Contributions.

Introduced 31/03/05 Amended 26/03/07, 10/12/07, 02/02/09, 30/09/09, 19/04/10, 07/06/13

PROCEDURE 8.1.4 FORM OF CONTRIBUTION – [DELETED]

Introduced 31/03/05 Amended 26/03/07, 10/12/07, 02/02/09, 30/09/09 Deleted 07/06/13

PROCEDURE 8.1.7 INTEREST – [DELETED]

Introduced 31/03/05 Amended 26/03/07, 10/12/07, 30/09/09 Deleted 07/06/13

PROCEDURE 8.2.5 NATURE OF EMERGENCY ASSESSMENT OBLIGATION – [DELETED]

~~Interest payable under Rule 8.2.5 accrues daily from and including the due date to but excluding the date of actual payment and is calculated on actual days elapsed and a year of 365 days. The rate of interest applying to each daily balance is the rate 4% per annum above the 60 day Bank Bill Swap Reference Rate last published on or before that day in the Australian Financial Review (or if no such rate is published, another rate set by ASX Clear in good faith). Unpaid interest may be added to the overdue amount at 30 day intervals and interest is payable under this procedure from that time on the increased amount.~~

Introduced 31/03/05 Deleted **/**/**

PROCEDURE 8.2.6 NATURE OF ADDITIONAL EMERGENCY ASSESSMENT OBLIGATION – [DELETED]

~~Interest payable under Rule 8.2.6 is to be calculated on the same basis as for Rule 8.2.5.~~

Introduced 31/03/05 Deleted **/**/**

PROCEDURE 8.3.1 PRIORITY OF APPLICATION OF ASSETS

The amount prescribed for the purpose of Rule 8.3.1(e)(i) is \$78,511,313.

For the purpose of Rule 8.3.1(f), the designated financial backing is share capital invested in ASX Clear by ASX Clearing Corporation Limited (ABN 45 087 801 554) (excluding share capital that is from time to time included in assets applicable pursuant to Rule 8.3.1(e)) up to a maximum amount of A\$100,000,000.

The amount of ASX Clear's other assets prescribed for the purpose of Rule 8.3.1(i) is \$0.

Introduced 31/03/05 Amended 21/06/05, 12/03/07, 02/06/09, 23/12/09, 28/06/13, **/**/**

SECTION 11 DERIVATIVES MARKET TRANSACTION – ALLOCATION, PRICE AVERAGING AND DESIGNATION

PROCEDURE 11.1.1 PARTICIPANT MAY ALLOCATE DERIVATIVES MARKET CONTRACTS

- (1) Subject to (2), for the purposes of Rule 11.1.1, an allocation of a Derivatives Market Contract by a Participant (the “First Participant”) to another Participant (the “Second Participant”) is effected only if made on the day on which the Derivatives Market Contract is entered (trade day) and the allocation is made in accordance with the following:
 - (a) the First Participant provides the details of the Derivatives Market Contract by 5.45 pm (Sydney time) on the trade day; and
 - (b) the Second Participant, in accordance with Rule 11.1.6 and these Procedures, either:
 - (i) accepts the allocated Derivatives Market Contract and on-allocates it by 5.45 pm (Sydney time) to another Participant; or
 - (ii) accepts the allocated Derivatives Market Contract by 6.00 pm (Sydney time) and does not on-allocate it in accordance with paragraph (i).
- (2) Where the Derivatives Market Contract was entered by the sending Participant on the instruction of a Principal Trader in relation to an Options Market Contract, the sending Participant **must** allocate the Derivatives Market Contract to that Participant Trader’s Participant. ASX Clear will then register the Derivatives Market Contract in the name of the receiving Participant in that Participant Trader’s account.

If on the day the Derivatives Market Contract was entered, the receiving Participant or its Participant Trader disputes the Derivatives Market Contract was entered on the instruction of the Participant Trader and notifies this to ASX Clear **and** the sending Participant confirms to ASX Clear that the allocation was incorrectly made, the allocation to that Participant Trader will be cancelled and the Derivatives Market Contract will be returned to the sending Participant.

Under Rule 1.18.1, ASX Clear may charge Participants fees in respect of the services it provides to Participants. This includes fees relating to the allocation of Derivatives Market Contracts under Rule 11.1.1. Currently ASX Clear does not charge fees in respect of allocation of Derivatives Market Contracts.

Introduced 11/03/04 Amended 30/04/04

PROCEDURE 11.1.3 WHEN ALLOCATION EFFECTIVE

An allocation is effective when:

- it has been accepted by a Participant; and
- registered to an account of that accepting Participant.

Introduced 11/03/04

When wool is admitted as deliverable stock, ASX Clear will issue a stamped copy of the Stock Confirmation Form to the Seller in accordance with the Procedure associated with Rule 21.7.1.

Introduced 11/03/04

PROCEDURE 21.7.6 RELEASE OF ADMISSION DOCUMENTS

ASX Clear will only consider a request for release of Admission Documents where the Participant has completed and lodged the Redemption Request section of the Wool Futures Tender/Redemption Request.

Introduced 11/03/04

PROCEDURE 21.8.1 ELECTION TO TENDER BY SELLER

A Seller may elect to settle a Deliverable Futures CCP Contract by either closing out the position in the market or by effecting delivery against an open sold contract in the Delivery Month. If a Seller elects to effect delivery against the contract, the Seller is required to submit the relevant Stock Confirmation Form, with a correctly completed Tender / Redemption Form, to ASX Clear on a Business Day that falls within the Delivery Period for that Delivery Month.

Tender Documentation must be completed in the form and manner specified below:

1. **Form:** The Participant completes the Tender Notice section on the relevant Wool Futures Tender Notice/Redemption Request and sends this form to ASX Clear.
2. **Manner:** ASX Clear will only accept Tender Documentation if it is submitted on a Business Day within the current Delivery Period. The Tender Documentation must be submitted to ASX Clear by **12:00 noon** on any Business Day within the Delivery Period other than on the last Business Day in the Delivery Period (the Maturity Date). On the Maturity Date, the Tender Documentation must be lodged by **3:00 pm**, unless otherwise notified by ASX Clear.

Introduced 11/03/04

PROCEDURE 21.8.2 ACCEPTANCE OF TENDER DOCUMENTATION

Rejection of Tender Documentation

If ASX Clear rejects a Tender Notice, the Participant will be informed of the rejection and the reasons why as soon as practicable but in any event before the commencement of the end-of-day processing on the Business Day the Tender Notice is received.

ASX Clear will notify Participants of a rejection of a Tender Notice via the DCS Messages facility. In the event the DCS Messages facility is not operating, ASX Clear will notify the Participant in accordance with Rule 1.7.3.

Introduced 11/03/04