



OPERATING RULES

OF

SYDNEY FUTURES EXCHANGE LIMITED

(ACN 000 943 377)

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Explanatory Note

Sydney Futures Exchange Limited (“the Exchange”) provides services to derivative markets which are governed by these Operating Rules and relevant legislation. The Exchange – through its Board, management and committees – strives to exercise its powers and functions under these Operating Rules efficiently, consistently and with the objective of ensuring fair, orderly and transparent markets.

When exercising its powers and functions under the Operating Rules, the Exchange focuses particularly on:

- the extent to which there is parity of information available to market users;
- the avoidance of artificial prices for trading; and
- the efficiency of the market in providing price discovery.

These Operating Rules regulate the behaviour of Participants in their relationships with the Exchange, their clients and other Participants.

As a licensed financial market operator under the Corporations Act 2001 (Cth), the Exchange acts as a front-line regulator subject to oversight by external agencies. Pursuant to provisions in these Operating Rules, supported by provisions in the Corporations Act 2001 (Cth), these Operating Rules have the effect of a contract:

- between each Participant and the Exchange; and
- between each Participant.

Because of its central role in facilitating markets, the Operating Rules confer broad powers on the Exchange to balance different interests in as fair a manner as possible. The rules also contain consequential exclusions from liability arising from the exercise of these judgments and the operation of the systems that underpin the market. These generic provisions are generally set out in Section 1 of the Rules.

The obligations of Participants then follow. These are to be read in conjunction with detailed procedures ('Trading Procedures, Determinations and Practice Notes') that are set out at www.sfe.com.au. These procedures, which do not form part of the Operating Rules, include a record of:

- procedures which, if followed by participants, will facilitate their use of the services provided by the Exchange ('procedures') including much of the descriptive material previously set out in the Trading Rules.
- determinations made by the Exchange pursuant to powers conferred in the Operating Rules ('determinations') including many of the matters previously set out in schedules to the rules; and
- how the Exchange interprets and administers the rules ('practice notes').

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SECTION 1: THE EXCHANGE

Explanatory Note

This section provides the broad framework for the Exchange's exercise of functions and obligations as a front line regulator of Participants.

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1.1 GOVERNING LAW AND SUBMISSION TO JURISDICTION

1.1.1 Governing Law for Operating Rules

These Operating Rules will be interpreted in accordance with the laws applying in New South Wales.

1.1.2 Governing Law for Contracts

All Contracts entered into, acquired or disposed of on the Exchange are governed by the laws applying in New South Wales.

1.1.3 Submission to Jurisdiction

The Exchange and each Participant that is a party to a Contract entered into, acquired or disposed of on the Exchange shall:

- (a) irrevocably submit to the exclusive jurisdiction of the courts exercising jurisdiction in New South Wales;
- (b) irrevocably waive any immunity from, or any objection to, any action in the courts exercising jurisdiction in New South Wales; and
- (c) irrevocably waive any claim that they may have that any action brought in New South Wales has been brought in an inconvenient forum or that the courts of New South Wales do not have jurisdiction.

1.1.4 Operating Rules that Replicate Corporations Act Provisions

Where these Operating Rules permit the Exchange to take action against a Participant for a contravention of a provision of these Operating Rules which would also constitute a breach of the Corporations Act, then:

- (a) any action taken or determination made by the Exchange is not to be regarded as taking action or making a determination under the Corporations Act but rather as taking action or making a determination under the contract constituted by these Operating Rules;
- (b) the Exchange may take action or make a determination under the Operating Rules regardless of whether a court, ASIC or any other authority has commenced or completed any investigation, prosecution or other action in relation to the alleged contravention of that provision; and
- (c) any action or determination by the Exchange is not affected by any previous or subsequent action or determination by any court, ASIC or any other authority in relation to an alleged contravention of that provision.

1.1.5 Australian Securities Exchange Disciplinary Processes and Appeals Rulebook

The Australian Securities Exchange Disciplinary Processes and Appeals Rulebook form part of these Operating Rules for the purposes of the Corporations Act.

Introduced 31/03/08

1.2 EFFECT AND AMENDMENT OF OPERATING RULES

1.2.1 Operating Rules Constitute a Contract

These Operating Rules shall constitute a contract between the Exchange and Participants and between each Participant.

1.2.2 Amendment, Deletion and Addition to Operating Rules

The Operating Rules may only be added to, amended or deleted by the Board or a committee or person to whom such power is delegated by the Board.

1.2.3 Effective Date of Operating Rule Amendments Regarding Contracts

Subject to the provisions of Section 5, and unless otherwise provided in the Operating Rules, any Operating Rule variation which affects:

- (a) liability under a Contract where such liability is under the control of the Exchange; or
- (b) the Contract size; or
- (c) the tolerance limits above or below the Contract size; or
- (d) the type or quality of the commodity to be delivered pursuant to this Contract,

shall, if approved, only become operative in respect of Contracts which are in existence on or after the expiration of thirty (30) days from the date of such approval.

1.2.4 Effective Date Determined by Board

Unless otherwise provided in this Rule 1.2 any new Operating Rule or variation shall be effective from the date determined by the Board (or, if applicable, the committee or person making the new Operating Rule or variation under a delegation of authority from the Board) and shall apply to all contracts whether entered into before or after the decision to make the new Operating Rule or variation.

1.2.5 Notice of New and Amended Operating Rules

The Exchange shall cause notice of all new Operating Rules and variations to be made publicly available. Failure to give such notice shall not invalidate the new Operating Rules and variation or delay its operation.

1.2.6 Transitional Provisions

- (a) Any appointment made or act or thing done under or for the purposes of a provision of the Amended Business Rules or the SFE Corporation Business Rules has effect from that date as if it had been done under or for the purposes of the corresponding provision of the New Operating Rules.
- (b) Subject to Rule 1.2.6(a), the amendment of the Amended Business Rules and recission of the SFE Corporation Business Rules do not disturb the continuity of status, operation or effect of any act or thing done under or for the purposes of the Amended Business Rules and the SFE Corporation Business Rules.
- (c) In Rule 1.2.6(a) and (b), “appointment made or act or thing done” includes, but is not limited to:
 - (i) the making of a decision or determination or the passing of a resolution;

- (ii) the granting or exercise of a power, including a delegated power;
- (iii) the execution of a document;
- (iv) the appointment of any person to, or removal of any person from, an office or position.

1.3 DELEGATION POWERS OF THE BOARD AND OF THE CHIEF EXECUTIVE OFFICER

1.3.1 Delegation by the Board

The Board may, by resolution, delegate to a committee established or appointed pursuant to the Constitution, or to a member of the staff of the Exchange, any powers or functions exercisable by it pursuant to any Operating Rule, regulation or procedure made by the Exchange which it may delegate according to law.

1.3.2 Delegation by the Chief Executive

The Chief Executive may, by written notice, delegate to a member of the staff of the Exchange, any powers or functions exercisable by him pursuant to any Operating Rule, regulations or procedures made by the Exchange or pursuant to any delegation granted to him which he may delegate according to law.

1.4 TRADING DISRUPTIONS

1.4.1 Exchange Powers to Deal with Undesirable Situation or Practice

- (a) If in the opinion of the Exchange, an undesirable situation or practice has developed or is developing, the Exchange may take any steps whatsoever to correct the situation or practice and may give directions to Participants accordingly.
- (b) The Exchange may, but is not obliged to consult with, obtain a report from, or take advice from, other persons as it sees fit to assist it in making a decision to deal with the situation or practice.
- (c) If the Exchange consults with, seeks a report from, or seeks advice from, any person, the Exchange may make a decision prior to any consultation, or receipt of report or advice, and need not take any consultation, report or advice into consideration in making its decision.
- (d) Upon a determination by the Exchange that the undesirable situation or practice has sufficiently abated to permit the orderly functioning of the Exchange, the Exchange shall order restoration of trading and the removal of any restrictions which may have been imposed under this Operating Rule, and may make such additional orders (including, but not limited to, extending trading hours) as it deems necessary or appropriate to minimise the effect of the situation or practice.

1.4.2 Description of Undesirable Situations and Practices

An undesirable situation or practice is a situation or practice which threatens or may threaten fair, orderly and transparent trading in, or liquidation, settlement, exercise or delivery of, any Contract or class thereof, and may, without affecting the generality thereof, be:

- (a) a Physical Emergency;
- (b) systems or communications failure causing a general loss of access to the Exchange's trading or clearing systems;
- (c) a situation or practice which is contrary to the maintenance of a fair, orderly and transparent market;
- (d) action or proposed action by a government, government instrumentality, futures exchange or stock exchange or any other body in Australia or overseas, or any exceptional or unforeseen circumstance, which is at variance with or which threatens or may threaten just and equitable principles of trading or the public interest.

1.4.3 Steps Which the Exchange May Take

Without affecting the generality of Rule 1.4.1, the steps which the Exchange may, but is not obliged to take, include any one or more of the following:

- (a) suspending or curtailing trading in a Class of Contracts for any one or more trading months for such period as it specifies;
- (b) limiting trading in any Class of Contract to closing out of Open Position;
- (c) deferring settlement of Contracts and/or extending the date for settlement of a Contract for such period as it determines;
- (d) cancelling or amending a Contract;
- (e) directing that any Contract be Closed Out forthwith or be invoiced back to a fixed date and/or at a price determined by it;

- (f) permitting any merchantable lot of a particular commodity or financial instrument equal to or superior to the commodity or the financial instrument as specified in any Contract to be tendered subject to appropriate conditions as to compensation;
- (g) fixing an amount of compensation payable under Rules 1.4.3(e) or (f);
- (h) directing that Contracts be settled at a price other than that provided for by these Operating Rules, in such manner as it may determine;
- (i) giving directions to Participants to act in such manner as will in its opinion correct or assist in overcoming the situation or practice including, but not limited to, directions in relation to Open Positions;
- (j) refraining from taking any action which it considers appropriate; or
- (k) requesting SFE Clearing to exercise its powers under the Clearing Rules relating to the situation or practice.

1.4.4 Inability to Declare Settlement Price

- (a) If in the opinion of the Exchange or SFE Clearing a situation or practice is developing or has developed which is capable of preventing or which has prevented the Settlement Price for a Class of Contract from being declared in accordance with the Individual Contract Specifications for that Class of Contract, the Exchange or SFE Clearing may take any steps it deems necessary in the circumstances to correct such situation or practice so as to enable the Settlement Price to be declared and may give direction to Participants accordingly.
- (b) Without affecting the generality of Rule 1.4.4(a), the steps which SFE Clearing may take include requesting the Exchange to exercise its powers under this Rule 1.4.

1.4.5 Exchange Decision is Binding

The decision of the Exchange or SFE Clearing under this Rule 1.4, whether to act or not and as to what action is taken, shall be binding upon all the Participants of the Exchange and through them their Clients.

1.4.6 Contravention of Exchange Decision Deemed to be Breach of Operating Rules

A Participant contravening or failing to observe a decision or direction of the Exchange or SFE Clearing under this Rule 1.4 will be liable to the same sanctions, including fining, suspension or expulsion from Participation, as if a breach of the Operating Rules of the Exchange had been committed.

Explanatory Note

Rules 1.4.1 - 1.4.3 deal with undesirable situations or practices generally. By contrast, Rule 1.4.4 deals with the narrower class of situations or practices where the Settlement Price of a Class of Contract cannot be declared in accordance with the Contract Specifications for that Class.

1.5 EXCHANGE LIABILITY

1.5.1 Limitation of Liability

- (a) Neither the Exchange nor the developer of any trading system or of any computer system or the developer or supplier of any index or indicator for the purpose of any futures contract utilised by the Exchange for any purpose, including without limitation in connection with the Trading Platform (collectively "Exchange Systems") will accept or bear any liability whatsoever in respect of the operation of any Exchange System or otherwise, whether for any breach of a provision of any relevant legislation, any act or omission (whether negligent or not), injury, death, damage to physical property, any direct or indirect losses including but not limited to lost profits, loss of files, loss of contracts, loss of data or use of data (including any error in information supplied or made available), loss of operation time or loss of use of equipment or process, economic loss, loss of reputation or losses or damages incidental or consequential to the installation, use or operation of the Exchange Systems. All warranties and conditions, both express and implied as to condition, description, quality, performance, durability, or fitness for the purpose or otherwise of any of the Exchange Systems or any component thereof are excluded except as required by law; and the Exchange does not warrant or forecast that the Exchange Systems or any component thereof or any services performed in respect thereof will meet the requirements of any user, or that operation of the Exchange Systems will be uninterrupted or error-free, or that any services performed in respect of the Exchange Systems will be uninterrupted or error-free. Nothing in this Rule 1.5.1 shall limit any liability of a developer of any Exchange Systems to the Exchange.
- (b) The Exchange will not accept or bear any liability whatsoever in respect of any act done or omitted, in good faith and in the performance or purported performance of a function or power conferred on it by the Corporations Act or by any other legislative instrument or direction of any legislature or government authority having jurisdiction over it. [Effective 17 January 2005]

1.5.2 Exchange Principals

Every exemption from liability, defence or immunity applicable to the Exchange or to which the Exchange is entitled under Rule 1.5.1 shall also be available and shall extend to protect everyone of the Exchange's officers, agents or employees from time to time, and SFE Clearing and any developer of any Exchange Systems (collectively called "the principals").

1.5.3 Exchange Bound

To the extent necessary at law, and for the purpose only of making those exemptions from liability defences and immunities available to the principals, the Exchange shall be bound by Rule 1.5 on its own behalf and as agent or trustee for the principals and each of them.

1.5.4 Exclusion of Terms

Where the Trade Practices Act 1974 of Australia or any similar State, Territorial or other legislation implies in this Rule 1.5 any term, condition or warranty, and makes void or prohibits application of or exercise of, or liability under such term, condition or warranty, such term, condition or warranty shall be deemed to be included in Rule 1.5.1. However, the liability of the Exchange for any breach of such term, condition or warranty shall be limited, at the option of the Exchange, to any one or more of the following:

- (a) If the breach relates to goods:
 - (i) the replacement of the goods or the supply of equivalent or similar goods;
 - (ii) the repair of the goods;
 - (iii) the payment of the cost of replacing the goods or of acquiring equivalent goods; or
 - (iv) the payment of the cost of having the goods repaired.
- (b) If the breach relates to services:
 - (i) the supplying of the services again; or
 - (ii) the payment of the cost of having the services supplied again.

1.6 CONFIDENTIALITY

1.6.1 Open Positions

The Exchange acknowledges that any Participant's information relating to its Open Positions, other than information which is in the public domain, is confidential to that Participant. The following conditions shall apply to any such information received by the Exchange, regardless of the source of that information:

- (a) the Exchange will be entitled to use any such confidential information internally for the purposes of discharging any of its functions or obligations under the Corporations Act or any other act, regulation, ordinance, rule or direction of any legislature or government authority having jurisdiction with respect to the Exchange;
- (b) the Exchange will be entitled to use, distribute, supply, provide, make available, sell or otherwise deal with such confidential information to or for the benefit of any third party only as mentioned in Rule 1.6.1(c) or for the purposes of discharging any of its functions or obligations under the Corporations Act or any act, regulation, ordinance, rule or direction of any legislature or government authority having jurisdiction with respect to the Exchange;
- (c) the Exchange will be entitled to use, distribute, supply, provide, make available, sell or otherwise deal with such confidential information to or for the benefit of any securities commission, clearing or settlement facility, futures exchange or stock exchange within Australia or elsewhere having functions and powers with respect to regulation of futures markets or securities markets where the Exchange or its delegate is satisfied that the disclosure of the information will assist that body to perform or exercise those powers of functions; and
- (d) subject to Rules 1.6.1(a), (b) and (c), the Exchange will not use, distribute, supply, provide, make available, sell or otherwise deal with such confidential information to or for the benefit of any third party, including any third party who or which by himself or itself or by any Director, employee or consultant then has, or at any time has had, any trading interests upon the Exchange.

Amended 30/12/09

1.6.2 Exchange to Seek Consent

Where the Exchange considers it necessary or desirable to use or disseminate any information relating to the Open Positions of any Participant other than as is provided for under this Rule 1.6, the Exchange shall seek the prior consent of that Participant to such use or dissemination and shall provide to such Participant:

- (a) particulars sufficient to identify the nature of the information;
- (b) the name and address of each person to whom it is proposed to disseminate that information;
- (c) a description of the manner in which and the purposes for which it proposes to disseminate that information; and
- (d) a description of the circumstances in which and the conditions upon which it is proposed that the use or dissemination will take place.

1.6.3 Deemed Consent

- (a) Any Participant or Participants approached by the Exchange under Rule 1.6.2 may give or withhold its or their consent to any use or dissemination of its or their information in its or their absolute discretion. In the event the Participant fails to notify the Exchange of its consent or refusal within seven (7) days of the Exchange complying with Rule 1.6.2, the Participant shall be deemed to have consented to such use or dissemination of the information.
- (b) Any refusal or withholding of consent shall be binding upon the Exchange.

1.6.4 Exchange to Obtain Confidentiality Undertaking

Notwithstanding any consent given under Rule 1.6.2, the Exchange will, as a condition of use or dissemination of any information under Rule 1.6.2, seek and obtain from any person to whom information is disseminated under Rule 1.6.2, a written confidentiality undertaking expressed to be for the benefit of the Exchange and of the relevant Participant and the Exchange is appointed as the agent of the Participant for that purpose. That undertaking shall restrict any use or dissemination by that person of the information to the use or dissemination as notified by the Exchange under Rule 1.6.2.

1.6.5 Dispension of Confidentiality Undertaking

The condition described in Rule 1.6.4 may be dispensed with by the agreement of the Participant concerned.

1.6.6 Definition of Third Party and Exchange

- (a) In this Rule 1.6, "third party" means any party other than the Participant or the Exchange and its related companies.
- (b) In this Rule 1.6, "Exchange" includes any related companies of the Exchange.

1.6.7 Confidentiality of Information Obtained Pursuant to Section 5

All information obtained by the Exchange staff and reports to them pursuant to Section 5 shall be kept confidential by them and shall not be disclosed to any other person including members of the Board except:

- (a) as provided by the Operating Rules or for the purpose of conducting an investigation or proceedings relating to a breach or alleged or potential breach of the Operating Rules;
- (b) to a duly constituted public authority either entitled to require provision of the information, or which in the opinion of the Exchange should be provided with the information;
- (c) to another exchange or futures association pursuant to arrangements to share information in relation to linked contracts or otherwise;
- (d) in such other circumstances as the Exchange determines it to be in the interest of the Exchange, its Markets or Participants or the public, for it to do so; and/or
- (e) where compelled by law.

Amended 30/12/09

1.6.8 Permitted Disclosure

Information or reports obtained by the Exchange staff may be disclosed to Exchange or SFE Clearing staff authorised by the Chief Executive or to the Exchange's external advisers who have been instructed in relation to the particular matter but shall otherwise continue to be subject to Rule 1.6.7.

Amended 30/12/09

1.7 CONNECTIONS TO THE TRADING PLATFORM

1.7.1 Discretion to Allow Connection to the Trading Platform

The Chief Executive may, where it is considered necessary in the interests of a fair, orderly and transparent Market, determine that a Full Participant shall not provide a connection to the Trading Platform in relation to particular Clients or a particular class of Client or in relation to a particular Order System.

1.7.2 Conditions of Issue and Allocation of Terminals

Subject to the Operating Rules, the issue and allocation of Terminals shall be at the absolute discretion of the Exchange and the Exchange may determine:

- (a) the number of Terminals to be issued to a particular Participant or Participants;
- (b) the location of any Terminals so allocated;
- (c) require that any Terminals so allocated be returned to the Exchange; and
- (d) to disconnect a Participant's Terminals as required where it is of the view that the continued use of the terminal will affect the operation of fair, orderly and transparent markets.

1.8 OPEN, CLOSE AND PHASES OF TRADING

1.8.1 Open of Exchange

The Exchange shall open daily at such time and shall remain open for such periods as determined by the Exchange.

1.8.2 Close of Exchange

The Exchange shall be closed during such periods as determined by the Exchange.

1.8.3 Time for Trading in Particular Contracts

Trading in a particular Contract shall commence and cease at the time determined by the Exchange and in accordance with the Procedures determined by the Exchange.

Explanatory Note

Link to determinations regarding time of open and close and trading phases eg pre-opening phase etc.

[Open Close Phases of Trading](#)

1.9 DAILY SETTLEMENT PRICE

The Daily Settlement Price of Contracts shall be determined by the Exchange as follows:

1.9.1 Futures Daily Settlement Price Procedures

- (a) Immediately following the Close of a Market, an Interim Daily Settlement Price for each Futures Contract month shall be displayed on the Trading Platform. Interim Daily Settlement Prices shall be calculated by the Exchange by using any one, or a combination, of the following methods:
 - (i) where there is a final bid and a final ask, the mid-point between the final bid and final ask, rounded up shall be the Daily Settlement Price; or
 - (ii) where there is either a final bid or a final ask, and there is a last trade price, then the last trade price shall be the Daily Settlement Price, unless the last trade price is below the final bid or above the final ask, then the final bid or final ask shall be the Daily Settlement Price; or
 - (iii) where there is either a final bid or a final ask, and there is no last trade price, then the final bid or final ask shall be the Daily Settlement Price; or
 - (iv) where there are no final quotes, and there is a last trade price then the last trade price shall be the Daily Settlement Price; or
 - (v) where there are no final quotes and no last trade, then the previous day's Daily Settlement Price, adjusted to maintain the previous days differential to the spot month, shall be the Daily Settlement Price; or
 - (vi) where there are no final quotes and no last trade in the spot month, then the previous day's Daily Settlement Price shall be the Daily Settlement Price.
 - (vii) where appropriate, a Daily Settlement Price can be determined based on a differential with an Inter-Commodity related product.
 - (viii) where the Contract is a Contract For Difference, the closing price of the underlying instrument as determined by the Exchange.
- (b) The Exchange may from time to time, nominate a "Settlement cut-off" time per commodity type at which no new bids, offers or trades will be taken into account for the purposes of the calculations in Rule 1.9.1(a).
- (c) The Exchange may from time to time, nominate an order and/or trade volume requirement per product required to be taken into account for the purposes of settlement calculations in Rule 1.9.1(a).
- (d) Participants shall have five (5) minutes to object to an Interim Daily Settlement Price for Futures Contracts as determined pursuant to Rule 1.9.1(a). At least three (3) objections, from different Participants must be received by the Exchange before the matter will be reviewed by the Trading Manager.
- (e) If no objections are received within five (5) minutes the Interim Daily Settlement Prices shall become the Daily Settlement Price.
- (f) No attempt may be made to alter the Daily Settlement Price or any component thereof by artificial means.

1.9.2 Options Daily Settlement Price Procedures

- (a) An Interim Daily Settlement Price shall be calculated by the Exchange for Option Contracts:
 - (i) in the case of Option Contracts over Futures Contracts, following the establishment of the Underlying Futures Contract Daily Settlement Price, and having regard to implied volatilities, the Underlying Futures Contract Daily Settlement Price, and other relevant factors; and
 - (ii) in the case of Options over an Underlying Physical, having regard to implied volatilities, such price at such time as determined by the Exchange of the Underlying Physical on the underlying market, and other relevant factors.

- (b) The Interim Daily Settlement Price shall be displayed on the Trading Platform.
- (c) Option orders that may be included in the calculation of the Interim Daily Settlement Price must be entered into the Trading Platform for a ten (10) minute period immediately prior to the Close.
- (d) Participants shall have five (5) minutes to object to an Interim Daily Settlement Price for Option Contracts as determined pursuant to Rule 1.9.2(a). At least two (2) objections from different Participants, need to be received by the Exchange before the matter will be reviewed by the Trading Manager.
- (e) If no objections are received within five (5) minutes the Interim Daily Settlement Price shall become the Daily Settlement Price.
- (f) No attempt may be made to alter the Daily Settlement Price or any component thereof by artificial means.

1.9.3 Overnight Options and Intra-Day Options Daily Settlement Price Procedures

- (a) The relevant Overnight Options and Intra-Day Options Daily Settlement Price shall be calculated in the manner set out in Section 6.
- (b) Once established, a Participant may raise an objection and must immediately notify an Exchange Official of such an objection. At least two (2) objections from different Participants need to be received before the matter will be reviewed by the Trading Manager.
- (c) If no objections are received within five (5) minutes the Interim Daily Settlement Price shall become the Daily Settlement Price.
- (d) No attempt may be made to alter the Daily Settlement Price or any component thereof by artificial means.

1.9.4 Serial Option Daily Settlement Price Procedures at Expiry

- (a) Following the establishment of the Underlying Futures Contract Daily Settlement Price, an Interim Daily Settlement Price shall be calculated by the Exchange for Serial Option Contracts (having regard to implied volatilities, the Underlying Futures Contract Daily Settlement Price, and other relevant factors), and shall be displayed on the Trading Platform. Serial Option orders that may be included in the calculation of the Interim Daily Settlement Price must be entered into the Trading Platform.
- (b) Participants shall have five (5) minutes to object to an Interim Daily Settlement Price for Serial Option Contracts as determined pursuant to Rule 1.9.4(a). At least two (2) objections from different Participants, need to be received by the Exchange before the matter will be reviewed by the Trading Manager.
- (c) If no objections are received within five (5) minutes the Interim Daily Settlement Price shall become the Daily Settlement Price.
- (d) No attempt may be made to alter the Daily Settlement Price or any component thereof by artificial means.

1.9.5 Discretion to Amend the Daily Settlement Price

Where any Daily Settlement Price is established pursuant to Rule 1.9 and the Chief Executive and/or Trading Manager is of the opinion that the established Daily Settlement Price will have the effect of creating a market that is not fair, orderly and transparent, the Chief Executive and/or the Trading Manager shall have the discretion to amend the Daily Settlement Price as it sees fit.

1.9.6 Determination of Daily Settlement Price

Subject to the provisions of Rule 1.4, where the Daily Settlement Price cannot be established pursuant to Rule 1.9, the Chief Executive in consultation with such Exchange Officials, and other persons as he deems appropriate, may take such steps as considered necessary in the circumstances, including having regard to prevailing market prices and/or such other factors as may be considered relevant, declare a Daily Settlement Price and may give directions to Participants accordingly.

1.10 MARKET HALTS

1.10.1 Trading Platform Not in Operation

For the purposes of this Rule 1.10, the Trading Platform is not in operation when:

- (a) the computer system is not operating because of hardware or software breakdown;
- (b) the Chief Executive or Trading Manager is of the view that for any reason trading in Contracts cannot occur in an orderly manner and gives notice by effecting a Market Halt on all available Terminals.

1.10.2 Recommencement of Trading

Trading will recommence after a Market Halt, as determined by the Trading Manager and in accordance with the Procedures as determined by the Exchange.

1.10.3 Alternative Trading

The Trading Manager will announce the times of commencement and completion of trading by telephone communication or other electronic means.

1.10.4 Exchange to Present Trades to SFE Clearing

The Exchange will, upon receipt of confirmation from both parties to the trade involved, and where the trade is in accordance with these Operating Rules, present the trade to SFE Clearing for registration in accordance with the Clearing Rules.

1.10.5 Time to Submit Trade Details

Full details of trades executed by telephone communication or other electronic means must be recorded by both parties In Writing in the form determined by the Exchange and must be sent to the Exchange as soon as possible and in any event:

- (a) within thirty (30) minutes, or such other time as determined by the Exchange, of the resumption of Trading where trading on the Trading Platform recommences within the same Trading Date; or
- (b) within thirty (30) minutes, or such other time as determined by the Exchange, of the Close where Trading does not recommence within the same Trading Date.

Explanatory note

Link to form and procedures for confirmation of trades executed during a market halt.

[Market Halts](#)

1.11 EXCHANGE RIGHT TO CANCEL ORDERS AND CANCEL TRADES

1.11.1 Cancellation of Trades

The Trading Manager may, in his sole discretion, cancel an order, direct a Participant to withdraw an order, or cancel a trade where:

- (a) an order has been entered or a trade has been executed otherwise than in accordance with the Custom Market Strategy Rules at Rule 3.2.3;
- (b) an order has been entered or a trade has been executed which is not, in the Trading Manager's opinion, in the best interests of a fair, orderly and transparent market; or
- (c) the matter cannot be adequately or appropriately dealt with pursuant to Section 5.

1.11.2 Not in Use

1.11.3 Notice of Decision

The Trading Manager will give notice of the decision made under this Rule 1.11 to the Participant(s) concerned, as soon as possible.

1.11.4 No Appeal

No appeal shall lie from a decision of the Trading Manager under this Rule 1.11, other than the decision to impose a fine under Rule 1.11.6.

1.11.5 Discretion to Impose Conditions

- (a) Where a trade is cancelled, the cancellation may be subject to such condition(s) as the Trading Manager sees fit, including but not limited to, the following:
 - (i) the acceptance, by the Participant who has made an error, or has been deemed by the Trading Manager to have executed an Error Trade, or has originally executed the trade, of a trade executed by another Participant in reliance on the trade cancelled; or
 - (ii) the acceptance of a trade to cancel the trade.
- (b) The Participant shall comply with any such condition.

1.11.6 Fine Imposed

Where an order or trade is entered which results in the Trading Manager taking action under this Rule 1.11, the Trading Manager may impose a fine.

1.11.7 Block trades and Exchange For Physical Transactions

This Rule 1.11 does not apply to Block Trades and Exchange For Physical transactions.

Explanatory Note

Whether or not an order or trade is cancelled under this Rule, if a Participant fails to comply with a separate Operating Rule then Section 5 applies.

The Trading Manager's decision to impose a fine under Rule 1.11.6 may be appealed to the Appeal Tribunal in accordance with the provisions of the Australian Securities Exchange Disciplinary Processes and Appeals Rulebook.

Where a trade is executed in the Market Integrity Range the trade will be deemed to be an error by the Exchange as the trade will not be in the best interests of a fair, orderly and transparent market whether or not the Participant who initiated the trade reports it to the Exchange.

Where a trade is cancelled there will be a cancellation fee payable by the Participant who originally entered the order that results in the Error Trade. In addition, the Trading Manager may impose a fine and the matter may be referred for investigation pursuant to Section 5.

Whilst the Trading Manager will in most situations assess any request for cancellation of a trade in accordance with the principles and ranges established in the Operational Policy referred to as 'Error Resolution Policy', appended to the Procedures, Determinations and Practice notes, (<http://www.sfe.com.au/index.html?content/aboutsfe/rules.htm>) if the Trading Manager considers that the fairness, orderliness and transparency of the market is impacted, the Trading Manager may take alternative action under Rule 1.11.

Amended 13/10/08

1.12 OBJECTIONS DURING TRADING

1.12.1 Purpose

The purpose of this Rule 1.12 is to provide rules for the resolution of objections which arise in relation to trading.

1.12.2 Grounds for Objection

In this Rule 1.12, an objection may be made by a Participant where that Participant has reason to believe:

- (a) that a trade, excluding an Error Trade, has been executed otherwise than in accordance with the Operating Rules; or
- (b) that a trade has been conducted which is not in the best interests of a fair, orderly and transparent market; or
- (c) that the matter cannot be adequately or appropriately be dealt with pursuant to Section 5.

1.12.3 Number of Objections

The Trading Manager need only consider an objection if at least two (2) Participants, being Representatives of different Participants, register an objection to a trade or trades within five (5) minutes, or such other time as determined by the Exchange, of the trade being effected.

1.12.4 Message to Market of Objection

Where an objection is reported, the Trading Manager shall send a message to the market notifying that an objection has been lodged and provide the deal number(s), for the trade the subject of the objection.

1.12.5 Objection to be Considered Immediately

An objection shall be considered immediately by the Trading Manager, who may, in addition to the powers pursuant to Section 5 or in lieu of action pursuant to Section 5, at his sole discretion, obtain further information from relevant parties able to assist him, including but not limited to members of a Contract Committee, and as far as possible consult with all affected Participants.

1.12.6 Decision of Trading Manager

The decision of the Trading Manager in relation to an objection shall be displayed on the Trading Platform and any ruling shall include the status and deal number(s) of the trade to which an objection has been reported. The Trading Manager may, after as far as possible consulting with all affected Participants, cancel the trade by giving notice to the Participant(s) involved.

1.12.7 Not in Use

1.12.8 Block Trades and Exchange For Physical Transactions

This Rule 1.12 does not apply to Block Trades and Exchange For Physical transactions.

Explanatory Note

If an objection is lodged in relation to an Error Trade then the objection will be dealt with in accordance with Rule 1.13 and in the Operational Policy referred to as 'Error Resolution Policy', appended to the Procedures, Determinations and Practice notes, (<http://www.sfe.com.au/index.html?content/aboutsfe/rules.htm>).

If an objection is lodged pursuant to this Rule 1.12 the Trading Manager will, in most situations, assess any request for cancellation of a trade in accordance with the principles and ranges established in the Error Resolution Policy. However, if the Trading Manager considers that the fairness, orderliness and transparency of the market is impacted, the Trading Manager may take alternative action under Rule 1.11.

Appeals

An appeal shall lie from a decision of the Trading Manager under this Rule 1.12 to the Appeal Tribunal in accordance with the provisions of the Australian Securities Exchange Disciplinary Processes and Appeals Rulebook.

Amended 13/10/08

1.13 ERRORS DURING TRADING

1.13.1 Fine Imposed for Error Trade

Where an Error Trade is executed, regardless of whether the Error Trade is subsequently cancelled or not under this Rule 1.13, it is a breach of the Operating Rules and the Participant that executed the Error Trade may be subject to a fine by the Trading Manager.

1.13.2 Notification of Error Trades

- (a) The Exchange may create a No Cancellation Range, a Qualifying Error Range and a Market Integrity Range that, when applied by the Trading Manager in exercise of powers conferred by this Rule 1.13 and Rule 1.11, result in the Exchange taking different actions in response to Error Trades, depending on how far away the trade is effected from a fair price valuation as determined by the Exchange.
- (b) The Exchange will take the following actions:
 - (i) If the Error Trade is within the No Cancellation Range, the Error Trade will not be available for cancellation;
 - (ii) If the Error Trade is within the Qualifying Error Range, the Error Trade will not be available for cancellation unless the Error Trade is reported to the Exchange within such time as determined by the Exchange and then the Error Trade will only be cancelled if the counterparty to the Error Trade approves the proposed cancellation of the Error Trade within such time as determined by the Exchange;
 - (iii) If the Error Trade is within the Market Integrity Range, the Error Trade will be cancelled as soon as possible.

Explanatory Note

Pursuant to the powers conferred in Rule 1.11 and this Rule 1.13, the Exchange has determined an Error Resolution Policy, set out in full as an appendix to the Procedures, Determinations and Practice Notes of the Operating Rules (<http://www.sfe.com.au/index.html?content/aboutsfe/rules.htm>). The policy provides a mechanism to promptly address transactions that are executed at obviously erroneous prices, whether intended or not by Participants, substantially inconsistent with the latest trade price of the contract or alternative determination of the contract's fair price valuation.

The terms used for the 3 price ranges identified in the following description of the key elements of the policy are defined in Section 7 of the Rules.

The key elements of the SFE Error Resolution Policy are:

1. the creation of a No Cancellation Range (NCR) in which deals will not be available for cancellation;
2. the creation of a Qualifying Error Range (QER) in which deals will not be subject to action by the Exchange unless the error is reported to the SFE Service Desk within 5 minutes of execution, and then the deal will only be cancelled if counterparty approval for cancellation is received within 5 minutes;
3. the creation of a Market Integrity Range (MIR) beyond which the SFE will consider that the deal is not in the best interests of a fair, orderly and transparent market and will cancel the deal as soon as possible under Rule 1.11.

Client instructions and order management

Participants are reminded that they can only act in accordance with Client instructions (Rule 3.1.16) and may not offer a trade to a Client other than in accordance with instructions (Rule 3.1.20 Prohibition on Post-Allocation). Therefore, where a trade is transacted in error and has not been cancelled, it is to be placed in the error account of the Participant that caused the error unless a Client of the Participant has directly transmitted their own orders to the Trading Platform and these orders have been the cause of the error.

Where a trade is cancelled a Participant must re-enter their Client's order into the market as soon as possible in accordance with Rule 3.1.7 (other than a direct access Client which should be alerted by the Exchange notification to the market that its trade has been cancelled).

Participants to report errors in the Market integrity Range

If the trade occurs in the MIR the Exchange will cancel the trade as soon as the Exchange confirms that the deal is in fact within the MIR (and not the QER) regardless of whether the Participant has reported the error or not. However, Participants will still be required to report an error within the MIR, rather than just rely on the Exchange to remedy it, otherwise the Participant is likely to not be complying with SFE operating Rules regarding prudent risk management (Rule 2.2.13); acting in accordance with Client instructions (Rule 3.1.16), etc.

Where a trade is cancelled a cancellation fee will be imposed as set out in the PDP. In addition, where an Error Trade is executed in the Market Integrity Range the Trading Manager may impose a fine and the matter referred for investigation pursuant to Section 5.

Amended 31/03/08, 13/10/08

1.13.3 Notification of Error to the Market

Where an Error Trade is reported within the Qualifying Error Range within five (5) minutes, or such other time as determined by the Exchange, or reported or deemed to be an Error Trade within the Market Integrity Range, the Trading Manager shall, as soon as possible, send a message to the market notifying an Error Trade has been claimed and provide the deal number(s) for the Error Trade(s).

1.13.4 Participant may Lodge Objection

Any Participant may, within five (5) minutes of the Exchange advising the market, or such other time as determined by the Exchange, lodge an objection to any cancellation of the Error Trade which shall be taken into consideration by the Trading Manager in his determination.

1.13.5 Not in Use

1.13.6 Extenuating Circumstances

Subject to Rule 1.13.11 where an Error Trade is reported to the Trading Manager five (5) or more minutes, or such other time as determined by the Exchange, after the error has been effected, the Trading Manager shall only consider the error for cancellation where the Participant can demonstrate extenuating circumstances in reporting the error outside the time specified in Rule 1.13.2.

1.13.7 Not in Use

1.13.8 Discretion of Trading Manager Regarding Extenuating Circumstances

The Trading Manager may exercise his discretion regarding the cancellation of the Error Trade pursuant to Rule 1.13.6.

1.13.9 Notification of Decisions

Where a decision regarding cancellation of an Error Trade pursuant to this Rule 1.13 has been effected, the Trading Manager shall notify the effected Participants of the decision and send a message to the market and will clearly identify the deal number(s) of the trade(s) on the Trading Platform.

1.13.10 Exchange to Retain Record of Cancellations

The Exchange shall retain a record of all cancellations approved under this Rule 1.13.

1.13.11 Prohibited Cancellation

Subject to the operating Rules, Error Trades will not be cancelled by the Trading Manager, and there is no right of appeal to the Contract Committee against the enforcement of this Rule 1.13.11 where:

- (a) the traded price of the Error Trade is within the No Cancellation Range; or
- (b) the cancellation would occur later than the time determined by the Exchange after the Close of the Trading Date in which the Error Trade was executed.

1.13.12 Counterparty Consent

Where the Exchange obtains relevant counterparty consent for the Error Trade to be cancelled as required by this Rule 1.13, such consent is provided on the understanding that the counterparty has sought and received its Client's consent for such cancellation.

1.13.13 Evidence of Client Consent

The counterparty must obtain and hold evidence of such Client consent and failure to obtain Client consent will be treated as a breach of the Operating Rules.

1.13.14 Discretion to Impose Conditions

- (a) Where a trade is cancelled by reason of notification of an error, the cancellation may be subject to such condition(s) as the Trading Manager sees fit, including but not limited to, the following:
 - (i) the acceptance, by the Participant who has made an error, or has been deemed by the Trading Manager to have executed an Error Trade, or has originally executed the trade, of a trade executed by another Participant in reliance on the trade cancelled; or
 - (ii) the acceptance of a trade to cancel the trade.
- (b) The Participant shall comply with any such condition.

1.13.15 Block Trades and Exchange For Physical Transactions

This Rule 1.13 does not apply to Block Trades and Exchange For Physical transactions.

Explanatory Note: Appeals

An appeal shall lie from a decision of the Trading Manager under this Rule 1.13 to the Appeal Tribunal in accordance with the provisions of the Australian Securities Exchange Disciplinary Processes and Appeals Rulebook.

Amended 13/10/08

Explanatory Note

Link to Operational Policy – ‘SFE Error Resolution Policy’ <http://www.sfe.com.au/index.html?content/aboutsfe/rules.htm>

1.14 APPEALS FROM TRADING MANAGER DECISIONS

1.14.1 Appeal to Appeal Tribunal

An appeal by a Participant against a decision of the Trading Manager in respect of an Objection or Error Trade may be made to the Appeal Tribunal in accordance with the Australian Securities Exchange Disciplinary Processes and Appeals Rulebook.

Amended 31/03/08

1.14.2 Appeal Cost – [Deleted]

Deleted 31/03/08

1.14.3 Payment of Fines and Costs – [Deleted]

Deleted 31/03/08

1.14.4 Time for Appeal – [Deleted]

Deleted 31/03/08

1.14.5 Notification of Appeal – [Deleted]

Deleted 31/03/08

1.14.6 Consideration of Appeal – [Deleted]

Deleted 31/03/08

1.14.7 Participant may Participate – [Deleted]

Deleted 31/03/08

1.14.8 Conflicts of Interest – [Deleted]

Deleted 31/03/08

1.14.9 Consideration of all Relevant Information – [Deleted]

Deleted 31/03/08

1.14.10 Appeal Decision is Final – [Deleted]

Deleted 31/03/08

1.14.11 Notification of Decision – [Deleted]

Deleted 31/03/08

SECTION 2: THE PARTICIPANTS

Explanatory Note

This section provides for different classes of Participants, their admission requirements, behaviour and access to the Trading Platform.

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2.1 THE PARTICIPANTS

2.1.1 Classes of Participants

There shall be the following classes of Participants:

- (a) Full Participants.

Amended 01/09/08

2.1.2 Admission

Admission as a Participant and suspension and termination of rights as a Participant shall be determined as set out in these Operating Rules.

2.1.3 Participants to be Bound by Operating Rules

Every Participant agrees to be bound by the Operating Rules of the Exchange and by any amendment to the Operating Rules.

2.1.4 Eligibility for Full Participant Status

Only Firms and Corporations shall be eligible to be Full Participants of the Exchange.

2.1.5 No Recognition of Participant Rights on Trust

Except as required by Law, no Participant shall be recognised by the Exchange as holding its rights as a Participant upon any trust and the Exchange shall not be bound or compelled in any way to recognise (even where it has notice thereof) any equitable contingent future or partial interest in any rights or entitlements in respect of any Participant, except an absolute right to the entirety thereof.

2.1.6 No Admission on Certain Grounds

No individual, Firm or corporation shall be eligible for admission as a Participant where that individual, or where in the case of a Firm any of the partners, or where in the case of a corporation any Director of the corporation has within a period of five (5) years prior to an application for admission as a Participant, been declared bankrupt or has been convicted of an offence referred to in Section 206B of the Corporations Act.

2.1.7 No Transfer of Status and Rights

Participant status and rights are not transferable.

2.2 FULL PARTICIPANTS

APPROVAL AND ADMISSION

2.2.1 Approval Process

The procedure for the approval of a Full Participant is as follows:

- (a) An applicant shall lodge with the Exchange an application, in such form and providing such undertakings and information as the Exchange shall from time to time require, together with any application fee as determined by the Exchange.
- (b) The Exchange shall consider the application and may call for such further information as it considers necessary.
- (c) The Exchange shall not be obliged to furnish any reason for its decision to approve or reject the applicant.
- (d) In determining whether to approve an applicant the Exchange shall be entitled to consider the business integrity, financial probity and standard of training and experience of the applicant and its Representatives as well as such other matters as the Exchange regards as relevant from time to time.

Explanatory Note

Application Form – Please contact the Exchange for a copy of the Application Form.

2.2.2 Actions on Approval

Following approval by the Exchange the applicant shall, within two (2) months of notification of approval from the Exchange, or such further period as the Exchange may otherwise allow:

- (a) pay to the Exchange the application fee and admission fee as determined by the Exchange, and such amount for payment into the Fidelity Fund as the Exchange may determine;
- (b) lodge with the Exchange a statement of its Net Tangible Assets, its Liquid Assets and Secured Creditors in such form as the Exchange shall from time to time prescribe; and
- (c) if the applicant has not been admitted as a Clearing Participant:
 - (i) provide a duly signed guarantee from a Clearing Participant (the Guarantor Clearing Participant) in the form prescribed by the Exchange to the effect that the Guarantor Clearing Participant:
 - (A) guarantees to each and every Full Participant of the Exchange Contracts entered into by the applicant on the Markets of the Exchange; and
 - (B) agrees to accept for registration in its name with SFE Clearing all Contracts referred to in Rule 2.2.2(c)(i)(A), or unless such Contracts are accepted for registration by another Clearing Participant; or
 - (ii) there is in existence in relation to a Full Participant that arranges to have all or any of its trades registered with a Facility Participant by an entity that is a Participant, as that term is defined in the Corporations Act, of the Facility Participant, a duly signed satisfactory guarantee from a third party in a form that is acceptable to the Board to the effect that the third party guarantees to the Exchange and each and every Full Participant of the Exchange the performance by the Facility Participant of all its obligations under the Clearing Rules arising out of any Market Contract registered with it; or
 - (iii) where a Market Contract is registered with a Facility Participant, any Clearing Participant that has provided a guarantee with respect to that Market Contract will be released from its obligations under such guarantee to the extent that there is in existence a guarantee from a

third party with respect to the Facility Participant to the effect that the third party guarantees to the Exchange and each and every Full Participant of the Exchange to performance by the Facility Participant of all its obligations under the Clearing Rules.

Explanatory Note

Link to Prescribed Fees [Prescribed Fees Full Participants](#)

Link to Guarantee from Guarantor Clearing Participant [Guarantee by Guarantor Clearing Partic](#)

Link to NTA, Liquid Asset, Prescribed Form, Secured Creditor Procedures [NTA Liquid Asset Secured Creditor Forms](#)

Amended 01/09/08

2.2.3 Guarantee to be Binding

A Full Participant shall be bound by a guarantee in relation to any other Participant provided pursuant to Rule 2.2.2 (c) and shall comply with such guarantee.

2.2.4 Lapse of Approval

If the applicant has not complied with Rule 2.2.2 within the time allowed its approval shall be deemed to have lapsed.

2.2.5 Formal Admission

- (a) Full Participant status shall be effective when the applicant has complied with Rule 2.2.2 within the time allowed and the Market has been notified by the Exchange.
- (b) Prior to admission the Exchange shall use its best endeavours to ensure that the applicant is of high business integrity and, where the applicant is a corporation, that its Directors, those concerned in its management and those who have control or substantial control over the corporation are of high business integrity.
- (c) The SFE may impose any conditions it sees fit on admission at any time.

Amended 30/12/09

2.2.6 Trading Rights

A Full Participant shall:

- (a) be entitled to trade on the Markets of the Exchange through its Representatives in its own name, or as otherwise permitted by the Operating Rules;
- (b) be responsible for all orders entered into the Trading Platform and become a party to each trade;
- (c) subject to these Operating Rules and the Corporations Act, be entitled to deal in Contracts on behalf of Clients;
- (d) be entitled to allow the entry of orders into the Trading Platform by means of Terminals:
 - (i) in such number as shall be approved by the Exchange; and
 - (ii) in such location as shall be approved by the Exchange; and
- (e) be entitled to use Exchange Software and Exchange Equipment pursuant to Rule 2.4.

Explanatory Note

Link to Trading Rights [Trading Rights](#)

2.2.7 Suspension of Trading Rights and Participant Status

(a) Cessation of Trading Rights

- (i) Subject to Rule 2.2.7(d), the trading rights of a Full Participant shall cease entirely for the duration of any period of suspension of Participant status.
- (ii) No suspension or termination of Participant status shall affect a Participant's ability or obligation to comply with any direction given or condition imposed pursuant to the Operating Rules or affect the operation of the Operating Rules.
- (iii) On the lifting of any suspension the Board may also consider whether any action should be taken pursuant to Section 5.

(b) Grounds for Immediate Suspension of Trading Rights

A Full Participant's entitlement to trade on the Markets of the Exchange shall be immediately suspended, without the necessity for a decision of the Exchange, if at any time:

- (i) the Full Participant is a Clearing Participant in respect of which the Exchange has received a notice In Writing from SFE Clearing that SFE Clearing has suspended or terminated the entity's Clearing Participant status or has refused to register trades in the name of the entity;
- (ii) the Full Participant is neither a Clearing Participant nor has arranged to have all its trades registered with a Facility Participant and there is not a guarantee in existence from a Guarantor Clearing Participant on behalf of the Full Participant;
- (iii) the Guarantor Clearing Participant of the Full Participant notifies the Exchange In Writing that it will no longer accept the registration of trades in the name of the Full Participant;
- (iv) the Full Participant has arranged to have all or any of its trades registered with a Facility Participant and there is not a satisfactory guarantee in existence from a third party in a form that is acceptable to the Board or its authorised delegate to the effect that the third party guarantees to the Exchange and each and every Full Participant of the Exchange the performance by the Facility Participant of all its obligations under the SFE Clearing Rules;
- (v) a liquidator, receiver, receiver and manager or administrator or some other form of external management, is appointed in respect of the property of the Full Participant or the Full Participant, or, if a Participant or a partner of a Participant becomes bankrupt;
- (vi) the Full Participant fails to lodge a signed undertaking referred to in Rule 2.2.15 within the time determined by the Exchange; and
- (vii) the Full Participant fails to pay the fees referred to in Rule 2.2.14 by the due date, unless the Exchange grants an extension of time for payment.

(c) Grounds for Discretionary Suspension of Trading Rights

Without prejudice to any other action which the Exchange may resolve to take, the Participant status and rights of a Full Participant may be suspended where:

- (i) (A) the Full Participant fails to lodge a statement referred to in Rule 2.2.18(c)(i) within seven (7) days of the due date referred to in that Rule; or
(B) the value of the Net Tangible Assets of the Full Participant at any time falls below the minimum required under Rule 2.2.18.
- (ii) where a Participant is suspended under Rule 2.2.7(c)(i)(A), the suspension shall be effective at the expiry of the period specified in that Rule or, if the Exchange (either before or after the expiration of that period) extends the time for compliance at the expiry of that extension of time AND the Participant shall be liable to pay a fine of one thousand dollars (\$1,000) or such other amount as is prescribed by the Exchange from time to time as the appropriate fine for such failure.
- (iii) failure to pay a fine imposed under Rule 2.2.7(c)(ii) within fourteen (14) days of the Participant being notified of the imposition of the fine shall result in automatic suspension of the Participant or, where the Participant is already under suspension, continuation of that suspension until the fine is paid in full.
- (iv) (A) where a Participant is suspended under Rule 2.2.7(c)(i)(B), the suspension shall be effective twenty-four (24) hours after the Participant notifies the Exchange under Rule 2.2.18(b), or twenty-four (24) hours after the Exchange becomes aware that the Participant should have advised the Exchange, unless the Exchange directs otherwise.

- (B) if the Exchange is of the opinion that the Participant has demonstrated that it will be able to achieve compliance, the Exchange may, at its absolute discretion, allow the Participant up to ten (10) Business Days within which to do so, and the suspension will be effective, at the expiration of the time granted, only if the Participant has not achieved compliance at that time.

(d) Liquidation of Existing Open Positions

Where a Full Participant's Participant status and rights are suspended under Rule 2.2.7(c) the Participant may trade only to liquidate any existing Open Positions, unless directed otherwise by the Exchange.

(e) Transfer of Open Positions

- (i) Subject to Rule 2.2.7(e)(ii), where a Full Participant's Participant status and rights are suspended that Full Participant, or receiver, liquidator, or external administrator as the case may be, may instruct another Full Participant to trade on its behalf.
- (ii) Where a Full Participant's Participant status and rights are suspended under Rules 2.2.7(b) and (c) the Board may direct the transfer of Open Positions in accordance with the procedures in Rule 5.10.

(f) Lifting of Suspension of Trading Rights

- (i) Where a Full Participant's entitlement to trade has been suspended in accordance with Rule 2.2.7(b)(i) such suspension shall be lifted when SFE Clearing notifies the Exchange In Writing that the suspension from SFE Clearing has been lifted or the refusal to register trades in its name has been lifted or the Full Participant obtains a guarantee from a Clearing Guarantor that satisfies the requirements of Rule 2.2.2(c).
- (ii) Where a Full Participant's entitlement to trade has been suspended in accordance with Rule 2.2.7(b)(ii) or (iii) such suspension shall be lifted when the Full Participant obtains a guarantee from a Clearing Guarantor that satisfies the requirements of Rule 2.2.2(c) and the Board has considered the matter in terms of Section 5. If a resolution is made pursuant to Rule 5.6.1 the suspension will not be lifted until the Board has considered whether any action should be taken pursuant to Rule 5.6.1 or unless the Exchange earlier determines to reinstate the entitlement to trade subject to the Full Participant satisfying the provisions of Rules 2.2.7(b)(ii) and (iii).
- (iii) Where a Full Participant's entitlement to trade has been suspended in accordance with Rule 2.2.7(b)(iv), such suspension shall be lifted when the Full Participant obtains an alternate guarantee on the terms set out in Rule 2.2.2(c)(ii).
- (iv) Where a Full Participant's entitlement to trade has been suspended in accordance with Rule 2.2.7(b)(v) such suspension shall be lifted at the expiration of any liquidation, receivership, administration, bankruptcy or external management unless the Exchange in its absolute discretion determines otherwise.
- (v) Where a Full Participant's entitlement to trade has been suspended in accordance with Rule 2.2.7(b)(vi) such suspension shall be lifted when the signed undertaking is received.
- (vi) Where a Full Participant's entitlement to trade has been suspended in accordance with Rule 2.2.7(b)(vii) such suspension shall be lifted when the sum due is paid together with interest at 12 per cent (12%) per annum, or such other rate as determined by the Exchange.
- (vii) Where a Full Participant's entitlement to trade has been suspended in accordance with Rule 2.2.7(c)(i)(A) the suspension shall be lifted as soon as the statement referred to in Rule 2.2.18(c)(i) has been received by the Exchange unless prior to receipt of such statement, the Full Participant's entitlement to trade has been suspended for reasons other than the Participant's failure to lodge such statement.
- (viii) Where a Full Participant's entitlement to trade has been suspended in accordance with Rule 2.2.7(c)(ii)(B) the suspension shall be lifted upon the Full Participant demonstrating to the satisfaction of the Exchange that it has achieved compliance and is able to maintain compliance with Rule 2.2.18(a), unless, prior to such demonstration, the Full Participant's entitlement to trade has been suspended for reasons other than the Participant's failure to comply with Rule 2.2.18(a).

(g) Termination of Participant Status

Should the acts or omissions that gave rise to the suspension in Rules 2.2.7(b) and (c) not be remedied within one (1) month of the suspension date, or such other time as determined by the Exchange, the Board may without further notice terminate the Participant status and rights of the Full Participant.

(h) No Entitlement to Refund of Fees

There shall be no entitlement to a refund of any portion of the fees paid to the Exchange by a Full Participant upon the suspension or termination of the Full Participant's Participant status and rights.

(i) Notification of Suspension/Termination

- (i) Where the Participant status and rights of a Full Participant have been suspended or terminated or a Participant has given notice of resignation the Exchange shall cause a notice to that effect to be Published to Participants and may make any such other public announcements as it sees fit, and the Exchange may notify such other persons as it sees fit.
- (ii) The Exchange shall advise ASIC of such action and all subsequent action taken by the Exchange in respect of that Participant.
- (iii) The Exchange may, in any notice Published pursuant to Rule 2.2.7(i), indicate the grounds on which the decision was made.

(j) Guarantee to Continue in Effect

The guarantee of a Guarantor Clearing Participant shall continue in effect in relation to a Full Participant notwithstanding a notice given by the Guarantor Clearing Participant under Rule 2.2.7(b)(i) and (ii), in relation to any trades conducted prior to the suspension of trading entitlements.

Explanatory Note

The Board may also suspend and/or terminate Participant status for breaches of the Operating Rules as set out in Section 5.

Amended 31/03/08

2.2.8 Changes in Control and Notification of Changes in Directors or Shareholders

- (a) A Full Participant must forthwith submit to the Exchange full particulars of proposed changes and an application for approval where there is proposed in relation to a Full Participant:
 - (i) in the case of a Firm, a change in the partners (including the admission of a new partner whether or not that is consequent upon the death or retirement of a partner); or
 - (ii) in the case of a Corporation:
 - (A) the transfer of twenty per cent (20%) or more of the issued capital; or
 - (B) the transfer of such lesser percentage of the issued capital whereby one party becomes the holder of twenty per cent (20%) or more of the issued capital; or
 - (C) the issue of any new shares (or option in relation thereto) whereby one party becomes the holder of twenty per cent (20%) or more of the issued capital; or
 - (D) the resignation of a Director or appointment of a new Director; or
 - (iii) in the case of a Firm or a corporation the entering into of any agreement,

as a result of which act or event the control of the Participant becomes (or could on the happening of any event contemplated in such agreement or sequential thereto by operation of Law become) vested in persons other than those recorded with the Exchange forthwith.

- (b) When the Exchange receives an application for approval pursuant to Rule 2.2.8(a) it shall consider the application and may call for such further information as it deems necessary.

- (c) Implementation of a change in the constitution of a Full Participant pursuant to Rule 2.2.8(a) shall be deemed to have occurred when both of the following steps have been concluded:
 - (i) an application for it has been approved by the Exchange; and
 - (ii) the Full Participant concerned has lodged with the Exchange a written acknowledgment that the changes submitted in the application have occurred.
- (d) If such implementation does not occur within two (2) months after the date of approval of the application by the Exchange, or such other time as the Exchange may allow, that approval shall be deemed to have lapsed.
- (e) Should changes of the nature described in Rule 2.2.8(a) occur without the prior approval of the Exchange, the Board shall be entitled without further notice or hearing and notwithstanding any other provision of the Operating Rules to terminate the Participant's Participant status and rights or take any of the actions provided for in Section 5 on the basis that the Participant is guilty of a breach of the Operating Rules.
- (f) A Full Participant must notify the Exchange In Writing of any change in Directors or shareholders within twenty-one (21) days of such occurring provided that in the case of a listed public company it shall be deemed sufficient compliance with Rule 2.2.8(f) in relation to shareholders if the Participant provides to the Exchange copies of all notifications given by it to the home stock exchange on which the Participant is listed, or if it is not listed then copies of notices served upon it pursuant to any law requiring shareholders to disclose a share holding in excess of five per cent (5%) of the issued capital of that Participant or such other percentage as may be provided for in the Corporations Act for the purposes of ascertaining substantial shareholding.

2.2.9 Resignation

- (a) A Full Participant may resign by giving notice In Writing of its intention to do so and upon receipt of that notice In Writing by the Exchange, or if the resignation is expressed to become effective after a period of time then upon expiry of that time, the Full Participant shall be deemed to have resigned and shall surrender its certificate of Participant status.
- (b) Where the Full Participant is a Firm and those partners who have been approved by the Exchange are reduced in number below two (2) their notice of such event shall be deemed to be notice of resignation of the Firm as a Full Participant, unless application for approval of a new partner or partners pursuant to Rule 2.2.8 is lodged. The Board may suspend the Participant status and rights of the Participant until the new partner or partners are approved by the Exchange.
- (c) There shall be no entitlement to a refund of any portion of the fees paid to the Exchange by a Full Participant upon the resignation of the Full Participant.
- (d) The resignation of a Full Participant shall not in any way diminish any liability which that Participant may have incurred to the Exchange or to SFE Clearing or any other Participant arising out of its activities and obligations as a Participant and such shall continue to subsist until satisfied or discharged.
- (e) The resignation of a Full Participant shall not be effective unless and until the Exchange consents In Writing.
- (f) Where a Full Participant has resigned the Open Positions held by the Participant, whether on its own behalf or on behalf of Clients, shall be dealt with in accordance with Rule 5.10.

CONTINUOUS OBLIGATIONS

2.2.10 Compliance with Operating Rules and Notification of Breaches

A Full Participant shall:

- (a) at all times comply, and ensure that its Representatives comply with the Operating Rules, and any condition of an exemption granted from the Operating Rules, and the SFE Clearing Rules and the Corporations Act;
- (b) notify the Exchange immediately upon becoming aware that it has breached any provision of the Operating Rules or any law relating to the regulation of markets operated by the Exchange; and
- (c) notify the Exchange immediately upon becoming aware that ASIC or another regulatory body is investigating and/or instituting proceedings against it.

Explanatory Note

Link to Procedures [Comply with Op Rules and Notify Breaches](#)

2.2.11 Co-Operation with the Exchange, Tribunals and Exchange Officials and Provision of Records

A Full Participant shall at all times co-operate with the Exchange, the Tribunal and Exchange Officials:

- (a) in complying with any conditions imposed on it under these Rules;
- (b) in complying with the Rules, directions and decisions and requirements of SFE;
- (c) in the performance of their respective duties imposed by the Tribunals established under the provisions of the Australian Securities Exchange Disciplinary Processes and Appeals Rulebook and Exchange Officials Tribunals and Exchange Officials
 - (i) in particular make available to those Tribunals or Exchange Officials its accounting and other records.

Amended 31/03/08, 30/12/09

2.2.12 Communications with the Exchange

A Full Participant must not submit information to the Exchange which the Participant knows, or ought reasonably to know, to be false or misleading.

2.2.13 Prudent Risk Management

(a) Client Limits

A Full Participant must demonstrate prudent risk management procedures, as determined by the Exchange, including, but not limited to:

- (i) set and document appropriate pre-determined order and/or position limits on each of its Client accounts, including a volume per order limit, an aggregate loss limit and an aggregate net session limit, based on the Full Participant's analysis of Clients' financial resources or other relevant factors;
- (ii) set and document maximum price change limits;
- (iii) the limits determined in Rules 2.2.13(a)(i) and (ii) must be input by a Full Participant's risk manager into Trading Platform account maintenance and will be established as preset accounts;
- (iv) limit setting capability must exist in the Participant's Order System which reflects prudent account risk management and the Order System must have order rejection capability where orders are in excess of limit parameters set by the Full Participant;
- (v) the Full Participant may in its absolute discretion amend the pre-determined order and/or position limit;
- (vi) orders in excess of the agreed pre-determined limits must be rejected by the Participant's Order System and may be rejected by the Trading Platform.

(b) Client Connections

- (i) Any Full Participant who has permitted its Client to connect to a Terminal shall be responsible for any orders entered through the Terminal by the Client.
- (ii) The entitlement of Full Participants to connect their Clients to the Terminal is a privilege and not a right.
- (iii) The Exchange may at any time by notice to the Full Participant and/or the Client terminate the entitlement of a Full Participant to provide such connection either generally or in relation to a particular individual, Client, system or device or class of system or device.
- (iv) A Full Participant or Client of a Full Participant shall have no recourse to any appeal, objection, hearing or re-hearing whatsoever in relation to any decision to terminate such entitlement and any such decision shall be final.
- (v) As soon as a Full Participant receives notice of termination of the connection entitlement pursuant to Rule 2.2.13, it shall promptly take all steps necessary to terminate such connection.

(c) Obligations Prior to Client Connection

Prior to permitting any Client to connect to a Terminal the Full Participant shall:

- (i) satisfy itself that the Client has the necessary skills, facilities and procedures to operate such a facility;
- (ii) satisfy itself that the Client understands the risks and obligations attached to the use of such a facility;
- (iii) ensure that each order so placed, and any Order System complies with the Operating Rules;
- (iv) provide appropriate controls on the connection of their Clients and their staff to such systems;
- (v) provide appropriate controls on the access to passwords of their Clients and their staff to such systems; and
- (vi) ensure appropriate controls are implemented for the security of their Clients' premises and physical access of their Clients and their staff to such systems.

(d) Position Limits

- (i) A Full Participant must comply with any determination by the Exchange as to the maximum number of Open Positions which may be held by that Full Participant or by each Full Participant in respect of a nominated Class of Contract at the end of a nominated Trading Day.
- (ii) A determination by the Exchange may express the permitted number of Open Positions which may be held by that Full Participant by reference to the number of Open Positions held as a result of instructions from Clients nominated by the Exchange or by reference to the number of Open Positions held on behalf of the Full Participant and some or all of its Related Bodies Corporate.

Explanatory Note

Link to Position Limits [Rule 2.2.13 Position Limits](#)

2.2.14 Payment of Fees

- (a) A Full Participant shall pay, in addition to the application fee and any other admission fee imposed by the Exchange, annual access fees and contributions to the Fidelity Fund of such amount as may be determined by the Exchange.
- (b) Payment shall be due on 1 January in each year, or such other date as determined by the Exchange.
- (c) Access fees shall be payable notwithstanding the suspension of a Full Participant's Participant status and rights.
- (d) If a Full Participant fails to pay an annual access fee within one (1) month of the due date its Participant status and rights shall be thereupon suspended, unless the Exchange grants an extension for payment, until the sum due is paid together with interest at twelve per cent (12%) per annum or at such other rate as may be determined by the Exchange.

- (e) Should default not be remedied within a further month of the due date, as extended, then the Exchange may terminate the defaulting Full Participant's participant rights and status.
- (f) Notwithstanding the Exchange's decision, the Exchange may by legal action pursue outstanding fees and interest or accept security thereof.

Explanatory Note

Link to prescribed fees [Prescribed Fees 2_2_14](#)

2.2.15 Undertakings

A Full Participant shall lodge with the Exchange on request from time to time, an undertaking in the form determined by the Exchange and to the effect set out in Rule 2.1.3, duly signed by the Full Participant.

2.2.16 Indemnities

A Full Participant, other than a Proprietary Full Participant, shall effect and maintain such form of indemnity as the Exchange may from time to time determine to be appropriate to protect the interests of Clients of the Full Participant.

2.2.17 Notification of External Administration

A Full Participant must notify the Exchange In Writing immediately upon the happening of any one or more of the following:

- (a) the appointment of a receiver or liquidator in respect of the property of the Full Participant; and/or
- (b) the bankruptcy of any Partner or Director of the Full Participant.

2.2.18 Maintenance of Specified Net Tangible Assets and Provision of Periodic Financial Position Reports

A Full Participant shall:

- (a) other than a Proprietary Full Participant, ensure that at all times the value of the Net Tangible Assets of the Full Participant is not less than one million dollars (\$1,000,000) or such other amount determined by the Exchange;
- (b) other than a Proprietary Full Participant, in the event that the value of the Net Tangible Assets falls below the minimum, immediately notify the Exchange, and within twenty-four (24) hours or such other time as determined by the Exchange, lodge with the Exchange a detailed Financial Statement in a form approved by the Exchange;
- (c) other than a Proprietary Full Participant, provide to the Exchange:
 - (i) a statement of Net Tangible Assets, Liquid Assets and Secured Creditors in a form approved by the Exchange within one (1) calendar month of the last Trading Day of the months of March, September and December in each year and within two (2) calendar months of the last Trading Day of the month of June in each year and at such other times as may be requested In Writing by the Exchange. Such statement shall be binding on the Participant and shall be signed by a Partner or Director or a person duly authorised by the Participant to sign such statement; and
 - (ii) a summary of Net Tangible Assets, including Client funds of the Participant, in a form approved by the Exchange, within one (1) calendar month of the last Trading Days of the months of January, February, April, May, June, July, August, October and November.
- (d) other than a Proprietary Full Participant, provide written notice to the Exchange within five (5) Business Days, or such other time as determined by the Exchange where:

- (i) the Participant knows, or should have known, that the value of its Net Tangible Assets at any time is less than one hundred and fifty per cent (150%) of the minimum required by Rule 2.2.18(a); and
- (ii) the value of the Participant's Net Tangible Assets is less than one hundred and fifty per cent (150%) of the minimum required by Rule 2.2.18(a) hereof and has decreased by more than twenty per cent (20%) since the last statement provided to the Exchange pursuant to Rule 2.2.18(c)(i).
- (e) the Participant shall also provide the Exchange with such statement or statements of its financial position as the Exchange may require, at such time or times as the Exchange may direct.
- (f) without limiting the generality of the foregoing, the Exchange may direct the Participant to lodge with it a Financial Statement in the form required by Rule 2.2.18(c)(i) as at the close of business for each month until three (3) successive months have passed during which the Participant's Net Tangible Assets were at all times in excess of one hundred and fifty per cent (150%) of the minimum.
- (g) provide to the Exchange an annual audit certificate in the prescribed form within three (3) months of its financial year end.

Explanatory Note

Link to Procedures (including Annual Audit Certificate Form, Audit Opinion and Director's Declaration)

[NTA Liquid Asset Secured Creditor Forms](#)

2.2.19 Licence Obligations

- (a) A Full Participant shall provide to the Exchange a copy of any licence that may be issued to the Full Participant pursuant to the Corporations Act.
- (b) Where relevant to the Exchange's Markets, notify the Exchange In Writing within 21 days, or such other time as determined by the Exchange, of the occurrence of any variation to the conditions of such licence, including changes to Responsible Officers or of the suspension or cancellation of such licence.
- (c) The Exchange may reassess the applicant status of a Full Participant where there has been a variation to the conditions of such licence issued.

2.2.20 Concentration of Risk

- (a) A Full Participant, other than a Proprietary Full Participant, shall not permit any one Client to represent such a percentage of the trading by the Full Participant as may prejudice or diminish the ability of the Full Participant to meet its obligations under these Operating Rules and at law.
- (b) For the purpose of Rule 2.2.20, "Client" shall include all persons, Firms and corporations related to, associated with or affiliated with the Client or otherwise financially dependent upon the Client.

2.2.21 Registration of Trades

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

Amended 01/09/08

2.2.22 Prohibited Employment

- (a) A Full Participant shall not employ any person who has been a Participant (or a Director, Partner, employee or representative of a Participant) if that person has to the knowledge of the Participant taken part or been concerned in any failure to comply with the Operating Rules which failure has

been found to have occurred by the Board, BCC or MPC under Section 5, and where the Board, BCC or MPC has determined (at the time that action is taken under Section 5 or at some later time) that this provision shall apply in relation to the person.

- (b) For the purposes of Rule 2.2.22 the words “to employ” and cognate expressions shall include agreeing or arranging with a person for that person to act as the Participant’s Representative to advise or solicit instructions from other persons or to trade, on the Participant’s behalf in relation to dealings in Contracts.

2.2.23 Order Records and Accounting Records

(a) Client Orders

A Full Participant, other than a Proprietary Full Participant, must maintain internal records of instructions received from Clients and trades executed for Clients for a period of not less than five (5) years from the date of the trade, containing the following information, and any other information as determined by the Exchange:

- (i) the nature of the instructions received;
- (ii) the Client;
- (iii) the person who gave the instructions;
- (iv) the time and date of receipt of the instructions, and the person who received the instructions;
- (v) the time and date of transmission of the instructions, and the person who transmitted the instructions; and
- (vi) the time and date of execution of the instructions, and the person who executed the instructions.

(b) Proprietary Orders

A Full Participant must maintain records of its Representatives’ trading for a House Account for a period of not less than five (5) years from the date of a trade, containing the following information, and any other information as determined by the Exchange:

- (i) the time and date of receipt of instructions;
- (ii) the nature of the instructions received;
- (iii) the person who received the instructions;
- (iv) the time and date of transmission of those instructions, and the person who transmitted the instructions; and
- (v) the time and date of execution of those instructions, and the person who executed the instructions.

(c) Error Trades

A Full Participant must maintain a separate record of all Error Trades for a period of not less than five (5) years from the date of a trade, containing the following information, and any other information as determined by the Exchange:

- (i) the name of the Representative responsible for the Error Trade;
- (ii) the name of the Representative responsible for the execution of the trade;
- (iii) a detailed explanation as to how the trade occurred;
- (iv) any subsequent action taken by the Full Participant in relation to that trade; and
- (v) the financial result of the trade.

(d) Accounting Records

- (i) A Full Participant must maintain such accounting records as correctly record and explain the transactions of the Full Participant and the financial position of the Full Participant, and in addition will enable compliance with these Operating Rules to be conveniently ascertained by the Exchange;
- (ii) Such records are to be maintained in a form that will enable them to be conveniently and properly audited; and

- (iii) In relation to Calls, a Full Participant shall at all times maintain such accounting records as accurately indicate in respect of each call for Initial or Variation Margin made upon Clients:
 - (A) the date and time at which such Call was received;
 - (B) the amount of such Call;
 - (C) the extent to which the Call was payable by reason of:
 - (i) trading undertaken by the Full Participant on its own account or an account of a related corporation; and
 - (ii) trading undertaken by the Full Participant for Clients, so that the amount of any such Call is apportioned accordingly;
 - (D) the extent to which the Call was met from:
 - (i) monies in the Clients' segregated account; and
 - (ii) other sources (specifying those sources and the amount satisfied from each such source); and
 - (E) the date and time at which such Call was met.

Explanatory Note

Link to Procedures. [Order Records and Accounting Records](#)

2.2.24 Daily Beneficial Ownership Reports and Exceptional Reports

(a) Daily Open Position Reports

- (i) In respect of every Open Position in an Account, as at the Close of Trading on a Business Day, a Full Participant shall, no later than 8.00 am on every Business Day, or such other time as determined by the Exchange, provide to the Exchange a daily report, or reports, in a machine readable form, approved by the Exchange, and containing such information regarding the beneficial ownership of the position as determined by the Exchange.
- (ii) In the case of an emergency, including but not limited to system failure, or if an exemption is granted by the Exchange, the daily report may be provided in a non-machine readable form approved by the Exchange.

(b) Exceptional Reports

The Exchange may at any time call for an exceptional report from any Participant in respect of Open Positions, requiring it to furnish such information as determined by the Exchange.

Explanatory Note

Link to Procedures. [Ownership and Exceptional Report](#)

2.2.25 Client Documentation

- (a) Subject to Rule 2.2.25(b), a Full Participant shall have in force a duly signed agreement with each of its Clients containing minimum terms to the following effect:

(i) Governing Law and Rules

The Client and Participant are bound by the SFE Operating Rules and the customs, usages and practices of the Exchange's Markets.

(ii) Client to Provide Information

In relation to the Client's trading on the Exchange, the Client will upon the Participant's request, provide all information and documentation relevant to that trading, to the Participant and the Participant is authorised by the Client to provide the information and documentation to the Exchange.

(iii) Benefit to Participant of Contract Registration with SFE Clearing

Any benefit or right obtained by any Participant upon registration of a contract with SFE Clearing by way of assumption of liability of SFE Clearing under any contract or any other

legal result of such registration is personal to the Participant and the benefit of such benefit or right does not pass to the Client.

(iv) Client only has Rights Against Participant

In relation to all trades conducted on the Exchange by the Participant and all Contracts registered by the Participant with SFE Clearing the Client has no rights whether by way of subrogation or otherwise, against any person or corporation other than the Participant.

(v) Margins

An acknowledgment by the Client that:

- (A) the Participant may call for payment of Margin such money or property (or Call for the lodgement of Approved Securities in lieu thereof) as the Participant, in its absolute discretion, feels is necessary to protect itself from the personal obligation incurred by Dealing in Contracts on behalf of the Client.
- (B) should the Client fail to meet the Call (or lodge Approved Securities) then the Participant may (without prejudice to any other rights or powers under the Agreement) in its absolute discretion, and without creating an obligation to do so, Close Out, without notice, all or some of the Client's Contracts.
- (C) the time for payment of Margins is of the essence and if no other time is stipulated by the Participant prior to calling a Margin then the Client is required to comply within twenty-four (24) hours.
- (D) liability to pay the Initial Margin accrues at the time the trade is executed regardless of when a Call is made.
- (E) liability to pay Margin accrues at the time the Margin comes into existence regardless of when a Call is made.
- (F) the Client is responsible to pay in cash any deficit owing to the Participant after closure and that if the Client defaults in payment of such deficit, the Participant may realise any securities held by the Participant and apply the proceeds against that deficiency.

Explanatory Note

A clause regarding margins to the effect of Rule 2.2.25(v) is not required where a Full Participant is performing executing business only and the client has an agreement in place with a Clearing Participant.

(vi) Appointment of Attorney

An appointment by the Client of the Managing Director of SFE Clearing as the Client's attorney to do all things necessary to transfer any Open Position held by the Participant on the Client's behalf to another Participant where the Participant status of the Participant has been suspended or terminated.

(vii) Exchange Data

An acknowledgment by the Client who has access to electronic order facilities that:

- (A) data made available to the Client by access to electronic order entry facilities is not the property of the Participant and remains the valuable property of the Exchange; and
- (B) the client is prohibited from publicly displaying, redistributing or re-transmitting the data in any way without having executed a Market Data Distribution Agreement or similar agreement with the Exchange.

Explanatory Note

A clause regarding Exchange data to the effect of Rule 2.2.25(vii) is not required where a Client does not have access to electronic order facilities.

(viii) Tape Recordings

An acknowledgment by the Client that the Client's telephone conversations with the Participant can be recorded by the Participant or the Exchange. The Client is to be given the right to listen to any recording in the event of a dispute or anticipated dispute.

(ix) Right to Refuse to Deal

An acknowledgment by the Client that the Participant reserves the right to refuse to Deal on behalf of the Client in relation to any Dealings in Contracts (other than closing out existing Open Positions held in the Participant's account on behalf of the Client) or limit the number of Open Positions held on behalf of the Client or both. The Participant will inform the Client of any refusal at or before the time of the Client placing the order or as soon as possible thereafter.

(x) Termination and Closing Out

An acknowledgment that:

- (A) without affecting any existing obligations or liabilities, either the Client or the Participant may terminate the agreement at any time by giving the other notice In Writing to that effect;
- (B) upon termination of the Client Agreement that unless otherwise agreed In Writing the Participant will Close out all the Client's Futures Contracts and Close Out, abandon or exercise any Options not yet exercised.

(b) Rule 2.2.25(a) does not apply:

- (i) to a Proprietary Full Participant;
- (ii) where the Client is another Full Participant, in which case an agreement containing this term is deemed to have been entered and come into effect immediately upon the Full Participant accepting the first instruction from the Client to enter a contract on the Exchange's Markets; or
- (iii) where the Full Participant is performing execution business only and has an agreement in place with the Client that incorporates all the terms of an agreement determined by the Exchange to be appropriate for use when a Full Participant is performing execution business only.

Explanatory note:

The Exchange has determined, pursuant to this Rule that the provisions set out in the International Uniform Brokerage ("Give-Up" Agreement) (both client and trader versions) approved from time to time by the Futures Industry Association and Futures and Options Association is appropriate for use by a Full Participant when performing execution business only.

SFE Clearing has determined, pursuant to Clearing Rule 3.3, that Clearing Participants must have an agreement in place with the client containing all the terms specified in Exchange Rule 2.2.25(a), subject to Exchange Operating Rule 2.2.25(b).

Link to Procedures. [Client Documentation](#)

Amended 02/11/09

2.2.26 Clients' Segregated Account Obligations

A Full Participant, who holds Client monies, must comply with the following:

(a) Client Money

- (i) all money received by the Participant from its Clients or by a person acting on behalf of the Client under the Operating Rules must be deposited in an account operated by the Participant and designated as a Clients' segregated account; and
- (ii) if the account is operated outside Australia and the law in force in the jurisdiction where it is maintained requires the account to be designated in a particular way, the Participant must designate the account in that way.

(b) Type of Money to be Paid into an Account

Only the following monies should be paid into a Clients' segregated account:

- (i) all money received by the Participant from its Client or by a person acting on behalf of its Client;
- (ii) interest on the amount from time to time standing to the credit of the account;
- (iii) interest or other similar payments on an Investment, and the proceeds of the realisation of an Investment; and
- (iv) any other money as required by the Operating Rules or the law to be paid by the Participant into a Clients' segregated account.

(c) When Money shall be Paid into an Account

The money must be paid into a Clients' segregated account on the day it is received by the Participant, or on the next Business Day.

(d) Permitted Withdrawal

Withdrawals from a Clients' segregated account made in any of the following circumstances are permissible:

- (i) paying Margins and the settling of dealings;
- (ii) making a payment to, or in accordance with the written direction of, a person entitled to the money;
- (iii) defraying brokerage and other proper charges;
- (iv) paying to the Participant money to which the Participant is entitled, whether at law or pursuant to the Operating Rules; and
- (v) making a payment that is otherwise authorised by law.

(e) Payment to Another Financial Services Licensee

- (i) If payment referred to in Rule 2.2.26(e)(ii) is made by the Participant to another Financial Services Licensee, the Participant must ensure that the Financial Services Licensee is notified, at the same time as the payment is made or as soon as practicable after, that the money:
 - (A) has been withdrawn from an account of the Participant maintained for Rule 2.2.26; and
 - (B) should be paid into an account of the Financial Services Licensee maintained for Rule 2.2.26.
- (ii) If the Financial Services Licensee who receives the payment in Rule 2.2.26(e)(i) is also a Participant, it must, not later than the day after it receives the payment, pay the money received into an account maintained by it for Rule 2.2.26.

(f) Requirement to Deposit Additional Monies in Clients' Segregated Account

- (i) Where five (5) clear Business Days (inclusive of the day of the Call) after a Call has been made on a Client for Initial or Variation Margin in accordance with the Operating Rules, or such Call should have been made in accordance with those Operating Rules, the Call which was or should have been made has not been satisfied by payment of monies into a Clients' segregated account or lodgement of Cover, then the Participant shall pay into the Clients' segregated account an amount of money not less than either:
 - (A) the liability of the Client under such a Call; or
 - (B) the amount which the Participant would be obliged to Call the Client on the day after five (5) clear Business Days (inclusive of the day of the Call) has elapsed, whichever is the lesser.

- (ii) Subject to Rule 2.2.26(f) such monies may only be withdrawn in accordance with Rule 2.2.26(d) and only after such monies have been received by the Participant.
- (iii) The Full Participant is furthermore obligated to pay into the Clients' segregated account after five (5) clear Business Days, any amount (which has not been met by the Client), which arises as a result of debit balances of a Client resulting from realised losses or otherwise.

(g) Prohibited Agreements

A Full Participant is prohibited from making any agreement with a Client that the Client's money is not to be held or does not need to be held in a segregated account for the benefit of the Client.

(h) Permissible Investments

Where a Full Participant invests money from a Clients' segregated account, the following kinds of investments may be made:

- (i) investment in any manner in which trustees are for the time being authorised by law to invest trust funds;
- (ii) investment on deposit with an eligible money market dealer;
- (iii) investment on deposit at interest with:
 - (A) an Australian ADI; or
 - (B) an Approved Foreign Bank;
- (iv) the acquisition of cash management trust interests;
- (v) investment in a security issued or guaranteed by the Commonwealth or a State or Territory;
- (vi) investment on deposit with a licensed clearing and settlement facility; or
- (vii) an investment in accordance with the specific direction of a Client.

(i) Monies Invested

Where a Full Participant invests money from a Clients' segregated account then:

- (i) the Full Participant must, prior to investing any amount obtained the Client's written agreement to the following matters:
 - (a) the making of the investment;
 - (b) how earnings on the investment are to be dealt with;
 - (c) how the realisation of the investment is to be dealt with;
 - (d) how any losses made on the investment are to be dealt with; and
 - (e) the fee (if any) that the Participant proposes to charge for the investment; and
- (ii) such investment shall be readily realisable and no less than fifty per cent (50%) of monies invested shall be on twenty-four (24) hour call.

(j) Separation of Full Participants' Trading Liabilities From Clients' Trading Liabilities

No Full Participant shall use a Clients' segregated account to meet any Initial or Variation Margin liabilities which relate to trading by that Participant on its own behalf or on behalf of a related corporation.

(k) Accounting Records for Withdrawals

A Full Participant shall at all times maintain such accounting records as accurately indicate each withdrawal from a Clients' segregated account.

(l) Definition of Client

For the purpose of Rule 2.2.26, "Client" shall exclude a Related Body Corporate or a division of the Participant.

Explanatory Note

Link to Procedures. [Client Segregated Account](#)

2.2.27 Margins and Right of Close Out

A Full Participant, other than a Proprietary Full Participant, 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 Full 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 Full Participant shall not offset the Initial Margin on another Contract due by the Client to the Full 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 2.2.27(b)(ii), Full 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 SFE Clearing in the name of that Clearing Participant.
- (ii) Where the amount of a Call in Rule 2.2.27(b)(i) would be one thousand dollars (\$1,000) or less, the making of such a Call shall be at the discretion of the Full 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 Full Participant agrees to accept and receives, in lieu of payment, Approved Securities as determined by the Exchange.
- (ii) If the Full Participant receives Approved Securities in accordance with Rule 2.2.27(d)(i), such Approved Securities shall be retained by the Full 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 Operating 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 Full 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 Full 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 2.2.27(e)(iv), no Full Participant shall provide credit for a Client beyond the periods specified in Rule 2.2.27(e).
- (iii) Time shall be of the essence in respect of payment or lodgement under Rule 2.2.27(e).
- (iv) A Full Participant will not be in breach of Rule 2.2.27(e)(ii) where the Full Participant exercises a reasonable discretion, as determined by the Exchange, to not Close Out in accordance with Rule 2.2.27(g)(iii).

(f) Spread Margins

- (i) Where a Full Participant holds a Spread position on behalf of a Client then the Full Participant shall Call an Initial Margin of not less than the amount for that Spread determined from time to time by SFE Clearing.

- (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 SFE Clearing 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 2.2.27(g)(iii), where a Client is in default by failing to pay a Call, (or lodge Approved Securities) within the time prescribed under Rule 2.2.27(e)(i), a Full 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 Full Participant on account of the Client.
- (ii) The Full Participant shall not be liable to the Client for any loss sustained by the Client as a result of the Full Participant Closing Out in accordance with Rule 2.2.27(g)(i).
- (iii) A Full Participant shall not be obliged to Close Out futures positions in accordance with Rule 2.2.27(g)(i) where the Full 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 Full 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 Full 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 2.2.27(h)(i) does not contain any margin obligations, the Full Participant must comply with the margin obligations set out in Rule 2.2.27 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.

Explanatory Note

Link to Procedures. [Margins and Right of Close Out](#)

Amended 01/09/08

2.2.28 Mandatory Recording of Information by the Exchange and its Participants

(a) Recording by Participant

- (i) Each Full Participant dealing with Clients must record, via telephone lines and/or other electronic device, at its own expense all conversations with Clients and other parties relating to Client instructions. Such recordings shall be retained for a minimum three (3) month period, or such other period as determined by the Exchange and shall be made available, as soon as practicable to the Exchange upon request for the purpose of the Exchange fulfilling its regulatory responsibilities and to monitor compliance by its Participants with the Operating Rules.
- (ii) For the purpose of Rule 2.2.28 in respect of a Participant which is a corporation, a "Client" shall include a Related Body Corporate or a division of the Participant – which is separate from the Participant's futures division.

(b) Recording by the Exchange

- (i) The Exchange shall be entitled to record all conversations conducted on its telecommunications equipment.
- (ii) Disclosure to any other person of information obtained by the Exchange pursuant to Rule 2.2.28 shall be subject to Rule 1.6 or the consent of the Participant.

Explanatory Note

Link to Procedures. [Mandatory Recording of Information](#)

2.2.29 Exchange Power to Dispense with Participant Obligations

The Exchange may dispense with or temporarily postpone compliance by the Full Participant with any of the provisions of Rule 2.2 upon such conditions, if any, as the Exchange sees fit.

Amended 31/03/08

2.2.30 Dealing on Behalf of US Customers on Non-US Exchanges

When dealing on behalf of US customers on Non-US Exchanges, Full Participants who have received relief under Rule 30.10 of the Commodity Futures Trading Commission Regulations (17 CFR Part 30 Rule 30.10) of the US to deal on behalf of US customers on Non-US Exchanges:

- (a) may not deal for US customers on any exchanges except for the Exchange and those exchanges which are determined by the Exchange for the purposes of this Rule 2.2.30(a);

Explanatory Note

Link to Procedures (Exchanges determined pursuant to Rule 2.2.30(a)). [Dealing on Behalf of US Customers](#)

- (b) must, when dealing on behalf of US customers on exchanges determined for the purposes of Rule 2.2.30(a), comply with the Operating Rules relating to:
 - (i) Order Records and Accounting Records;
 - (ii) Clients' Segregated Account Obligations; and
 - (iii) Mandatory Recording of Information by the Exchange and its Participants;

as though they applied to Full Participants dealing on behalf of clients on the exchanges determined in Rule 2.2.30(a);

- (c) must provide their US customers with such risk disclosure statement as may be determined by the Exchange;

Explanatory Note

Link to Procedures (the Risk Disclosure Statement is located at Rule 2.2.6 marked an Annexure A). [Trading Rights](#)

- (d) must advise the Commodity Futures Trading Commission or its delegate of any Non-US Exchange on which it proposes to deal on behalf of a US customer, before commencing to deal on their behalf; and
- (e) must notify the Exchange immediately upon becoming aware that it has breached any part of this Rule 2.2.30.

Explanatory Note

- (i) Notwithstanding Rule 2.2.30, Full Participants must, when dealing on behalf of US customers on the Exchange, comply with all the Operating Rules which are applicable to dealing for Clients on the Exchange.
- (ii) The Rules relating to Orders Records and Accounting Records appear in Operating Rule 2.2.23.
- (iii) The Rules relating to Clients' Segregated Account Obligations appear in Operating Rule 2.2.26.
- (iv) The Rules relating to mandatory Recording of Information by the Exchange and its Participants appear in Operating Rule 2.2.28.

2.3 LOCAL PARTICIPANTS – [DELETED]

APPROVAL AND ADMISSION – [DELETED]

2.3.1 Eligibility for Admission – [Deleted]

Deleted 01/09/08

2.3.2 Approval Process – [Deleted]

Deleted 01/09/08

2.3.3 Actions on Approval – [Deleted]

Deleted 01/09/08

2.3.4 Lapse of Approval – [Deleted]

Deleted 01/09/08

2.3.5 Formal Admission – [Deleted]

Deleted 01/09/08

2.3.6 Trading Rights – [Deleted]

Deleted 01/09/08

2.3.7 Suspension of Trading Rights and Participant Status – [Deleted]

Deleted 01/09/08

2.3.8 Change of Nominating Participant – [Deleted]

Deleted 01/09/08

2.3.9 Resignation and/or Death of a Local Participant – [Deleted]

Deleted 01/09/08

CONTINUOUS OBLIGATIONS – [DELETED]

2.3.10 Compliance with Operating Rules and Notification of Breaches – [Deleted]

Deleted 01/09/08

2.3.11 Co-Operation with Exchange Committees and Officials and Provide Records – [Deleted]

Deleted 01/09/08

2.3.12 Communication with the Exchange – [Deleted]

Deleted 01/09/08

2.3.13 Prudent Risk Management – [Deleted]

Deleted 01/09/08

2.3.14 Payment of Fees – [Deleted]

Deleted 01/09/08

2.3.15 Undertaking – [Deleted]

Deleted 01/09/08

2.3.16 Notification of External Administration – [Deleted]

Deleted 01/09/08

2.3.17 Prohibited Employment – [Deleted]

Deleted 01/09/08

2.3.18 Changes in Control and Notification of Changes in Directors or Shareholders – [Deleted]

Deleted 01/09/08

2.3.19 Registration of Trades – [Deleted]

Deleted 01/09/08

2.3.20 Licence Obligations – [Deleted]

Deleted 01/09/08

2.3.21 Order Records and Accounting Records – [Deleted]

Deleted 01/09/08

2.3.22 BCC Power to Dispense with Participant Obligations – [Deleted]

Deleted 01/09/08

2.4. USE OF SFE SYSTEMS

2.4.1 Licence Over Exchange Software

(a) Grant of Licence

By meeting and continuing to meet the conditions set out in Rule 2.4.1(b), and subject to the Operating Rules, a Participant is granted by the Exchange and continues to hold, a non-transferable, non-exclusive Licence to use such part of the Exchange Software as is approved by the Exchange.

(b) Conditions of Licence

The conditions of a Licence granted to a Participant under Rule 2.4.1(a) are that the Participant must:

- (i) use the Licensed Software solely for purposes in the ordinary course of business directly related to the Participant's activities as a Participant;
- (ii) pay to the Exchange the Trading Infrastructure Fee and any Support Fee;
- (iii) not breach any Intellectual Property rights of the Exchange or any other third party in relation to the Licensed Software;
- (iv) use the Licensed Software only in accordance with the Operating Rules;
- (v) not make or permit others to make any copy of the Licensed Software other than for back-up purposes and only in the ordinary course of its back-up procedures;
- (vi) not sub-license or otherwise transfer, assign, disclose or otherwise make available or supply the Licensed Software, or any part, version, copy, adaptation, enhancement, amendment, modification or new release of the Licensed Software to any other person without the consent of the Exchange;
- (vii) not transfer the Licensed Software to or network it with any site other than the site authorised by the Exchange from time to time;
- (viii) not use the Licensed Software to process the data of any third party for the purposes of the business of such third party, except in accordance with the Operating Rules;
- (ix) not change, modify, amend or alter the Licensed Software or permit, employ or contract any other party (other than the Exchange or a party authorised by the Exchange) to do so;
- (x) not remove or deface any identification of ownership of copyright, trade mark or other proprietary rights connected with the Licensed Software;
- (xi) not reverse assemble, reverse compile, reverse engineer, adapt, alter, decompile, modify, unlock or permit, assist or cause any other person to reverse assemble, reverse compile, reverse engineer, adapt, alter, decompile, modify or unlock the Licensed Software;
- (xii) not derive works from the Licensed Software which infringe the Copyright Act, 1968 (Cth)
- (xiii) not use or permit the use of the Licensed Software by any persons not authorised to do so;
- (xiv) not attach to the Licensed Software any item which is not Exchange Equipment or equipment approved by the Exchange;
- (xv) not disseminate data or confidential information generated by the SFE System to a third party or allow a third party access to the SFE System for the purpose of dissemination of that data or confidential information to others;
- (xvi) install any enhancements or upgrades to the Licensed Software as the Exchange may from time to time direct;
- (xvii) upon the Exchange giving the Participant reasonable notice, allow the Exchange to effect any enhancements or upgrades to the Licensed Software as required by the Exchange;
- (xviii) only use the Licensed Software on a site or sites as the Exchange may from time to time agree to in writing;
- (xix) use the Licensed Software in accordance with any operating instructions supplied by the Exchange or by any other party on behalf of the Exchange;
- (xx) use all reasonable endeavours to maintain an environment suitable to keep the Licensed Software in effective working order and condition;
- (xxi) use all reasonable endeavours to prevent reckless or negligent use or wilful abuse of the Licensed Software;
- (xxii) bear all costs of repairing or replacing damaged Licensed Software where such damage results from negligent or reckless use or wilful abuse of the Licensed Software on the part of Participant, its officers or agents;
- (xxiii) notify the Exchange as soon as possible in the event of a breakdown of, or malfunction in, or defect in, the Licensed Software;

(xxiv) not permit any unauthorised software to be installed or loaded in conjunction with the Licensed Software.

(c) Title to Licensed Software

- (i) With the exception of a non-exclusive Licence granted pursuant to Rule 2.4.1(a), use by a Participant of the SFE System will not confer upon the Participant any right, title or interest in the Licensed Software.
- (ii) Ownership of any Intellectual Property rights in
 - (A) the Licensed Software; and
 - (B) any works within the meaning of the Copyright Act 1968 (Cth) derived from the Licensed Software,
 will vest or remain vested in the Exchange or the relevant Licensor or any other entity as the Exchange or its Licensor (as the case may be) may in their sole discretion elect.

(d) Warranty as to Title

The Exchange warrants to each Participant to whom it grants a Licence in accordance with Rule 2.4.1(a) that it is authorised to grant the Licence and that the Participant is entitled to use the Licensed Software in accordance with the Operating Rules.

(e) Intellectual Property Rights Indemnity

- (i) The Exchange agrees to indemnify each Participant to whom a Licence has been granted against any loss the Participant may suffer due to any claim by any third party that the use or possession by the Participant of the Licensed Software infringes any Intellectual Property right of that third party but only to the extent to which the Exchange is actually indemnified by its Licensors under the relevant licence agreements and provided that:
 - (A) The Exchange is given notice of the claim as soon as practicable after receipt of a written claim by the Participant from any such third party;
 - (B) The Exchange or its Licensors (as the case may be) are given complete control over such claim, and the Participant fully co-operates with the Exchange at the Exchange's or its Licensor's reasonable expense in the conduct of such claim;
 - (C) the Participant does not prejudice in any manner the Exchange's or the Licensor's conduct of such claim;
 - (D) the claim is not based upon the use of the Licensed Software in a manner:
 - (I) not authorised under these Operating Rules;
 - (II) for which the Licensed Software was not designed; or
 - (III) not in accordance with the documentation provided by the Exchange or its Licensors; and
 - (E) The Exchange will not be obliged to indemnify the Participant for any claim of infringement based on the:
 - (I) use of an altered version of the Licensed Software unless such alteration was authorised in writing by the Exchange;
 - (II) combination, operation or use of the Licensed Software with software, hardware, equipment or other materials not supplied by the Exchange; or
 - (III) use of a superseded version of the Licensed Software where the Participant has failed to install an upgraded or enhanced version of the Licensed Software as directed by the Exchange.
- (ii) If a final injunction is obtained against the use of any part of the Licensed Software as a result of a claim under which the Exchange is obliged to indemnify the Participant under this Rule 2.4.1(e), and provided the Participant has fully complied with its obligations regarding any such claim, the Exchange may, at its absolute option and expense either:
 - (A) procure for the Participant the right to continue to use the Licensed Software;
 - (B) modify the Licensed Software so that it becomes non-infringing;
 - (C) replace the Licensed Software with software offering substantially similar functions; or
 - (D) terminate the Licence without any further liability to the Participant.
- (iii) The Participant agrees to indemnify the Exchange for any loss or damage the Exchange may suffer due to any claim by a third party for actual or alleged infringement of any Intellectual Property right arising out of the Participant's use of the SFE System in any manner prohibited by these Operating Rules.

2.4.2 Terms Relating to Exchange Equipment

(a) Supply of Exchange Equipment

- (i) Any Exchange Equipment supplied to a Participant by the Exchange will be supplied, installed and serviced subject to the Participant complying with the conditions in Rule 2.4.2(b) and subject to the Operating Rules.
- (ii) The quantity and type of Exchange Equipment supplied pursuant to Rule 2.4.2(a)(i) shall be as approved by the Exchange.
- (iii) Any equipment supplied by a Participant must comply with specifications approved by the Exchange and, if the Exchange so determines, must be installed by the Exchange.

(b) Conditions of use of Exchange Equipment

The conditions applicable to the supply to and use of the Exchange Equipment by a Participant are that the Participant must:

- (i) pay to the Exchange the Trading Infrastructure Fee and any Support Fee;
- (ii) use the Exchange Equipment in accordance with any operating instructions supplied by the Exchange or by any other party on behalf of the Exchange;
- (iii) use all reasonable endeavours to maintain an environment suitable to keep the Exchange Equipment in effective working order and condition;
- (iv) use all reasonable endeavours to prevent reckless or negligent use or wilful abuse of the Exchange Equipment;
- (v) bear all costs of repairing or replacing damaged Exchange Equipment where such damage results from negligent or reckless use or wilful abuse of the Exchange Equipment on the part of the Participant, its officers or agents;
- (vi) notify the Exchange as soon as possible in the event of a breakdown of, or malfunction in, or defect in, the Exchange Equipment;
- (vii) insure the Exchange Equipment to its full market value, such value to be advised in writing by the Exchange;
- (viii) not permit any unauthorised software to be installed or loaded onto the Exchange Equipment.

(c) Title to the Exchange Equipment

Title to the Exchange Equipment will remain with the Exchange or a Related Body Corporate and shall not pass to a Participant upon delivery of the Exchange Equipment to the Participant at the agreed site.

(d) Insurance

A Participant must effect and maintain adequate insurance cover with a reputable insurance company with respect to loss or damage to the Exchange Equipment and for any potential liability, loss or damage arising out of use of the Exchange Equipment and must produce on demand by the Exchange evidence of such insurance cover.

2.4.3 Terms Relating to Both Licensed Software and Exchange Equipment

(a) Responsibility of the Exchange

The Exchange will:

- (i) supply and service the Exchange Equipment and the Licensed Software in the Sydney central business district, or such other location(s) as the Exchange may designate in writing, in accordance with the installation and servicing instructions for the Exchange Equipment and the Licensed Software or as otherwise provided by the Exchange from time to time;
- (ii) subject to Rules 2.4.1(b)(xxii) and 2.4.2(b)(v), as soon as reasonably possible repair or replace damaged Exchange Equipment and Licensed Software;
- (iii) liaise with the Participant concerning the Participant's requirements for Exchange Equipment and Licensed Software;

- (iv) co-ordinate additions, reductions and relocations of Exchange Equipment and Licensed Software;
- (v) maintain an inventory of Exchange Equipment and Licensed Software and provide a copy of the same to the Participant upon reasonable request;
- (vi) provide a facility for the Participant to report faults in the Exchange Equipment and the Licensed Software to operational staff;
- (vii) invoice the Participant monthly;
- (viii) provide the Participant with upgrades or enhancements of the Licensed Software as and when they become available;
- (ix) in consideration for payment by the Participant of the Support Fee, provide the Participant with on-going support services during working hours (8.00 am to 5.00 pm Monday to Friday Sydney time), which will consist of:
 - (A) telephone support;
 - (B) remote access support.
 - (C) on-site support where the Exchange determines that support cannot be provided through the use of telephone support, or remote access capability.

(b) Responsibility for Security

A Participant will be solely responsible for the use of the SFE System by any person not authorised by the Exchange or for any misuse, damage or destruction of the SFE System resulting from the use of the SFE System by the Participant.

(c) Termination of Licence

The Exchange may terminate a Licence granted to the Participant under Rule 2.4.1(a) and the Participant's access to the SFE System in the event that the Participant ceases to be a Participant of the Exchange as a result of disciplinary proceedings taken under the Operating Rules.

(d) Suspension of Licence

The Exchange may suspend a Participant's access to the SFE System in the event that:

- (i) the Participant's Participant status or trading rights have been suspended under these Operating Rules; or
- (ii) in the opinion of the Chief Executive or his or her designate, a physical emergency (as described in these Operating Rules) occurs and the Chief Executive (or in his or her absence, his or her designate) or the Board, as the case may be, determines that such suspension is necessary to deal with the emergency;
- (iii) except where such amount is disputed in good faith, and without prejudice to any other rule relating to rights for late payment of fees in these Operating Rules, the Participant fails to pay the Trading Infrastructure Fee or the Support Fee within 30 days of the due date where the Exchange has issued a notice in writing to that effect to the Participant requiring payment, the Participant has failed to pay the amount set out in that notice within thirty days, the Exchange has issued a second notice, the Participant has failed to pay the amount set out in the Exchange's second notice within a further seven days and the total amounts referred to in the second notice exceed 25% of the total amount due under that invoice.

(e) Suspension to be lifted

If:

- (i) the Participant's Participant status and trading rights in the Exchange are no longer suspended; or
- (ii) a physical emergency ceases to exist; or
- (iii) the Participant pays to the Exchange the amount referred to in Rule 2.4.3(d)(iii) as well as any other outstanding amount which has accrued from the date of the last notice issued by the Exchange,

then the Exchange must immediately lift the suspension of the Participant's access to the SFE System.

(f) Participant's Obligations on Termination of Licence

Upon termination of a Licence granted to it under Rule 2.4.1(a), a Participant will within 7 days of termination:-

- (i) cease use of the SFE System, return all documentation relating to the SFE System to the Exchange and certify in writing to the Exchange that it has complied with the foregoing;
- (ii) return all Exchange Equipment and Licensed Software to the Exchange; and
- (iii) pay any outstanding Trading Infrastructure Fee, Support Fee and other charges and expenses.

Amended 01/07/08

SECTION 3: TRADING PRINCIPLES

Explanatory Note

Section 3 sets out the procedures Participants must follow when undertaking trading on the Exchange's markets. The Trading Principles have been established to ensure that the Exchange's markets are fair, orderly and transparent. The various types of trading that can be undertaken and the procedures relevant to each type of trade are set out in this section.

Rules 3.1 specifies Participant obligations when dealing with orders that can be entered into the Trading Platform.

Rule 3.2 specifies Participant obligations when dealing with orders that form Strategy Trades that can be entered on the Trading Platform.

Rule 3.3 specifies Participant obligations when dealing with orders that can be pre-negotiated before being matched on the Trading Platform.

Rule 3.4 specifies Participant obligations when dealing with Block Trade facility orders.

Rule 3.5 specifies Participant obligations when dealing with Exchange For Physical orders.

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3.1 TRADING PRINCIPLES FOR ORDERS ENTERED ON THE TRADING PLATFORM

3.1.1 Expressions of Interest

- (a) (i) Upon receipt of an Expression of Interest where the enquiry concerns a single contract and/or price/volume details relating to that single contract, the Participant must make an enquiry via the Trading Platform "Request for Quote" facility.
- (ii) Upon receipt of an Expression of Interest where the enquiry concerns multi-legged strategy and/or price/volume details relating to that multi-legged strategy, the Participant must make an enquiry via the Trading Platform "Message" facility.
- (b) Once the Expression of Interest has been entered pursuant to Rules 3.1.1(a)(i) or (ii), the Participant may then make an enquiry regarding the same Expression of Interest amongst other market participants and must only disclose that same information that has been disclosed either via the Request for Quote or Message facility to the Exchange pursuant to Rules 3.1.1(a)(i) or (ii) in relation to the Expression of Interest.
- (c) An Expression of Interest becomes an order when the Client confirms trading instructions based on responses to the Expression of Interest.
- (d) Where a Participant enters an order into the Trading Platform based on an Expression of Interest without first confirming with the Client that it is a firm order to buy or sell, the Participant shall be in breach of Rule 3.1.20.
- (e) For the purpose of this Rule 3.1.1, in respect of a Participant which is a corporation, a "Client" shall include a Related Body Corporate or a division of the Participant - which is separate from the Participant's futures division.

Explanatory Note

Link to Procedures. [Expressions of Interest](#)

3.1.2 Information to be Input when Orders Entered on the Trading Platform

- (a) Entries will be accepted into the Trading Book only during Trading Hours.
- (b) The following shall be input when entering a bid or offer:
 - (i) type of order and/or time indications as required by the order type;
 - (ii) relevant price;
 - (iii) quantity;
 - (iv) an indication as to whether an order should be Retained by the Trading Platform if the Participant's Terminal goes off line;
 - (v) an indication as to whether an order is a Shared Order;
 - (vi) subject to Rule 3.1.2(c) an account number to be assigned to the order;
 - (vii) in the case of the Spread Trade Facility, the differential;
 - (viii) in the case of Custom Market Orders, the individual leg prices and the base ratio; and
 - (ix) subject to Rule 3.1.2(c), a Client Identifier assigned to the client unless such Client Identifier is satisfied by Rule 3.1.2(b)(vi).
- (c) The Client Identifier referred to in Rule 3.1.2(b)(ix) or account number referred to in Rule 3.1.2(b)(vi) must be entered in the trading platform no later than ten (10) minutes after the entering of an order and may only be entered after this time when the Participant can demonstrate to the satisfaction of the Exchange that extenuating circumstances existed.

Explanatory Note

Link to Procedures. [Information to be Input for Orders](#)

3.1.3 Permitted Orders and Order Designations on the Trading Platform

The Trading Platform will only accept permitted orders and order designations which are determined by the Exchange and set out in the Procedures, Determinations and Practice Notes.

Explanatory Note

Link to Procedures. [Permitted Orders and Order Designations](#)

3.1.4 Market Manipulation

Participants must not engage in price manipulation of a Contract.

Explanatory Note

Link to Procedures. [Market Manipulation and Misleading Acts](#)

3.1.5 Misleading Acts or Practices Regarding Price

Participants must not engage in any misleading act or practice regarding the price of a Contract.

Explanatory Note

Link to Procedures. [Market Manipulation and Misleading Acts](#)

3.1.6 Entering Orders without an Intent to Trade

Participants must not enter orders where there does not exist an intent to trade.

Explanatory Note

Link to Procedures. [Entering Orders Without Intent to Trade](#)

3.1.7 Orders to be Transmitted as Soon as Received

A Participant must transmit orders to the Trading Platform as soon as they are received.

Explanatory Note

Link to Procedures. [Orders Transmitted as soon as Received](#)

3.1.8 Orders to be Transmitted and Executed in the Sequence Received

A Participant shall transmit orders in the sequence in which they are received unless it would be fair and equitable, as determined by the Exchange, to transmit those orders out of sequence.

Explanatory Note

Link to Procedures. [Orders Transmitted Executed in Sequence](#)

3.1.9 Aggregation of Orders

A Participant must not aggregate orders for entry into the Trading Platform, unless it would be fair and equitable as determined by the Exchange, to aggregate those orders.

Explanatory Note

Link to Procedures. [Aggregation](#)

3.1.10 Disclosure

- (a) Participants must not disclose any information about orders unless specifically permitted otherwise under the Operating Rules;
- (b) For the purposes of this Rule 3.1.10, “order” is an instruction to deal or trade on behalf of a Client or an intention to deal or trade by a party dealing proprietary business.

Explanatory Note

Link to Procedures. [Disclosure](#)

3.1.11 Withholding Orders

Participants must not withhold an order with an intent to obtain a counterparty/counterparties.

Explanatory Note

Link to Procedures. [Withholding](#)

3.1.12 Withdrawing Orders

Participants must not withdraw orders in whole or in part for the benefit of another person.

Explanatory Note

Link to Procedures. [Withdrawing Orders](#)

3.1.13 Pre-arrangement

Participants must not arrange the details of a potential trade between two or more parties whether or not orders are entered into the Trading Platform, unless the market has been made aware of all relevant details of the potential trade, or unless specifically permitted otherwise under the Operating Rules.

Explanatory Note

Link to Procedures. [Pre Arrangement](#)

3.1.14 Trading to the Exclusion of Others

Participants must not execute or attempt to execute trades with the intent to exclude other Participants or their Representatives.

Explanatory Note

Link to Procedures. [Trading to the Exclusion of Others](#)

3.1.15 Wash Trades

Participants must not allow trades to occur such that both sides of the trade are on behalf of the same account.

Explanatory Note

Link to Procedures. [Wash Trades](#)

3.1.16 Acting in Accordance with Client Instructions and Client's Best Interests

Full Participants must:

- (a) act on behalf of a Client only in accordance with that Client's instructions, unless to do so would be contrary to the Operating Rules; and
- (b) not act in a manner which has, or is intended to have, a detrimental effect, as determined by the Exchange, on the Client's best interests.
- (c) For the purposes of this Rule 3.1.16 "a Client" of a Full Participant which is a corporation shall include a Related Body Corporate or a division of the Full Participant which is separate from that Full Participant's futures division.

3.1.17 Personal Account Trading

- (a) No person shall at any time trade or initiate a trade on any Market in any Contract for that person's account where that person has or is likely to have knowledge or information about any Client orders of any Full Participant to trade, or instructions to trade, in the same or similar commodity.
- (b) For the purpose of this Operating Rule, a person shall be deemed to have traded for that person's account if that person trades for any entity, person or account:
 - (i) in which that person has a beneficial interest, including a Full Participant's House Account in which the person has a financial interest; or
 - (ii) in which that person might by exercise of some discretion have a beneficial interest, including a Full Participant's House Account in which the person has, or may have, a financial interest; or
 - (iii) over which that person exercises any control (other than an account of the Full Participant of which the person is a Director, partner or employee where such control is exercised in that capacity); or
 - (iv) which is a corporation in whose shares that person has a "Relevant Interest" as that term is defined by the Corporations Act; or
 - (v) which is that person's Relative or a Relative's account in which that person has a financial interest.
- (c) For the purposes of this Rule 3.1.17:
 - (i) a "Client" of a Full Participant which is a corporation shall include a Related Body Corporate or a division of the Full Participant which is separate from the Full Participant's futures division, and
 - (ii) "a person having a financial interest in an account" includes any benefit which that person may enjoy as the result of the operation of that account, or trading under that account.

Explanatory Note

Link to Procedures. [Personal Account Trading](#)

3.1.18 Dual Trading Prohibition

- (a) A Full Participant's Representative shall not initiate a trade for any Full Participant's House Account in a Contract, where that Representative is holding or is likely to hold the Full

Participant's Client orders to trade, or for any reason is likely to have knowledge or information of the Full Participant's Client orders to trade, in the same or similar commodity.

- (b) The Exchange may in its absolute discretion from time to time prescribe classes of Contracts for the purposes of this Rule 3.1.18.
- (c) This Rule 3.1.18 shall not apply to a Representative where that Representative has executed an Error Trade and subsequent action taken by the Representative requires execution of a trade to cover that position.
- (d) For the purposes of this Rule 3.1.18 "a Client" of a Full Participant which is a corporation shall include a Related Body Corporate or a division of the Participant which is separate from that Participant's futures division.

Explanatory Note

Link to Procedures. [Dual Trading](#)

3.1.19 Trades to be Allocated in Sequence of Order Receipt

- (a) A Full Participant and its Representative shall allocate trades to Clients in the sequence in which the orders are received unless it would be fair and equitable, as determined by the Exchange, to allocate out of sequence.
- (b) For the purposes of this Rule 3.1.19 "a Client" of a Full Participant which is a corporation shall include a Related Body Corporate or a division of the Full Participant which is separate from that Full Participant's futures division.

Explanatory Note:

Link to Procedures. [Trades Allocated in Order of Receipt](#)

3.1.20 Post-Allocation Prohibition

- (a) Full Participants must not offer and/or allocate trades to a Client unless those trades have been obtained pursuant to instructions previously obtained from that Client.
- (b) For the purposes of this Rule 3.1.20 "a Client" of a Full Participant which is a corporation shall include a Related Body Corporate or a division of the Full Participant which is separate from that Full Participant's futures division.

3.2 STRATEGY TRADING

3.2.1 Exchange to Prescribe Contracts and Procedures

The Exchange may prescribe Contracts and procedures for Strategy Trading and Participants must execute such Strategy Trades in accordance with this Rule 3.2.

3.2.2 Strategy Trades

- (a) Participants must provide a record of those types of Strategy trades as determined by the Exchange, and within the relevant time as determined by the Exchange.
- (b) Participants must allocate each leg of a Strategy Trade, unless determined otherwise by the Exchange, to the same account.
- (c) Participants must only enter the orders of a type of Strategy Trade in the specific pre-defined Market of the Trading Platform for that type of Strategy Trade, as determined by the Exchange.

Explanatory Note

Strategy Trades include Strip Trades, Spread Trades and Option Strategy Trades.

Link to Procedures. [Strategy Trading](#)

Link to Strip Trading Procedures. [Strip Trading](#)

Link to Spread Trading Procedures. [Spread Trading](#)

Link to Option Strategy Procedures. [Option Strategy Orders](#)

3.2.3 Rules Specific to Custom Market Trading

In addition to the requirements set out in Rules 3.2.1 and 3.2.2, Participants must enter orders in the Custom Market as follows:

- (a) (i) Subject to Rule 3.2.3(a)(ii) all orders traded on the Custom Market must be traded at the lowest common denominator, however the maximum volume that can be used in the volume ratio field is fifty lots.
 - (ii) Where the Customer Market Order is for a strategy which includes two or more option legs or two or more futures legs in a ratio, then the volume that can be used in the volume ratio field, in relation to the option leg or futures leg with the larger ratio denomination only, may exceed fifty lots.
- (b) Orders which may otherwise be traded on the Trading Platform where there is a specific pre-defined Market designated by the Exchange, cannot be traded on the Custom Market.
- (c) Prices for all legs of a Custom Market Order must be within the following price limits at the time of order entry:
 - (i) The high/low of the Trading Date for the appropriate contract.
 - (ii) If only a bid or only an offer exists then the specified tick range as determined by the Exchange from the existing bid or offer (if the bid is below prior settlement then prior settlement may be used, if the offer is above prior settlement then prior settlement may be used).
 - (iii) If no bid or offer exist, then the specified tick range, as determined by the Exchange from the settlement price. In the case of an Option Contract then within the specified tick range as determined by the Exchange from the system generated indicative price.
 - (iv) For Futures/Options orders, deltas must be within the range as determined by the Exchange.
 - (v) If a bid and offer exist then the specified tick range as determined by the Exchange from the existing bid or offer.

- (d) (i) If there is no market for a particular strategy in the Custom Market the Participant must ask for a market via the Trading Platform Message Facility broadcast to “all users” before inputting the order.
- (ii) Should a Participant wish to enter an order with a different basis or delta to a strategy already in the Trading Platform, it must be treated as a new strategy, and therefore the Participant must broadcast a message, via the Trading Platform Message Facility, advising of the exact changes prior to inputting the order.
- (e) (i) Where there is an existing Custom Market Order bid and/or offer, a Participant must not in relation to that order, enter a subsequent order(s) utilising different leg prices which achieves the same net price as the existing bid or offer in the Custom Market.
- (ii) Orders that are subsequently entered and trades resulting from such order may be cancelled by the Exchange.
- (f) (i) Where a bid and offer has been established in the Custom Market, a trade may only be executed between that bid and offer.
- (ii) In the event of only a bid or only an offer, a trade may not be executed where it is lower than the bid, or where it is higher than the offer.
- (iii) Orders that are subsequently entered and trades resulting from such orders may be cancelled by the Exchange.

Explanatory Note

Link to Custom Market Procedures. [Custom_Market_Procedures](#)

3.3 PRE-NEGOTIATED BUSINESS ORDERS

3.3.1 Exchange to Allow Pre-Negotiated Business

The Exchange shall allow pre-negotiated business orders to be entered on the Trading Platform and a Participant must execute such orders in accordance with this Rule 3.3.

3.3.2 Exchange to Prescribe Contracts

Pre-negotiated business refers to orders involving Contracts which have been prescribed by the Exchange and in numbers of contracts which exceed any minimum volume threshold which has been prescribed by the Exchange in respect of those Contracts.

3.3.3 Participant Entitlements

Where a Participant receives an instruction from a Client which can be executed as pre-negotiated business, the Participant may:

- (a) withhold transmission of the instructions in order to solicit orders from Clients and other Participants;
- (b) disclose details of Clients' instructions; and
- (c) aggregate orders received from Clients in satisfaction or part satisfaction of the originating Client order.

3.3.4 Entry of Orders on the Trading Platform

Subject to Rule 3.3.5, once counterparties have been solicited pursuant to Rule 3.3.3, the Participant(s) must enter the orders on the Trading Platform for execution.

3.3.5 Procedures Prior to Order Entry on the Trading Platform

- (a) Prior to entering the pre-negotiated orders on the Trading Platform for execution in the relevant contract month or strategy, the Participant holding the originating Client order must make an enquiry via the Trading Platform Message Facility or via the Trading Platform Request For Quote Facility for a market in that contract month or strategy in accordance with Rule 3.3.6.
- (b) No pre-negotiated business order shall be entered into the Trading Platform unless the prescribed period has elapsed after the entry of the enquiry.
- (c) For the purposes of Rule 3.3.5(b) the prescribed period is the period prescribed by the Board or the Chief Executive, being not less than 5 seconds.

3.3.6 Requests for Quote Procedures

- (a) Where the Trading Platform Request for Quote Facility is available all requests for quote must be made via that facility.
- (b) Where the Trading Platform Request for Quote Facility is not available, all requests for quote must be made via the Trading Platform Message Facility.

3.3.7 Time for Entry of Orders on the Trading Platform

Following the entry of a request for quote via the Trading Platform Message Facility or the Trading Platform Request for Quote Facility the pre-negotiated orders must be entered on the Trading Platform for execution immediately after the prescribed period under Rule 3.3.5(c) has elapsed.

3.3.8 Client Authorisation

Before entering a pre-negotiated business trade on behalf of a Client pursuant to this Rule 3.3, a Participant must be authorised In Writing by the Client to do so either specifically or generally.

3.3.9 Definition of Client

- (a) For the purpose of this Rule 3.3 in respect of any Participant that is a corporation, a “Client” shall include a Related Body Corporate or a division of the Participant – which is separate from the Participant’s futures division.
- (b) For the purposes of trading out of a trade allocated to a Participant that is an Error Trade, the Participant’s futures division is classified as a Client.

Amended 02/11/09

Explanatory Note

Link to Procedures. [Pre_Negotiated_Business_Trades](#)

3.4 TRADING PRINCIPLES FOR BLOCK TRADES

3.4.1 Exchange to Allow Block Trades

The Exchange shall establish a Block Trade Facility and determine procedures for such facility, and a Participant shall execute Block Trades in accordance with this Rule 3.4.

3.4.2 Exchange Prescriptions:

The Exchange may prescribe:

- (a) A Class of Contract or one or more delivery/expiry months and/or exercise prices within a Class of Contract which may be traded using the Block Trade Facility;
- (b) the Minimum Volume Threshold for the prescribed Contracts. Where a Block Trade strategy involves:
 - (i) trading two or more different Contracts, the smaller of the Minimum Volume Thresholds of the contracts which comprise the Block Trade will apply to each of these Contracts;
 - (ii) trading two or more different delivery/expiry months and/or exercise prices of the same Class of Contract, the Minimum Volume Threshold will apply to the lot size of each leg of the trade;
- (c) the number of days remaining until delivery/expiry of the Contract within which the Block Trade Facility cannot be used.

3.4.3 Participant Entitlements

Where a Participant receives a Block Trade Order from a Client, the Participant may:

- (a) solicit counterparties to the Block Trade Order amongst other Participants;
- (b) withhold transmission of the Block Trade Order in order to solicit those counterparties;
- (c) disclose those details of the Block Trade Order as authorised by the Clients; and
- (d) aggregate orders where each order is greater than or equal to the Minimum Volume Threshold for that Contract.

3.4.4 Prohibitions

Participants cannot:

- (a) aggregate separate orders in order to meet Minimum Volume Thresholds; or
- (b) use the Block Trade Facility to execute Roll business.

3.4.5 Unfilled Block Trade Orders

- (a) Subject to Rule 3.4.5(b), where counterparties have been solicited pursuant to Rule 3.4.3(a) and the Block Trade Order remains unfilled, then the Block Trade Order may revert to a Permitted Order (“the order”) as described in Rule 3.1.3 and can be executed by the Participant on the Trading Platform in accordance with the Client’s instructions.
- (b) The orders from counterparties referred to in Rule 3.4.5(a) must not be entered into the Trading Platform unless such period of time as determined by the Exchange has elapsed from the entry of the originating Client order.

3.4.6 Block Trade Communication and Registration

- (a) Where opposing Block Trade Orders have been negotiated, the initiating Participant must advise the Exchange of the agreed terms of the Block Trade Order via the Message Facility, or via such other means as determined by the Exchange, within 5 minutes of the trade, or such other time as determined by the Exchange.
- (b)
 - (i) Once the message referred to in Rules 3.4.6(a) has been sent, each Participant must complete a Block Trade Facility Registration Form, or such other notification as determined by the Exchange, and submit it to the Exchange for validation within 5 minutes, or such other time as determined by the Exchange.
 - (ii) the time limit for the submission of the Block Trade Facility Registration Form, or such other notification as determined by the Exchange, commences as soon the agreed terms of the Block trade Order are communicated to the Exchange pursuant to Rules 3.4.6(a).

3.4.7 Cancellation on the Day of Registration

- (a) A Block Trade may be submitted for cancellation at any time up to the end of the Business Day on which registration and acceptance of the trade took place.
- (b) A Block Trade may only be cancelled where both parties to the trade have approved of the cancellation.
- (c) The Exchange may refuse to cancel a Block Trade in its own discretion even if both parties to the trade have approved of the cancellation.

3.4.8 Cancellation on Day Two

- (a) Where there has been an error in the details of a Block Trade submitted for registration, a Participant may submit that trade for cancellation at any time up to the end of the Business Day after the registration and acceptance of that trade.
- (b) A Participant may only submit a Block Trade for cancellation under rule 3.4.8(a) where it submits at the same time a replacement Block Trade with the correct details for registration.
- (c) The Exchange may refuse to cancel a Block Trade in its own discretion even if both parties to the trade have approved of the cancellation.

3.4.9 Client Authorisation

Before executing a Block Trade Order on behalf of a Client a Participant must be authorised in writing by the Client to do so either specifically or generally and such authorisation shall include an acknowledgment by the Client that:

- (i) the price quoted for the Block Trade Order may or may not be the prevailing market price;
- (ii) the price at which the Block Trade is executed will not be used in establishing Settlement Prices;
- (iii) Block Trades shall have no impact on the Trading Platform market data; and
- (iv) Block Trades will be separately reported to the market.

3.4.10 Definition of Client

- (a) For the purpose of this Rule 3.4 “a Client” of a Participant which is a corporation shall include a Related Body Corporate or a division of the Participant which is separate from that Participant’s futures division.
- (b) For the purposes of trading out of a trade allocated to a Participant that is an Error Trade, the Participant’s futures division is classified as a Client.

Amended 02/11/09

Explanatory Note

Link to Procedures. [Block Trading](#)

3.5 TRADING PRINCIPLES FOR EXCHANGE FOR PHYSICAL TRANSACTIONS

3.5.1 Exchange to Allow Exchange for Physical

The Exchange shall allow Exchange For Physical transactions and determine procedures for such transactions, and a Participant must execute such transactions in accordance with this Rule 3.5.

3.5.2 Prohibitions

No Exchange For Physical transaction may be effected:

- (a) where the parties to each side of the physical transaction are the same or are acting on behalf of the same person;
- (b) where both sides of the futures trade are taken out by the same Participant on its own account or are taken out on behalf of the same Client; or
- (c) to execute Roll business.

3.5.3 Exchange for Physical Registration

Where a Participant enters into a Contract in accordance with this Rule 3.5 on behalf of a Clearing Participant and the position is to be registered in the name of the Clearing Participant, the Participant shall send, or cause to be sent by the SFE Clearing, at a time determined by the Exchange, a document in a form determined by the Exchange.

3.5.4 Exchange May Prescribe Additional Provisions

- (a) the Exchange may, where it believes that it is necessary in order to maintain a fair, orderly, transparent market, prescribe additional provisions in relation to the execution of Exchange for Physical transactions, provided that any such change shall not result in the effective prohibition of Exchange for Physical trading;
- (b) such provisions may include limitations on the type or size of Exchange for Physical transactions which may be effected; and
- (c) no Exchange for Physical transaction shall be registered unless the prescribed provisions are satisfied.

3.5.5 Publication of Details of Exchange for Physical

The Exchange shall in respect of all Exchange for Physical transactions publish to Participants upon receipt of each Exchange for Physical transaction the commodity, quantity, time and price of the Exchange for Physical transaction and the identity of the Full Participants who conducted the trade.

3.5.6 Submission of all Contracts for Registration

Except as otherwise provided by the Operating Rules, a Full Participant shall submit all Contracts which it trades to the Exchange for registration with SFE Clearing in accordance with the Clearing Rules.

Amended 01/09/08

3.5.7 Open Positions

A Participant shall ensure that any Open Positions not given up to another Participant, created by trading on the instructions of a Client including discretionary trading on behalf of a Client, is either:

- (a) carried in the Participant's name as an Open Position with SFE Clearing; or
- (b) carried in the Participant's name as an Open Position with another Participant.

3.5.8 Direct Transactions with SFE Clearing

Where, in accordance with the Clearing Rules, SFE Clearing wishes to protect its position by entering into transactions with Full Participants, Full Participants may, with the approval of the Exchange, agree to buy or sell Contracts as traded in the Exchange's Markets directly with SFE Clearing and without trading on the Exchange's Markets. Such transactions may be registered by SFE Clearing in the same way as contracts traded on the Exchange's Markets.

3.5.9 Evidence of Physical Transaction

- (a) It is the Participant's responsibility to ensure that where either the Participant or its Client is a party to an Exchange for Physical transaction, appropriate evidence of the physical transaction is obtained and kept on record with the Participant.
- (b) Where either before or during a particular month a Full Participant has entered into a Contract in accordance with this Rule 3.5 on behalf of a Clearing Participant and the Contract has not been disposed of, and as at the end of that month, the Participant's Contract is registered in the name of the Clearing Participant, the Participant shall, after the end of the month, send or cause to be sent by SFE Clearing, a document setting out the information determined by the Exchange.

3.5.10 Cancellation on the Day of Registration

- (a) An Exchange For Physical transaction may be submitted for cancellation at any time up to the end of the Business Day on which registration and acceptance of the transaction took place.
- (b) An Exchange For Physical transaction may only be cancelled under this Rule 3.5.10 where both parties to the transaction have approved of the cancellation.
- (c) The Exchange may refuse to cancel an Exchange for Physical transaction in its own discretion even if both parties to the transaction have approved of the cancellation.

3.5.11 Cancellation on Day Two

- (a) Where there has been an error in the details of an Exchange For Physical transaction submitted for registration, a Participant may submit that transaction for cancellation at any time up to the end of the Business Day after the registration and acceptance of that transaction.
- (b) A Participant may only submit an Exchange For Physical transaction for cancellation under Rule 3.5.11(a) where it submits at the same time a replacement Exchange For Physical transaction with the correct details for registration.
- (c) An Exchange For Physical transaction may only be cancelled and replaced in accordance with this Rule 3.5.11 where both parties to the transaction have approved of the cancellation and replacement.
- (d) The Exchange may refuse to cancel an Exchange For Physical transaction in its own discretion even if both parties to the transaction have approved of the cancellation.

Explanatory Note

Link to Procedures. [Exchange for Physical Trading](#)

SECTION 4: ALLOCATION AND CLEARING OF TRADES

This section sets out procedures for the allocation, confirmation, designation and clearing of trades.

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4.1 CONTRACT CONDITIONS - REGISTRATION OF CONTRACTS WITH SFE CLEARING AND PARTIES TO THE CONTRACT

4.1.1 Original Contract Extinguished on Registration with SFE Clearing

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

4.1.2 No Recognition of Rights of Other Parties

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

4.1.3 SFE Clearing as Party

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

4.2 ALLOCATION, CONFIRMATION, DESIGNATION OF TRADES AND SUBMISSION TO SFE CLEARING

4.2.1 Transmission by Exchange to SFE Clearing

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

4.2.2 Definition of Client

In this Rule 4.2 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.

4.2.3 Recording of Trades in SFE Allocation & Clearing System

- (a) Trades may be recorded in the SFE Allocation & Clearing System in the name of:
 - (i) the Full Participant which executed the Trade or which is responsible for the Trade as a Nominating Participant; or
 - (ii) another Full Participant or Clearing Participant to whom a Trade is Allocated.
- (b) Trades may only be Allocated by a Participant referred to in Rule 4.2.3(a).
- (c) Trades may only be Allocated to a Full Participant or a Clearing Participant.

4.2.4 Deemed Confirmation of Trades Upon Recording

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

4.2.5 Deemed Confirmation where there has been an Objection

Upon the resolution of an objection in accordance with Rule 1.12 the Trade(s) as determined by the Trading Manager shall be deemed to be Confirmed by the parties and the Exchange shall correct any entries in the SFE Allocation & Clearing System accordingly.

4.2.6 Action by Participant on Entering a Trade in the SFE Allocation & Clearing System

Where a Trade is entered into the SFE Allocation & Clearing system in the name of a Participant the Participant shall:

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

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

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

- (a) Designate the Trade in the SFE Allocation & Clearing system as a House Trade or a Client Trade; or

- (b) Allocate the Trade to another Participant entitled to receive Allocations.

4.2.8 The Party Deemed to have Confirmed the Trade

- (a) Where a Trade has been Designated pursuant to Rule 4.2.7(a) the Participant who Designated the Trade shall be deemed to have Confirmed the Trade.
- (b) Where a Trade has been Allocated pursuant to Rule 4.2.7(b) the 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 Participant to whom the Trade has been Allocated.
- (c) Where a Trade has been Allocated pursuant to Rule 4.2.7(b) to a Participant that is a Facility Participant, the Participant who Allocated the Trade shall be deemed to have Confirmed the Trade.

4.2.9 Failure to Designate or Allocate a Trade

Where a Trade is Confirmed pursuant to Rule 4.2.4 a failure to Designate or Allocate such Trade by 6.30 pm on the Trading Date, or such other time as determined by the Exchange, shall, subject to any provision of the Operating Rules or the SFE Clearing Rules, be deemed to have been Designated as a House Trade.

4.2.10 Where Executing Participant is Not a Clearing Participant

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

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

4.2.11 Where Executing Participant is a Local Participant – [Deleted]

Deleted 01/09/08

4.2.12 Time to Designate and Allocate

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

Explanatory Note

Link to Procedures. [Time to Designate and Allocate](#)

4.2.13 Exchange may Correct Entries in SFE Allocation & Clearing System

The Exchange may correct an entry into the SFE Allocation & Clearing System with the consent of the holder of both sides of the Trade.

SECTION 5: MARKET REGULATION

Explanatory Note

The purpose of this Section is to provide for the detection, investigation and adjudication of potential or alleged breaches of the Operating Rules and the provision of fair procedures and disciplinary proceedings. It also sets out the formation and powers of the various disciplinary and dispute committees.

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5.1 INTRODUCTION AND OVERSIGHT OF REGULATORY AFFAIRS

5.1.1 Board Powers – [Deleted]

Deleted 31/03/08

5.1.2 ASIC Findings and Exchange Penalties

Where ASIC makes a finding regarding a breach of the Corporations Act by a Participant, the Exchange may impose a penalty in relation to the breach of the Operating Rule without further investigation of the matter by the Exchange being a provision which is not materially different to an Operating Rule.

5.2 BUSINESS CONDUCT COMMITTEE – [DELETED]

5.2.1 Constitution of the BCC – [Deleted]

Deleted 31/03/08

5.2.2 Functions and Powers of the BCC – [Deleted]

Deleted 31/03/08

5.3 MARKET PRACTICES COMMITTEE – [DELETED]

5.3.1 Constitution – [Deleted]

Deleted 31/03/08

5.3.2 Functions and Powers of the MPC – [Deleted]

Deleted 31/03/08

5.3.3 Unavailability of MPC – [Deleted]

Deleted 31/03/08

5.3.4 Jurisdiction of MPC and Determinations and Guidelines of BCC – [Deleted]

Deleted 31/03/08

5.4 CONTRACT COMMITTEE AND CONTRACT COMMITTEE PANEL – [DELETED]

5.4.1 Trading Manager to Appoint Contract Committee Panel – [Deleted]

Deleted 31/03/08

5.4.2 Constitution – [Deleted]

Deleted 31/03/08

5.4.3 Quorum – [Deleted]

Deleted 31/03/08

5.4.4 Conflict of Interest – [Deleted]

Deleted 31/03/08

5.4.5 Functions and Powers of the Contract Committee – [Deleted]

Deleted 31/03/08

5.4.6 Meetings of the Contract Committee – [Deleted]

Deleted 31/03/08

5.5 INVESTIGATION FUNCTION

5.5.1 Liability of Participant for Representatives Actions

Any breach of the Operating Rules by a Representative of a Participant, whether or not acting within authority granted by the Participant, shall be deemed to have been committed by that Participant.

5.5.2 Jurisdiction of Exchange Over Former Participant

Proceedings may be commenced under the provisions of this Section 5 against a former Participant within twelve (12) months after that former Participant ceased to be a Participant, and such former Participant shall be bound by any decision or finding or penalty imposed.

5.5.3 Exchange Investigation Function

The Exchange has responsibility for the surveillance of the Exchange's Markets and the investigation of potential or alleged breaches of the Operating Rules with the Exchange being responsible for undertaking:

- (a) such investigations as it sees fit;
- (b) such investigation, as it sees fit, of any allegations by a Participant or any other person which it considers to warrant investigation;
- (c) maintenance of a program of inspections of the records and operations of Participants for the purpose of ensuring compliance with, and detecting breaches of, the Operating Rules and in particular ensuring that Participants have appropriate procedures in place to prevent the occurrence of such breaches;
- (d) maintenance of a program for the monitoring of the Exchange's Markets and trading, and Open Positions held by Participants and their Clients, for the purpose of ensuring a fair, orderly and transparent Market;
- (e) ensuring that Participants lodge Financial Statements as required by the Operating Rules;
- (f) referring breaches of the Operating Rules to the Disciplinary Tribunal in accordance with the provisions of the Australian Securities Exchange Disciplinary Processes and Appeals rulebook where it considers that a breach of the Operating Rules may have occurred;
- (g) co-opting the services of the auditors of the Exchange and such other persons as the exchange may approve, to assist in its activities;
- (h) referring matters to ASIC where ASIC has jurisdiction over such matters or by agreement between the Exchange and ASIC.

Explanatory Note

Link to Procedures. [Exchange Investigation Function](#)

Amended 31/03/08

5.6 DISCIPLINARY POWERS

5.6.1 General Disciplinary Powers of Board, BCC and MPC – [Deleted]

Deleted 31/03/08

5.6.2 Matters to be Taken into Account in Exercise of Disciplinary Powers – [Deleted]

Deleted 31/03/08

5.6.3 Board Powers Regarding Conduct of Participant, Representative or Associated Parties

- (a) Where the Board reasonably believes that the character, reputation, business integrity, or financial probity or conduct of:
 - (i) an Associated Company;
 - (ii) a Representative of a Participant, or of an Associated Company;
 - (iii) a former Representative of a Participant or of an Associated Company;
 - (iv) any person who has, or who has in the past had, the capacity to exercise control over a Participant, or an Associated Company;
 - (v) any other person which the Board reasonably believes is associated with, or connected to, the Participant or an Associated Company; or
 - (vi) a Non-Participant in any way associated or connected with a Participant;

is such that the public or the Exchange, or its Participants, or the conduct of any Market, are being prejudiced by reason of the behaviour of the entities listed in Rule 5.6.2(a)(i)-(vi), the Board may, without prejudice to any other action it may take under the Operating Rules, direct the Participant to cause the behaviour of these entities to cease.

- (b) If the behaviour of the entities listed in Rule 5.6.2(a)(i)-(vi) does not cease, then disciplinary proceedings may be commenced against the Participant in accordance with the provisions of the Australian Securities Exchange Disciplinary Processes and Appeals Rulebook as if the conduct was that of the Participant.

(c) Definition of Associated Company

- (i) For the purposes of this Rule 5.6.2, an “associated company” is a company which is in any way associated with, or connected to, the Participant.
- (ii) Without limiting the generality of the foregoing, a company shall be deemed to be associated or connected with a Participant where one has the power, directly or indirectly, to control the other.
- (iii) Without limiting the generality of the term “control”, such control shall be deemed to exist where one holds twenty per cent (20%) or more of the issued share capital of the other or where a one holds twenty per cent (20%) or more of the issued share capital of the other or where a Director of one is a Director of the other.

Amended 31/03/08

5.6.4 Board Powers Regarding Interim Suspension of a Participant Pending Conduct of Proceedings

- (a) The Board may, notwithstanding any other provision of this Section 5, by unanimous resolution of those present at a meeting and entitled to vote and on the basis that it reasonably believes it is necessary to do so in the interests of the public, or the Exchange, or its Markets, suspend a Participant, pending the conduct of proceedings in accordance with this Section 5.
- (b) Such suspension shall not be for more than twenty-one (21) days but may be extended from time to time by a unanimous resolution of those present and entitled to vote at a subsequent meeting.

- (c) Where a suspension is made pursuant to this Rule 5.6.4, disciplinary proceedings shall commence within twenty-one (21) days or within the period of any extension.

Explanatory Note

The Board has additional powers of suspension and termination set out in Rule 2.2.7.

Amended 31/03/08, 01/09/08

5.6.5 Exchange Staff Powers – [Deleted]

Deleted 31/03/08

5.6.6 Trading Manager Powers – [Deleted]

Deleted 31/03/08

5.6.7 General Power of the Board, BCC or MPC to Require Attendance – [Deleted]

Deleted 31/03/08

5.7 EXPEDITED DETERMINATIONS AND HEARING PROCEDURES – [DELETED]

5.7.1 Expedited Determinations – [Deleted]

Deleted 31/03/08

5.7.2 Participant to be Notified of Hearing – [Deleted]

Deleted 31/03/08

5.7.3 Right of Legal Representation – [Deleted]

Deleted 31/03/08

5.7.4 Proceedings to be Recorded in Writing – [Deleted]

Deleted 31/03/08

5.7.5 Hearings – [Deleted]

Deleted 31/03/08

5.7.6 Role of Exchange Staff in Hearings – [Deleted]

Deleted 31/03/08

5.7.7 Adjournments – [Deleted]

Deleted 31/03/08

5.8 APPEALS

5.8.1 Appeals

The following decisions may be appealed in accordance with the provisions of the Australian Securities Exchange Disciplinary Processes and Appeals Rulebook.

- (a) the Exchange's refusal to grant an Applicant its application for Participant status; or
- (b) a finding of a breach of the Operating Rules and the imposition of a penalty on a Participant.

Amended 31/03/08

5.8.2 Decisions that can be made on Appeal – [Deleted]

Deleted 31/03/08

5.8.3 Appeal Process – [Deleted]

Deleted 31/03/08

5.8.4 Continuation of Suspension Pending Appeal – [Deleted]

Deleted 31/03/08

5.8.5 No Member of BCC or MPC to sit on Appeal Body – [Deleted]

Deleted 31/03/08

5.9 APPEAL TRIBUNAL

5.9.1 Jurisdiction of Appeal Tribunal – [Deleted]

Deleted 31/03/08

5.9.2 Operation of Appeal Tribunal – [Deleted]

Deleted 31/03/08

5.9.3 Notice of Appeal to the Appeal Tribunal – [Deleted]

Deleted 31/03/08

5.9.4 Appeal Tribunal Process – [Deleted]

Deleted 31/03/08

5.9.5 Status of Decisions Pending Appeal Tribunal Determination

- (a) Pending a decision of the Appeal Tribunal under the provisions of the Australian Securities Exchange Disciplinary Processes and Appeals Rulebook unless the Appeal Tribunal otherwise determines:
 - (i) any decision to refuse Participant status shall stand;
 - (ii) any suspension imposed by the Board or Exchange shall remain in force;
 - (iii) any termination of Participant status shall be deemed to be a suspension pending the decision of the Appeal Tribunal; and
- (b) Where there has been a finding of a breach of the Operating Rules and an imposition of a penalty by the Disciplinary Tribunal under the Australian Securities Exchange Disciplinary Processes and Appeals Rulebook:
 - (i) any fine imposed shall not be required to be paid; and
 - (ii) unless the Disciplinary Tribunal determines otherwise, any suspension imposed shall commence immediately and shall continue until the appeal is determined.

Amended 31/03/08

5.10 ACTIONS IN RELATION TO OPEN POSITIONS ON ORDER NOT TO TRADE, SUSPENSION, TERMINATION OR RESIGNATION

5.10.1 Board Order of Transfer of Positions

Where, under this Section 5 or another provision of the Operating Rules, a Participant's status and rights have been suspended or terminated, or the Participant has been ordered not to trade on a specified Market or Markets, or the Participant has resigned, the Board may direct that the Open Positions held by the Participant, whether on its own behalf or on behalf of Clients shall be transferred to another Participant, either:

- (a) by operation of any Power of Attorney given by the Client to any member or members of the Board; or
- (b) by operation of the agency created by Rule 5.10.7

5.10.2 Board Discretion

In deciding whether to make such a direction, the Board may take into account whether indebtedness of that Client to that Participant has been satisfied.

5.10.3 Transfer Subject to Clearing Rules

Any such transfer of Open Positions will be subject to the Clearing Rules where applicable.

5.10.4 Commission

The Participant to whom such Open Positions are transferred shall be entitled to commission on any subsequent trades.

5.10.5 Board Nominee

The Board may nominate one of its members to take all action in the name of the Participant first named in Rule 5.10.1, and to execute all documents and do all things necessary to give effect to such transfer.

5.10.6 Board may Appoint a Participant to Assist

The Board may appoint a Participant of the Exchange to assist the Board and act at the Board's direction in relation to the management of the business of the first named Participant.

5.10.7 Appointment of Board as Agent

Each Participant shall be deemed to have irrevocably appointed each member of the Board jointly and severally as its duly authorised agent to do all things and execute all documents, in the name of the Participant or otherwise, necessary to transfer any Open Positions held by that Participant in the circumstances described in Rule 5.10.1.

5.11 CARRYING INTO EFFECT OF DISCIPLINARY PROVISIONS – [DELETED]

5.11.1 Payment of Fines and Costs – [Deleted]

Deleted 31/03/08

5.11.2 Exchange may Terminate Participant Status – [Deleted]

Deleted 31/03/08

5.11.3 Exchange may Pursue Legal Action – [Deleted]

Deleted 31/03/08

5.12 NOTIFICATION OF DISCIPLINARY ACTION – [DELETED]

5.12.1 Exchange may Make Announcement – [Deleted]

Deleted 31/03/08

5.12.2 Publication and Right of Appeal – [Deleted]

Deleted 31/03/08

5.13 TRANSITIONAL PROVISIONS

5.13.1 Transitional Provisions

Following the Effective Time:

- (a) the Disciplinary Tribunal and Appeal Tribunal will have jurisdiction pursuant to the Australian Securities Exchange Disciplinary Processes and Appeals Rulebook and may Commence disciplinary proceedings or appeal proceedings under those Rules (including the holding of any hearings or engaging in any procedures) after the Effective Time in respect of a Regulated Person concerning any conduct under, or any failure to comply with, the Operating Rules, irrespective of whether that conduct or failure occurred before or after the Effective Time or when the Exchange became aware of, or should have become aware of, that conduct or failure;
- (b) where disciplinary proceedings or appeal proceedings (including the holding of any hearings or engaging in any procedures) have Commenced prior to the Effective Time in respect of a Regulated Person concerning any conduct under, or any failure to comply with, the Operating Rules, the relevant Old Tribunal shall continue to conduct the relevant 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 Operating Rules;
- (c) the maximum penalty that may be imposed on a Participant or Regulated Person shall be the maximum penalty that would have been imposed for the relevant conduct under the Operating Rules in existence at the time that the relevant conduct occurred, irrespective of whether the disciplinary proceedings or appeal proceedings (as the case may be) were Commenced before or after the Effective Time or whether the disciplinary proceedings or appeal proceedings (as the case may be) were conducted by an Old Tribunal pursuant to the Old Operating Rules or the

Disciplinary Tribunal or Appeal Tribunal (as the case may be) pursuant to the Australian Securities Exchange Disciplinary Processes and Appeals Rulebook;

- (d) the Old Tribunal pursuant to the Old Operating Rules and the Disciplinary Tribunal and Appeal Tribunal pursuant to the Australian Securities Exchange Disciplinary Processes and Appeals Rulebook shall conduct the disciplinary proceedings or appeal proceedings (as the case may be) with due regard to the relevant Operating Rules that were in force at the time that they were alleged to be contravened; and
- (e) Old Operating Rules continue to apply in respect of the Participant and Regulated Person to the extent required to give effect to the paragraphs above.

Introduced 31/03/08

5.13.2 Definitions

For the purposes of this Rule 5.13 the following definitions apply:

“Commencement” means:

- (a) in relation to disciplinary proceedings prior to the Effective Time, the referral of any breach of the Operating Rules to the BCC, MPC or Board pursuant to Rule 5.5.3(f) of the Old Operating Rules;
- (b) in relation to appeal proceedings prior to the Effective Time, the provision of a notice by a Regulated Person to the Exchange indicating that it wishes to appeal pursuant to Rules 5.8.1 or 5.9.1 of the Old Operating Rules;
- (c) in relation to disciplinary proceedings following the Effective Time, the provision of a notice by the Exchange to a Regulated Person pursuant to Rule 2.1 of the Australian Securities Exchange Disciplinary Processes and Appeals Rulebook; and
- (d) in relation to appeal proceedings following the Effective Time, the provision of a notice of appeal by the relevant person pursuant to Rule 3.1 of the Australian Securities Exchange Disciplinary Processes and Appeals Rulebook.

“Effective Time” means the date set out in the Procedures to the Australian Securities Exchange Disciplinary Processes and Appeals Rulebook;

“Old Operating Rules” means the SFE Operating Rules which were in force immediately before the Effective Time; and

“Old Tribunal” means the Contract Committee, BCC, MPC, Board or Appeal Tribunal (as the context requires) in existence immediately before the Effective Time.

“Regulated Person” means a Participant or a person applying to the Exchange for admission as a Participant pursuant to Rule 2.2 of the Operating Rules.

Introduced 31/03/08 Amended 01/09/08

SECTION 6: CONTRACT SPECIFICATIONS AND ASSOCIATED RULES

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SUB-SECTION 6A: RULES APPLICABLE TO ALL CLASSES OF FUTURES AND OPTIONS CONTRACTS LISTED ON THE EXCHANGE

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6.1 RULES APPLICABLE TO ALL CLASSES OF CONTRACT LISTED ON THE EXCHANGE

NOTE: Most of the contracts listed on SFE are approved for trading on behalf of clients located in the US. For a list of those which are not approved, click here: [Contracts not approved for US Customers](#)

6.1.1 Listing and Terms of Contracts

- (a) The Exchange may, from time to time and in its absolute discretion, List a Class of Contracts for trading on the Exchange with the terms of each Contract comprising:
 - (i) the Individual Contract Specifications for the particular Class of Contract;
 - (ii) the applicable generic Rules in this Part 6;
 - (iii) any other Rule which provides that it constitutes a term of a Contract; and
 - (iv) the generic provisions set out in this Part 6 for the Making of Determinations by the Exchange.
- (b) A Class of Contracts Listed by the Exchange may comprise Contracts which have⁴ as their Contract Unit such number and class of securities as is determined by the Exchange in a company determined by the Exchange. Notwithstanding that the Contract Units of such Contracts may differ in terms of:
 - (i) the number of securities;
 - (ii) the class of securities; or
 - (iii) the company issuing the securities

If all other Individual Contract Specifications are the same, such Contracts shall comprise a single Class of Contracts.

- (c) If there is a conflict between a provision of the Individual Contract Specifications and another provision of the Rules, the provision of the Individual Contract Specifications shall prevail.
- (d) Each Contract within a Class of Contracts which is listed shall be traded in accordance with these Operating Rules.

6.1.2 Delisting of Classes of Contracts

- (a) (i) The Exchange may, from time to time and in its absolute discretion, delist any Class of Contracts from those listed for trading on the Exchange.
- (ii) If there are no Open Positions in the relevant Class of Contract which the Exchange wishes to delist, any delisting shall become effective at such time as the Exchange shall determine.
- (iii) If there are Open Positions in the relevant Class of Contract which the Exchange wishes to delist, trading shall be permitted only to enable the Closing Out of those Open Positions, except to the extent that the Exchange deems such trading to be necessary for the maintenance of a fair, orderly and transparent market.
- (b) (i) The Exchange may from time to time and in its absolute discretion withdraw a class of securities which it has determined for the purposes of a Contract Unit of a Contract within the Class of Contracts described in Rule 6.1.1(b), with the result that trading in Contracts with that Contract Unit shall cease.
- (ii) If there are no Open Positions in the Contracts referred to in Rule 6.1.2(b)(i), the class of securities may be withdrawn at such time as the Exchange shall determine.
- (iii) If there are Open Positions in the Contracts referred to in Rule 6.1.2(b)(i), trading shall be permitted only to enable the Closing Out of those Open Positions, except to the extent that the Exchange deems such trading to be necessary for the maintenance of a fair, orderly and transparent market.
- (iv) A withdrawal of a class of securities shall not affect trading in Contracts in the same Class of Contracts which have as their Contract Unit a class of securities which is not withdrawn.

6.1.3 Publication of Decisions, Prescriptions, Determinations

Where these Operating Rules or the Individual Contract Specifications give the Exchange or SFE Clearing the power to make prescriptions or determinations (or decisions described in like terms) and to Publish them or record them in a document, failure to so Publish or record them shall not invalidate the prescription, determination or decision.

6.1.4 Trading Hours

The Exchange shall determine trading hours for all Classes of Contracts.

6.2 RULES APPLICABLE TO ALL CLASSES OF FUTURES CONTRACTS LISTED ON THE EXCHANGE

6.2.1 Effect of Futures Contracts which are Cash Settled

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").

On the Settlement Day of a Futures Contract which is cash settled:

- (a) the obligations of the parties to each Futures Contract are as follows:
 - (i) if the Contract Value is less than the Settlement Value the Seller shall be liable to pay the difference between that Contract Value and the Settlement Value;
 - (ii) if the Contract Value is greater than the Settlement Value the Buyer shall be liable to pay the difference between that Contract Value and the Settlement Value;
- (b) the rights of the parties to each Futures Contract are as follows:
 - (i) if the Contract Value is less than the Settlement Value the Buyer shall be entitled to receive the difference between that Contract Value and the Settlement Value;
 - (ii) if the Contract Value is greater than the Settlement Value the Seller shall be entitled to receive the difference between that Contract Value and the Settlement Value;
- (c) the rights and obligations of the parties to each contract shall be satisfied by cash settlement in the following way:
 - (i) Sellers shall, by no later than the time determined by SFE Clearing on that day, pay to or receive from SFE Clearing (whichever is applicable), the amount representing the difference between the Contract Value and the Settlement Value;
 - (ii) Buyers shall, by no later than the time determined by SFE Clearing on that day, pay to or receive from SFE Clearing (whichever is applicable), the amount representing the difference between the Contract Value and the Settlement Value.

(d) Effect of a Cash Settled Futures Contract that is a Contract for Difference

Additional effects of a cash settled Futures Contract that is designated by the Exchange as a Contract for Difference are as follows:

- (i) A party holding an Open Position will make such CFD Daily Adjustments representing interest and/or yield, as the Exchange determines, by reference to the CFD Daily Settlement Price, as the Exchange determines.
- (ii) The CFD Daily Adjustments will be paid in such currency as the Exchange determines.
- (iii) In respect of a cash settled Futures Contract that is designated by the Exchange as a Contract for Difference, the Exchange may postpone the Settlement Day to a subsequent day and cause a notice of the new Settlement Day to be published. Failure to publish such notice shall not invalidate the alteration of the Settlement Day or delay its operation.

Explanatory Note

It is envisaged that the Exchange would exercise its power in Rule 6.2.1(d)(iii) to reschedule the Settlement Day such that Futures Contracts designated as Contracts for Difference would, in practice, never reach expiry.

This method enables the novation, daily settlement and margining procedures used for futures contracts and options to apply equally to Futures Contracts designated as Contracts for Difference.

6.2.2 Effect of Futures Contracts which are Deliverable and Obligations of Buyers and Sellers

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.

6.2.3 Provision for Making Determinations Relating to Futures Contracts

The following are terms of every Class of Contract, which is a Futures Contract in addition to any other terms

(a) Manner of Quoting Futures Prices.	Such manner as is determined by the Exchange.
(b) Minimum fluctuations to be used in quoting futures prices.	Such manner as is determined by the Exchange.
(c) Final Trading Day in a Settlement Month.	Such Business Day as is determined by the Exchange.
(d) Time at which trading ceases on Final Trading Day.	Such time as is determined by the Exchange.
(e) Settlement Day.	Such Business Day as is determined by the Exchange.
(f) Final time by which Seller's and Buyer's obligations, respectively, must be satisfied on Settlement Day.	Such times, respectively, on the Settlement Day as the Exchange determines.
(g) Settlement Months.	Such months as are determined by the Exchange.
(h) Settlement Price.	Such price as is determined by SFE Clearing.
(i) Time of declaration of Settlement Price	Such time as is determined by SFE Clearing.

6.2.4 Default

- (a) (i) A Buyer or Seller who does not settle a cash settled Futures Contract with SFE Clearing as required by these Operating Rules shall be in default.
(ii) A Buyer or Seller who fails to pay the CFD Daily Adjustments to SFE Clearing as required by these Operating Rules shall be in default.
- (b) (i) a Seller of a deliverable Futures Contract who does not give delivery as required by these Operating Rules; and
(ii) a Buyer of a deliverable Futures Contract who does not take delivery as required by these Operating Rules shall be in default.
- (c) In the event of default in settling at settlement or making CFD Daily Adjustments of a cash settled Futures Contract on the part of a Participant's Client, the Participant shall, unless the Participant is in default under Rule 6.2.1(c), have the right of Closing Out any transaction entered into in any Market by such Participant on behalf of the Client, without further notice and without in any way prejudicing any other legal action for recovery which the Participant may take or have taken.
- (d) In the event of default at settlement of a deliverable Futures contract, the rights of a Participant whose Client is in default shall be as specified in the relevant Individual Contract Specifications.

6.2.5 Documents

Documents must be taken up and given to Clearing Participants without prejudice to and regardless of any question in dispute and such questions shall be resolved between the parties. All differences, interest and other charges are for prompt settlement.

6.2.6 Determination of Settlement Price

- (a) The Settlement Price for each Class of Contract shall be determined in accordance with the relevant procedures set out in the relevant Individual Contract Specifications. The Settlement Price so determined shall, subject to Rule 1.4, be accepted as final.
- (b) Where the Individual Contract Specifications provide for the Settlement Price of a Class of Contract to be determined having regard to quotations provided by Participants in the underlying Market, for each relevant Futures Contract:
 - (i) the Exchange shall determine a list of active participants in the underlying Market, to be known as the “Settlement List” for the relevant Class of Contract, and may amend the list from time to time. In approving parties for addition or deletion the Exchange will have regard to the extent of their participation in the market for the underlying securities in the relevant Class of Contract;
 - (ii) the Exchange shall determine the day or days on which and the times at which quotations will be obtained to be used in the calculation of the Settlement Price.
 - (iii) on the day or days determined by the Exchange, SFE Clearing will request buying and selling quotes from the parties on the Settlement List. Quotations shall be sought from not less than 80 per cent of the members on the Settlement List (the members to be randomly selected). All quotations must be confirmed to SFE Clearing In Writing.
 - (iv) where a person representing a selected name fails to declare buying and selling quotations, or the spread between the buying and selling quotations is greater than 0.10 per cent per annum or the nearest practical equivalent of 0.10 per cent per annum where quotations are provided in other than yield per cent per annum, then each quotation submitted on behalf of that name for each quotation time shall not be accepted.
 - (v) requirements relating to the quotations sought and procedures for calculation shall be set out in the Individual Contract Specifications for each relevant Class of Contract.

6.2.7 Appointment of SFE Clearing as Agent and Attorney

Without prejudice to any other provisions in these Operating Rules:

- (a) each Participant who is a party to a deliverable Futures Contract irrevocably appoints SFE Clearing 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) SFE Clearing 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 SFE Clearing and keep SFE Clearing indemnified against any loss or claim arising from SFE Clearing’s performance of its obligations in relation to any safe accommodation service.

6.2.8 Warehouse Receipts

- (a) This Rule 6.2.8 applies in respect of Warehouse Receipts which are issued in respect of a Class of Contract which is listed on the Exchange.
- (b) In this Rule, 6.2.8 “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.
- (c) None of the Exchange, SFE Clearing, their respective Boards, Directors and employees 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.
- (d) The Exchange, SFE Clearing 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 Market Participants on that basis. However, the Approved Warehouse, in issuing the Warehouse Receipt does not warrant the negotiability of the Warehouse Receipt, and neither SFE Clearing nor the Exchange warrant 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, SFE Clearing or the Exchange by reason only of a Warehouse Receipt being in fact not negotiable.
- (e) Provided that the Seller has acted in good faith and in the ordinary course of business:
 - (i) the delivery to a Buyer or SFE Clearing of an endorsed Warehouse Receipt and certificates as required by these Operating Rules or the Operating Rules of SFE Clearing 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.
- (f) The Buyer agrees with SFE Clearing, 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 Operating Rules constitute an effective release of liability that such a holder would but for this Rule 6.2.8 otherwise be under.

6.3 RULES APPLICABLE TO ALL CLASSES OF OPTION CONTRACT LISTED ON THE EXCHANGE

6.3.1 General

Option Contracts may be:

- (a) Option Contracts over Futures Contracts or Option Contracts over an Underlying Physical, which in both cases shall expire on the Declaration Date determined by the Exchange; and
- (b) Call Options or Put Options; and
- (c) Deliverable or cash settled.

6.3.2 Effect of Option Contract

(a) Deliverable Call Option Contracts over a Futures Contract

In the case of deliverable Call Option Contracts over a Futures Contract:

- (i) the Buyer (Taker) of the Option Contract acquires the right to a bought futures position in the Underlying Futures Contract specified in the Contract Unit in the Individual Contract Specifications in consideration for a Contract Premium; and
- (ii) in the event that the Buyer of the Option Contract exercises that right, a Seller (Grantor) as appointed by SFE Clearing in accordance with the Clearing Rules shall be vested with a sold futures position in the Underlying Futures Contract at the same price and in the same Settlement Month as that assumed by the Buyer of the Option Contract; and
- (iii) the Buyer acquires the right to a bought futures position at an Exercise Price agreed between the parties, provided it is selected from a list of such prices determined under the relevant Individual Contract Specifications; and
- (iv) where an Option Contract over a Futures Contract is exercised, the resulting Futures Contract shall be registered at the Exercise Price agreed pursuant to Rule 6.3.2(a)(iii).

(b) Deliverable Put Option Contracts over a Futures Contract

In the case of deliverable Put Option Contracts over a Futures Contract:

- (i) the Buyer (Taker) of the Option Contract acquires the right to a sold futures position in the Underlying Futures Contract specified in the Contract Unit in the Individual Contract Specifications in consideration for a Contract Premium; and
- (ii) in the event that the Buyer of the Option Contract exercises that right, a Seller (Grantor) as appointed by SFE Clearing in accordance with the Clearing Rules shall be vested with a bought futures position in the Underlying Futures Contract at the same price and in the same Settlement Month as that assumed by the Buyer of the Option Contract; and
- (iii) the Buyer acquires the right to a sold futures position at an Exercise Price agreed between the parties, provided that it is selected from a list of such prices determined under the relevant Individual Contract Specifications; and
- (iv) where an Option Contract over a Futures Contract is exercised, the resulting Futures Contract shall be registered at the Exercise Price agreed pursuant to Rule 6.3.2(b)(iii).

(c) Deliverable Strip Option Contracts which are Call Option Contracts

In the case of deliverable Strip Options Contracts which are Call Option Contracts:

- (i) the Buyer (Taker) of the Strip Option Contract acquires the right to bought positions in the Underlying Futures Contracts specified in the Contract Unit in the Individual Contract Specifications, in consideration for a Contract Premium; and
- (ii) in the event that the Buyer of the Strip Option Contract exercises that right, a Seller (Grantor) as appointed by SFE Clearing in accordance with the Clearing Rules shall be vested with sold

- futures positions in the Underlying Futures Contracts, at the same prices and in the same Settlement Months as those assumed by the Buyer of the Strip Option Contract; and
- (iii) the Buyer acquires the right referred to in Rule 6.3.2(c)(i) at an Exercise Price agreed between the parties, provided it is selected from a list of such prices as shall be determined under the relevant Individual Contract Specifications; and
 - (iv) where a Strip Option Contract is exercised, the resulting Futures Contracts shall be registered at such prices as shall be determined under the relevant Individual Contract Specifications.

(d) Deliverable Strip Option Contracts which are Put Option Contracts

In the case of Deliverable Strip Options which are Put Option Contracts:

- (i) the Buyer (Taker) of the Strip Option Contract acquires the right to sold positions in the Underlying Futures Contracts specified in the Contract Unit in the Individual Contract Specifications in consideration for a Contract Premium; and
- (ii) in the event that the Buyer of the Strip Option Contract exercises that right, a Seller (Grantor) as appointed by SFE Clearing in accordance with the Clearing Rules shall be vested with bought futures positions in the Underlying Futures Contracts at the same prices and in the same Settlement Months as those assumed by the Buyer of the Strip Option Contract; and
- (iii) the Buyer acquires the right referred to in Rule 6.3.2 (d) (i) at an Exercise Price agreed between the parties, provided that it is selected from a list of such prices as shall be determined under the relevant Individual Contract Specifications; and
- (iv) where a Strip Option Contract is exercised, the resulting Futures Contracts shall be registered at such prices as shall be determined under the relevant Individual Contract Specifications.

(e) Deliverable Call Option Contracts over an Underlying Physical

In the case of deliverable Call Option Contracts over an Underlying Physical:

- (i) the Buyer (Taker) of the Option Contract acquires the right to buy the amount of the Underlying Physical specified in the Contract Unit in the Individual Contract Specifications in consideration for a Contract Premium; and
- (ii) in the event that the Buyer of the Option Contract exercises that right, a Seller (Grantor) as appointed by SFE Clearing in accordance with the Clearing Rules assumes the obligations to sell the amount of the Underlying Physical referred to in Rule 6.3.2(e)(i) to the Buyer; and
- (iii) the Buyer acquires the right referred to in Rule 6.3.2(e)(i) to buy the Underlying Physical at an Exercise Price agreed between the parties provided it is selected from a list of such prices determined under the relevant Individual Contract Specifications.

(f) Deliverable Put Option Contracts over an Underlying Physical

In the case of deliverable Put Option Contracts over an Underlying Physical:

- (i) the Buyer (Taker) of the Option Contract acquires the right to sell the amount of the Underlying Physical specified in the Contract Unit in the Individual Contract Specifications in consideration for a Contract Premium; and
- (ii) in the event that the Buyer of the Option Contract exercises that right, a Seller (Grantor) as appointed by SFE Clearing in accordance with the Clearing Rules assumes the obligations to buy the amount of the Underlying Physical referred to in Rule 6.3.2(f)(i) from the Buyer; and
- (iii) the Buyer acquires the right referred to in Rule 6.3.2(f)(i) to sell the Underlying Physical at an Exercise Price agreed between the parties provided that it is selected from a list of such prices determined under the relevant Individual Contract Specifications.

(g) Cash Settled Call Option Contracts

In the case of cash settled Call Option Contracts:

- (i) the Buyer (Taker) of the Option Contract acquires the right to payment of an amount equivalent to the difference between the Exercise Price of the Option and the Settlement Price in consideration for a Contract Premium if the Settlement Price is higher than the Exercise Price; and
- (ii) in the event that the Buyer of the Option Contract exercises that right, a Seller (Grantor) as appointed by SFE Clearing in accordance with the Clearing Rules assumes the obligation to pay the amount referred to in Rule 6.3.2(g)(i) to the Buyer.

(h) Cash Settled Put Option Contracts

In the case of cash settled Put Option Contracts:

- (i) the Buyer (Taker) of the Option Contract acquires the right to payment of an amount equivalent to the difference between the Exercise Price of the Option and the Settlement Price in consideration for a Contract Premium if the Settlement Price is lower than the Exercise Price; and
- (ii) in the event that the Buyer of the Option Contract exercises that right, a Seller (Grantor) as appointed by SFE Clearing in accordance with the Clearing Rules assumes the obligation to pay the amount referred to in Rule 6.3.2(h)(i) to the Buyer.

6.3.3 Rights of Buyer

(a) Rights of Buyer of all Option Contracts

The Buyer of an Option Contract may, prior to the expiration of trading on the Declaration Date, sell an Option Contract of the same type at the same Exercise Price and with the same Settlement Month as that Option Contract bought, in which case the bought and sold positions may be Closed Out.

(b) Rights of Buyer of Deliverable Ordinary, Serial and Strip Option Contracts Over a Futures Contract

- (i) The Buyer of a deliverable Ordinary, Serial and Strip Option Contract may exercise the Option at any time prior to the time determined by the Exchange for lodging Exercise Requests in the relevant Option Contract, in which case the Buyer shall:
 - (A) in the case of a Ordinary or Serial Option, become the holder of a bought futures position (in the case of a Call Option Contract), or the holder of a sold futures position (in the case of a Put Option Contract), in the Underlying Futures Contract in the same month and at the same price as the Option Contract bought; or
 - (B) in the case of a Strip Option, become the holder of bought futures positions (in the case of a Call Option Contract), or the holder of sold futures positions (in the case of a Put Option Contract), in the Underlying Futures Contracts in the same months, at the prices determined in accordance with the Individual Contract Specifications; or
- (ii) allow SFE Clearing, on the Declaration Date, to automatically exercise the Option Contract or let it lapse, in accordance with the relevant Individual Contract Specifications; or
- (iii) prevent the automatic exercise of the Option by lodging a Deny Automatic Exercise Request within the SFE Allocation & Clearing System at any time prior to the time determined by the Exchange for lodging a Deny Automatic Exercise Requests in the relevant contract, in which case the Option Contract shall be deemed to have lapsed.

(c) Rights of Buyer of Deliverable Option Contracts Over an Underlying Physical

The Buyer of a deliverable Option Contract over an Underlying Physical may:

- (i) exercise the Option at any time prior to the time determined by the Exchange for lodging Exercise Requests in the relevant Option Contract, in which case the Buyer shall take delivery of the Underlying Physical specified in the Individual Contract Specifications (in the case of a call Option Contract), or sell the Underlying Physical specified in the Individual Contract Specifications (in the case of a put Option Contract) at the Exercise Price referred to in Rule 6.3.2(e)(iii) or (f)(iii), as the case may be; or
- (ii) allow SFE Clearing, on the Declaration Date, to automatically exercise the Option Contract or let it lapse, in accordance with the relevant Individual Contract Specifications; or

- (iii) prevent the automatic exercise of the Option by lodging a Deny Automatic Exercise Request within the SFE Allocation & Clearing System at any time prior to the time determined by the Exchange for lodging a Deny Automatic Exercise Requests in the relevant contract, in which case the Option Contract shall be deemed to have lapsed.

(d) No Right of Buyer to Exercise Intraday and Overnight Option Contracts

Neither deliverable nor cash settled Intraday Options and Overnight Options may be exercised by the Buyer and are automatically exercised or allowed to lapse by SFE Clearing.

6.3.4 Rights of Seller to Close Out for all Option Contracts Prior to Expiry

Prior to the expiration of trading on the Declaration Date the Seller of an Option Contract shall be entitled to buy an Option Contract of the same type at the same Exercise Price and with the same Settlement Month as that sold in which case the bought and sold positions may be Closed Out.

6.3.5 Rights of Holder of Bought and Sold Options for all Option Contracts on Expiry

Where a person holds bought and sold Option Contracts at the same Exercise Price and with the same Settlement Month, the sold position may be exercised against on expiry.

6.3.6 Provision for Making Determinations Relating to Options Contracts

Unless otherwise specified in the Individual Contract Specifications for a particular Class of Contract:

- (a) The following are terms of every Class of Options Contract, in addition to other terms:

(i) Manner of quoting Contract Premiums.	Such manner as is determined by the Exchange.
(ii) Minimum fluctuations to be used in quoting Contract Premium.	Such fluctuation as is determined by the Exchange.
(iii) Manner of quoting Exercise Prices of Options.	Such manner as is determined by the Exchange.
(iv) Minimum fluctuations to be used in quoting Exercise Prices of Options.	Such fluctuation as is determined by the Exchange.
(v) Expiry Months.	Such months as are determined by the Exchange.
(vi) Declaration Date.	Such Business Day as is determined by the Exchange.
(vii) Time at which trading ceases on Declaration Date.	Such time as is determined by the Exchange.

- (b) the following are terms of every Class of Contract which are Ordinary Options, Strip Options or Serial Options, in addition to the terms set out in (a) above, and any other terms:

(i) Time by which Participants must lodge Request or Deny Automatic Exercise Requests for exercise of Ordinary, Strip and Serial Options.	Such time or times as is determined by the Exchange.
(ii) The Serial Options price.	Such price as is determined by SFE Clearing.

Explanatory Note:

The terms of all Ordinary Options and Serial Options include the matters set out in (a) and (b) above, as well as in the Individual Contract Specifications for Ordinary Options or Serial Options, as the case may be, and otherwise as provided in these Operating Rules.

- (c) The following are terms of every Class of Contract which are Intraday or Overnight Options, in addition to the terms set out in (a) above and any other terms:

(i) Day of Contract expiry.	Such Business Day as is determined by the Exchange.
(ii) Time of Contract expiry.	Such time as is determined by the Exchange.
(iii) The Intraday Options Futures Price.	Such price as is determined by SFE Clearing.
(iv) The Overnight Options Futures Price.	Such price as is determined by SFE Clearing.

Explanatory Note:

The terms of all Intraday Options or Overnight Options include the matters set out in (a) and (c) above, as well as in the Individual Contract Specifications for Intraday Options or Overnight Options, as the case may be, and otherwise as provided in these Rules.

6.3.7 Premium

- (a) An Option Contract shall be entered into in consideration of a Contract Premium payable by the Buyer.
- (b) The Contract Premium shall be calculated in accordance with these Operating Rules and payment thereof shall be governed by the Deposit and Margin requirements set out in Section 2 of the Operating Rules.

6.3.8 Exercise Prices

Exercise Prices shall be determined by the Exchange from time to time to reflect the movement of the price of the applicable Futures Contract or Underlying Physical, and the Exchange shall Publish each new Exercise Price as it is determined.

6.3.9 Effect of Registration

Upon the registration of an Option Contract by SFE Clearing, such Option Contract shall be replaced by a Option Contract or Option Contracts in accordance with the Clearing Rules and each Option Contract so registered shall be extinguished and the parties to such Option Contract shall be released from their obligations to each other.

6.3.10 Lodgement of Exercise or Deny Automatic Exercise Requests in Respect of Deliverable Ordinary Serial and Strip Option Contracts and Option Contracts over an Underlying Physical

- (a) Exercise of an Option or prevention of the Automatic Exercise of an Option may be carried out by lodging electronically with SFE Clearing, an Exercise Request and/or Deny Automatic Exercise Request in the SFE Allocation & Clearing system or in a form determined by SFE Clearing.
- (b) A Participant who holds a bought (Call or Put) Option Contract on behalf of a Client may exercise or prevent the automatic exercise of the Option provided that the Participant has received the relevant instructions from the Client prior to the time for lodgement of the Exercise and/or Deny Automatic Exercise Request.

6.3.11 Exercise/Expiry of All Option Contracts on Declaration Date

On the Declaration Date of both cash settled and deliverable Option Contracts, SFE Clearing shall, unless otherwise directed by an Exercise Request and/or Deny Automatic Exercise Request in respect of an Ordinary Option or a Serial Option, or unless the relevant Individual Contract Specifications state otherwise:

- (a) exercise all in-the-money Options; and
- (b) allow all other Option Contracts to expire.

6.3.12 Option Contracts which are in-the-Money

(a) Deliverable Options

- (i) An Ordinary Option over a Futures Contract which is cash settled is in-the-money if the Settlement Price of the Underlying Futures Contract Settlement Month lies above the Exercise Price in the case of a Call Option Contract, or lies below the Exercise Price in the case of a Put Option Contract.
- (ii) An Ordinary Option over a Futures Contract which is deliverable is in-the-money if the Daily Settlement Price for the Underlying Futures Contract Settlement Month for the Declaration Date lies above the Exercise Price in the case of a Call Option Contract, or lies below the Exercise Price in the case of a Put Option Contract.
- (iii) A Strip Option is in-the-money if the Options Settlement Price lies above the Exercise Price in the case of a Call Option Contract or lies below the Exercise Price in the case of a Put Option Contract. The Option Settlement Price shall be determined in accordance with the Individual Contract specifications.
- (iv) A Serial Option is in-the-money if the Serial Option price lies above the Exercise Price in the case of a Call Option Contract or lies below the Exercise Price in the case of a Put Option Contract. The Serial Option price shall be determined by reference to the underlying futures market price at expiry of the Serial Option.
- (v) An Intraday Option is in-the-money if the Intraday Option Futures price of the underlying Futures Contract Settlement Month lies above the Exercise Price in the case of a Call Option Contract or lies below the Exercise Price in the case of a Put Option Contract. Intraday Option futures prices shall be determined in accordance with the price sampling procedures which are specified in the Individual Contract Specifications for the relevant Option Contracts.
- (vi) An Overnight Option is in-the-money if the Overnight Option futures price of the underlying Futures Contract Settlement Month lies above the Exercise Price in the case of a Call Option Contract or lies below the Exercise Price in the case of a Put Option Contract. Overnight Option futures prices shall be determined in accordance with the price sampling procedures which are specified in the Individual Contract Specifications for the relevant Option Contracts.
- (vii) An Option over an Underlying Physical is in-the-money if the Settlement Price of the Underlying Physical lies above the Exercise Price in the case of a Call Option Contract, or lies below the Exercise Price in the case of a Put Option Contract.

(b) Cash Settled Option Contracts

A cash settled Option over a Futures Contract or Underlying Physical is in-the-money if the Settlement Price lies above the Exercise Price in the case of a Call Option Contract or lies below the exercise Price in the case of a Put Option Contract.

6.3.13 Notification to Sellers

(a) Notification to Sellers of Deliverable Option Contracts over a Futures Contract

- (i) Upon receipt of an Exercise Request, SFE Clearing will notify the Seller that the Seller has become:
 - (A) in the case of an Option over a Futures Contract, the holder of a sold futures position in the case of a Call Option Contract, or the holder of a bought futures position in

- the case of a Put Option Contract, in the underlying Futures Contract in the same Month and at the same Exercise Price as the Option Contract sold;
- (B) in the case of a Strip Option, the holder of sold futures positions in the case of a Call Option, or the holder of bought futures positions in the case of a Put Option, in the Underlying Futures Contracts in the same Months and at the same Exercise Prices as the Option Contract sold;
 - (C) entitled to receive the net value of the Contract Premium.
- (ii) On the Declaration Date, the Seller will receive such notification after the Exercise Request is lodged in the SFE Allocation & Clearing System and by not later than the time determined by the Exchange for each relevant Option Contract.
 - (iii) On all other Business Days, the Seller will receive such notification after the conclusion of business processing at the end of the day on which the Exercise Request was lodged by the Seller and by not later than the time determined by the Exchange for each relevant Option Contract.
- (b) Notification to Sellers of Deliverable Equity Option Contracts over an Underlying Physical**
- (i) Upon receipt of an Exercise Request, SFE Clearing will notify the Seller, as soon as practicable, that the Equity Option over an Underlying Physical has been exercised.
 - (ii) On the Declaration Date, the Seller will receive the notification referred to above after the Exercise Request is lodged in the SFE Allocation & Clearing System and by not later than the time determined by the Exchange for each relevant Option Contract.
 - (iii) On all other Business Days, the Seller will receive the notification referred to above after the conclusion of business processing at the end of the day on which the Exercise Request was lodged by the Seller and by not later than the time determined by the Exchange for each relevant Option Contract.
- (c) Notification to Sellers of Cash Settled Option Contracts**

On the Declaration Date, the Seller will receive notification of any Settlement Value to be paid and the Contract Premium to be received by not later than the time determined by the Exchange for each relevant Option Contract.

6.3.14 Obligations of Participant on Exercise of Deliverable Option Contracts over a Futures Contract

Where the Seller has become the holder of a futures position pursuant to the exercise of an Option Contract, the Seller shall comply with the provisions of these Operating Rules relating to the futures positions.

6.3.15 Disputes

Documents must be taken up without prejudice to any question in dispute and such question shall be agreed between the parties. All differences, interests and all other charges are for prompt settlement.

6.4 TRANSITIONAL PROVISIONS TO ENABLE NZFOE CONTRACTS TO BE TREATED AS THOUGH THEY HAD BEEN OPENED ON THE EXCHANGE

6.4.1 Definitions

For the purposes of this Section 6.4 the following definitions are applicable.

Changeover Day	in respect of a Class of Contract listed on NZFOE, means the day which NZFOE determines, pursuant to Rule 10.2A of the Rules of NZFOE;
	<ul style="list-style-type: none"> • to be the day on which that Class of Contract is to be deleted from those Classes of Contract which are listed for trading on NZFOE; and also • to be the last day on which trading in that Class of Contract may take place on NZFOE.
Dealer	means Dealer within the meaning of the Rules of NZFOE.
Exchange Contract	means a contract executed on the Exchange.
NZFOE	means New Zealand Futures & Options Exchange Limited.
NZFOE Contract	means a contract which was executed on NZFOE in accordance with the Rules of NZFOE on or before the Changeover Day.
Rule 10.2A determination	<p>means a determination made by NZFOE pursuant to Rule 10.2A of the NZFOE Rules:</p> <ul style="list-style-type: none"> ▪ to delete a Class of Contract from those listed for trading by NZFOE, where a Class of Contract is listed on the Exchange with substantially the same Contract Specifications as those of the Class of Contract to be deleted; and ▪ that all Open Positions in the NZFOE Contract the subject of the deletion shall cease to be NZFOE contracts.

6.4.2 NZFOE Contracts to be Treated as Exchange Contracts

- (a) Where NZFOE makes a Rule 10.2A determination, the Exchange shall, for the purposes of these Operating Rules, at the time determined by NZFOE, treat each NZFOE Contract which is an Open Contract at that time, as though it had been executed on the Exchange on the date on which it was executed on NZFOE, and that it had been executed:
 - (i) where the Dealer who executed the contract is also a Full Participant, by the Dealer in its capacity as a Full Participant;
 - (ii) where the Dealer who executed the contract is not also a Full Participant, and the Clearing Participant in whose name the contract is registered with SFE Clearing is a Full Participant, by that Clearing Participant in its capacity as a Full Participant;
 - (iii) in any other case, by a Full Participant selected by the Exchange in consultation with the Dealer and the Full Participant.
- (b) Each relevant NZFOE contract shall be treated as though it were an SFE contract in the Class of Contract determined by the Exchange.
- (c) Where Rule 6.4.2(a) applies and the Full Participant who is deemed to have executed the contract on the Exchange is not a Clearing Participant, the Full Participant shall provide to the Exchange a duly signed guarantee from a Clearing Participant (the Guarantor Clearing Participant) in the form determined by the Exchange, to the effect that the Guarantor Clearing Participant guarantees to each and every Full Participant of the Exchange the performance of all contracts which were executed on the New Zealand Futures & Options Exchange Limited and which the Exchange has agreed to treat, pursuant to the Operation Rules of the Exchange, as though they had been executed on the Exchange by the Full Participant.

Explanatory Note

Link to Procedures. [NZFOE Contract Treated as Exch Contract](#)

SUB-SECTION 6B: INTEREST RATE CONTRACTS

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6.20.1 Ten Year Commonwealth Treasury Bond Futures Contract

Item	Heading	Individual contract specifications
1.1	Contract Unit	<p>Commonwealth Government Treasury Bonds with:</p> <ul style="list-style-type: none"> (a) a face value of \$100,000 (b) a term to maturity of ten years (c) no tax rebate allowed (d) a coupon rate for each Settlement Month as determined by the Exchange.
1.2		<p>The coupon rate referred to in Item 1.1(d) may be determined:</p> <ul style="list-style-type: none"> (a) prior to the Settlement Month being listed; or (b) after the Settlement Month has been listed, provided that no Open Positions in Ten Year Commonwealth Treasury Bond Futures Contracts or Options Over those Futures Contracts exist in the Settlement Month at the time of the rate variation.
1.3	Type of contract	Cash Settled
2	Contract Value	$1000 \times [c(1 - v^{20})/i + 100v^{20}]$ (expressed in Australian Dollars) where $i = \frac{\text{one half the Contract Price}}{100}$ and $v = 1/(1 + i)$ and $c = \text{coupon rate}/2$ (The calculation within the brackets shall be carried out to such number of decimal places as the Exchange shall determine and shall be rounded in the manner determined by the Exchange).
3	Settlement Price	<p>For each Settlement Day SFE Clearing shall declare the Settlement Price, which shall be calculated in accordance with the procedures in Item 5.</p> <p>SFE Clearing will declare the Settlement Price at such time as it shall determine.</p>
4	Settlement Value	$1000 \times [c(1 - w^{20})/j + 100w^{20}]$ (expressed in Australian Dollars) where $j = \frac{\text{one half the Settlement Price}}{100}$ and $w = 1/(1 + j)$ and $c = \text{coupon rate}/2$ (The calculation within the brackets shall be carried out to such number of decimal places as the Exchange shall determine and rounded in a manner determined by the Exchange).
5	Manner of determining the Settlement Price	<p>The Settlement Price shall be determined having regard to quotations provided by Participants in the underlying market, as provided for in Rule 6.2.6 and in accordance with this Item 5.</p> <ul style="list-style-type: none"> (a) For each Settlement Month the Exchange shall determine not less than 3 series of Treasury Bonds whose yields shall be used in the determination of the Settlement Price for that Settlement Month. (b) Quotations to be obtained shall be for the yields, in the multiples determined by the Exchange for quoting the Futures Price, at which the price provider would, as at the quotation times determined by the Exchange, purchase and sell the relevant series of Treasury Bonds. (c) For each series of Treasury Bonds for each quotation time, the two highest and the two lowest buying quotations and the two highest and the two lowest

Item	Heading	Individual contract specifications
		<p>(d) selling quotations shall be discarded.</p> <p>The arithmetic mean of the remaining quotations from all quotation times shall be calculated to the number of decimal places determined by the Exchange and rounded in a manner determined by the Exchange.</p> <p>The arithmetic mean so calculated shall be the Settlement Price.</p>
6	Inability for SFE Clearing to declare Settlement Price and Undesirable Situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of the Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

The terms of all Ten Year Commonwealth Treasury Bond Futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provides for determinations by the Exchange as to:
 - the units in which prices are to be quoted by participants when submitting orders;
 - the Final Trading Day in a Settlement Month;
 - the time at which trading ceases on the Final Trading Day;
 - the Settlement Day;
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day;
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows:

"Final Trading Day" – such business day as is determined by the Exchange. The actual determination made by the Exchange is "the fifteenth day of the Settlement Month, or if that day is not a Business Day, then the Business Day immediately following the fifteenth day".

Link to Procedures for determinations. [Ten Year Futures Determination](#)

6.20.2 Ordinary Options Over Ten Year Commonwealth Treasury Bond Futures Contracts

Item	Heading	Individual contract specifications
1	Contract Unit	A Ten Year Commonwealth Treasury Bond Futures Contract.
2	Value of the Contract Premium in dollars and cents	<p>The Contract Premium is to be calculated by reference to the following formula:</p> <p>Value of Contract Premium =</p> $1000p \times \left[\frac{\{c(1 - a^{20}) + 100a^{20}\}}{e} - \frac{\{c(1 - b^{20}) + 100b^{20}\}}{f} \right]$ <p>where:</p> $p = \text{Contract Premium in yield per cent per annum} \times 100$ $c = \text{coupon rate}/2$ $e = \frac{(100 - \text{Exercise Price})}{200}$ $a = \frac{1}{1 + e}$ $f = \frac{(200e+0.01)}{200}$ $b = \frac{1}{1 + f}$ <p>The calculations within the brackets shall be carried out to the number of decimal places determined by the Exchange.</p> <p>The value of the Contract Premium shall be rounded in the manner determined by the Exchange.</p>
3	Undesirable Situations	If Undesirable Situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

The terms of all Ordinary Options over Ten Year Commonwealth Treasury Bond Futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3:

- (a) which provides for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation;
 - the manner in which Exercise Price is quoted and minimum fluctuations;
 - Settlement Months;
 - the Declaration Day;
 - the time at which trading ceases on the Declaration Date;
 - the latest time for lodgement of a Request or a Deny Automatic Exercise Request; and
- (b) which also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (the document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is the "time at which trading ceases" – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is "12.00 noon on the Declaration Date"

Link to Procedures for determinations. [Ten Year Ordinary Options Determination](#)

6.20.3 Serial Options Over Ten Year Commonwealth Treasury Bond Futures Contracts

Item	Heading	Individual contract specifications
1	Contract Unit	A Ten Year Commonwealth Treasury Bond Futures Contract.
2	Value of the Contract Premium in dollars and cents	<p>The Contract Premium is to be calculated by reference to the following formula:</p> <p>Value of Contract Premium =</p> $1000p \times \left[\frac{c(1 - a^{20})}{e} + 100a^{20} \right] - \left[\frac{c(1 - b^{20})}{f} + 100b^{20} \right]$ <p>where:</p> $p = \text{Contract Premium in yield per cent per annum} \times 100$ $c = \text{coupon rate}/2$ $e = \frac{(100 - \text{Exercise Price})}{200}$ $a = \frac{1}{1+e}$ $f = \frac{(200e+0.01)}{200}$ $b = \frac{1}{1+f}$ <p>The calculations within the brackets shall be carried out to the number of decimal places determined by the Exchange.</p> <p>The value of the Contract Premium shall be rounded in a manner determined by the Exchange.</p>
3	Entry Of Close-Outs	Clearing Participant must enter position Close Outs at settlement of the Serial Options at the time determined by SFE Clearing.
4	Undesirable Situations	If an Undesirable Situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

The terms of all Serial Options over Ten Year Commonwealth Treasury Bond Ten Year Futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular:

- (a) Rule 6.3, which provides for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation;
 - the manner in which Exercise Price is quoted and minimum fluctuations;
 - Settlement Months;
 - the Declaration Day;
 - the time at which trading ceases on the Declaration Date;
 - the latest time for entering Position Close outs for serial options; and
 - the latest time for lodgement of a Request or a Deny Automatic Exercise Request.
- (b) Rule 6.3 also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is the "time at which trading ceases" – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is "12.30 pm on the Declaration Date".

Link to Procedures for determination. [Ten Year Serial Options Determination](#)

6.20.4 Intraday Options Over Ten Year Commonwealth Treasury Bond Futures Contracts

Item	Heading	Individual contract specifications
1	Contract Unit	A Ten Year Commonwealth Treasury Bond Futures Contract.
2	Value of the Contract Premium in dollars and cents	<p>The Contract Premium is to be calculated by reference to the following formula:</p> <p>Value of Contract Premium =</p> $1000p \times \left[\frac{\{c(1 - a^{20}) + 100a^{20}\}}{e} - \frac{\{c(1 - b^{20}) + 100b^{20}\}}{f} \right]$ <p>where</p> <p>p = Contract Premium in yield per cent per annum x 100 c = coupon rate/2 $e = \frac{(100 - \text{Exercise Price})}{200}$ $a = \frac{1}{1+e}$ $f = \frac{(200e+0.01)}{200}$ $b = \frac{1}{1+f}$</p> <p>The calculations within the brackets shall be carried out to the number of decimal places determined by the Exchange.</p> <p>The value of the Contract Premium shall be rounded in the manner determined by the Exchange.</p>
3	Intraday Option Futures Price *	<ul style="list-style-type: none"> (a) The Intra-Day Option Futures Price shall be weighted average of trade prices, calculated as follows: $\frac{\sum(\text{price}_n \times \text{volume}_n)}{V}$ <p>where n = deal executed during the price-sampling period; and V = total volume traded during the price-sampling period.</p> (b) The calculation of the weighted average of trade prices shall be carried out to the number of decimal places determined by the Exchange and rounded in the manner determined by the Exchange. (c) In the event that no trades occur during the price-sampling period, the Intra-Day Option Futures Price shall be the midpoint of the bid and ask prices rounded up in the manner determined by the Exchange in the underlying Ten Year Commonwealth Treasury Bond Futures contract at the end of the price-sampling period. (d) The price-sampling periods for the Intraday Option Futures Price shall be determined by the Exchange.
4	Declaration of Intraday Option Futures Price	SFE Clearing will declare the Intraday Option Futures Price at such time as it shall determine.
5	Inability for SFE Clearing to declare Intraday Option Futures Price and	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Intraday Option Futures Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with

* The Intra-Day Option Futures Price referred to in item 3 is the weighted average of trade prices executed in the underlying futures contract during the price sampling period, excluding any Exchange for Physical, Custom Market and intra- and Inter-Commodity spread trades.

Item	Heading	Individual contract specifications
	Undesirable Situations	until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

The terms of all Intraday Options over Ten Year Commonwealth Treasury Bond Futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular:

- (a) Rule 6.3, which provides for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation;
 - the manner in which Exercise Price is quoted and minimum fluctuations;
 - Settlement Months;
 - the Declaration Day;
 - the time at which trading ceases on the Declaration Date; and
 - the latest time for lodgement of a Request or a Deny Automatic Exercise Request.
- (b) Rule 6.3 also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is the "time at which trading ceases" – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is "4.10 pm on the Declaration Date".

Link to Procedures for determination. [Ten Year Intraday Options Determination](#)

6.20.5 Overnight Options Over Ten Year Commonwealth Treasury Bond Futures Contracts

Item	Heading	Individual contract specifications
1	Contract Unit	A Ten Year Commonwealth Treasury Bond Futures Contract.
2	Value of the Contract Premium in dollars and cents	<p>The Contract Premium is to be calculated by reference to the following formula:</p> <p>Value of Contract Premium =</p> $1000p \times \left[\frac{\{c(1 - a^{20}) + 100a^{20}\}}{e} - \frac{\{c(1 - b^{20}) + 100b^{20}\}}{f} \right]$ <p>where:</p> $p = \text{Contract Premium in yield per cent per annum} \times 100$ $c = \text{coupon rate}/2$ $e = \frac{(100 - \text{Exercise Price})}{200}$ $f = \frac{(200e+0.01)}{200}$ $a = \frac{1}{1+e}$ $b = \frac{1}{1+f}$ <p>The calculations within the brackets shall be carried out to the number of decimal places determined by the Exchange.</p> <p>The value of the Contract Premium shall be rounded in the manner determined by the Exchange.</p>
3	Overnight Option Futures Price *	<ul style="list-style-type: none"> (a) The Overnight Option Futures Price shall be weighted average of trade prices, calculated as follows: $\frac{\sum (\text{price}_n \times \text{volume}_n)}{V}$ <p>where: n = deal executed during the price-sampling period; and V = total volume traded during the price-sampling period.</p> (b) The calculation of the weighted average of trade prices shall be carried out to the number of decimal places determined by the Exchange and rounded in the manner determined by the Exchange. (c) In the event that no trades occur during the price-sampling period, the Overnight Option Futures Price shall be the midpoint of the bid and ask prices rounded up in the manner determined by the Exchange in the underlying Ten Year Commonwealth Treasury Bond Futures Contract at the end of the price-sampling period. (d) The price-sampling periods for the Overnight Options Futures Price shall be determined by the Exchange.
4	Declaration of Overnight Option Futures Price	SFE Clearing will declare the Overnight Option Futures Price at such time as it shall determine.
5	Inability for SFE Clearing to declare Overnight Option Futures Price and Undesirable Situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Overnight Option Futures Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

* The Intra-Day Option Futures Price referred to in item 3 is the weighted average of trade prices executed in the underlying futures contract during the price sampling period, excluding any Exchange for Physical, Custom Market and intra- and Inter-Commodity spread trades.

Explanatory Note

the terms of all Overnight Options over Ten Year Commonwealth Treasury Bond futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular:

- (a) Rule 6.3, which provides for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation;
 - the manner in which Exercise Price is quoted and minimum fluctuations;
 - Settlement Months;
 - the Declaration Day;
 - the time at which trading ceases on the Declaration Date;
 - the latest time for entering Position Close outs for serial options; and
 - the latest time for lodgement of a Request or a Deny Automatic Exercise Request.
- (b) Rule 6.3 also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document “Procedures, Determinations and Practice Notes” (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is the “time at which trading ceases” – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is “the time at which the Trading Period ceases” .

Link to Procedures for determination. [Ten Year Overnight Option Determination](#)

6.21.1 Three Year Commonwealth Treasury Bond Futures Contract

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	<p>Commonwealth Government Treasury Bonds with:</p> <ul style="list-style-type: none"> (a) a face value of \$100,000 (b) a term to maturity of Three Years (c) no tax rebate allowed (d) a coupon rate for each Settlement Month as determined by the Exchange.
1.2		<p>The coupon rate referred to in Item 1.1(d) may be determined:</p> <ul style="list-style-type: none"> (a) prior to the Settlement Month being listed; or (b) after the Settlement Month has been listed, provided that no Open Positions in Three Year Commonwealth Treasury Bond Futures Contracts or Options over those Futures Contracts exist in the Settlement Month at the time of the rate variation.
1.3	Type of Contract	Cash settled.
2	Contract Value	<p>$1000 \times [c(1-v^6)/i + 100v^6]$ (expressed in Australian Dollars)</p> <p>where $i = \frac{\text{one half the Contract Price}}{100}$</p> <p>and $v = 1/(1+i)$</p> <p>and $c = \text{coupon rate}/2$</p> <p>(The calculation within the brackets shall be carried out to such number of decimal places as the Exchange shall determine and rounded in the manner determined by the Exchange.</p>
3	Settlement Price	<p>For each Settlement Day SFE Clearing shall declare the Settlement Price, which shall be calculated in accordance with the procedures in Item 5.</p> <p>SFE Clearing will declare the Settlement Price at such time as it shall determine.</p>
4	Settlement Value	<p>$1000 \times [c(1-w^6)/j + 100w^6]$ (expressed in Australian Dollars)</p> <p>where $j = \frac{\text{one half the Settlement Price}}{100}$</p> <p>and $w = 1/(1+j)$</p> <p>and $c = \text{coupon rate}/2$</p> <p>(The calculation within the brackets shall be carried out to such number of decimal places as the Exchange shall determine and rounded in a manner determined by the Exchange.</p>
5.	Manner of determining the Settlement Price	<p>The Settlement Price shall be determined having regard to quotations provided by Participants in the underlying market, as provided for in Rule 6.2.6 and in accordance with this Item 5.</p> <ul style="list-style-type: none"> (a) For each Settlement Month the Exchange shall determine not less than 3 series of Treasury Bond whose yields shall be used in the determination of the Settlement Price for that Settlement Month. (b) Quotations to be obtained shall be for the yields, in the multiples determined by the Exchange for quoting prices, at which the price provider would, as at the quotation times determined by the Exchange, purchase and sell the relevant series of Treasury Bonds. (c) For each series of Treasury Bonds for each quotation time, the two highest and the two lowest buying quotations and the two highest and the two lowest

Item	Heading	Individual Contract Specifications
	(d)	<p>selling quotations shall be discarded.</p> <p>The arithmetic mean of the remaining quotations from all quotation times shall be calculated to the number of decimal places as determined by the Exchange and rounded in the manner determined by the Exchange.</p> <p>The arithmetic mean so calculated shall be the Settlement Price.</p>
6	Inability for SFE Clearing to declare Settlement Price and Undesirable Situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of the Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

The terms of all Three Year Treasury Bond Futures contract comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provides for determinations by the Exchange as to
 - the units in which prices are to be quoted by participants when submitting orders
 - the Final Trading Day in a Settlement Month
 - the time at which trading ceases on the Final Trading Day
 - the Settlement Date
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the final trading day for this contract day is as follows:

"Final Trading Day" – such business day as is determined by the Exchange. The actual determination made by the Exchange is "the fifteenth day of the Settlement Month, or if that day is not a Business Day, then the Business Day immediately following the fifteenth day".

Link to Procedures for determination. [Three Year Futures Determination](#)

6.21.2 Ordinary Options Over Three Year Commonwealth Treasury Bond Futures Contracts

Item	Heading	Individual Contract Specifications
1	Contract Unit	A Three Year Commonwealth Treasury Bond Futures Contract.
2	Value of the Contract Premium in dollars and cents	<p>The Contract Premium is to be calculated by reference to the following formula:</p> <p>Value of Contract Premium =</p> $1000p \times \left[\frac{\{c(1-a^6) + 100a^6\}}{e} - \frac{\{c(1-b^6) + 100b^6\}}{f} \right]$ <p>where</p> $p = \text{Contract Premium in yield per cent per annum} \times 100$ $c = \text{coupon rate}/2$ $e = \frac{(100 - \text{Exercise Price})}{200}$ $a = \frac{1}{1+e}$ $f = \frac{(200e-0.01)}{200}$ $b = \frac{1}{1+f}$ <p>The calculations within the brackets shall be carried out to the number of decimal places determined by the Exchange.</p> <p>The value of the Contract Premium shall be rounded in the manner determined by the Exchange.</p>
3	Undesirable Situations	If undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

the terms of all Three Year Bond Exchange Traded Options contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3, which provides for determinations by the Exchange as to:

- the manner in which Premium is quoted and minimum fluctuation
- the manner in which Exercise Price is quoted and minimum fluctuations
- Settlement Months
- the Declaration Day
- the time at which trading ceases on the Declaration Date
- the latest time for lodgement of a Request or a Deny Automatic Exercise Request

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (which document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is "the "time at which trading ceases" – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is "12.00 noon on the Declaration Date".

Link to Procedures for determination. [Three_Yr_Oldinary_Option_Determination](#)

6.21.3 Serial Options Over Three Year Commonwealth Treasury Bond Futures Contracts

Item	Heading	Individual Contract Specifications
1	Contract Unit	A Three Year Commonwealth Treasury Bond Futures Contract.
2	Value of the Contract Premium in dollars and cents	<p>The Contract Premium is to be calculated by reference to the following formula:</p> <p>Value of Contract Premium =</p> $1000p \times \left[\frac{\{c(1-a^6) + 100a^6\} - \{c(1-b^6) + 100b^6\}}{e-f} \right]$ <p>where</p> $p = \text{Contract Premium in yield per cent per annum} \times 100$ $c = \text{coupon rate}/2$ $e = \frac{(100 - \text{Exercise Price})}{200}$ $f = \frac{(200e-0.01)}{200}$ $a = \frac{1}{1+e}$ $b = \frac{1}{1+f}$ <p>The calculations within the brackets shall be carried out to the number of decimal places determined by the Exchange.</p> <p>The value of the Contract Premium shall be rounded in the manner determined by the Exchange.</p>
3	Entry Of Close-Outs	Clearing Participant must enter position Close Outs at settlement of the Serial Options at the time determined by SFE Clearing.
4	Undesirable Situations	If an Undesirable Situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

the terms of all Three Year Bond Exchange Traded Options contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular:

- (a) Rule 6.3, which provided for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation
 - the manner in which Exercise Price is quoted and minimum fluctuations
 - Settlement Months
 - the Declaration Day
 - the time at which trading ceases on the Declaration Date
 - the latest time for entering Position Close outs for serial options
 - the latest time for lodgement of a Request or a Deny Automatic Exercise Request
- (b) Rule 6.3 also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is "the "time at which trading ceases" – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is "12.00 noon on the Declaration Date".

Link to Procedures for determination. [Three Year Serial Options Determination](#)

6.21.4 Intraday Options Over Three Year Commonwealth Treasury Bond Futures Contracts

Item	Heading	Individual Contract Specifications
1	Contract Unit	A Three Year Commonwealth Treasury Bond Futures Contract.
2	Value of the Contract Premium in dollars and cents	<p>The Contract Premium is to be calculated by reference to the following formula:</p> <p>Value of Contract Premium =</p> $1000p \times \left[\frac{\{c(1-a^6) + 100a^6\} - \{c(1-b^6) + 100b^6\}}{e-f} \right]$ <p>where</p> $p = \text{Contract Premium in yield per cent per annum} \times 100$ $c = \text{coupon rate}/2$ $e = \frac{(100 - \text{Exercise Price})}{200}$ $f = \frac{(200e+0.01)}{200}$ $a = \frac{1}{1+e}$ $b = \frac{1}{1+f}$ <p>The calculations within the brackets shall be carried out to the number of decimal places determined by the Exchange.</p> <p>The value of the Contract Premium shall be rounded in the manner determined by the Exchange.</p>
3	Intraday Option Futures Price *	<ul style="list-style-type: none"> (a) The Intra-Day Option Futures Price shall be weighted average of trade prices, calculated as follows: $\frac{\sum (\text{price}_n \times \text{volume}_n)}{V}$ <p>where n = deal executed during the price-sampling period; and V = total volume traded during the price-sampling period.</p> (b) The calculation of the weighted average of trade prices shall be carried out to the number of decimal places determined by the Exchange and rounded in the manner determined by the Exchange. (c) In the event that no trades occur during the price-sampling period, the Intra-Day Option Futures Price shall be the midpoint of the bid and ask prices rounded in the manner determined by the Exchange in the underlying Three Year Commonwealth Treasury Bond Futures Contract at the end of the price-sampling period. (d) The price-sampling periods for the Intraday Options Futures Price shall be determined by the Exchange.
4	Declaration of Intraday Option Futures Price	SFE Clearing will declare the Intraday Option Futures Price at such time as it shall determine.
5	Inability for SFE Clearing to declare Intraday Option Futures Price and Undesirable Situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Intraday Option Futures Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

* The Intra-Day Option Futures Price referred to in item 3 is the weighted average of trade prices executed in the underlying futures contract during the price sampling period, excluding any Exchange for Physical, Custom Market and intra- and Inter-Commodity spread trades.

Explanatory Note

The terms of all Three Year Bond Exchange Traded Options contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular:

- (a) Rule 6.3, which provide for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation;
 - the manner in which Exercise Price is quoted and minimum fluctuations;
 - Settlement Months;
 - the Declaration Day;
 - the time at which trading ceases on the Declaration Date; and
 - the latest time for lodgement of a Request or a Deny Automatic Exercise Request.
- (b) Rule 6.3 also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document “Procedures, Determinations and Practice Notes” (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is the “time at which trading ceases” – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is “4.10 pm on the Declaration Date”.

Link to Procedures for determination. [Three_Yr_Intraday_Option_Determination](#)

6.21.5 Overnight Options Over Three Year Commonwealth Treasury Bond Futures Contracts

Item	Heading	Individual Contract Specifications
1	Contract Unit	A Three Year Commonwealth Treasury Bond Futures Contract.
2	Value of the Contract premium in dollars and cents	<p>The Contract Premium is to be calculated by reference to the following formula:</p> <p>Value of Contract Premium =</p> $1000p \times \left[\frac{\{c(1-a^6)}{e} + 100a^6\}}{f} - \{c(1-b^6)}{e} + 100b^6\right]$ <p>where</p> $p = \text{Contract Premium in yield per cent per annum} \times 100$ $c = \text{coupon rate}/2$ $e = \frac{(100 - \text{Exercise Price})}{200}$ $f = \frac{(200e+0.01)}{200}$ $a = \frac{1}{1+e}$ $b = \frac{1}{1+f}$ <p>The calculations within the brackets shall be carried out to the number of decimal places determined by the Exchange.</p> <p>The value of the Contract Premium shall be rounded in the manner determined by the Exchange.</p>
3	Overnight Option Futures Price *	<ul style="list-style-type: none"> (a) The Overnight Option Futures Price shall be weighted average of trade prices, calculated as follows: $\frac{\sum (\text{price}_n \times \text{volume}_n)}{V}$ where n = deal executed during the price-sampling period; and V = total volume traded during the price-sampling period. (b) The calculation of the weighted average of trade prices shall be carried out to the number of decimal places determined by the Exchange and rounded in the manner determined by the Exchange. (c) In the event that no trades occur during the price-sampling period, the Overnight Option Futures Price shall be the midpoint of the bid and ask prices rounded up to the nearest 0.005 per cent in the underlying Three Year Commonwealth Treasury Bond Futures Contract at the end of the price-sampling period. (d) The price-sampling periods for the Overnight Options Futures Price shall be determined by the Exchange.
4	Declaration of Overnight Option Futures Prices	SFE Clearing will declare the Overnight Options Futures Price at such time as it shall determine.
5	Inability for SFE Clearing to declare Overnight Option Futures Price and Undesirable Situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Overnight Option Futures Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

* The Intra-Day Option Futures Price referred to in item 3 is the weighted average of trade prices executed in the underlying futures contract during the price sampling period, excluding any Exchange for Physical, Custom Market and intra- and Inter-Commodity spread trades.

Explanatory Note

The terms of all Three Year Bond Exchange Traded Options contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular:

- (a) Rule 6.3, which provide for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation;
 - the manner in which Exercise Price is quoted and minimum fluctuations;
 - Settlement Months;
 - the Declaration Day;
 - the time at which trading ceases on the Declaration Date; and
 - the latest time for lodgement of a Request or a Deny Automatic Exercise Request.
- (b) Rule 6.3 also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is the "time at which trading ceases" – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is "the time at which the SYCOM session ceases".

Link to Procedures for determination. [Three_Yr_Overnight_Option_Determination](#)

6.22.1 90 Day Bank Accepted Bill Futures Contract

Item	Heading	Individual contract specifications
1	Contract Unit	<p>Securities (referred to as "bills") with a face value of \$1,000,000 accepted by an approved acceptor and maturing 90 days from Settlement Day. Any such bill must be either:</p> <ul style="list-style-type: none"> (a) a bill of exchange under the Bills of Exchange Act (as amended); or (b) an electronically recorded debt obligation defined as an "EBA" within the definition of "Dematerialised Security" in the Operating Rules of Austraclear Limited (hereafter referred to as "EBA").
1.2	Type of Contract	Deliverable
2	Effect of Contract	<ul style="list-style-type: none"> (a) In fulfilment of each Contract the Seller must deliver either: <ul style="list-style-type: none"> (i) \$1,000,000 face value of either bank accepted bills of exchange or EBA's (hereafter referred to as "bills") comprising either one (1) bill having a face value of \$1,000,000 or such other parcel of bills as determined by the Exchange; or (ii) \$1,000,000 in face value of either bank negotiable certificates of deposit or electronically recorded debt obligations defined as an "ECD" within the definition of "Dematerialised Security" in the Operating Rules of Austraclear Limited (hereafter referred to as ECDs) comprising either one (1) ECD having a face value of \$1,000,000 or such other parcel of ECDs as determined by the Exchange. (b) Each bill delivered pursuant to this Item 2 shall: <ul style="list-style-type: none"> (i) Have been accepted by the same Approved Bank. (ii) Have been drawn by the same drawer. (iii) Have the same maturity date. (iv) Be payable at the same city branch of an Approved Bank in either Sydney, Melbourne, Perth, Brisbane, Adelaide, or such other locations as the Exchange may from time to time determine. (c) Each ECD delivered pursuant to this Item 2 shall: <ul style="list-style-type: none"> (i) Have been issued by the same Approved Bank. (ii) Have the same maturity date. (iii) Be payable at the same city branch of an Approved Bank in either Sydney, Melbourne, Perth, Brisbane, Adelaide, or such other locations as the Exchange may from time to time determine. (d) Subject to 2(e) the maturity date of each bill or ECD delivered pursuant to this Item 2 shall be not less than 85 days and not more than 95 days from Settlement Day. (e) Each bill or ECD delivered pursuant to this Item 2 must be "early" month maturing securities, such that the securities mature on Business Days from the 1st to the 15th of the month inclusive. (f) For the purposes of Item 2, a city branch of a trading bank shall mean a branch designated by Austraclear as a City Branch.

Explanatory Note:

Buyers and Sellers should note:

EBAs are defined in Regulation 8A.3 of the Operating Rules of Austraclear as "electronically recorded two party debt obligations under which the rights as between the drawer, acceptor, any indorser and any Participant who deals in them will be equivalent to the rights which would arise under a Bank accepted bill of exchange (as described by Regulation 7 for a Paper Security). The Equivalent Paper Security is a Bank accepted Bill of Exchange.

- (i) An EBA is not the legal equivalent of a bill of exchange under the Bills of Exchange Act and accordingly delivery of an EBA may not be the same as delivery of a bank accepted bill of exchange under the Bills of Exchange Act.
- (ii) The Bills of Exchange Act is a Commonwealth Act which grants and guarantees rights of title, enforcement and negotiability to instruments which qualify as bills of exchange under the Act.
- (iii) An EBA is not a bill of exchange unless and until it is withdrawn from the Austraclear Limited system in accordance with the Operating Rules of Austraclear Limited AND the withdrawn EBA satisfies the requirements of a bill of exchange under the Bills of Exchange Act.

Item	Heading	Individual Contract Specifications
3	Approved Banks	The Exchange in consultation with SFE Clearing shall from time to time approve those banks whose acceptance of a bill or issuance of an ECD shall be approved as good delivery. Banks so approved shall be called "Approved Banks."
4	Approved Settlement Facility	<p>Bills and ECD's must be settled through a Settlement Facility approved by the Exchange. Austraclear Limited (ACN 002 060 773) (a company incorporated in Australia), has been approved as a Settlement Facility.</p> <p>Sellers and Buyers who are Full Participants of Austraclear shall be entitled to give or take delivery in their own names. Sellers and Buyers who are not Full Participants of Austraclear shall not be entitled to give or take delivery in their own name but may appoint a Full Participant of Austraclear to act as their agent for this purposes.</p> <p>Where bills or ECDs are deposited with Austraclear Limited in order to fulfil obligations pursuant to a Futures Contract, such deposit shall be governed by the Operating Rules of Austraclear Limited. Austraclear Limited may impose on its Participants such charges as provided for in its Operating Rules.</p>
5	Tendering Procedures	The Seller or its Agent shall give to SFE Clearing through the Austraclear Limited system, by no later than the time determined by SFE Clearing, such details of tenders as SFE Clearing may determine.
6.1	Invoicing and Settlement Procedures	<p>The Settlement Value of each contract shall be calculated using the following formula:</p> $\frac{1,000,000 \times 365}{365 + \left(\frac{\text{invoice price} \times 90}{100} \right)}$
6.2		<p>The invoice price shall be the Daily Settlement Price for the Settlement Month for the Final Trading Day.</p> <p>The Settlement Value is to be rounded in the manner determined by the Exchange.</p> <p>Any days to maturity before or after 90 days but within the permissible range (85 to 95 days) as provided in these Individual Contract Specifications shall be calculated and invoiced at the invoice price.</p>
6.3		<ul style="list-style-type: none"> (a) SFE Clearing shall advise the Seller by such time as it may determine, in respect of each contract: <ul style="list-style-type: none"> (i) the name of the Participant of Austraclear Limited to whom the bills or ECD's are to be transferred; (ii) the details required by Item 5 of the bills or ECD's to be transferred to that Participant of Austraclear Limited; and (iii) the amount that will be received from that Participant of Austraclear Limited. (b) SFE Clearing shall advise the Buyer by such time as it may determine, in respect of each contract: <ul style="list-style-type: none"> (i) the name of the Participant of Austraclear Limited from whom bills or ECD's are to be transferred; (ii) the details determined in accordance with Item 5, of the bills or ECD's that will be transferred by that Participant of Austraclear Limited; and (iii) the amount to be paid to that Participant of Austraclear Limited.

Item	Heading	Individual Contract Specifications
7.1	Obligations of Seller on Delivery	<p>(a) The Seller or its Agent shall</p> <ul style="list-style-type: none"> (i) deposit the bills or ECD's as required by these Individual Contract Specifications in the Austraclear Limited system in the Seller's or Agent's account (as the case may be) by no later than the time determined by SFE Clearing; and (ii) transfer the bills or ECD's to the Buyer or its Agent, in accordance with the Operating Rules of Austraclear Limited, no later than the time determined by SFE Clearing. <p>(b) Where the Seller or its Agent does not receive the amount referred to in Item 6 through the Austraclear Limited system by the time determined by SFE Clearing, the Seller shall immediately advise SFE Clearing accordingly.</p>
7.2	Obligations of Buyer on Delivery	<p>(a) The Buyer or its Agent shall pay the Seller or its Agent the amount advised pursuant to Item 6.3, such payment to be made through the Austraclear Limited system by no later than the time determined by SFE Clearing.</p> <p>(b) The Buyer shall be responsible for checking that the bills or ECD's which are the subject of the transfer referred hereof conform with the details advised to it pursuant to Item 6.3.</p> <p>(c) Where the bills or ECD's which are the subject of the transfer conform with the details advised pursuant to Item 6.3, the Buyer or its Agent shall by the time determined by SFE Clearing, confirm for immediate settlement.</p> <p>(d) Where the bills or ECD's which are the subject of the transfer do not conform with the details advised pursuant to Item 6.3, the Buyer shall, by the time determined by SFE Clearing, so advise SFE Clearing.</p>
9	Default	<p>(a) Should a delivery not be duly made by the Seller or its Agent as provided in these Individual Contract Specifications, such Seller shall be in default.</p> <p>(b) Should a delivery not be duly taken by the Buyer or its Agent, as provided in these Individual Contract Specifications, such Buyer shall be in default.</p> <p>(c) Should payment for any delivery not be made by the Buyer as provided in these Individual Contract Specifications, the Seller with the agreement of and in conjunction with SFE Clearing is authorised to sell the bills or ECD's. Any difference in price resulting through such sales, together with interest and all charges incurred by the delay, shall be settled with SFE Clearing forthwith.</p>
10	Rights of Clearing Participant when its client is in Default	<p>If a default arises as described in provided for in Item 9 and the defaulter is a Client of a Clearing Participant, the Clearing Participant shall have the right of:</p> <p>(a) lodging tenderable Bills or ECD's in the Austraclear Limited system by such time as may be determined by SFE Clearing so as to be transferred in accordance with Item 5; or</p> <p>(b) taking delivery of tenderable bills or ECD's through the Austraclear Limited system by immediate settlement of the amount referred to in Item 5 by no later than such time as may be determined by SFE Clearing as the case may be; or</p> <p>(c) Closing Out all or any transactions entered into in any Market by such Clearing Participant on behalf of the Client without further notice and without in any way prejudicing any other legal action for recovery which the Clearing Participant may take or have taken;</p> <p>If the Clearing Participant takes action under Item 8(a) or (b), all differences, interest and all other charges shall be settled by the Client with the Clearing Participant forthwith.</p>

Item	Heading	Individual Contract Specifications
11	Unavailability of or inability to access Austraclear	<p>(a) If any transfer of deliverable stock required under these Individual Contract Specifications cannot be accomplished by the time specified on Settlement Day due to the unavailability of the Austraclear Limited system, or due to the unavailability of the Buyer's or its Agent's, the Seller's or its Agent's or SFE Clearing's access to the Austraclear Limited system, such transfer shall be made as soon as possible and in accordance with any instructions which may be given by the Exchange in consultation with SFE Clearing.</p> <p>(b) Should a situation arise as described in item 11(a), no alteration shall be made to the invoiced amount, provided that in respect of such delay:</p> <ul style="list-style-type: none"> (i) the obligations of the Buyer shall extend to the payment to SFE Clearing of a sum calculated in accordance with item 11(c) hereto; and (ii) the rights of the Seller shall extend to the right to receive from SFE Clearing a sum calculated in accordance with item 11(c). <p>(c) The sum as described in item 11 (b) shall be calculated in accordance with the formula:</p> $\frac{D}{365} \times \frac{R}{100} \times I$ <p>Where:</p> <p>D = the number of days from (and excluding) Settlement Day up to (and including) the day on which transfer is effected;</p> <p>R = the average of SFE Clearing's Australian Dollar Base Rate in percentage terms at the close of business on each day from (and including) Settlement Day up to (and excluding) the day on which transfer is effected;</p> <p>I = the invoiced amount in respect of the relevant lot;</p> <p>and shall be payable at such time and in such manner as SFE Clearing may specify.</p> <p>(d) Should a situation arise as described in item 11(a), the Buyer and Seller shall provide to SFE Clearing documentary evidence satisfactory to SFE Clearing that they had complied with their obligations under these Individual Contract Specifications by the time and in the manner determined</p> <p>(e) If invoices are not ready when documents are required payments shall be made and received on account EXCEPT to circumstances as described in item 11(a).</p>
13	Disputes	Bills or ECD's must be taken up without prejudice to any question in Dispute, and failing agreement between the parties SFE Clearing may resell the bills or ECD's for account of whom it may concern. All differences, interests and all other charges are for prompt settlement.
14	Inability for SFE Clearing to declare Settlement Price and undesirable situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed in relation to the contract, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the value or price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

The terms of all 90 Day Bank Accepted Bill Futures contract contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2 which provided for determinations by the Exchange as to:

- the units in which prices are to be quoted by participants when submitting orders;

- the Final Trading Day in a Settlement Month;
- the time at which trading ceases on the Final Trading Day;
- the Settlement Day;
- the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day; and
- the Settlement Months in which a Final Trading Day for a contract occurs.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Settlement Day for this contract day is as follows

"Settlement Day" – such business day as is determined by the Exchange. The actual determination made by the Exchange is "The second Friday of the Settlement Month".

Link to Procedures for determination. [Ninety_Day_BAB_Futures_Determination](#)

6.22.2 Ordinary Options Over 90 Day Bank Accepted Bill Futures Contracts

Item	Heading	Individual contract specifications
1	Contract Unit	A 90 Day Bank Accepted Bill of Exchange Futures Contract.
2	Value of the Contract Premium	<p>The Contract Premium is to be calculated by reference to the following formula:</p> <p>Value of Contract Premium =</p> $[\{1,000,000 \times 365\} - \{1,000,000 \times 365\}] \times p$ $\frac{[365 + (e \times 90)]}{100} \quad \frac{[365 + ((e + 0.01) \times 90)]}{100}$ <p>where e = 100-Exercise Price and $p = (\text{Contract Premium in yield per cent per annum}) \times 100$</p> <p>The calculations within the brackets shall be carried out to the number of decimal places determined by the Exchange.</p> <p>The value of the Contract Premium shall be rounded in the manner determined by the Exchange.</p>
3	Undesirable Situations	If an Undesirable Situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

the terms of all ordinary options over 90 Day Bank Accepted Futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3:

- (a) which provides for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation;
 - the manner in which Exercise Price is quoted and minimum fluctuations;
 - Settlement Months;
 - the Declaration Day;
 - the time at which trading ceases on the Declaration Date;
 - the latest time for lodgement of a Request or a Deny Automatic Exercise Request; and
- (b) which also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is the "time at which trading ceases" – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is "12.00 noon on the Declaration Date".

Link to Procedures for determinations. [Ninety Day BAB Ordinary Option Determin](#)

6.22.3 Serial Options Over 90 Day Bank Accepted Bill Futures Contracts

Item	Heading	Core contract specifications
1	Contract Unit	A 90 Day Bank Accepted Bill of Exchange Futures Contract.
2	Value of the Contract Premium	<p>The premium is to be calculated by reference to the following formula:</p> <p>Value of Contract Premium =</p> $[\{1,000,000 \times 365\} - \{1,000,000 \times 365\}] \times p$ $\frac{[365 + (e \times 90)]}{100} \quad \frac{(365 + ((e + 0.01) \times 90))}{100}$ <p>where e = 100-Exercise Price and p = (Contract Premium in yield per cent per annum) x 100</p> <p>The calculations within the brackets shall be carried out to the number of decimal places determined by the Exchange.</p> <p>The value of the Contract Premium shall be rounded in a manner determined by the Exchange.</p>
3	Undesirable Situations	If an Undesirable Situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

The terms of all Serial Options over 90 Day Bank Accepted Bill Futures Contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3:

- (a) which provides for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation;
 - the manner in which Exercise Price is quoted and minimum fluctuations;
 - Settlement Months;
 - the Declaration Day;
 - the time at which trading ceases on the Declaration Date;
 - the latest time for lodgement of a Request or a Deny Automatic Exercise Request; and
- (b) which also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is the "time at which trading ceases" – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is "12.30 pm on the Declaration Date".

Link to Procedures for determination. [Ninety Day BAB Serial Option Determin](#)

6.22.4 Intraday Options Over 90 Day Bank Accepted Bill Futures Contracts

Item	Heading	Individual contract specifications
1	Contract Unit	A 90 Day Bank Accepted Bill of Exchange Futures Contract.
2	Value of the Contract Premium	<p>The Contract Premium is to be calculated by reference to the following formula:</p> <p>Value of Contract Premium =</p> $\frac{[\{1,000,000 \times 365\} - \{1,000,000 \times 365\}]}{[\{365 + (\frac{e \times 90}{100})\} - \{365 + ((e + 0.01) \times 90)\}]} \times p$ <p>where e = 100-Exercise Price and $p = (\text{Contract Premium in yield per cent per annum}) \times 100$</p> <p>The calculations within the brackets shall be carried out to the number of decimal places determined by the Exchange.</p> <p>The value of the Contract Premium shall be rounded in the manner determined by the Exchange.</p>
3	Method of calculation of Intraday Option Futures Price	<p>The Intra-Day Option Futures Price shall be weighted average of trade prices, calculated as follows:</p> $\frac{\sum(\text{price}_n \times \text{volume}_n)}{V}$ <p>where n = deal executed during the price-sampling period; and $V = \text{total volume traded during the price-sampling period.}$</p> <p>The price sampling periods for the Intraday Option Futures Price shall be as determined by the Exchange.</p> <p>The weighted average of trade prices shall be calculated in the manner determined by the Exchange.</p> <p>In the event that no trades occur during the price-sampling period, the Intraday Option Futures Price shall be the midpoint of the bid and ask prices rounded up in the manner determined by the Exchange in the underlying 90 Day Bank Accepted Bill Futures Contract at the end of the price-sampling period.</p> <p>The weighted average of trade prices so calculated shall be the Intraday Option Futures Price.</p>
4	Declaration of Intraday Option Futures Price	SFE Clearing will declare the Intraday Option Futures Price at such time as it shall determine on the same Business Day.
5	Inability for SFE Clearing to declare Intraday Option Futures Price and Undesirable Situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the an Intraday Options Futures Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

The terms of all Intraday Options over 90 Day Bank Accepted Bill futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3:

- (a) which provides for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation;
 - the manner in which Exercise Price is quoted and minimum fluctuations;
 - Settlement Months;
 - the Declaration Day;
 - the time at which trading ceases on the Declaration Date;
 - the latest time for lodgement of a Request or a Deny Automatic Exercise Request; and
- (b) which also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is the "time at which trading ceases" – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is "12.30 pm on the Declaration Date".

6.22.5 Overnight Options Over 90 Day Bank Accepted Bill Futures Contracts

Item	Heading	Individual contract specifications
1	Contract Unit	A 90 Day Bank Accepted Bill of Exchange Futures Contract.
2	Value of the Contract Premium	<p>The Contract Premium is to be calculated by reference to the following formula:</p> <p>Value of Contract Premium =</p> $\frac{[\{1,000,000 \times 365\} - \{1,000,000 \times 365\}] \times p}{[365 + (\frac{e \times 90}{100})] - [365 + ((e + 0.01) \times 90)]}$ <p>where e = 100-Exercise Price and $p = (\text{Contract Premium in yield per cent per annum}) \times 100$</p> <p>The calculations within the brackets shall be carried out to the number of decimal places determined by the Exchange. The value of the Contract Premium shall be rounded in the manner determined by the Exchange.</p>
3	Method of calculation of Overnight Option Futures Price	<p>The Overnight Option Futures Price shall be weighted average of trade prices, calculated as follows:</p> $\frac{\sum(\text{price}_n \times \text{volume}_n)}{V}$ <p>where n = deal executed during the price-sampling period; and $V = \text{total volume traded during the price-sampling period.}$</p> <p>The price sampling periods for the Overnight Option Futures Price shall be as determined by the Exchange.</p> <p>The calculation of the weighted average of trade prices shall be carried out to the number of decimal places determined by the Exchange and rounded in the manner determined by the Exchange.</p> <p>In the event that no trades occur during the price-sampling period, the Overnight Option Futures Price shall be the midpoint of the bid and ask prices rounded up in the manner determined by the Exchange.</p> <p>The weighted average of trade prices so calculated shall be the Overnight Option Futures Price.</p>
4	Declaration of Overnight Options Futures Price	SFE Clearing will declare the Overnight Options Futures Price at such time as it shall determine.
5	Inability for SFE Clearing to declare Overnight Option Futures Price and Undesirable Situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Overnight Option Futures Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

The terms of all Overnight Options over 90 Day Bank Accepted Bill futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3:

- (a) which provides for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation;
 - the manner in which Exercise Price is quoted and minimum fluctuations;
 - Settlement Months;
 - the Declaration Day;
 - the time at which trading ceases on the Declaration Date;
 - the latest time for lodgement of a Request or a Deny Automatic Exercise Request; and
- (b) which also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is the "time at which trading ceases" – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is "12.30 pm on the Declaration Date".

6.23 Ten Year Interest Rate Swap Futures Contract

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	The fixed rate yield on a Fixed for Floating Interest Rate Swap which has: (i) a notional value of \$A100,000; (ii) a notional term to maturity of ten years; (iii) a fixed coupon rate in respect of each settlement month, as determined by the Exchange.
1.2	Coupon Rate	The coupon rate for each Settlement Month may be determined: (i) prior to that Settlement Month being listed; or (ii) after the Settlement Month has been listed, provided that no Open Positions in Ten Year Interest Rate Swap Futures Contracts or Options over those futures Contracts exist in that Settlement Month at the time of the rate variation.
1.3	Type of Contract	Cash settled.
2	Contract Value	$1000 \times [c(1 - v^{20})/i + 100v^{20}]$ (expressed in Australian Dollars) where $i = \frac{\text{one half the contract price}}{100}$ and $v = 1/(1 + i)$ and $c = \text{coupon rate}/2$ The calculation within the brackets shall be carried out to the number of decimal places determined by the Exchange and rounded in the manner determined by the Exchange.
3	Settlement Price	The Settlement Price shall be 100 minus the 10 year AFMA 10.00am swaps reference rate, as determined by AFMA Services Pty Limited. SFE Clearing will declare the Settlement Price at such time as it shall determine.
4	Settlement Value	$1000 \times [c(1 - w^{20})/j + 100w^{20}]$ (expressed in Australian Dollars) where $j = \frac{\text{one half the settlement price}}{100}$ and $w = 1/(1 + j)$ and $c = \text{coupon rate}/2$ The calculation within the brackets shall be carried out to the number of decimal places determined by the Exchange and rounded in the manner determined by the Exchange.
5	Exclusion of Liability	Subject to the right of the Exchange under Rule 1.4 to direct that Contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the numerical value provided by AFMA Services Pty Limited or its duly authorised agent as being conclusive evidence of the swaps reference rate at the time determined by the Exchange. In the event of AFMA Services Pty Limited failing to provide such quotation or providing a quotation that is numerically inaccurate, no party shall make any claim whatsoever against AFMA Services Pty Limited, its duly authorised agents, SFE Clearing or the Exchange, and the provisions of Rule 1.4 shall apply.

6	Inability for SFE Clearing to declare Settlement Price and Undesirable Situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.
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Last updated: 01/08/08

Explanatory Note

The terms of all Ten Year Interest Rate Swap Futures Contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provides for determinations by the Exchange as to
 - the units in which prices are to be quoted by participants when submitting orders;
 - the Final Trading Day in a Settlement Month;
 - the time at which trading ceases on the Final Trading Day;
 - the Settlement Date;
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day;
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows: "Final Trading Day" – such Business Day as is determined by the Exchange. The actual determination made by the Exchange is "The Business Day immediately prior to the Settlement Day".

Link to Procedures for determinations. [Ten Year Interest Rate Swap Determin](#)

6.24 Three Year Interest Rate Swap Futures Contract

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	The fixed rate yield on a fixed for floating Interest Rate Swap which has: (i) a notional value of A\$100,000; (ii) a notional term to maturity of three years; (iii) a fixed coupon rate in respect of each Settlement Month, as determined by the Exchange.
1.2	Coupon Rate	The coupon rate for each Settlement Month may be determined: (i) prior to that Settlement Month being listed; or (ii) after the Settlement Month has been listed, provided that no Open Positions in Three Year Interest Rate Swap Futures Contracts or Options over those Futures Contracts exist in that Settlement Month at the time of the rate variation.
1.3	Type of Contract	Cash settled.
2	Contract Value	$1000 \times [c(1 - v^6)/i + 100v^6]$ (expressed in Australian Dollars) where $i = \frac{\text{one half the Contract Price}}{100}$ and $v = 1/(1 + i)$ and $c = \text{coupon rate}/2$ The calculation within the brackets shall be carried out to the number of decimal places determined by the Exchange and rounded in the manner determined by the Exchange.
3	Settlement Price	The Settlement Price shall be 100 minus the 3 year AFMA 10.00am swaps reference rate, as determined by AFMA Services Pty Limited. <u>SFE Clearing will declare the Settlement Price at such time as it shall determine.</u>
4	Settlement Value	$1000 \times [c(1 - w^6)/j + 100w^6]$ (expressed in Australian Dollars) where $j = \frac{\text{one half the Settlement Price}}{100}$ and $w = 1/(1 + j)$ and $c = \text{coupon rate}/2$ The calculation within the brackets shall be carried out to the number of decimal places determined by the Exchange and rounded in the manner determined by the Exchange.
5	Exclusion of Liability	Subject to the right of the Exchange under Rule 1.4 to direct that Contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the numerical value provided by AFMA Services Pty Limited or its duly authorised agent as being conclusive evidence of the swaps reference rate at the time determined by the Exchange. In the event of AFMA Services Pty Limited failing to provide such quotation or providing a quotation that is numerically inaccurate, no party shall make any claim whatsoever against AFMA Services Pty Limited, its duly authorised agents, SFE Clearing or the Exchange, and the provisions of Rule 1.4 shall apply.

6	Inability for SFE Clearing to declare Settlement Price and Undesirable Situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the Settlement Price has been declared shall be complied with as soon as possible after it has been declared.
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Last updated: 01/08/08

Explanatory Note

The terms of all Three Year Interest Rate Swap Futures Contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provides for determinations by the Exchange as to
 - the units in which prices are to be quoted by participants when submitting orders;
 - the Final Trading Day in a Settlement Month;
 - the time at which trading ceases on the Final Trading Day;
 - the Settlement Date;
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day;
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows: "Final Trading Day" – such business day as is determined by the Exchange. The actual determination made by the Exchange is "The Business Day immediately prior to the Settlement Day".

Link to Procedures for determinations. [Three Year Interest Rate Swap Determin](#)

6.25.1 30 Day Interbank Cash Rate Futures Contract

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	The average monthly yield, calculated in accordance with this Rule 6.25.1, which would be payable on a notional sum of \$3,000,000 at a rate quoted by the Reserve Bank of Australia and referred to in this Rule 6.25.1 as the Interbank Overnight Cash Rate.
1.2	Interbank Overnight Cash Rate	The rate quoted by the Reserve Bank of Australia, described as the Interbank Overnight Cash Rate, and published by the Reserve Bank of Australia as one of its Money Market Interest Rates and Yields, or such successor to that rate as, in the opinion of the Exchange, is in all material respects the same as that rate.
1.3	Type of Contract	Cash settled.
2	Contract Value	$\frac{3,000,000 \times r_1 \times 30}{36500}$ <p>where: r_1 = the rate at the time the Contract was entered into.</p> <p>The contract value is to be rounded in the manner determined by the exchange.</p>
4	Settlement Price	<p>For each Settlement Day SFE Clearing shall declare a Settlement Price, which shall be the cash settlement rate deducted from 100.</p> <p>SFE Clearing will declare the Settlement Price at such time as it shall determine.</p>
5	Settlement Value	$\frac{3,000,000 \times r_2 \times 30}{36500}$ <p>where: r_2 = the cash settlement rate being the monthly average of the Interbank Overnight Cash Rate, (as quoted to two decimal places by the Reserve Bank of Australia), which is calculated by taking the sum of the daily rates and dividing it by the number of days for the Settlement Month. Where no rate is quoted in respect of any day, the rate used shall be the rate quoted for the previous day for which a quotation was given.</p> <p>The cash settlement rate and value are to be rounded in the manner determined by the Exchange.</p>
6	Exclusion of liability	In the event that any figure used by the Exchange as the Interbank Overnight Cash Rate is numerically inaccurate, no claim shall lie against the Reserve Bank of Australia, SFE Clearing or the Exchange or their agents.
7	Inability of SFE Clearing to declare Settlement Price and Undesirable Situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of Rules 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

The terms of all 30 Day Interbank Cash Rate Futures Contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule:

- (a) which provides for determinations by the Exchange as to
 - the units in which prices are to be quoted by participants when submitting orders;
 - the Final Trading Day in a Settlement Month;
 - the time at which trading ceases on the Final Trading Day;
 - the Settlement Date;
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day;
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows:

"Final Trading Day" – such Business Day as is determined by the Exchange. The actual determination made by the Exchange is "The last Business Day of the Settlement Month".

Link to Procedures for determination. [Thirty Day Interbank Cash Rate Determination](#)

Amended 14/10/08

6.25.2 Options on 30 Day Interbank Cash Rate Futures

Item	Heading	Individual contract specifications
1	Contract Unit	A 30 Day Interbank Cash Rate Futures Contract.
2	Undesirable situations	If an Undesirable Situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

The terms of all ordinary options over 30 Day Interbank Cash Rate Futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3:

- (a) which provides for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation;
 - the manner in which Exercise Price is quoted and minimum fluctuations;
 - Settlement Months;
 - the Declaration Day;
 - the time at which trading ceases on the Declaration Date;
 - the latest time for lodgement of a Request or a Deny Automatic Exercise Request; and
- (b) which also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document “Procedures, Determinations and Practice Notes” (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is the “time at which trading ceases” – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is “4.30pm on the Declaration Date”.

Link to Procedures for determinations. [30 Day Interbank Cash Rate Ordinary Option Determinations](#)

Introduced 14/10/08

6.26.1 New Zealand 90 Day Bank Bill Futures Contract

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	<p>Either:</p> <p>(a) A 90 day bank accepted bill of exchange complying with the Bills of Exchange Act 1908 of New Zealand; or</p> <p>(b) a transferable or negotiable security with a term to maturity of 90 days. which is issued by a bank which is a registered bank within the meaning of the Reserve Bank of New Zealand Act 1989</p> <p>with, in either case, a face value of NZ\$1,000,000.</p>
1.2	Type of contract	Cash settled
2	Contract Value	<p>Value = $\frac{1,000,000 \times 365}{365 + (P \times 90)}$</p> <p>where</p> <p>P = price expressed as a yield percent per annum</p> <p>and where</p> <p>the calculations within the brackets shall be carried out to such number of decimal places as the Exchange shall determine and the values shall be rounded in the manner determined by the Exchange.</p>
3	Settlement Price	For each Settlement Day SFE Clearing shall declare the Settlement Price, which shall be calculated in accordance with the procedures in Item 5.
4	Settlement Value	<p>Value = $\frac{1,000,000 \times 365}{365 + (P \times 90)}$</p> <p>where</p> <p>P = Settlement Price expressed as a yield percent per annum</p> <p>and where</p> <p>the calculations within the brackets shall be carried out to such number of decimal places as the Exchange shall determine and the values shall be rounded in the manner determined by the Exchange</p>
5.1	Manner of Determining the Settlement Price:	<p>Subject to Item 5.2 the Settlement Price shall be the 3 month FRA settlement rate as published at approximately 10.45 am on the Final Trading Day by Reuters New Zealand Limited on page BKBM of the Reuters Monitor Screen (or its successor page).</p> <p>The FRA settlement rate will be rounded in a manner determined by the Exchange and deducted from 100 to obtain the Settlement Price.</p>
5.2		<p>If the Mandatory Settlement Price is not able to be declared in accordance with item 5.1, it shall be determined having regard to quotations provided by participants in the underlying market, as provided for in Rule 6.3.6 and in accordance with this Item 5.2.</p> <p>(a) Quotations to be obtained shall be for the yields at which the price provider would, as at the quotation times determined by the Exchange, purchase and sell:</p>

Item	Heading	Individual Contract Specifications
		<p>(i) bank accepted bills of exchange complying with the Bills of Exchange Act 1908 of New Zealand or</p> <p>(ii) transferable or negotiable securities issued by a bank which is a registered bank within the meaning of the Reserve Bank of New Zealand Act 1989</p> <p>with a face value of NZ\$1,000,000 and a 90 day term to maturity from the Final Trading Day.</p> <p>(b) If no market exists for the securities referred to in (a) above, notional yields shall be obtained as if such market did exist, having regard to prevailing market quotations for other maturities and other securities, and such other factors as the Exchange may deem to be relevant.</p> <p>(c) For each quotation time, quotations with a spread of greater than an amount determined by the Exchange will be discarded, mid-rates will be calculated from all remaining quotations and the highest and lowest mid-rates will be discarded. The average of the remaining mid-rates shall be calculated to the number of decimal places determined by the Exchange and shall be rounded in the manner determined by the Exchange.</p> <p>The average so calculated and deducted from 100 shall be the Settlement Price.</p>
6	Inability for SFE Clearing to declare Settlement Price and Undesirable Situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

All currency is in NZ\$. All times are New Zealand times.

The terms of all New Zealand 90 Day Bank Bill Futures Contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provides for determinations by the Exchange as to:
 - the units in which prices are to be quoted by participants when submitting orders;
 - the Final Trading Day in a Settlement Month;
 - the time at which trading ceases on the Final Trading Day;
 - the Settlement Day;
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day;
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows: "Final Trading Day" – such business day as is determined by the Exchange. The actual determination made by the Exchange is "the first Wednesday after the ninth day of the Settlement Month".

Link to Procedures for determination. [NZ Ninety Day BAB Determination](#)

6.26.2 Ordinary Options over New Zealand 90 Day Bank Bill Futures Contracts

Item	Heading	Individual Contract Specifications
1	Contract Unit	A New Zealand 90 Day Bank Bill Futures Contract
2	Value of the Contract Premium	$\left[\frac{1,000,000 \times 365}{365 + \frac{e \times 90}{100}} \right] - \left[\frac{1,000,000 \times 365}{365 + \left(\frac{(e + 0.01) \times 90}{100} \right)} \right] \times P$ <p>where:</p> <p>$e = 100$ - Exercise Price P = premium expressed as a yield percent per annum multiplied by 100</p> <p>and where</p> <p>the calculation within the square brackets shall be carried out to the number of decimal places determined by the Exchange and rounded up in the manner determined by the Exchange.</p>
3	Undesirable Situations	If undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

All currency is in NZ\$. All times are New Zealand times.

The terms of all Ordinary Options over New Zealand 90 Day Bank Bill Futures Contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3:

- (a) which provides for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation;
 - the manner in which Exercise Price is quoted and minimum fluctuations;
 - Settlement Months;
 - the Declaration Day;
 - the time at which trading ceases on the Declaration Date;
 - the latest time for lodgement of a Request or a Deny Automatic Exercise Request; and
- (b) which also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is the "time at which trading ceases" – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is "12.00 noon on the Declaration Date".

Link to Procedures for determination. [NZ_Ninety_Day_BAB_Oldinary_Opt_Determ](#)

6.27.1 Ten Year New Zealand Government Stock Futures Contract

Item	Heading	Individual contract Specifications
1.1	Contract Unit	<p>New Zealand Government Stock with:</p> <ul style="list-style-type: none"> (a) a face value of NZ\$100,000; (b) a term to maturity of 10 years; (c) a coupon rate determined by the Exchange.
1.2	Type of Contract	Cash settled
2	Contract Value	$Value = 1,000 \left[\frac{100}{(1+i)^{20}} + 4.0 \frac{1 - \frac{1}{(1+i)^{20}}}{i} \right]$ <p>where</p> $i = \frac{\text{Price}}{200}$ <p>(expressed as a yield per cent per annum)</p> <p>and where</p> <p>the calculation within the brackets shall be carried out to such number of decimal places as the Exchange shall determine and the values shall be rounded in the manner determined by the Exchange.</p>
3	Settlement Price	For each Settlement Day SFE Clearing shall declare the Settlement Price, which shall be calculated in accordance with the procedures in Item 5.
4	Settlement Value	$Value = 1,000 \left[\frac{100}{(1+i)^{20}} + 4.0 \frac{1 - \frac{1}{(1+i)^{20}}}{i} \right]$ <p>where</p> $i = \frac{\text{Settlement Price}}{200}$ <p>(expressed as a yield percent per annum)</p> <p>and where</p> <p>the calculation within the brackets shall be carried out to such number of decimal places as the Exchange shall determine and the values shall be rounded in the manner determined by the Exchange.</p>
5	Manner of Determining the Settlement Price	<p>The Settlement Price shall be determined having regard to quotations provided by participants in the underlying market, as provided for in Rule 6.3.6 and in accordance with this Item 5:</p> <ul style="list-style-type: none"> (a) for each Settlement Month the Exchange shall determine 2 New Zealand Government Stock with maturities as it shall determine prior to the listing of the cash settlement month; (b) quotations to be obtained shall be for the yields, in multiples determined by the Exchange for quoting prices, at which the price provider would, as at the quotation times determined by the Exchange, purchase and sell each

Item	Heading	Individual contract Specifications
		<p>underlying security;</p> <p>c) for each quotation time, quotations with a spread of greater than an amount determined by the Exchange will be discarded, mid-rates will be calculated from all remaining quotes and the highest and lowest mid-rates will be discarded for each stock. The average of the remaining mid-rates for each stock will be calculated;</p> <p>(d) a yield will be calculated from the 2 averages so calculated by straight line interpolation or straight line extrapolation as the case may require using the following formula:</p> $yield = i^1 + (i^2 - i^1) \times \frac{n^1}{n^2}$ <p>where:</p> <p>i^1 = the average mid-rate of shorter dated stock i^2 = the average mid-rate of longer dated stock n^1 = the number of days between the maturity of the shorter dated stock and the theoretical futures maturity n^2 = the number of days between the maturity of the shorter dated stock and the maturity of the longer dated stock</p> <p>and</p> <p>the yield will be expressed to the number of decimal places determined by the Exchange and will be rounded in the manner determined by the Exchange;</p> <p>(e) the average of the 3 yields determined in accordance with (a) above shall be calculated to the number of decimal places determined by the Exchange and shall be rounded in the manner determined by the Exchange.</p> <p>The average yield so calculated and deducted from 100 shall be the Settlement Price.</p>
6	Inability for SFE Clearing to declare Settlement Price and Undesirable Situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

All currency is in NZ\$. All times are New Zealand times.

The terms of all Ten Year New Zealand Government Stock Futures comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provides for determinations by the Exchange as to
 - the units in which prices are to be quoted by participants when submitting orders
 - the Final Trading Day in a Settlement Month
 - the time at which trading ceases on the Final Trading Day
 - the Settlement Day
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the

Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document “Procedures, Determinations and Practice Notes” (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows:

“Final Trading Day” – such business day as is determined by the Exchange. The actual determination made by the Exchange is “the first Wednesday after the ninth day of the Settlement Month”.

Link to Procedures for determination. [NZ Ten Year Futures Determination](#)

6.27.2 Ordinary Options over Ten Year New Zealand Government Stock Options Futures Contracts

Item	Heading	Individual contract Specifications
1	Contract Unit	A Ten Year New Zealand Government Stock Futures contract.
2	Value of the premium in dollars and cents	$1,000p \times \left[\frac{100}{(1+i)^{20}} + 4.0 \frac{1 - \frac{1}{(1+i)^{20}}}{i} \right] - \left[\frac{100}{(1+j)^{20}} + 4.0 \frac{1 - \frac{1}{(1+j)^{20}}}{j} \right]$ <p>where:</p> <p>p = premium quoted in a manner determined by the Exchange and at intervals determined by the Exchange</p> $i = \left(\frac{100 - ExercisePrice}{200} \right)$ $j = \left(\frac{200i + 0.01}{200} \right)$ <p>and where</p> <p>the calculation within the brackets shall be carried out to the number of decimal places determined by the Exchange and rounded up in the manner determined by the Exchange</p>
3	Undesirable Situations	If undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

All currency is in NZ\$. All times are New Zealand times.

The terms of all Ordinary Options over Ten Year New Zealand Government Stock Futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3:

- (a) which provides for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation
 - the manner in which Exercise Price is quoted and minimum fluctuations
 - Settlement Months
 - the Declaration Day
 - the time at which trading ceases on the Declaration Date
 - the latest time for lodgement of a Request or a Deny Automatic Exercise Request; and
- (b) which also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is "the time at which trading ceases" – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is "12.00 noon on the Declaration Date".

Link to Procedures for determination. [NZ_Ten_Year_Option_Determin](#)

6.28.1 Three Year New Zealand Government Stock Futures Contract

Item	Heading	Individual contract Specifications
1.1	Contract Unit	New Zealand Government Stock with <ul style="list-style-type: none"> (a) a face value of NZ\$100,000 (b) a term to maturity of 3 years; (c) a coupon rate determined by the Exchange
1.2	Type of Contract	Cash settled
2	Contract Value	$Value = 1,000 \left[\frac{100}{(1+i)^6} + 4.0 \frac{1 - \frac{1}{(1+i)^6}}{i} \right]$ <p>where</p> $i = \frac{Price}{200}$ <p>(expressed as a yield per cent per annum)</p> <p>and where</p> <p>the calculation within the brackets shall be carried out to such number of decimal places as the Exchange shall determine and the values shall be rounded in the manner determined by the Exchange.</p>
3	Settlement Price	For each Settlement Day SFE Clearing shall declare the Settlement Price, which shall be calculated in accordance with the procedures in Item 5.
4	Settlement Value	$Value = 1,000 \left[\frac{100}{(1+i)^6} + 4.0 \frac{1 - \frac{1}{(1+i)^6}}{i} \right]$ <p>where</p> $i = \frac{\text{Settlement Price}}{200}$ <p>(expressed as a yield percent per annum)</p> <p>and where</p> <p>the calculation within the brackets shall be carried out to such number of decimal places as the Exchange shall determine and the values shall be rounded in the manner determined by the Exchange.</p>
5	Manner of Determining the Settlement Price	<p>The Settlement Price shall be determined having regard to quotations provided by participants in the underlying market, as provided for in Rule 6.3.6 and in accordance with this Item 5:</p> <ul style="list-style-type: none"> (a) for each Settlement Month the Exchange shall determine 2 New Zealand Government Stock with maturities as it shall determine prior to the listing of the cash settlement month; (b) quotations to be obtained shall be for the yields, in multiples determined by the Exchange for quoting prices, at which the price provider would, as at the quotation times determined by the Exchange, purchase and sell each underlying security; (c) for each quotation time, quotations with a spread of greater than an amount determined by the Exchange will be discarded, mid-rates will be calculated from all remaining quotes and the highest and lowest mid-rates will be

Item	Heading	Individual contract Specifications
		<p>discarded for each stock. The average of the remaining mid-rates for each stock will be calculated;</p> <p>(d) a yield will be calculated from the 2 averages so calculated by straight line interpolation or straight line extrapolation as the case may require using the following formula:</p> $yield = i^1 + (i^2 - i^1) \times \frac{n^1}{n^2}$ <p>where:</p> <p>i^1 = the average mid-rate of shorter dated stock i^2 = the average mid-rate of longer dated stock n^1 = the number of days between the maturity of the shorter dated stock and the theoretical futures maturity n^2 = the number of days between the maturity of the shorter dated stock and the maturity of the longer dated stock</p> <p>and</p> <p>the yield will be expressed to the number of decimal places determined by the Exchange and will be rounded in the manner determined by the Exchange;</p> <p>(e) the average of the 3 yields determined in accordance with (a) above will be calculated to the number of decimal places determined by the Exchange and will be rounded in the manner determined by the Exchange.</p> <p>The average yield so calculated and deducted from 100 shall be the Settlement Price.</p>
6	Inability for SFE Clearing to declare Settlement Price and Undesirable Situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

All currency is in NZ\$. All times are New Zealand times.

The terms of all Three Year New Zealand Government Stock Futures comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provides for determinations by the Exchange as to
 - the units in which prices are to be quoted by participants when submitting orders
 - the Final Trading Day in a Settlement Month
 - the time at which trading ceases on the Final Trading Day
 - the Settlement Day
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows "Final Trading Day" – such business day as is determined by the Exchange. The actual determination made by the Exchange is "the first Wednesday after the ninth day of the Settlement Month".

Link to Procedures for determination. [NZ Three Year Futures Determination](#)

6.28.2 Ordinary Options over Three Year New Zealand Government Stock Option Futures Contract

Item	Heading	Individual contract Specifications
1	Contract Unit	A Three Year New Zealand Government Stock Futures contract.
2	Value of the premium in dollars and cents	$1,000p \times \left[\left(\frac{100}{(1+i)^6} + 4.0 \right) \frac{1 - \frac{1}{(1+i)^6}}{i} \right] \left[\left(\frac{100}{(1+j)^6} + 4.0 \right) \frac{1 - \frac{1}{(1+j)^6}}{j} \right]$ <p>where:</p> $p = \text{premium quoted in a manner determined by the Exchange and at intervals determined by the Exchange}$ $i = \left(\frac{100 - \text{ExercisePrice}}{200} \right)$ $j = \left(\frac{200i + 0.01}{200} \right)$ <p>and where</p> <p>the calculation within the brackets will be carried out to the number of decimal places determined by the Exchange and rounded up in the matter determined by the Exchange</p>
3	Undesirable Situations	If undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

All currency is in NZ\$. All times are New Zealand times.

The terms of all Ordinary Options over Three Year New Zealand Government Stock Futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3:

- (a) which provides for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation
 - the manner in which Exercise Price is quoted and minimum fluctuations
 - Settlement Months
 - the Declaration Day
 - the time at which trading ceases on the Declaration Date
 - the latest time for lodgement of a Request or a Deny Automatic Exercise Request; and
- (b) which also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is "the time at which trading ceases" – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is "12.00 noon on the Declaration Date".

Link to Procedures for determination. [NZ_Three_Year_Option_Determin](#)

6.29.1 New Zealand / Australia Three Year Bond Spread Futures Contract

THIS CONTRACT WAS DELISTED ON 9 FEBRUARY 2006

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	<p>The difference in the yield of</p> <p>(a) a pre-determined 3 Year New Zealand Government Stock which is in a class of securities issued by the New Zealand Government, with a coupon which pays interest semi-annually and which returns a principal at a maturity of 3 years and</p> <p>(b) a predetermined 3 Year Commonwealth Treasury Bond Futures Contract listed on the Exchange,</p> <p>yields and difference being calculated in accordance with this Rule 6.29.1.</p>
1.2		<p>(a) The 3 Year New Zealand Government Stock; and (b) the 3 Year Commonwealth Treasury Bond Futures Contract listed on the Exchange</p> <p>referred to in Item 1.1 shall be determined by and Published by the Exchange prior to the listing of New Zealand/Australia 3 Year Bond Spread Futures Contracts for each relevant Settlement Month.</p>
2	Type of Contract	Cash Settled
3	Contract Value	The price agreed upon by the parties at the time of making the contract, multiplied by 25 and expressed in Australian dollars.
4	Settlement Price	<p>(a) For each Settlement Day, SFE Clearing shall declare the Settlement Price, which shall be calculated in accordance with the procedures in Item 6.</p> <p>(b) SFE Clearing will declare the Settlement Price at such time as it shall determine.</p>
5	Settlement Value	The Settlement Price multiplied by 25 and expressed in Australian Dollars.
6.1	Manner of determining Settlement Price	<p>(a) Settlement Price = $1000 + 100(y - z)$, where: y = the yield on the 3 Year New Zealand Government Stock referred to in Item 1.2(a), calculated in accordance with Item 6.2; and z = 100 – (mid-point of the average of the best bids and the average of the best offers in the 3 Year Commonwealth Treasury Bond Futures Contract referred to in Item 1.2(b), calculated in accordance with Item 6.3).</p> <p>(b) The calculation of the Settlement Price shall:</p> <p>(i) be carried out to such number of decimal points as the Exchange shall determine and (ii) rounded in a manner determined by the Exchange.</p>
6.2	Yield on 3 Year New Zealand Government Stock	<p>The yield on the 3 Year New Zealand Government Stock referred to in Item 6.1 shall be calculated in accordance with Operating Rule 6.2.6 and with this Item 6.2.</p> <p>(a) Quotations shall be obtained for:</p> <p>(i) the yield, to the number of places determined by the Exchange, (ii) as at the specified quotation times,</p>

Item	Heading	Individual Contract Specifications
		<p>at which the price provider would acquire or dispose of the 3 Year New Zealand Government Stock determined pursuant to Item 1.2(a).</p> <p>(b) For each quotation time the highest and the lowest buying quotations, the highest and the lowest selling quotations, and quotations where the spread between the buying and selling yields is greater than an amount determined by the Exchange, shall be discarded.</p> <p>(c) The arithmetical mean of all the remaining quotations shall be</p> <p>(i) calculated to the number of decimal places and (ii) rounded</p> <p>in the manner determined by the Exchange.</p> <p>The arithmetical mean so calculated shall be the yield on the 3 Year New Zealand Government Stock.</p>
6.3	Average of the best bids and offers in the 3 Year Commonwealth Treasury Bond Futures Contract	For each Settlement Month, on the Final Trading Day, the Exchange shall calculate the mid-point of the average of the best bids and average of the best offers shown on the Trading Platform for the 3 Year Commonwealth Treasury Bond Futures Contract determined pursuant to Item 1.2(b), at the quotation times determined by the Exchange.
7	Inability for SFE Clearing to declare Settlement Price and undesirable Situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these individual contract specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

The terms of all New Zealand/Australia Three Year Bond Spread Futures contract comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provides for determinations by the Exchange as to
 - the units in which prices are to be quoted by participants when submitting orders
 - the Final Trading Day in a Settlement Month
 - the time at which trading ceases on the Final Trading Day
 - the Settlement Date
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows:

"Final Trading Day" – such business day as is determined by the Exchange. The actual determination made by the Exchange is "the eleventh day of the Settlement Month, or the next Business Day if that day is a public holiday in Sydney or Auckland.

Link to Procedures for determination. [NZ_Aust_Three_Year_Bond_Determination](#)

6.30.1 New Zealand / Australia Ten Year Bond Spread Futures Contract

THIS CONTRACT WAS DELISTED ON 9 FEBRUARY 2006

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	<p>The difference in the yield of</p> <ul style="list-style-type: none"> (a) a pre-determined 10 Year New Zealand Government Stock which is in a class of securities issued by the New Zealand Government, with a coupon which pays interest semi-annually and which returns a principal at a maturity of 10 years and (b) a pre-determined 10 Year Commonwealth Treasury Bond Futures Contract listed on the Exchange, <p>the yields and difference being calculated in accordance with this Rule 6.30.1.</p>
1.2		<ul style="list-style-type: none"> (a) The 10 Year New Zealand Government Stock; and (b) the 10 Year Commonwealth Treasury Bond Futures Contract listed on the Exchange <p>referred to in Item 1.1 shall be determined by and Published by the Exchange prior to the listing of New Zealand/Australia 10 Year Bond Spread Futures Contracts for each relevant Settlement Month.</p>
2	Type of Contract	Cash Settled
3	Contract Value	The price agreed upon by the parties at the time of making the contract, multiplied by 50 and expressed in Australian dollars.
4	Settlement Price	<ul style="list-style-type: none"> (a) For each Settlement Day, SFE Clearing shall declare the Settlement Price, which shall be calculated in accordance with the procedures in Item 6. (b) SFE Clearing will declare the Settlement price at such time as it shall determine.
5	Settlement Value	The Settlement Price multiplied by 50 and expressed in Australian Dollars.
6.1	Manner of determining Settlement Price	<ul style="list-style-type: none"> (a) Settlement Price = $1000 + 100(y - z)$, where: y = the yield on the 10 Year New Zealand Government Stock referred to in Item 1.2(a), calculated in accordance with Item 6.2; and z = $100 - (\text{mid-point of the average of the best bids and the average of the best offers in the 10 Year Commonwealth Treasury Bond Futures Contract referred to in Item 1.2(b), calculated in accordance with Item 6.3})$. (b) The calculation of the Settlement Price shall: <ul style="list-style-type: none"> (i) be carried out to such number of decimal points as the Exchange shall determine and (ii) rounded in a manner determined by the Exchange
6.2	Yield on 10 Year New Zealand Government Stock	<p>The yield on the 10 Year New Zealand Government Stock referred to in Item 6.1 shall be calculated in accordance with Operating Rule 6.2.6 and with this Item 6.2.</p> <ul style="list-style-type: none"> (a) Quotations shall be obtained for: <ul style="list-style-type: none"> (i) the yield, to the number of places determined by the Exchange, (ii) as at the specified quotation times,

Item	Heading	Individual Contract Specifications
		<p>at which the price provider would acquire or dispose of the 10 Year New Zealand Government Stock determined pursuant to Item 1.2(a).</p> <p>(b) For each quotation time the highest and the lowest buying quotations, the highest and the lowest selling quotations, and quotations where the spread between the buying and selling yields is greater than an amount determined by the Exchange, shall be discarded.</p> <p>(c) The arithmetical mean of all the remaining quotations shall be</p> <p>(i) calculated to the number of decimal places and (ii) rounded</p> <p>in the manner determined by the Exchange.</p> <p>The arithmetical mean so calculated shall be the yield on the 10 Year New Zealand Government Stock.</p>
6.3	Average of the best bids and offers in the 10 Year Commonwealth Treasury Bond Futures Contract	For each Settlement Month, on the Final Trading Day, the Exchange shall calculate the mid-point of the average of the best bids and average of the best offers shown on the Trading Platform, for the 10 Year Commonwealth Treasury Bond Futures Contract determined pursuant to Item 1.2(b), at the quotation times determined by the Exchange.
7	Inability for SFE Clearing to declare Settlement Price and undesirable Situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these individual contract specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

The terms of all New Zealand/Australia Ten Year Bond Spread Futures contract comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provides for determinations by the Exchange as to
 - the units in which prices are to be quoted by participants when submitting orders
 - the Final Trading Day in a Settlement Month
 - the time at which trading ceases on the Final Trading Day
 - the Settlement Date
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows:

"Final Trading Day" – such business day as is determined by the Exchange. The actual determination made by the Exchange is "the eleventh day of the Settlement Month, or the next Business Day if that day is a public holiday in Sydney or Auckland.

Link to Procedures for determination. [NZ_Aust_Ten_Year_Bond_Determination](#)

6.31.1 Australia / US Ten Year Bond Spread Futures Contract

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	<p>The difference in the yield of:</p> <ul style="list-style-type: none"> (a) a pre-determined 10 Year Commonwealth Treasury Bond Futures Contract listed on the Exchange; and (b) a pre-determined US 10 Year Treasury Note which is in a class of securities issued by the US government, with a coupon which pays interest semi-annually and which returns principal at a maturity of ten years, <p>the yields and the difference being calculated in accordance with this Rule 6.31.1.</p>
2	Type of Contract	Cash Settled
3	Contract Value	The price agreed upon by the parties at the time of making the contract, multiplied by 50 and expressed in Australian dollars.
4	Settlement Price	<ul style="list-style-type: none"> (a) For each Settlement Day SFE Clearing shall declare the Settlement Price, which shall be calculated in accordance with the procedures in Item 6. (b) SFE Clearing will declare the Settlement Price at such time as it shall determine.
5	Settlement Value	The Settlement Price multiplied by 50 and expressed in Australian dollars.
6.1	Manner of Determining Settlement Price	<ul style="list-style-type: none"> (a) The Settlement Price shall be $1000 + [100(a - b)]$, where: $a = 100 - (\text{the weighted average of trade prices in the 10 Year Commonwealth Treasury Bond Futures Contract determined for the purposes of Item 1.2(a)}); \text{ and}$ $b = \text{the monthly settlement yield for the US 10 Year Treasury Note determined for the purposes of Item 1.2(b)}$ $\text{calculated in multiples determined by the Exchange.}$ (b) The calculation of the Settlement Price shall: <ul style="list-style-type: none"> (i) be carried out to such number of decimal points as the Exchange shall determine and (ii) be rounded in a manner determined by the Exchange.
6.2	Weighted average of trade prices in 10 Year Commonwealth Treasury Bond Futures Contract	<ul style="list-style-type: none"> (a) The weighted average of trade prices in the 10 Year Commonwealth Treasury Bond Futures Contract referred to in Item 6.1(a) shall be calculated as follows: $\frac{\sum(\text{price}_n \times \text{volume}_n)}{V}$ Where $n = \text{number of deals executed during the price-sampling period}; \text{ and}$ $V = \text{total volume traded during the price-sampling period.}$ (b) The calculation of the weighted average of trade prices shall be carried out to the number of decimal places determined by the Exchange and rounded in the manner determined by the Exchange.

Item	Heading	Individual Contract Specifications
		<p>(c) In the event that no trades occur during the price-sampling period, the weighted average shall be deemed to be the midpoint of the bid and ask prices rounded up in the manner determined by the Exchange at the end of the price-sampling period.</p> <p>(d) The price-sampling periods shall be determined by the Exchange.</p>
6.3.	Monthly Settlement Yield for US 10 Year Treasury Note	<p>(a) The monthly settlement yield for the US 10 Year Treasury Note referred to in item 6.1(a) shall be the volume weighted average of executed trades, bids and offers on the trading platform operated by eSpeed Inc (a company incorporated in the United States of America), for that US 10 Year Treasury Note, during (unless the Exchange determines a different period) the final hour of trading in the relevant Australia/US 10 Year Bond Spread Futures Contract Settlement Month).</p> <p>(b) The monthly settlement yield shall be provided to the Exchange by eSpeed Inc by such time on the Final Trading Day as shall be determined by the Exchange.</p>
7	Exclusion of Liability	<p>Subject to Item 6.3.2 and to the right of the Exchange under Rule 1.4 to direct that Contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the monthly settlement yield from eSpeed Inc as described in Item 6.3 as being conclusive evidence of such yield.</p> <p>In the event of eSpeed Inc failing to provide the monthly settlement yield or providing a figure which is numerically inaccurate, no party shall make any claim whatsoever against eSpeed Inc, its duly authorized agents, SFE Clearing or the Exchange and the provisions of Rule 1.4 shall apply.</p>
8	Inability for SFE Clearing to declare Settlement Price and undesirable Situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Amended 30/12/09

Explanatory Note

The terms of all Australia/US Ten Year Bond Spread Futures contract comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provides for determinations by the Exchange as to
 - the units in which prices are to be quoted by participants when submitting orders
 - the Final Trading Day in a Settlement Month
 - the time at which trading ceases on the Final Trading Day
 - the Settlement Date
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows:

"Final Trading Day" – such business day as is determined by the Exchange. The actual determination made by the Exchange is "the

eleventh day of the Settlement Month, or the next Business Day if that day is a public holiday in Sydney, New York, London or Tokyo.

Link to Procedures for determination. [Aust_US_Ten_Year_Bond_Determination](#)

6.32.1 One Session Options over US Ten Year Treasury Note Contract (Cash Settled)

THIS CONTRACT WAS DELISTED ON 1 AUGUST 2006.

Item	Heading	Individual contract specifications
1.1	Contract Unit	A pre determined US 10 Year Treasury Note, with a face value at maturity of US\$100,000 which is in a class of securities issued by the US government, with a coupon which pays interest semi-annually and which returns a principal at a maturity of ten years.
1.2		The US 10 Year Treasury Note referred to in item 1.1 shall be determined by and published by the Exchange prior to the listing of One Session Options over the US 10 Year Treasury Note for each relevant Settlement Month.
2	Settlement Value	The difference between the Exercise Price and the Settlement Price at the time of Declaration of the Settlement Price as declared by SFE Clearing multiplied by US\$31.25.
3	Settlement Price	The Exchange shall calculate the Settlement Price for the One Session Option over the US 10 Year Treasury Note to be the mid-point of the best bid and offer of the US 10 Year Treasury Note referred to in item 1.1, as determined by the Exchange, of the BBT3 Best Bid Offer Price shown on the Bloomberg BondTrader trading platform or its equivalent operated by Bloomberg LP (a company incorporated in the United States of America) or its successors.
4	Declaration of Settlement Price	SFE Clearing will declare the One Session Option Settlement Price at such time as it shall determine.
5	Exclusion of Liability	In the event that any figure used by the Exchange in calculating the Settlement Price is inaccurate, no claim shall lie against Bloomberg LP, SFE Clearing or the Exchange or their agents.
6	Inability for SFE Clearing to declare Settlement Price and Undesirable Situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Notes

1. The terms of all One Session Options over the US Ten Year Treasury Note comprise a combination of:
 - the Individual Contract Specifications set out above; and
 - the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular:

- (a) Rule 6.3, which provides for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation;
 - the manner in which Exercise Price is quoted and minimum fluctuations;
 - Settlement Months;
 - the Declaration Day;
 - the time at which trading ceases on the Declaration Date; and
 - the latest time for lodgement of a Request or a Deny Automatic Exercise Request.
- (b) Rule 6.3 also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is the “time at which trading ceases” – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is “7.00am (AEDST) or 5.00am (AEST) on the Declaration Date”.

Link to Procedures for determination. [US_Ten_Year_Treasury_Note_OSO](#)

6.33.1 Bond Index Futures Contract

This Contract will commence on 7 December 2005.

Item	Heading	Individual contract specifications
1.1	Contract Unit	A sum of money equal to the AFMA Australian Fixed Interest Adjusted Accumulation Index (Capital Index), as referred to in these Individual Contract Specifications, multiplied by twenty-five Australian dollars.
1.2	Type of Contract	Cash settled.
2	Contract Value	The price agreed to by the parties at the time of making the Futures Contract and multiplied by twenty-five and expressed as Australian dollars.
3	Settlement Price	The numerical value of the index quoted by SFE Clearing for the relevant Settlement Day to be the value of the Index at a time to be determined by the Exchange provided by AFMA Services Pty Limited or its duly authorised agent by notice in Writing to the Exchange by, unless otherwise agreed by all parties, 7pm on the Final Trading Day and calculated to one decimal place.
4	Settlement Value	The numerical value of the index quoted by SFE Clearing for that Settlement Day (to one decimal place) multiplied by twenty five and expressed as Australian dollars.
5	Exclusion of Liability	Subject to the right of the Exchange under Rule 1.4 to direct that Contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the numerical value provided by AFMA Services Pty Limited or its duly authorised agent as being conclusive evidence of the value of the Index at the time determined by the Exchange. In the event of AFMA Services Pty Limited failing to provide such quotation or providing a quotation that is numerically inaccurate, no party shall make any claim whatsoever against AFMA Services Pty Limited, its duly authorised agents, SFE Clearing or the Exchange, and the provisions of Rule 1.4 shall apply.
6	Inability for SFE Clearing to declare Settlement Price and undesirable situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

The terms of all Bond Index Futures Contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provide for determinations by the Exchange as to
 - the units in which prices are to be quoted by Participants when submitting orders
 - the Final Trading Day in a Settlement Month
 - the time at which trading ceases on the Final Trading Day
 - the Settlement Day
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document “Procedures, Determinations and Practice Notes” (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows:

“Final Trading Day” – such business day as is determined by the Exchange. The actual determination made by the Exchange is “the third Thursday of the Settlement Month”.

Link to Procedures for determination. [Bond Index Futures Determination](#)

6.34.1 New Zealand 30 Day Official Cash Rate Futures Contract

This Contract will commence on 26 September 2006.

Item	Heading	Individual contract specifications
1.1	Contract Unit	The average monthly yield, calculated in accordance with this Rule 6.34.1, which would be payable on a notional sum of \$3,000,000 at a rate quoted by the Reserve Bank of New Zealand and referred to in this Rule 6.34.1 as the RBNZ Official Cash Rate.
1.2	RBNZ Official Cash Rate	The rate quoted by the Reserve Bank of New Zealand, described as the Official Cash Rate, and published by the Reserve Bank of New Zealand.
1.3	Type of Contract	Cash settled.
2	Contract Value	$CV = \frac{3,000,000 \times r_1 \times 30}{36500}$ <p>where: r_1 = the rate at the time the Contract was entered into.</p> <p>The contract value is to be rounded in the manner determined by the Exchange.</p>
4	Settlement Price	<p>For each Settlement Day SFE Clearing shall declare a Settlement Price, which shall be the cash settlement rate deducted from 100.</p> <p>SFE Clearing will declare the Settlement Price at such time as it shall determine.</p>
5	Settlement Value	$SV = \frac{3,000,000 \times r_2 \times 30}{36500}$ <p>where: r_2 = the cash settlement rate being the monthly average of the Official Cash Rate, (as quoted to two decimal places by the Reserve Bank of New Zealand), which is calculated by taking the sum of the daily rates and dividing it by the number of days for the Settlement Month. Where no rate is quoted in respect of any day, the rate used shall be the rate quoted for the previous day for which a quotation was given.</p> <p>The cash settlement rate and value are to be rounded in the manner determined by the Exchange.</p>
6	Exclusion of liability	In the event that any figure used by the Exchange as the Official Cash Rate is numerically inaccurate, no claim shall lie against the Reserve Bank of New Zealand, SFE Clearing or the Exchange or their agents.
7	Inability of SFE Clearing to declare Settlement Price and Undesirable Situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of Rules 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

The terms of all New Zealand 30 Day Official Cash Rate Futures Contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provides for determinations by the Exchange as to
 - the units in which prices are to be quoted by participants when submitting orders;
 - the Final Trading Day in a Settlement Month;
 - the time at which trading ceases on the Final Trading Day;
 - the Settlement Date;
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day;
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows:

"Final Trading Day" – such Business Day as is determined by the Exchange. The actual determination made by the Exchange is "The last Business Day of the Settlement Month".

Link to Procedures for determination. [New Zealand 30 Day Official Cash Rate](#)

SUB-SECTION 6C: EQUITY CONTRACTS

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6.40.1 SFE SPI 200 Index Futures Contracts

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	A sum of money equal to an S&P/ASX Index, as referred to in these Individual Contract Specifications, multiplied by twenty-five Australian dollars.
1.2	Type of Contract	Cash settled.
2	Contract Value	The price agreed to by the parties at the time of making the Futures Contract and multiplied by twenty-five and expressed as Australian dollars.
3	Settlement Price	<p>The numerical value of the index quoted by SFE Clearing for the relevant Settlement Day to be the special opening quotation of the S&P/ASX 200 Index provided by Standard & Poors Australia Pty Limited or its duly authorised agent by notice in Writing to the Exchange by, unless otherwise agreed by all parties, 12.00 noon on the Business Day following the Final Trading Day.</p> <p>Explanatory Note: Except where a component stock has not traded on the Final Trading Day (in which case the previous traded price is used) the special opening quotation is based on the first traded price of each component stock in the S&P/ASX 200 Index, determined on the Final Trading Day in the Settlement Month. It is calculated to one decimal place.</p>
4	Settlement Value	The numerical value of the index quoted by SFE Clearing for that Settlement Day (to one decimal place) multiplied by twenty five and expressed as Australian dollars.
5	Exclusion of Liability	<p>Subject to the right of the Exchange under Rule 1.4 to direct that Contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the numerical value provided by Standard & Poors Australia Pty Limited or its duly authorised agent as being conclusive evidence of the special opening quotation.</p> <p>In the event of Standard & Poors Australia Pty Limited failing to provide such quotation or providing a quotation that is numerically inaccurate, no party shall make any claim whatsoever against Standard & Poors Australia Pty Limited, its duly authorised agents, SFE Clearing or the Exchange, and the provisions of Rule 1.4 shall apply.</p>
6	Inability for SFE Clearing to declare Settlement Price and undesirable situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

The terms of all SFE SPI 200 Futures Contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provide for determinations by the Exchange as to
 - the units in which prices are to be quoted by Participants when submitting orders
 - the Final Trading Day in a Settlement Month
 - the time at which trading ceases on the Final Trading Day
 - the Settlement Day
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively,

the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document “Procedures, Determinations and Practice Notes” (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows:

“Final Trading Day” – such business day as is determined by the Exchange. The actual determination made by the Exchange is “the third Thursday of the Settlement Month”.

Link to Procedures for determination. [SPI Futures Determination](#)

6.40.2 Ordinary Options over SFE SPI 200 Index Futures Contracts

Item	Heading	Individual Contract Specifications
1	Contract Unit	An SFE SPI 200 Index Futures Contract.
2	Undesirable Situations	If an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the value or price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

the terms of all Ordinary Options over SFE SPI 200 Futures Contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3:

- (a) which provides for determinations by the Exchange as to:
 - the Declaration Day
 - Time at which trading ceases on the Declaration Date
 - Settlement Months
 - Trading times
 - Manner in which Premium is quoted and minimum fluctuation
 - Manner in which Exercise Price is quoted and minimum fluctuations
 - Latest time for entering Position Close outs for serial options
 - Latest time for lodgement of a Request or a Deny Automatic Exercise Request; and
- (b) which sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is as follows:

"Time at which trading ceases:" – such time as is determined by the Exchange; The actual determination made by the Exchange pursuant to this power is "12.00 noon on the Declaration Date".

Link to Procedures for determination. [SPI Ordinary Options Determination](#)

6.40.3 Serial Options over SFE SPI 200 Index Futures Contracts

Item	Heading	Individual Contract Specifications
1	Contract Unit	An SFE SPI 200 Index Futures Contract.
2	Undesirable Situations	If an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the value or price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

the terms of all Serial Options over SFE SPI 200 Futures Contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3:

- (a) which provides for determinations by the Exchange as to:
 - the Declaration Day
 - Time at which trading ceases on the Declaration Date
 - Settlement Months
 - Trading times
 - Manner in which Premium is quoted and minimum fluctuation
 - Manner in which Exercise Price is quoted and minimum fluctuations
 - Latest time for entering Position Close outs for serial options
 - Latest time for lodgement of a Request or a Deny Automatic Exercise Request; and
- (b) which sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document “Procedures, Determinations and Practice Notes” (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is as follows:

“Time at which trading ceases:” – such time as is determined by the Exchange; The actual determination made by the Exchange pursuant to this power is “12.30 on the Declaration Date”.

Link to Procedures for determination. [SPI Serial Options Determination](#)

6.40.4 Overnight Options over SFE SPI 200 Index Futures Contracts

Item	Heading	Individual Contract Specifications
1	Contract Unit	An SFE SPI 200 Index Futures Contract.
2	Determination of Overnight Option Futures Price	<p>The Overnight Option Futures Price shall be determined by calculating the arithmetical mean bids and offers in the SFE SPI 200 Index Futures Contract in accordance with the following procedure:</p> <ul style="list-style-type: none"> (a) the Exchange shall obtain such number of quotations and at such times as it shall determine on each day of trading of the SFE SPI 200 Index Futures Contract; (b) The Exchange shall determine the arithmetic mean of the prevailing Market bid and offer quotations at the quotation times in the underlying SFE SPI 200 Index Futures Contract calculated to one decimal place and rounded to the nearest whole integer. In rounding, the arithmetic mean shall be in the manner determined by the Exchange. The arithmetic mean so calculated shall be the Overnight Option Futures Price. (c) In the event of disagreement on the Overnight Option Futures Price, the Contracts Committee shall arbitrate, however this will in no way derogate from the powers of the Exchange to make a final decision on Overnight Option Futures Prices. (d) Subject to Rule 1.4, the Exchange shall announce the Overnight Option Futures Price by no later than the time it shall determine on the same Business Day.
3	Inability for SFE Clearing to declare Overnight Option Futures Price and Undesirable Situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the an Overnight Futures Option Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

the terms of all Overnight Options over SPI 200 Index Futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3:

- (a) which provides for determinations by the Exchange as to:
 - the Declaration Day
 - Time at which trading ceases on the Declaration Date
 - Settlement Months
 - Trading times
 - Manner in which Premium is quoted and minimum fluctuation
 - Manner in which Exercise Price is quoted and minimum fluctuations
 - Latest time for lodgement of a Request or a Deny Automatic Exercise Request: and
- (b) which sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

Note: there are no determinations for this Contract as it has not yet commenced.

6.40.5 Cash Settled Intraday Options over SFE SPI 200 Index Futures Contracts

This Contract will commence on 19 October 2004.

Item	Heading	Individual Contract Specifications
1	Contract Unit	A SFE SPI 200 Index Futures Contract.
2	Settlement Price	<p>(a) The Settlement Price shall be the weighted average of the trade prices, calculated as follows:</p> $\frac{\sum (price_n \times volume_n)}{V}$ <p>where:</p> <p>n = number of SFE SPI 200 Index Futures Contracts executed during the price-sampling period; and V = total volume traded during the price-sampling period.</p> <p>(b) The calculation of the weighted average of trade prices shall be carried out to the number of decimal places determined by the Exchange and rounded in the manner determined by the Exchange.</p> <p>(c) In the event that no trades occur during the price-sampling period, the Settlement Price shall be the midpoint of the bids and asks rounded in the manner determined by the Exchange in the underlying SFE SPI 200 Index Futures Contract at the end of the price-sampling period.</p> <p>(d) The price-sampling periods for the Settlement Price shall be determined by the Exchange.</p>
3	Declaration of Settlement Price	SFE Clearing will declare the Settlement Price at such time as it shall determine.
4	Settlement Value	The difference between the Exercise Price and the Settlement Price at the time of Declaration of the Settlement Price as declared by SFE Clearing multiplied by twenty-five and expressed as Australian dollars.
5	Inability for SFE Clearing to declare Settlement Price and Undesirable Situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

the terms of all Cash Settled intraday Options over SFE SPI 200 Index futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular:

- (a) Rule 6.3, which provides for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation;
 - the manner in which Exercise Price is quoted and minimum fluctuations;
 - Settlement Months;
 - the Declaration Day;
 - the time at which trading ceases on the Declaration Date;
 - the latest time for entering Position Close outs for serial options; and
 - the latest time for lodgement of a Request or a Deny Automatic Exercise Request.
- (b) Rule 6.3 also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document “Procedures, Determinations and Practice Notes” (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is the “time at which trading ceases” – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is “3:55 pm on the Declaration Date”.

Link to Procedures for determination. [Cash Settled Intraday Options SPI 200](#)

6.40.6 SFE CBOT® Mini-Sized Dowsm 1-Day Option

This Contract will commence on 31 October 2006.

Item	Heading	Individual Contract Specifications
1	Contract Unit	A CBOT® mini-sized Dow Jones SM futures contract ¹ .
2	Settlement Price	The Settlement Price shall be the daily settlement price of a CBOT® mini-sized Dow Jones SM futures contract quoted by SFE Clearing for the relevant Settlement Day.
3	Declaration of Settlement Price	SFE Clearing will declare the Settlement Price at such time as it shall determine.
4	Settlement Value	The difference between the Exercise Price and the Settlement Price at the time of Declaration of the Settlement Price as declared by SFE Clearing multiplied by five and expressed in US dollars.
5	Exclusion of Liability	Subject to the right of the Exchange under Rule 1.4 to direct that Contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the numerical value provided by Board of Trade of the City of Chicago, Inc. or its duly authorised agent as being conclusive evidence of the settlement price. In the event of Board of Trade of the City of Chicago, Inc. or its duly authorised agent, failing to provide such quotation or providing a quotation that is numerically inaccurate, no party shall make any claim whatsoever against Board of Trade of the City of Chicago, Inc., Dow Jones & Company Inc, or their respective affiliates, officers, directors, committee members, clearing organization(s) or any of their respective officers, directors, committee members or duly authorised agents, SFE Clearing or the

¹ "Chicago Board of Trade", "CBOT" and "the Pit Logo," are trademarks of the Board of Trade of the City of Chicago, Inc. and have been licensed for use for certain purposes by Sydney Futures Exchange Limited ("SFE"). "Dow Jones", "DJIA" and "Dow Jones Industrial Average™," are trademarks of Dow Jones & Company, Inc. and have been licensed for use for certain purposes by Sydney Futures Exchange Limited ("SFE"). The SFE CBOT® mini-sized DowSM 1-Day Option which settles against the CBOT® mini-sized DowSM futures contract based on the Dow Jones Industrial Average™ are not sponsored, endorsed, sold or promoted by Dow Jones or the Chicago Board of Trade, and neither Dow Jones or the Chicago Board of Trade make any representation regarding the advisability of trading in such product(s).

The SFE CBOT® mini-sized DowSM 1-Day Option is not sponsored, endorsed, sold or promoted by Dow Jones & Company, Inc. ("Dow Jones") or the Board of Trade of the City of Chicago, Inc. ("CBOT"). CBOT and Dow Jones makes no representation or warranty, express or implied, to the owners of the SFE CBOT® mini-sized DowSM 1-Day Option or any member of the public regarding the advisability of trading in the SFE CBOT® mini-sized DowSM 1-Day Option. Dow Jones' and CBOT's only relationship to SFE is the licensing of certain intellectual property of Dow Jones and CBOT and of the Dow Jones Industrial Average which is determined, composed and calculated by Dow Jones without regard to SFE or the SFE CBOT® mini-sized DowSM 1-Day Option, Dow Jones and CBOT have no obligation to take the needs of SFE or the owners of the SFE CBOT® mini-sized DowSM 1-Day Option into consideration in determining, composing or calculating the Dow Jones Industrial Average. Dow Jones and CBOT are not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the SFE CBOT® mini-sized DowSM 1-Day Option to be listed or in the determination or calculation of the equation by which the Products are to be converted into cash. Dow Jones and CBOT have no obligation or liability in connection with the administration, marketing or trading of the Product.

Dow Jones and CBOT do not guarantee the accuracy and/or the completeness of the Dow Jones Industrial Average or any data included therein and shall have no liability for any errors, omissions, or interruptions therein. Dow Jones and CBOT make no warranty, express or implied, as to results to be obtained by SFE, owners of the SFE CBOT® mini-sized DowSM 1-Day Option, or any other person or entity from the use of the Dow Jones Industrial Average or any data included therein. Dow Jones and CBOT make no express or implied warranties, and expressly disclaim all warranties, of merchantability or fitness for a particular purpose or use with respect to the Dow Jones industrial average or any data included therein, without limiting any of the foregoing, in no event shall Dow Jones or CBOT have any liability for any lost profits or indirect, punitive, special or consequential damages (including lost profits), even if notified of the possibility of such damages. Other than Dow Jones, there are no third party beneficiaries of any agreements or arrangements between CBOT and SFE.

Item	Heading	Individual Contract Specifications
		Exchange, and the provisions of Rule 1.4 shall apply.
6	Inability for SFE Clearing to declare Settlement Price and Undesirable Situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

The terms of all SFE CBOT® mini-sized DowSM 1-Day Option contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular:

- (a) Rule 6.3, which provides for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation;
 - the manner in which Exercise Price is quoted and minimum fluctuations;
 - Settlement Months;
 - the Declaration Day;
 - the time at which trading ceases on the Declaration Date;
 - the latest time for entering Position Close outs for serial options; and
 - the latest time for lodgment of a Request or a Deny Automatic Exercise Request.
- (b) Rule 6.3 also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document “Procedures, Determinations and Practice Notes” (this document does not form part of the Rules).

Link to Procedures for determination. [SFE CBOT Mini Sized Dow 1 Day Option](#)

6.41 Deliverable Individual Share Futures Contract

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	The number and class of securities determined and published by the Exchange prior to the commencement of Trading of Contracts that relate to the same securities and have the same Settlement Month. Any number so determined shall be varied if required by Item 8.
1.2	Type of Contract	Deliverable.
1.3(a)	Underlying Securities	<p>At the time the Exchange determines to list a Deliverable Individual Share Futures Contract the securities underlying that Contract must be:</p> <ul style="list-style-type: none"> (i) securities for which the ASX is the home exchange or in the opinion of the Exchange is likely to be the home exchange; (ii) securities which are or in the opinion of the Exchange are likely to be quoted on the ASX at the time of a Deliverable Individual Share Futures Contract listing for trade; (iii) the Market capitalisation of the securities must be greater than \$2,000 million or in the opinion of the Exchange is likely to be greater than \$2,000 million at the time of a Deliverable Individual Share Futures Contract listing for trade; (iv) have at least 500 million securities of the class issued (excluding securities of the class issued but held by any entity which is related to the issuer); and (v) in the opinion of the Exchange be characterised by a substantial number of outstanding securities which are widely held and actively traded or are likely to be widely held and actively traded at the time of a Deliverable Individual Share Futures Contract listing to trade; or (vi) be shares not objected to by the ASIC within fourteen (14) days of the ASIC receiving written notification of the class of shares.
1.3(b)		The Exchange shall publish a list of the names of companies whose securities have been selected to be the underlying securities.
1.4		If at any time any of the requirements set out in Item 1.3(a) are not or are no longer met in relation to a class of securities, the Exchange will not permit any trading of Deliverable Share Futures Contracts relating to securities of that class for any new Settlement Months unless the Exchange reasonably considers that it is appropriate in the interests of a fair, orderly and efficient Market to permit new Settlement Months having regard to the current and likely future extent and nature of trading in the securities.
2	Contract Value	The face value of each contract at the formation of the Deliverable Individual Share Futures Contract between Buyer and Seller.
3	Settlement Value	<p>The Settlement Value per Contract shall be based on the final Settlement Price for the Settlement Month for the Final Trading Day and shall be calculated using the following formula:</p> <p>(number of shares the subject of the contract) x (final Settlement Price)</p>
4.1	Settlement Facility	<p>The approved settlement facility for the settlement of Deliverable Individual Share Futures Contracts shall be the Clearing House Clearing Electronic Subregister System (CHESS) (operated by Australian Stock Exchange Settlement and Transfer Corporation Pty Limited) or such other facility as may be determined by the Exchange.</p> <ul style="list-style-type: none"> (i) Sellers and Buyers who are CHESS participants as defined by the Securities Clearing House (SCH) Operating Rules shall be entitled to give or take delivery (as the case may be) in their own name.

Item	Heading	Individual Contract Specifications
		<ul style="list-style-type: none"> (ii) A Seller or Buyer who is to give or take delivery may appoint a CHESS Participant(s) as its agent(s) for this purpose. (iii) Where securities are lodged with CHESS in order to fulfil obligations pursuant to a Futures Contract such lodgement shall be governed by the SCH Operating Rules. (iv) SCH may impose on SCH participants such charges as provided for in its Rules.
4.2	Authorisation of agents	A Clearing Participant who appoints an agent shall, by the time determined by SFE Clearing on the Final Trading Day, have delivered to SFE Clearing a document in a form determined by SFE Clearing authorising that CHESS participant to act on its behalf for delivery.
5	Tendering Information Procedures	<p>The Clearing Participant shall give details of tenders to SFE Clearing in a form determined by SFE Clearing by no later than the time it shall determine on the Final Trading Day and such details shall include:</p> <ul style="list-style-type: none"> (i) the name of the Clearing Participant; (ii) name of the CHESS participant effecting delivery for each contract and its CHESS Participant Identifier (“PID”); (iii) the CHESS Holder Identification Number (“HIN”) in relation to each CHESS participant taking delivery; and (iv) the number of securities to be transferred or acquired.
6.1	Delivery Process	<ul style="list-style-type: none"> (a) The Clearing Participant shall provide SFE Clearing with notices of intention to give or take delivery by the time determined by SFE Clearing on the Final Trading Day. SFE Clearing will not obtain an interest in the shares the subject of a notice of intention by virtue of the lodgement of such a notice of intention to give or take delivery. (b) SFE Clearing will advise Buyers and Sellers on the Settlement Day, in respect of each Contract: <ul style="list-style-type: none"> (i) to the buying Clearing Participant, the name of the CHESS participant(s) from whom the securities will be transferred; (ii) to the selling Clearing Participant the name of the CHESS participant(s) to whom the securities are to be transferred; (iii) to Clearing Participants the details as described in Item 5 of the securities to be transferred or received; and (iv) to Clearing Participants the amount that will be paid for the securities.
6.2		<ul style="list-style-type: none"> (a) Payment of the Settlement Value is to be made to SFE Clearing on the Settlement Day by a time determined by SFE Clearing. (b) The method of payment shall be determined by SFE Clearing from time to time.
6.3		SFE Clearing will endeavour to give to the selling Clearing Participant authorisation for the transfer of securities which are to be effected on CHESS on the Settlement Day by a time determined by SFE Clearing.
6.4		Clearing Participants shall ensure that on the Settlement Day, by no later than a time determined by SFE Clearing, transfers of securities in accordance with the instructions received from SFE Clearing shall have been effected on CHESS.
6.5		Clearing Participants must lodge with SFE Clearing on the Settlement Day by no later than a time determined by SFE Clearing, a report in the form prescribed by SFE Clearing which indicates the status of transfers including whether or not the transfer referred to in Item 6.4 conform with the details advised to it pursuant to Item 6.1(b)(iii).

Item	Heading	Individual Contract Specifications
6.6		SFE Clearing will release settlement funds to Clearing Participants on the Settlement Day at a time determined by it, provided delivery has occurred in accordance with these Operating Rules.
6.7		If any transfer of deliverable shares required under these Operating Rules cannot be accomplished by the time specified on Settlement Day due to the unavailability of the CHESS system, such transfer shall be made as soon as possible and in accordance with any instructions which may be given by the Exchange in consultation with SFE Clearing.
7	Default	<ul style="list-style-type: none"> (a) Should a delivery not be duly made by a Clearing Participant as provided in these Operating Rules or information not be provided as required in Item 5, such Clearing Participant shall be in default. (b) Should a delivery not be duly taken by a Clearing Participant as provided in these Operating Rules, such Clearing Participant shall be in default. (c) Should payment for any delivery not be made by the Buyer as provided in these Operating Rules, the Seller with the agreement of and in conjunction with SFE Clearing is authorised to sell the shares. Any difference in price resulting through such sales, together with interest and all charges, shall be settled with SFE Clearing by the Buyer forthwith.
8	Adjustments	<ul style="list-style-type: none"> (a) Where a security underlying a Deliverable Individual Share Futures Contract ("the relevant contract") is the subject of a capital issue, ex-interest, bonus issue, rights issue, stock split, consolidation, reconstruction or other similar action, the Exchange shall advise SFE Clearing of the adjustments to the Open Position of the relevant contract and/or to the number of the securities underlying the relevant contract and/or any cash adjustment amount. (b) Such adjustment shall be effective from the close of business on the day preceding the day that the underlying security becomes the subject of an action mentioned in Item 8(a). (c) The terms used in Item 8(a) shall have the meaning assigned to them by the ASX Operating Rules. (d) The objective of any adjustment will be to ensure that the Contract Value after an event as described in Item 8(a) will be as far as practicable equivalent to the Contract Value prior to that event. (e) Any adjustments other than as described above made by a company to its capital structure will be adjusted in accordance with the adjustments made on a designated stock except where it is manifestly unfair to do so in which case the Exchange shall make an adjustment based upon achieving a fair and reasonable value. (f) No adjustment is made for dividend payment.
9	Prohibition on acquisition or disposal	A Participant shall not acquire or dispose of a Deliverable Individual Share Futures Contracts if the acquisition or disposal is intended or likely to create a false or misleading appearance with respect to the Market, or the price of any securities specified in a Deliverable Individual Share Futures Contract.
10	Position Limits	If the Exchange determines it is appropriate or if the Exchange is requested by ASIC to do so the Exchange shall impose position limits in respect of one or more classes of Deliverable Individual Shares Futures Contracts. For such a purpose the Exchange may prescribe all necessary matters relating to the imposition of such limits including the accounts to which they will apply and the level of such limits unless otherwise directed by ASIC in which case the Exchange shall after consultation with ASIC prescribe such matters in accordance with the direction of ASIC.

Item	Heading	Individual Contract Specifications
11.1	Compliance with directions from the Commission	<p>Where, after consultation with the Exchange, ASIC gives to the Exchange a written notice stating:</p> <ul style="list-style-type: none"> (i) it is of the opinion that it is necessary for action to be taken in the Futures Market of the Exchange in order to protect persons buying or selling the securities specified in one or more classes of Deliverable Individual Share Futures Contracts on a stock market of a securities exchange or in the interests of the public; (ii) reasons for forming that opinion; (iii) particulars of the action which ASIC considers should be taken, being one or more of <ul style="list-style-type: none"> • suspending dealing in • deferring the completion date of • closing out or invoicing back contracts which related to specified Deliverable Individual Share Futures Contracts or Classes of such Contracts; (iv) a time, or a date and time, within which such action should be taken and the duration of such action, being not more than twenty-one (21) days; and (v) that a copy of the notice has been given to SFE Clearing of the Exchange and the Minister, <p>the Exchange will, within the time stated in the notice, do all things necessary to take the action specified in the notice unless the Minister directs otherwise.</p> <p>If ASIC has not consulted with the Exchange prior to the giving of the notice but the notice states that in the circumstances such prior consultation was not possible because of urgency or the protection of confidential information, the Exchange will comply with the notice.</p>
11.2		All Deliverable Individual Share Futures Contracts are subject to a condition entitling the Exchange to take the action referred to in Item 11.1.
12		Where a security underlying a Deliverable Individual Share Futures Contract is or becomes the subject of a compulsory acquisition notice in accordance with the Corporations Act or in accordance with an equivalent scheme or offer on the ASX then the provisions of this Item 12 shall apply.
		Where a compulsory acquisition notice is made which is consistent with compulsory acquisition rights pursuant to the Corporations Act, then trading in the Deliverable Individual Share Futures Contracts which have as their underlying security the shares which are the subject of the announcement will cease and all existing Open Positions will be cash settled by SFE Clearing as soon as practicable after that announcement. A numerical value equivalent to the compulsory acquisition price shall be the Cash Settlement Value.
13	Suspension	In the event that the ASX suspends trading in the securities of a listed company which are the underlying subject of an Deliverable Individual Share Futures Contract then the Exchange may determine a course of action in relation to the Deliverable Individual Share Futures Contract, including, but not limited to, the cessation or suspension in the trading of the Contract.
14	Documents	Shares must be taken up without prejudice to any question in Dispute and such question shall be agreed between the parties, failing which SFE Clearing may resell the shares for account of whom it may concern. All differences, interests and all other charges are for prompt settlement.

Explanatory Note

The terms of all Deliverable Individual Share Futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2 which provides for determinations by the Exchange as to

- the units in which prices are to be quoted by participants when submitting orders
- the Final Trading Day in a Settlement Month
- the time at which trading ceases on the Final Trading Day
- the Settlement Date
- the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
- the Settlement Months in which a Final Trading Day for a contract occurs.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows:

"Final Trading Day" – such Business Day as is determined by the Exchange. The actual determination made by the Exchange is "The last Thursday of the settlement month".

Link to Procedures for determination. [ISF Deliverable Determination](#)

6.42 Individual Share Futures Contracts (Cash Settled)

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	The number of securities determined by the Exchange from time to time. Any number so determined shall be varied as required by Item 7.
1.2	Type of Contract	Cash Settled.
1.3(a)	Underlying Securities	<p>The securities which underlie an Individual Share Futures Contract shall be determined by the Exchange and must be:</p> <ul style="list-style-type: none"> (i) securities for which the ASX is the home exchange or in the opinion of the Exchange is likely to be the home exchange; (ii) securities which are or in the opinion of the Exchange are likely to be quoted on the ASX at the time of a Share Futures Contract listing for trade; (iii) the Market capitalisation of the securities must be greater than \$2,000 million or in the opinion of the Exchange is likely to be greater than \$2,000 million at the time of a Shares Futures Contract listing for trade; (iv) 500 million securities of the class have been issued (excluding securities of the class issued but held by any entity which is related to the issuer); and (v) in the opinion of the Exchange be characterised by a substantial number of outstanding securities which are widely held and actively traded or are likely to be widely held and actively traded at the time of a Share Futures Contract listing for trade.
1.3(b)		The Exchange shall publish a list of the names of companies whose securities have been selected to be the underlying securities.
1.4		If the Exchange determines that any underlying securities previously approved for Individual Share Futures Contracts should for any reason no longer be approved, the Exchange shall take such steps in respect of such contracts as it sees fit, which may include a prohibition on opening new trading months.
2	Contract value	The face value of each contract at the formation of the Individual Share Futures Contract between Buyer and Seller.
3.1	Settlement Value	The average quoted price of the underlying security multiplied by the number of securities represented in that Exchange Individual Share Futures Contract, on the Final Trading Day.
3.2	Average Quoted Price	<p>The average quoted price of the underlying security for purposes of the contract shall be calculated as a ratio of A/B where:</p> <p>"A" Equals the sum of at Market bid and ask prices sampled from the ASX. One sample shall be randomly selected during each one (1) minute interval over a period of time of two (2) hours immediately prior to the Close of Trading on the ASX, or such other period of time as determined by the Exchange, on the Final Trading Day.</p> <p>"B" Equals the total number of bid and ask prices sampled.</p> <p>The average quoted price shall be rounded to the nearest cent per unit or other such amount per unit determined by the Exchange.</p>
4	Settlement Price	The Exchange will inform SFE Clearing of the Settlement Value at such time on the Final Trading Day as it shall determine and SFE Clearing shall declare the Settlement Price at such time as it shall determine.

Item	Heading	Individual Contract Specifications
5	Exclusion of liability	<p>Subject to the right of the Exchange under Rule 1.4 to direct that contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the information received from the ASX or its agent as being conclusive and final.</p> <p>In the event of the ASX failing to provide the information necessary for calculating the Settlement Value or providing information which is numerically inaccurate, no party shall make any claim whatsoever against the ASX, its duly authorised agents, SFE Clearing or the Exchange, and the provisions of Rule 1.4 shall apply</p>
6	Inability of SFE Clearing to declare Settlement Price and Undesirable Situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of Rules 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.
7.1	Adjustments	<p>(a) On the Close of Trading on the day preceding the day that a security underlying an Individual Share Futures Contract ("the relevant contract"):</p> <ul style="list-style-type: none"> (i) is officially quoted by the ASX as, "ex interest", "ex return of capital", "ex bonus" and "ex entitlement": the Exchange shall advise SFE Clearing of adjustments to the value of the Open Position of the relevant contract and/or to the number of securities underlying the relevant contract and/or any cash adjustment amount; (ii) is officially quoted by the ASX as "ex-rights": the Exchange shall advise SFE Clearing of adjustments to the value of the Open Position of the relevant contract and/or to the number of securities underlying the relevant contract and/or any cash adjustment amount; (iii) is the subject of a capital issue, stock split, consolidation, reconstruction or other similar action, in respect of any underlying securities: the Exchange shall advise SFE Clearing of the adjustment to the number of the securities underlying the relevant Individual Share Futures Contract together with the adjustment (if any) to the value of the Open Position in the relevant contracts and SFE Clearing shall adjust all such Open Positions. Such adjustment shall be effective from the close of business on the day preceding the day that the underlying security becomes the subject of a stock split or consolidation or other similar action. <p>(b) No adjustment is made for dividend payment.</p> <p>(c) The terms used in this Item 7 shall have the meaning assigned to them by the ASX.</p> <p>(d) The objective of any adjustment will be to ensure that the Contract Value after an event as described in Item 7.1(a)(i), (ii) and (iii) will be as far as practicable equivalent to the value prior to that event.</p>
7.2		Any adjustments other than as described in Item 7.1 made by a company to its capital structure will be adjusted in accordance with the adjustments made on a designated stock or any other designated entity except where it is manifestly unfair to do so in which case the Board shall make an adjustment based upon achieving a fair and reasonable value.
8	False or Misleading Appearance	A Participant shall not acquire or dispose of Individual Share Futures Contracts if the acquisition or disposal is intended or likely to create a false or misleading appearance with respect to the Market, or the price of any securities specified in an Individual Share Futures Contract.

Item	Heading	Individual Contract Specifications
9	Position Limits	If the Exchange determines it is appropriate or if the Exchange is requested by ASIC to do so, the Exchange shall impose position limits in respect of one or more classes of Individual Shares Futures Contracts. For such a purpose the Exchange may prescribe all necessary matters relating to the imposition of such limits including the accounts to which they will apply and the level of such limits unless otherwise directed by ASIC in which case the Exchange shall after consultation with ASIC prescribe such matters in accordance with the direction of ASIC.
10.1	Directions from ASIC	<p>Where, after consultation with the Exchange, ASIC gives to the Exchange a written notice stating:</p> <ul style="list-style-type: none"> (i) it is of the opinion that it is necessary for action to be taken in the Futures Market of the Exchange in order to protect persons buying or selling the securities specified in one or more classes of Individual Share Futures Contracts on a stock market of a securities exchange or in the interests of the public; (ii) reasons for forming that opinion; (iii) particulars of the action which ASIC considers should be taken, being one or more of <ul style="list-style-type: none"> • suspending dealing in • deferring the completion date of • closing out or invoicing back contracts which related to specified Individual Share Futures Contracts or Classes of such Contracts; (iv) a time, or a date and time, within which such action should be taken and the duration of such action, being not more than twenty-one (21) days; and (v) that a copy of the notice has been given to SFE Clearing of the Exchange and the Minister, <p>the Exchange will, within the time stated in the notice, do all things necessary to take the action specified in the notice unless the Minister directs otherwise.</p> <p>If ASIC has not consulted with the Exchange prior to the giving of the notice but the notice states that in the circumstances such prior consultation was not possible because of urgency or the protection of confidential information, the Exchange will comply with the notice.</p>
10.2		All Individual Share Futures Contracts are subject to a condition entitling the Exchange to take the action referred to in Item 10.1.
11	Compulsory Acquisition Notice	<p>Where a security underlying an Individual Share Futures Contract is or becomes the subject of a compulsory acquisition notice in accordance with the Corporations Act or in accordance with an equivalent scheme or offer on the ASX then the provisions of this Item 11 shall apply.</p> <ul style="list-style-type: none"> (a) Where a compulsory acquisition notice is made which is consistent with compulsory acquisition rights pursuant to the Corporations Act, then trading in the Individual Share Futures Contracts which have as their underlying security the shares which are the subject of the announcement will cease and all existing Open Positions will be cash settled by SFE Clearing as soon as practicable after that announcement. A numerical value equivalent to the compulsory acquisition price shall be the Settlement Value. (b) In the event that the compulsory acquisition is in a form either completely or partially of shares, securities, debentures or other paper, in accordance with the Corporations Act, then the Settlement Value shall be determined as the value of the shares or securities being offered on the day of the notice being given plus any cash, on offer. In the case of debentures or other paper the Exchange will determine the value with reference to prevailing Market values.

Item	Heading	Individual Contract Specifications
12	Suspension	In the event that the ASX suspends trading in the securities of a listed company which are the underlying subject of an Individual Share Futures Contract then the Exchange may determine a course of action in relation to the Individual Share Futures Contract, including, but not limited to, the cessation or suspension in the trading of the Contract.

Explanatory Note

The terms of all Individual Share Futures (Cash Settled) contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rules 6.2:

- (a) which provides for determinations by the Exchange as to
 - the units in which prices are to be quoted by participants when submitting orders
 - the Final Trading Day in a Settlement Month
 - the time at which trading ceases on the Final Trading Day
 - the Settlement Day
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows:

"Final Trading Day" – such Business Day as is determined by the Exchange. The actual determination made by the Exchange is "The last Thursday of the Settlement Month", or, where the day after the last Thursday of the Settlement Month is not a Business Day or is not within the Settlement Month then the Thursday of the preceding week".

Link to Procedures for determination. [ISF_Cash_Settled_Determination](#)

6.43 SFE Listed Property Trust Futures Contract

This Contract will Commence on 21 June 2005.

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	A sum of money equal to a Dow Jones Australia Listed Property Trust Index, multiplied by twenty-five Australian dollars.
1.2	Type of Contract	Cash settled.
2	Contract Value	The price agreed to by the parties at the time of making the Futures Contract and multiplied by twenty-five and expressed as Australian dollars
3	Settlement Price	<p>The numerical value of the index quoted by SFE Clearing for the relevant Settlement Day to be the special opening quotation of the Dow Jones Australia Listed Property Trust Index provided by Dow Jones & Company, Inc. or its duly authorised agent by notice in Writing to the Exchange by, unless otherwise agreed by all parties, 12.00 noon on the Business Day following the Final Trading Day.</p> <p>Explanatory Note: Except where a component stock has not traded on the Final Trading Day (in which case the previous traded price is used) the special opening quotation is based on the first traded price of each component stock in the Dow Jones Australia Listed Property Trust Index, determined on the Final Trading Day in the Settlement Month. It is calculated to one decimal place.</p>
4	Settlement Value	The numerical value of the index quoted by SFE Clearing for that Settlement Day (to one decimal place) multiplied by twenty five and expressed as Australian dollars.
5	Exclusion of Liability	<p>Subject to the right of the Exchange under Rule 1.4 to direct that Contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the numerical value provided by Dow Jones & Company, Inc or its duly authorised agent as being conclusive evidence of the special opening quotation.</p> <p>In the event of Dow Jones & Company Inc, or its duly authorised agent, failing to provide such quotation or providing a quotation that is numerically inaccurate, no party shall make any claim whatsoever against Dow Jones & Company, Inc, its duly authorised agents, SFE Clearing or the Exchange, and the provisions of Rule 1.4 shall apply.</p>
6	Inability for SFE Clearing to declare Settlement Price and undesirable situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

The Dow Jones Australia Listed Property Trust Index has been licensed for use for certain purposes by the SFE. The SFE Listed Property Trust Futures Contracts based on the Index are not sponsored, endorsed, sold or promoted by Dow Jones, and Dow Jones makes no representation regarding the advisability of investing in such product(s). The further terms of this disclaimer can be found in the Determinations at www.sfe.com.au.

“Dow Jones” and “Dow Jones Australia Listed Property Trust Indexsm” are service marks of Dow Jones & Company, Inc. Dow Jones has no relationship to the Sydney Futures Exchange Limited other than the licensing of the Dow Jones Australia Listed Property Trust Index and its service marks for use in connection with the SFE Listed Property Trust Futures Contract. The further terms of this disclaimer can be found in the Determinations at www.sfe.com.au.

Dow Jones does not:

- Sponsor, endorse, sell or promote the SFE Listed Property Trust Futures Contract.
- Recommend that any person invest in the SFE Listed Property Trust Futures Contract.
- Have any responsibility or liability for or make any decisions about the timing, amount or pricing of the SFE Listed Property Trust Futures Contract.
- Have any responsibility or liability for the administration, management or marketing of the SFE Listed Property Trust Futures Contract.
- Consider the needs of the owners of the SFE Listed Property Trust Futures Contract in determining, composing or calculating the Dow Jones Australia Listed Property trust Indexsm or have any obligation to do so.

Link to Procedures for determinations. [SFE Listed Property Trust Futures Det](#)

6.44 Futures Contract over the NZSX 15 Share Price Index (“the ZIF”)

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	A sum of money equal to the NZSX 15 Index of the New Zealand Exchange Limited, multiplied by ten New Zealand dollars.
1.2	Type of Contract	Cash settled
2	Contract Value	The price agreed to by the parties at the time of making the Futures Contract, multiplied by ten and expressed as New Zealand dollars.
3	Settlement Price	<p>(a) The Settlement Price shall be the average value of the NZSX 15 Index for the 50-55 minutes leading up to the time on the Final Trading Day at which trading ceases on the New Zealand Exchange in the component securities which make up the NZSX 15 Index.</p> <p>(b) The Settlement Price shall be declared by SFE Clearing at such time as it shall determine.</p> <p>(c) The average value of the NZSX 15 Index referred to in Item 3(a) shall be calculated by taking a measure of the Index once during the random closing period and at 11 five minute intervals during the 50 minutes leading up to the random closing period; of the 12 measured values, the highest and the lowest values shall be discarded and the remaining 10 shall be averaged to the nearest decimal place, (0.05 being rounded up unless otherwise agreed between the Exchange and the New Zealand Exchange Limited).</p> <p>(d) For the purposes of this Item 3:</p> <ul style="list-style-type: none"> (i) ‘random closing period’ means the period between the close of trading and the pre-closing time; (ii) ‘pre-closing time’ means the time up to five minutes (the precise period being determined on a random basis by the New Zealand Exchange Limited) prior to the close of trading on the New Zealand Exchange. <p>(e) The average value of the NZSX 15 Index referred to in Item 3(a) shall be calculated by the New Zealand Exchange and provided to SFE Clearing prior to 5.30 pm New Zealand time on the Final Trading Day (or such other time on the Final Trading Day as may be agreed between the Exchange and the New Zealand Exchange Limited).</p> <p>Explanatory Note</p> <p>The New Zealand Exchange operates on the basis of a random closing time, which is between 4.55 and 5.00 pm. For the purpose of calculating the average value of the Index as provided for in Item 3, the New Zealand Exchange Limited will take a measure of the value of the Index at five minute intervals between 4.05 pm and 4.55 pm with a final value being taken at random between 4.55 pm and the closing time.</p>
4	Settlement Value	The Settlement Price multiplied by ten and expressed as New Zealand dollars.
5	Exclusion of Liability	<p>Subject to the right of the Exchange under Rule 1.4 to direct that Contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the average value referred to in Item 3(e), provided by the New Zealand Exchange Limited or its duly authorised agent as being conclusive evidence of that value.</p> <p>In the event of the New Zealand Exchange Limited failing to provide such value or providing a value that is numerically inaccurate, no party shall make any claim whatsoever against the New Zealand Exchange Limited, SFE Clearing, the Exchange, or their duly authorised agents, and the provisions of Rule 1.4 shall apply.</p>
6	Inability for SFE Clearing to declare Settlement Price and undesirable	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and

Item	Heading	Individual Contract Specifications
	situations	any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared

NB: all times are New Zealand times.

Explanatory Note

The terms of all NZSX 15 Index Futures Contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provide for determinations by the Exchange as to
 - the units in which prices are to be quoted by Participants when submitting orders
 - the Final Trading Day in a Settlement Month
 - the time at which trading ceases on the Final Trading Day
 - the Settlement Day
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows:

"Final Trading Day" – such business day as is determined by the Exchange. The actual determination made by the Exchange is "the third Thursday of the Settlement Month or if that day is not a Business Day, the Business Day next following that day".

Link to Procedures for determination. [NZSX_15_Index_Futures_Determination](#)

6.45 NZFOX Equity Option Contract

This Contract will commence on 23 August 2005.

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	Such number and class of securities as may be determined by the Exchange in a company determined by the Exchange which is listed on the New Zealand Exchange Limited.
1.2		<p>At the time the Exchange determines a class of securities pursuant to Item 1.1:</p> <ul style="list-style-type: none"> (a) the securities must be securities for which the New Zealand Exchange Limited is the home exchange or, in the opinion of the Exchange, is likely to be the home exchange; (b) the securities must be securities which are, or in the opinion of the Exchange are likely to be, quoted on the New Zealand Exchange Limited at the time of listing the Contract; (c) the relevant company must have a market capitalisation in the securities of greater than NZ\$300 million, or in the opinion of the Exchange such market capitalisation must be likely to be greater than NZ\$300 million at the time of listing the Contract; (d) the relevant company must have at least 40 million securities of the class issued (excluding securities of the class issued but held by any entity which is related to the issuer); and (e) in the opinion of the Exchange the relevant company must have issued a substantial number of securities which are widely held and actively traded or which are likely to be widely held and actively traded at the time of listing the Contract.
1.3		The Exchange shall Publish a list of each class of securities it determines pursuant to Item 1.1.
2		If at any time any of the requirements set out in Item 1.2 are not or are no longer met in relation to a class of securities determined pursuant to Item 1.1, the Exchange may withdraw such class of securities, in which event trading of NZFOX Equity Options over that class of securities shall thereafter be permitted only to enable the closing out of Open Positions (except to the extent the Exchange reasonably considers is appropriate in the interests of a fair, orderly and transparent market).
3	Settlement Price	<ul style="list-style-type: none"> (a) The Settlement Price for each NZFOX Equity Option Contract shall be the last traded price on the New Zealand Exchange Limited, on the Final Trading Day, of the securities underlying that NZFOX Equity Option Contract, and shall be declared by SFE Clearing at such time as it shall determine. (b) The last traded price of the securities underlying an NZFOX Equity Option Contract shall be provided to SFE Clearing by the New Zealand Exchange Limited prior to 5.30 pm on the Final Trading Day (or such other time on the Final Trading Day as may be agreed between the Exchange and the New Zealand Exchange Limited).
4.1	Approved transfer facility	<ul style="list-style-type: none"> (a) Securities to be transferred pursuant to the exercise of an NZFOX Equity Option Contract shall be transferred through an approved transfer facility, which shall be the Fully Automated Screen Trading and Electronic Registration administration system (FASTER) provided by the New Zealand Exchange Limited or such other facility as may be determined by the Exchange. (b) Clearing Participants who are Sellers or Buyers and who are participants of an approved transfer facility shall, if the rules of that facility so allow, be entitled to give or take delivery in their own name. (c) Where securities are lodged with an approved transfer facility in order to

Item	Heading	Individual Contract Specifications
		fulfil the obligations of an NZFOX Equity Option Contract, such lodgement shall be governed by the rules of that facility.
		<p>(d) The operator of an approved transfer facility may impose on its participants such charges as are provided for in its rules.</p> <p>(e) (i) A Clearing Participant who is to give or take delivery may appoint a participant of an approved transfer facility as its agent for the purpose of giving or taking delivery.</p> <p>(ii) A Clearing Participant who appoints an agent shall notify the name of its agent in writing to SFE Clearing.</p>
4.2	Notification of Exercise of Option and details	<p>(a) (i) SFE Clearing will notify Clearing Participants who are Sellers, of NZFOX Equity Option contracts which have been exercised.</p> <p>(ii) SFE Clearing will provide such notification on the Business Day following the day of the exercise, by such time as it shall determine</p> <p>(b) (i) SFE Clearing will notify Clearing Participants who are Buyers and Sellers of exercised NZFOX Equity Option contracts of the following details, in respect of each Contract:</p> <p>(A) the name of the participant or participants of the approved transfer facility from whom or to whom securities are to be transferred;</p> <p>(B) the details described in Item 4.3(a) relating to securities to be transferred or received; and</p> <p>(C) the amount (being the gross Settlement Value) which is payable to SFE Clearing</p> <p>(ii) SFE Clearing will give such notification on the second Business Day following the exercise of the Options, at such time as it shall determine.</p>
4.3	Notice of Intention to give or take Delivery	<p>(a) (i) Clearing Participants who are Buyers or Sellers of exercised NZFOX Equity Option contracts shall give notice of intention to give or take delivery to SFE Clearing in the form prescribed by SFE Clearing; the notice shall include:</p> <p>(A) the name of the Clearing Participant;</p> <p>(B) the name of the participant of the approved transfer facility effecting delivery for each contract and its identifying number;</p> <p>(C) the identifying number of each participant of the approved transfer facility taking delivery; and</p> <p>(D) the number of securities to be transferred or acquired.</p> <p>(ii) Notice of Intention to give or take delivery shall be given to SFE Clearing by such time on the Business Day following the day on which the option was exercised as SFE Clearing shall determine</p> <p>(b) SFE Clearing will not obtain an interest in the securities the subject of a notice of intention by virtue of such notice of intention to give or take delivery.</p>
4.4	Payment and Delivery	<p>(a) Clearing Participants who are Buyers of exercised call Options or Sellers of exercised put Options must make payment to SFE Clearing:</p> <p>(i) in such manner; and</p> <p>(ii) by such time or times as SFE Clearing shall determine.</p> <p>(b) SFE Clearing will give authorisation for the transfer of securities on the Settlement Day in the prescribed form by such time as it shall determine.</p> <p>(c) Clearing Participants who are Sellers of exercised call Options and Buyers of exercised put Options shall ensure that by such time on the Settlement Day as is determined by SFE Clearing, transfers of securities in accordance with the instructions received from SFE Clearing shall have been effected on an approved transfer facility.</p> <p>(d) (i) Buying and Selling Clearing Participants must lodge with SFE Clearing by the time determined by SFE Clearing, a report in the form prescribed by SFE Clearing which indicates that the transfers referred to in the report conform with the details advised to them pursuant to Item 4.4(a).</p>

Item	Heading	Individual Contract Specifications
		(ii) Buying and Selling Clearing Participants who are unable to comply with Item 4.4(d)(i) must notify SFE Clearing immediately they become aware that they will be unable to so comply, and provide to SFE Clearing with the reasons for such non-compliance and such other details as it may require in each case.
		(e) SFE Clearing will release settlement funds to Clearing Participants who are Sellers of exercised call Options and Buyers of exercised put Options at a time determined by it, provided delivery has occurred in accordance with the Operating Rules. (f) If any transfer of securities required under the Operating Rules cannot be accomplished by the time determined on the Settlement Date due to the unavailability of the approved transfer facility, such transfer shall be made as soon as possible and in accordance with any instructions which may be given by the Exchange in consultation with SFE Clearing.
5	Default	(a) Should a delivery not be duly made by a Clearing Participant as provided in these Operating Rules, such Clearing Participant shall be in default. (b) Should a delivery not be duly taken by a Clearing Participant as provided in these Operating Rules, such Clearing Participant shall be in default. (c) Should due payment for any delivery not be made by the a Clearing Participant as provided in these Operating Rules, the Clearing Participant who is entitled to receive payment, may, with the agreement of and in conjunction with SFE Clearing sell the securities. Any difference in price resulting through such sales, together with interest and all charges, shall be settled with SFE Clearing by the buying Clearing Participant forthwith.
6	Adjustments	(a) Where a class of securities which is subject to a determination made pursuant to Item 1.1 is officially quoted by the New Zealand Exchange as 'ex interest', 'ex return of capital', 'ex bonus', 'ex entitlement'; or 'ex rights', or is the subject of a capital issue, stock split, consolidation, reconstruction, bonus issue, rights issue, or other similar action, the Exchange may make adjustments to one or more of the following in respect of an Open Position: (i) the Contract Unit; or (ii) the number of securities underlying the relevant contract; or (iii) the Exercise Price; or (iv) the Minimum Price Movement; and may make any cash adjustment, with the objective of ensuring that the Contract Value after an event described above will be, as far as practicable, equivalent to the Contract Value prior to the event. (b) The Exchange will advise SFE Clearing of any adjustments made pursuant to Item 6(a). (c) The terms used in Item 6(a) shall have the meaning assigned to them by the Rules of the New Zealand Exchange Limited. (d) Adjustments shall be effective from the close of business on the day preceding the day that the underlying securities become the subject of an action mentioned in Item 6(a). (e) Any adjustments other than as described above made by a company to its capital structure will be cash adjusted by SFE Clearing in accordance with the adjustments made on a designated stock and based upon achieving a fair and reasonable outcome for the relevant Clearing Participants.. (f) No adjustment shall be made for dividend payment.
7.1	Compulsory Acquisition	Where a class of securities which is subject to a determination made pursuant to Item 1.1 is or becomes the subject of a compulsory acquisition notice in accordance with the Takeovers Code of New Zealand or an equivalent scheme or offer on the New Zealand Exchange Limited, then the provisions of this Item 7 shall apply.

Item	Heading	Individual Contract Specifications
7.2		<p>(a) Where a compulsory acquisition notice is made which is consistent with compulsory acquisition rights pursuant to the Takeovers Code of New Zealand, or in accordance with an equivalent scheme or offer on the New Zealand Exchange Limited, then trading in NZFOX Equity Option Contracts whose underlying securities are the subject of the announcement, will cease, and all existing Open Positions will be cash settled by SFE Clearing as soon as practicable after that announcement.</p> <p>(b) A numerical value equivalent to the compulsory acquisition price shall be the cash settlement value.</p>
8	Position Limits	<p>(a) The Exchange may, if it determines it is appropriate, impose a limit on the number of NZFOX Equity Option Contracts whose Contract Units comprise securities in the same company. For such purposes the Exchange may prescribe all necessary matters including the accounts to which they will apply and the level of such limits.</p> <p>(b) Where the Exchange imposes such a limit, a Clearing Participant:</p> <ul style="list-style-type: none"> (i) shall not itself exceed nor permit any client or group of clients acting in concert to exceed, the limit prescribed; and (ii) shall, when requested to do so and within a reasonable time of receiving a request, provide the Exchange with a report, in a form approved by the Exchange, of any instance in which the Participant has reason to believe that a client acting alone or in concert with others has exceeded or is attempting to exceed the limit prescribed for a particular NZFOX Equity Option Contract.
9	Suspension	In the event that the New Zealand Exchange Limited suspends trading in the securities which are subject to a determination made pursuant to Item 1.1, the Exchange may determine a course of action in relation to the Contract, including, but not limited to, the cessation or suspension in the trading of the Contract.
10	Exclusion of Liability	<p>Subject to the right of the Exchange under Rule 1.4 to direct that Contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the last traded price referred to in Item 3, provided by the New Zealand Exchange Limited or its duly authorised agent, as being conclusive evidence of that price.</p> <p>In the event of the New Zealand Exchange Limited failing to provide such price or providing a price that is numerically inaccurate, no party shall make any claim whatsoever against the New Zealand Exchange Limited, SFE Clearing, the Exchange, or their duly authorised agents, and the provisions of Rule 1.4 shall apply.</p>
11	Undesirable Situations	If an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the value or price has been declared shall be complied with as soon as possible after it has been declared.

NB all times are New Zealand times

Explanatory Note

The terms of all NZFOX Equity Options contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3:

- (a) which provides for determinations by the Exchange as to:
- the manner in which Premium is quoted and minimum fluctuation;
 - the manner in which Exercise Price is quoted and minimum fluctuations;
 - Settlement Months;
 - the Declaration Day;
 - the time at which trading ceases on the Declaration Date;
 - the latest time for lodgement of a Request or a Deny Automatic Exercise Request; and

(b) which also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts)) are set out, for information, in the separate document “Procedures, Determinations and Practice Notes” (the document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is the “time at which trading ceases” – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is “4:55 pm on the Declaration Date”

Link to Procedures for determinations. [NZFOX_Equity_Options_Determination](#)

SUB-SECTION 6D: CURRENCY CONTRACTS

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6.50 Australian Dollar/United States Dollar Futures Contract

This Contract will be Delisted on 19 December 2006

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	One hundred thousand (100,000) Australian dollars.
1.2	Type of Contract	Settlement shall be effected in United States dollars as specified in Items 3 and 5.
2	Contract Value*	The price agreed to by the parties at the time of making the contract (expressed in multiples of United States dollars per one Australian dollar as determined by the Exchange) and multiplied by 100,000.
3	Settlement Price*	The Settlement Price shall be an average of sampled Australian dollar rates quoted through Reuters Australia Pty Limited, data being captured from at least 5 foreign exchange dealers via the Reuters AUDTOP20 contributor data or its successor, determined in accordance with Item 7 below and declared by SFE Clearing at such time as it shall determine on the Final Trading Day.
4	Settlement Value	The rate quoted by SFE Clearing for settlement (being calculated to the nearest multiple of United States dollars per Australian dollar as determined by the Exchange) and multiplied by 100,000.
5.1	Manner of determining the Settlement Price	<p>The Settlement Price shall be determined in the following manner:</p> <ul style="list-style-type: none"> (a) The Settlement Price shall be an average of sampled Australian dollar rates quoted through Reuters Australia Pty Limited or its successor. Data will be captured from the Reuters AUDTOP20 contributor data or its successor. (b) Quotations shall be obtained at such times on the Final Trading Day as shall be determined by SFE Clearing. (c) If in submitting buy and sell quotations the spread between the buying and selling prices is greater than 0.0005 then those quotes shall not be accepted. (d) For each quotation time, a buy absolute deviation range from the median bid price and a sell absolute deviation range from the median ask price are determined. (e) For each quotation time any buy or sell price outside of the determined ranges are discarded. (f) The arithmetic mean of the remaining quotations from all quotation times shall be calculated to eight decimal places and rounded to four decimal places. (g) In rounding, the arithmetic mean shall be expressed to the nearest fourth decimal place on the condition that where the fifth decimal place is five the arithmetic mean shall be rounded to the next highest fourth decimal place. <p>The arithmetic mean so calculated shall be the Settlement Price.</p>
5.2		If, in a quotation period, less than five (5) foreign exchange dealers contribute prices SFE Clearing will in consultation with the Exchange and an independent market representative body, determine the indicative price for that quotation period.
5.3		If Reuters Australia Pty Limited or its successor fails to provide quotations as referred to in Item 3 or provides quotations that are inaccurate, no party shall make any claim whatsoever against Reuters Australia Pty Limited, its successor, SFE Clearing or the Exchange and the provisions of Rule 1.4 shall apply.

* The value or worth of a contract will have no relationship or connection with the value or worth of the United States dollar when calculated with reference to the rate of exchange between the United States dollar and any other currencies, commodities or any other standards

Item	Heading	Individual Contract Specifications
6.1	Designated Banks	The Exchange in consultation with SFE Clearing shall from time to time designate banks whose acceptance and delivery of United States dollars shall constitute good delivery. Such banks shall be known as Designated Banks.
6.2	Entitlement of Designated Banks to give and take delivery	(a) Sellers and Buyers who are Designated Banks shall be entitled to give or take delivery (as the case may be) of United States dollars. (b) A Seller or Buyer who is to give or take delivery of United States dollars shall appoint a Designated Bank as its agent for this purpose.
7.1	Designated Settlement Facility	The settlement facility approved for the acceptance and delivery of Australian dollars shall be Austraclear Limited (a company incorporated in Australia) or such other facility as the Exchange may determine. The facility so determined shall be known as the Designated Settlement Facility: (a) Clearing Participants who are Full Participants of the Designated Settlement Facility shall be entitled to take or give delivery (as the case may be) in their own name. (b) A Clearing Participant who is to give or take delivery may appoint a Full Participant of the Designated Settlement Facility as its agent for this purpose.
7.2		Where Australian dollars are transferred via the Designated Settlement Facility in order to fulfil obligations pursuant to an Australian Dollar/United States Dollar Futures Contract, such transfers shall be governed by the Rules of the Designated Settlement Facility, and the operator of that Facility may impose on its Participants such charges as may be provided for in its Rules.
8	Costs and Fees	(a) The Buyer shall bear the costs of transferring United States Dollars into the Designated Bank. (b) The Seller shall bear the costs of transferring United States Dollars out of the Designated Bank. Participants shall be responsible for their own fees for the use of the Designated Settlement Facility for the payment and receipt of Australian Dollars. Such costs may include, but are not limited to, wire transfer charges, interest charges and transaction fees.
9	Change of Clearing Participant's Agent	If a Clearing Participant intends to change: (a) its Designated Bank as agent for the purposes of these Contract Specifications; or (b) its nominated Participant of the Designated Settlement Facility; it shall, by no later than 24 hours before the change is to take effect, have delivered to SFE Clearing an appropriate document authorising the new Designated Bank or new Full Participant of the Designated Settlement Facility to act on its behalf for the delivery and settlement of United States or Australian dollars respectively.
10.1	Delivery Procedures	Clearing Participants must lodge with SFE Clearing an "End Position Confirmation Form" by no later than the time determined by the Exchange on the Final Trading Day.
10.2	Delivery Notification Advice	On the Final Trading Day, SFE Clearing shall, by the time determined by the Exchange, provide Clearing Participants with a "Delivery Notification Advice". Clearing Participants must provide to SFE Clearing any corrections or adjustments to the Delivery Notification Advice on the appropriate form by no later than the time determined by the Exchange on that day.

Item	Heading	Individual Contract Specifications
11.1	Settlement	The effect of an Australian Dollar/United States Dollar Futures Contract is that the Buyer will receive Australian currency and will give to the Seller United States currency and the Seller will give to the Buyer Australian currency and receive United States currency on the Settlement Day in accordance with the Settlement Price declared by SFE Clearing.
11.2	Obligations and Rights on Settlement Day	<p>On the Settlement Day of a contract:</p> <p>(a) the obligations and the rights of Sellers shall be satisfied in the following way:</p> <ul style="list-style-type: none"> (i) Sellers shall, by no later than the time determined by the Exchange on that day, receive United States Dollars from SFE Clearing in their account with the Designated Bank of their choice. This amount shall be the Settlement Price multiplied by 100,000; or (ii) Sellers shall, by no later than the time determined by the Exchange on that day, use the Austraclear system to pay to SFE Clearing if requested the amount in Australian dollars representing the Contract Value. <p>(b) the obligations and the rights of Buyers shall be satisfied in the following way:</p> <ul style="list-style-type: none"> (i) Buyers shall, by no later than the time determined by the Exchange on that day, use the Austraclear system to receive from SFE Clearing if requested the amount in Australian dollars representing the Contract Value. (ii) Buyers shall, by no later than the time determined by the Exchange on that day, have United States Dollars debited from their account by SFE Clearing at the Designated Bank of their choice. This amount shall be the Settlement Price multiplied by 100,000.
12	Inability for SFE Clearing to declare Settlement Price and Undesirable Situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

The terms of all Australian Dollar/United States Dollar Futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2, which provide for determinations by the Exchange as to:

- the units in which prices are to be quoted by participants when submitting orders;
- the Final Trading Day in a Settlement Month;
- the time at which trading ceases on the Final Trading Day;
- the Settlement Day;
- the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day; and
- the Settlement Months in which a Final Trading Day for a contract occurs.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows:

"Final Trading Day" – such Business Day as is determined by the Exchange. The actual determination made by the Exchange is "The Business Day prior to the third Wednesday of the Settlement Month".

Link to Procedures for determination. [AUD_Dollar_Futures_Determination](#)

SUB-SECTION 6E: COMMODITY CONTRACTS

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6.60.1 New South Wales Base Load Electricity Futures Contract

Item	Heading	Individual contract specifications
1.1	Contract Unit	One (1) Megawatt (MW) of electrical energy per hour during the base load profile as defined in Item 1.2, bought and sold in the New South Wales (NSW) region of the Wholesale Electricity Pool Market conducted by the National Electricity Market Management Company Limited (“NEMMCO”) or its successor, over the period of a Calendar Quarter.
1.2	Reference Price	The Wholesale Electricity Pool Market price that underlies the Contract shall, subject to Item 3(c), be the NSW reference price as calculated by NEMMCO or its successor on a half hourly basis for purposes of invoicing physical deliveries of electricity occurring between 0:00 hours Monday and 24:00 hours Sunday – Australian Eastern Standard Time (“AEST”), during the period of a Calendar Quarter, exclusive of any days which may be determined by the Exchange.
1.3	Type of Contract	Cash settled.
2	Contract Value	The price, quoted in Australian dollars (to such number of decimal places as shall be determined by the Exchange) per Megawatt hour, agreed to by the parties at the time of entering into the Contract and multiplied by the number of base load hours in the underlying Calendar Quarter and expressed as Australian dollars, where the number of base load hours for any Calendar Quarter is as defined in Item 1.2.
3	Provisional Settlement Price	<ul style="list-style-type: none"> (a) The reference price as calculated in Item 1.2 shall be notified to the Market by SFE Clearing, at such time as it shall determine, as a “provisional cash settlement price”. (b) SFE Clearing may, at its discretion at any time up until the final Settlement Price is declared, amend the provisional cash settlement price. (c) Subject to the operation of Rule 1.4, SFE Clearing shall declare the Provisional Settlement Price to be the final Settlement Price on such day as it shall determine. (d) Subject to the operation of Rule 1.4, the numerical value of the Settlement Price as declared by SFE Clearing shall be accepted as final.
4	Settlement Value	The arithmetic average of base load spot prices on a half hourly basis over the Calendar Quarter expressed as Australian dollars (to such number of decimal places as shall be determined by the Exchange) quoted by the Exchange for that Settlement Day multiplied by the number of base load hours in the underlying Calendar Quarter and expressed as Australian dollars.
5	Average Quoted Price	<p>The “base load average quoted price” of the underlying physical market for purposes of settlement of contract shall be calculated as a ratio of A/B where:</p> <p>“A” Equals the sum of the half hour NSW regional reference prices occurring during the period defined in Item 1.2, rounded in a manner determined by the Exchange.</p> <p>“B” Equals the total number of half hour NSW regional reference prices occurring during the period defined in Item 1.2.</p> <p>The base load average quoted price shall be rounded as determined by the Exchange.</p>
6	Settlement Price	<ul style="list-style-type: none"> (a) For each Settlement Day SFE Clearing shall declare the numerical value which shall be the provisional settlement price on the first Business Day after expiry. (b) The provisional settlement price shall be later confirmed by SFE Clearing as the Settlement Price on the third Business Day after expiry. (c) This Settlement Price shall be accepted as final.

Item	Heading	Individual contract specifications
		(d) The Settlement Price of a contract on the Settlement Day shall be a numerical value calculated as the average quoted price of the underlying amount of electricity as described in Item 5, multiplied by the amount of electricity represented by one contract as defined in Item 1.1 above.
7	Exclusion of Liability	<p>Subject to the right of the Exchange under Rule 1.4 to direct that Contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the information received from NEMMCO or its successors as being conclusive and final.</p> <p>Any failure by the Exchange or SFE Clearing or any entity on behalf of those parties, to provide or obtain the relevant information necessary for calculating the Settlement Price, or any inaccuracies created before or during the calculation or in the transmission thereof shall not lead to a party having any claim whatsoever against NEMMCO or its successor, SFE Clearing or the Exchange.</p>
8	Inability for SFE House to declare settlement price and undesirable situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the settlement price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Amended 30/12/09

Explanatory Note

The terms of all New South Wales Base Load Electricity Futures Contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2, which:

- (a) provides for determinations by the Exchange as to
 - the units in which prices are to be quoted by participants when submitting orders
 - the Final Trading Day in a Settlement Month
 - the time at which trading ceases on the Final Trading Day
 - the Settlement Date
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day;
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows "Final Trading Day" – such business day as is determined by the Exchange. The actual determination made by the Exchange is "The last Business Day of the Settlement Quarter".

Link to Procedures for determination.[NSW Base Load Elect Determination](#)

6.60.2 Ordinary Options Over New South Wales Base Load Electricity Futures Contracts

THIS CONTRACT WAS DELISTED ON 29 JULY 2004

Item	Heading	Individual contract specifications
1	Contract Unit	A New South Wales Base Load Electricity Futures Contract.
2	Options not subject to Exercise Request will expire	On the Declaration Date, SFE Clearing shall, unless directed otherwise by an Exercise Request, allow all Options to expire. SFE Clearing will not exercise in-the-money Options unless directed to do so by an Exercise Request.
3	Undesirable Situations	If Undesirable Situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

The terms of all ordinary options over New South Wales Base Load Electricity Futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3:

- (a) which provides for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation
 - the manner in which Exercise Price is quoted and minimum fluctuations
 - Settlement Months
 - the Declaration Day
 - the time at which trading ceases on the Declaration Date
 - the latest time for lodgement of a Request or a Deny Automatic Exercise Request; and
- (b) which sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is as follows:

"Time at which trading ceases" – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is "12.00 noon on the Declaration Date".

Link to Procedures for determination. [NSW Base Load Ordinary Opt Determ](#)

6.60.3 Strip Options over New South Wales Base Load Electricity Futures contracts

This Contract commenced on 5 November 2004

Item	Heading	Individual contract specifications
1.	Contract Unit	An Option over four predetermined New South Wales Base Load Electricity Futures Contracts as described in Item 1 of Rule 6.60.1.
2.	Options not subject to Exercise Request will expire	On the Declaration Date, SFE Clearing shall, unless directed otherwise by an Exercise Request, allow all Options to expire. SFE Clearing will not exercise in-the-money Options unless directed to do so by an Exercise Request.
3.	Value of the Contract Premium in dollars and cents	The price, quoted in Australian dollars (to such number of decimal places as shall be determined by the Exchange) per Megawatt hour, agreed to by the parties at the time of entering into an Option and multiplied by the aggregate number of base load hours in the underlying four New South Wales Base Load Electricity Futures Contracts and expressed as Australian dollars.
4.1	Determination of Option Settlement Price	(a) The Option Settlement Price will be the average price quoted on the SYCOM® Strip Trading Facility which is referable to the four futures contracts determined in Item 1. (b) The average price will be the average price of the mid point of the bid and the offer at such intervals and at such times as determined by the Exchange.
4.2	Futures Prices Resulting from Exercised Strip Options	$FP = A \times \frac{B}{C}$ <p>FP = Price allocated to each futures contract resulting from exercised Strip Option.</p> <p>A = the previous day's Settlement Price for the Contract Quarter for each individual futures contract.</p> <p>B = Exercise Price.</p> <p>C = Previous Day's Implied Strip Price, calculated as follows:</p> $\text{Implied Strip Price} = \frac{F}{G}$ <p>F = $a + b + c + d$</p> <p>a = Q1 previous day's Settlement Price x megawatt hours for Q1 as determined by the Exchange.</p> <p>b = Q2 previous day's Settlement Price x megawatt hours for Q2 as determined by the Exchange.</p> <p>c = Q3 previous day's Settlement Price x megawatt hours for Q3 as determined by the Exchange.</p> <p>d = Q4 previous day's Settlement Price x megawatt hours for Q4 as determined by the Exchange.</p> <p>G = Total number of megawatt hours of all four Futures Contracts.</p>
5.	Exercise Price	The Exchange shall determine Exercise Prices from time to time having regard to the weighted average price (weighted on the basis of the megawatt hours of each futures contract) of the four futures contracts determined in Item 1, and shall Publish the Exercise Prices so determined.
6.	Undesirable Situations	If an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these

Item	Heading	Individual contract specifications
		Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Amended 30/12/09

Explanatory Note

The terms of all Strip Options over New South Wales Base Load Electricity Futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3:

- (a) which provides for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation
 - the manner in which Exercise Price is quoted and minimum fluctuations
 - Settlement Months
 - the Declaration Day
 - the time at which trading ceases on the Declaration Date
 - the latest time for lodgment of an Exercise Request; and
- (b) which also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document “Procedures, Determinations and Practice Notes” (which document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is as follows:

“Time at which trading ceases” – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is “12 noon on the Declaration Date”.

Link to Procedures for determination. [NSW_Base_Load_Strip_Option_Determin](#)

6.60.4 New South Wales Base Load Electricity Cap Futures Contract

This Contract commenced on 3 November 2004

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	One (1) Megawatt (MW) of electrical energy per hour during the base load profile as defined in Item 1.2, bought and sold in the New South Wales (NSW) region of the Wholesale Electricity Pool Market conducted by the National Electricity Market Management Company Limited (“NEMMCO”) or its successor, over the period of a Calendar Quarter.
1.2	Reference Price	<p>The Wholesale Electricity Pool Market price that underlies the Contract shall be the NSW reference price. The NSW reference price shall be calculated by NEMMCO on a base load profile (on a half hourly basis for purposes of invoicing physical deliveries of electricity occurring between 0:00 hours Monday and 24:00 hours Sunday – Australian Eastern Standard Time (“AEST”) exclusive of any days which may be determined by the Exchange ('the base load hours')) in accordance with the following formula:</p> $RP = \frac{[C - (300 \times D)]}{E}$ <p>Where</p> <p>RP = Reference Price.</p> <p>C = the sum of all base load half hourly spot prices for the Region in the Calendar Quarter greater than \$300.00.</p> <p>D = the total number of base load half hour spot prices for the Region in the Calendar Quarter greater than \$300.00</p> <p>E = the total number of base load half hour spot prices for the Region in the Calendar Quarter.</p>
1.3	Type of Contract	Cash settled
2	Contract Value	The price, quoted in Australian dollars (to such number of decimal places as shall be determined by the Exchange) per Megawatt hour, agreed to by the parties at the time of entering into the Contract and multiplied by the number of base load hours in the underlying Calendar Quarter and expressed as Australian dollars, where the number of base load hours is as defined in Item 1.2, for any Calendar Quarter.
3	Provisional Settlement Price.	<ul style="list-style-type: none"> (a) The Reference Price as calculated in Item 1.2 shall be notified to the Market by SFE Clearing, at such time as it shall determine, as a provisional Settlement Price. (b) SFE Clearing may, at its discretion at any time up until the final Settlement Price is declared, amend the provisional Settlement Price.
4.	Settlement Price	<ul style="list-style-type: none"> (a) For each Settlement Day SFE Clearing shall declare the numerical value which shall be the provisional settlement price on the first Business Day after expiry. (b) Subject to Item 3 (b), the provisional Settlement Price shall be declared by SFE Clearing as the Final Settlement Price on the third Business Day after the Final Trading Day. (c) This Settlement Price shall be accepted as final. (d) The Settlement Price of a Contract on the Settlement Day shall be a numerical value calculated as the Settlement Value of the underlying amount of electricity as described in Item 5, multiplied by the amount of electricity represented by one contract as defined in Item 1.1 above.

Item	Heading	Individual Contract Specifications
5.	Settlement Value	The Settlement Value is the Settlement Price multiplied by the number of base load hours in the underlying Calendar Quarter and expressed as Australian dollars, where the number of base load hours is as described in Item 1.2, for any Calendar Quarter.
6.	Exclusion of Liability	Subject to the right of the Exchange under Rule 1.4 to direct that contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the information received from NEMMCO or its successors as being conclusive and final. Any failure by the Exchange or SFE Clearing or any entity on behalf of those parties, to provide or obtain the relevant information necessary for calculating the Settlement Price, or any inaccuracies created before or during the calculation or in the transmission thereof shall not lead to a party having any claim whatsoever against NEMMCO or its successor, SFE Clearing or the Exchange.
7.	Inability for SFE Clearing House to declare settlement price and undesirable situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Amended 30/12/09

Explanatory Note

The terms of all NSW Base Load Electricity Cap Futures Contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provides for determinations by the Exchange as to
 - the units in which prices are to be quoted by participants when submitting orders
 - the Final Trading Day in a Settlement Month
 - the time at which trading ceases on the Final Trading Day
 - the Settlement Date
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the Contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (which document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows: "Final Trading Day" – such business day as is determined by the Exchange. The actual determination made by the Exchange is "The last Business Day of the Calendar Quarter".

Link to Procedures for determination. [NSW Base Load Cap Futures Determin](#)

6.61.1 New South Wales Peak Period Electricity Futures Contract

Item	Heading	Individual contract specifications
1.1	Contract Unit	One (1) Megawatt (MW) of electrical energy per hour during the peak period profile as defined in Item 1.2, bought and sold in the New South Wales (NSW) region of the Wholesale Electricity Pool Market conducted by the National Electricity Market Management Company Limited (“NEMMCO”) or its successor, over the period of a Calendar Quarter.
1.2	Reference Price	The Wholesale Electricity Pool Market price that underlies the Contract shall, subject to Item 3(c), be the NSW reference price as calculated by NEMMCO on a half hourly basis for purposes of invoicing physical deliveries of electricity occurring between 7:00 am and 10 pm – Australian Eastern Standard Time (“AEST”) inclusive Monday to Friday excluding Public Holidays and days determined by the Exchange.
1.3	Public Holidays	<ul style="list-style-type: none"> (a) For the purposes of Item 1.2 above, Public Holidays shall be defined as those days identified by NEMMCO and/or any other days as determined by the Exchange. (b) The Exchange shall determine the final number of Public Holidays in a Calendar Quarter and shall notify the market prior to the listing of a Calendar Quarter. (c) Any determination by the Exchange that a day not being a Public Holiday shall be excluded from the determination of the Settlement Price, shall be made and notified to the market prior to a Contract being listed.
1.4	Type of Contract	Cash settled.
2	Contract Value	The price quoted in Australian dollars (to such number of decimal places as shall be determined by the Exchange) per Megawatt hour agreed to by the parties at that time and multiplied by the peak period hours in the underlying Calendar Quarter and expressed as Australian dollars, where the number of peak period hours for any Calendar Quarter is as defined in Item 1.2.
3	Provisional Settlement Price	<ul style="list-style-type: none"> (a) The reference price as calculated in Item 1.2 shall be notified to the Market by SFE Clearing, at such time as it shall determine, as a “provisional cash settlement price”. (b) SFE Clearing may, at its discretion at any time up until the final Settlement Price is declared, amend the provisional cash settlement price. (c) Subject to the operation of Rule 1.4, SFE Clearing shall declare the provisional settlement price to be the final Settlement Price on such day as it shall determine. (d) Subject to the operation of Rule 1.4, the numerical value of the Settlement Price as declared by SFE Clearing shall be accepted as final.
4	Settlement Value	The arithmetic average of peak period spot prices on a half hourly basis over the Calendar Quarter expressed as Australian dollars (to such number of decimal places as shall be determined by the Exchange) quoted by the Exchange for that Settlement Day multiplied by the number of peak period hours in the underlying Calendar Quarter and expressed as Australian dollars.
5	Average Quoted Price	The “peak period average quoted price” of the underlying physical market for purposes of settlement of contract shall be calculated as a ratio of A/B where:

Item	Heading	Individual contract specifications
		<p>“A” Equals the sum of the half hour NSW regional reference prices occurring during the period defined in Item 1.2 rounded in a manner determined by the Exchange.</p> <p>“B” Equals the total number of half hour NSW regional reference prices occurring during the period defined in Item 1.2.</p> <p>The peak period average quoted price shall be rounded as determined by the Exchange</p>
6	Settlement Price	<p>(a) For each Settlement Day SFE Clearing shall declare the numerical value which shall be the provisional settlement price on the first Business Day after expiry.</p> <p>(b) The provisional settlement price shall be later confirmed by SFE Clearing as the Settlement Price on the third Business Day after expiry.</p> <p>(c) This Settlement Price shall be accepted as final.</p> <p>(d) The Settlement Price of a contract on the Settlement Day shall be a numerical value calculated as the average quoted price of the underlying amount of electricity as described in Item 5, multiplied by the amount of electricity represented by one contract as defined in Item 1.1 above.</p>
7	Exclusion of Liability	<p>Subject to the right of the Exchange under Rule 1.4 to direct that Contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the information received from NEMMCO or its successors as being conclusive and final.</p> <p>Any failure by the Exchange or SFE Clearing or any entity on behalf of those parties, to provide or obtain the relevant information necessary for calculating the Settlement Price, or any inaccuracies created before or during the calculation or in the transmission thereof shall not lead to a party having any claim whatsoever against NEMMCO or its successor, SFE Clearing or the Exchange.</p>
8	Inability for SFE House to declare Settlement Price and Undesirable Situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Amended 30/12/09

Explanatory Note

The terms of all New South Wales Peak Period Electricity Futures Contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2, which:

- (a) provides for determinations by the Exchange as to
 - the units in which prices are to be quoted by participants when submitting orders
 - the Final Trading Day in a Settlement Month
 - the time at which trading ceases on the Final Trading Day
 - the Settlement Date
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
 - the Settlement Months in which a Final Trading Day for a contract occurs; and,
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document “Procedures, Determinations and Practice Notes” (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract is as follows

“Final Trading Day” – such business day as is determined by the Exchange. The actual determination made by the Exchange is “The last Business Day of the Settlement Quarter”.

Link to Procedures for determination. [NSW_Peak_Period_Elect_Determination](#)

6.61.2 Ordinary Options Over New South Wales Peak Period Electricity Futures Contracts

Item	Heading	Individual contract specifications
1	Contract Unit	A New South Wales Peak Period Electricity Futures Contract.
2	Options not subject to Exercise Request will expire	On the Declaration Date, SFE Clearing shall, unless directed otherwise by an Exercise Request, allow all Options to expire. SFE Clearing will not exercise in-the-money Options unless directed to do so by an Exercise Request.
3	Undesirable situations	If undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

The terms of all ordinary options over New South Wales Peak Period Electricity Futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3:

- (a) which provides for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation
 - the manner in which Exercise Price is quoted and minimum fluctuations
 - Settlement Months
 - the Declaration Day
 - the time at which trading ceases on the Declaration Date
 - the latest time for lodgement of a Request or a Deny Automatic Exercise Request; and
- (b) which also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document “Procedures, Determinations and Practice Notes” (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is as follows:

“Time at which trading ceases” – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is “12.00 noon on the Declaration Date”.

Link to Procedures for determination. [NSW_Peak_Period_Oldinary_Opt_Determ](#)

6.62.1 Victoria Base Load Electricity Futures Contract

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	One (1) Megawatt (MW) of electrical energy per hour during the base load profile as defined in Item 1.2, bought and sold in the Victoria (VIC) region of the Wholesale Electricity Pool Market conducted by the National Electricity Market Management Company Limited (“NEMMCO”) or its successor, over the period of a Calendar Quarter.
1.2	Reference Price	The Wholesale Electricity Pool Market price that underlies the Contract shall, subject to Item 3(c), be the VIC reference price as calculated by NEMMCO on a half hourly basis for purposes of invoicing physical deliveries of electricity occurring between 0:00 hours Monday and 24:00 hours Sunday – Australian Eastern Standard Time (“AEST”), during the period of a Calendar Quarter, exclusive of any days which may be determined by the Exchange.
1.3	Type of Contract	Cash settled.
2	Contract Value	The price, quoted in Australian dollars (to such number of decimal places as shall be determined by the Exchange) per Megawatt hour, agreed to by the parties at the time of entering into the Contract and multiplied by the number of base load hours in the underlying Calendar Quarter and expressed as Australian dollars, where the number of base load hours for any Calendar Quarter is as defined in Item 1.2.
3	Provisional Settlement Price	<ul style="list-style-type: none"> (a) The reference price as calculated in Item 1.2 shall be notified to the Market by SFE Clearing, at such time as it shall determine, as a “provisional cash settlement price”. (b) SFE Clearing may, at its discretion at any time up until the final Settlement Price is declared, amend the provisional cash settlement price. (c) Subject to the operation of Rule 1.4, SFE Clearing shall declare the provisional Settlement Price to be the Settlement Price on such day as it shall determine. (d) Subject to the operation of Rule 1.4, the numerical value of the Settlement Price as declared by SFE Clearing shall be accepted as final.
4	Settlement Value	The arithmetic average of base load spot prices on a half hourly basis over the Calendar Quarter expressed as Australian dollars (to such number of decimal places as shall be determined by the Exchange) quoted by the Exchange for that Cash Settlement Day multiplied by the number of base load hours in the underlying Calendar Quarter and expressed as Australian dollars.
5	Average Quoted Price	<p>The “base load average quoted price” of the underlying physical market for purposes of settlement of contract shall be calculated as a ratio of A/B where:</p> <p>“A” Equals the sum of the half hour VIC regional reference prices occurring during the period defined in Item 1.2 rounded in a manner determined by the Exchange.</p> <p>“B” Equals the total number of half hour VIC regional reference prices occurring during the period defined in Item 2.</p> <p>The base load average quoted price shall be rounded as determined by the Exchange.</p>
6	Settlement Price	<ul style="list-style-type: none"> (a) For each Settlement Day SFE Clearing shall declare the numerical value which shall be the provisional settlement price on the first Business Day after expiry. (b) The provisional settlement price shall be later confirmed by SFE Clearing as

Item	Heading	Individual Contract Specifications
		<p>(c) the Settlement Price on the third Business Day after expiry.</p> <p>(d) This Settlement Price shall be accepted as final.</p> <p>The Settlement Price of a Contract on the Settlement Day shall be a numerical value calculated as the average quoted price of the underlying amount of electricity as described in Item 5, multiplied by the amount of electricity represented by one Contract as defined in Item 1.1 above.</p>
7	Exclusion of Liability	<p>Subject to the right of the Exchange under Rule 1.4 to direct that contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the information received from NEMMCO or its successors as being conclusive and final.</p> <p>Any failure by the Exchange or SFE Clearing or any entity on behalf of those parties, to provide or obtain the relevant information necessary for calculating the Settlement Price, or any inaccuracies created before or during the calculation or in the transmission thereof shall not lead to a party having any claim whatsoever against NEMMCO or its successor, SFE Clearing or the Exchange.</p>
8	Inability for SFE Clearing to declare settlement price and undesirable situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Amended 30/12/09

Explanatory Note

The terms of all Victoria Base Load Electricity Futures Contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provides for determinations by the Exchange as to
 - the units in which prices are to be quoted by participants when submitting orders
 - the Final Trading Day in a Settlement Month
 - the time at which trading ceases on the Final Trading Day
 - the Settlement Date
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows

"Final Trading Day" – such business day as is determined by the Exchange. The actual determination made by the Exchange is "The last Business Day of the Settlement Quarter".

Link to Procedures for determination. [VIC Base Load Elect Determination](#)

6.62.2 Ordinary Options Over Victoria Base Load Electricity Futures Contracts

THIS CONTRACT WAS DELISTED ON 29 JULY 2004

Item	Heading	Individual contract specifications
1	Contract Unit	A Victoria Base Load Electricity Futures Contract.
2	Options not subject to Exercise Request will expire	On the Declaration Date, SFE Clearing shall, unless directed otherwise by an Exercise Request, allow all Options to expire. SFE Clearing will not exercise in-the-money Options unless directed to do so by an Exercise Request.
3	Undesirable Situations	If undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

The terms of all ordinary options over Victoria Base Load Electricity Futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3:

- (a) which provides for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation
 - the manner in which Exercise Price is quoted and minimum fluctuations
 - Settlement Months
 - the Declaration Day
 - the time at which trading ceases on the Declaration Date
 - the latest time for lodgement of a Request or a Deny Automatic Exercise Request; and
- (b) which also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is as follows:

"Time at which trading ceases" – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is "12.00 noon on the Declaration Date".

Link to Procedures for determination. [VIC_Base_Load_Oldinary_Opt_Determ](#)

6.62.3 Strip Options over Victoria Base Load Electricity Futures contracts

This Contract commenced on 5 November 2004

Item	Heading	Individual contract specifications
1.	Contract Unit	An Option over four predetermined Victoria Base Load Electricity Futures Contracts as described in Item 1 of Rule 6.62.1.
2.	Options not subject to Exercise Request will expire	On the Declaration Date, SFE Clearing shall, unless directed otherwise by an Exercise Request, allow all Options to expire. SFE Clearing will not exercise in-the-money Options unless directed to do so by an Exercise Request.
3.	Value of the Contract Premium in dollars and cents	The price, quoted in Australian dollars (to such number of decimal places as shall be determined by the Exchange) per Megawatt hour, agreed to by the parties at the time of entering into an Option and multiplied by the aggregate number of base load hours in the underlying four Victoria Base Load Electricity Futures Contracts and expressed as Australian dollars.
4.1	Determination of Option Settlement Price	(a) The Option Settlement Price will be the average price quoted on the SYCOM® Strip Trading Facility which is referable to the four futures contracts determined in Item 1. (b) The average price will be the average price of the mid point of the bid and the offer at such intervals and at such times as determined by the Exchange.
4.2	Futures Prices Resulting from Exercised Strip Options	$FP = A \times \frac{B}{C}$ <p>FP = Price allocated to each futures contract resulting from exercised Strip Option.</p> <p>A = the previous day's Settlement Price for the Contract Quarter for each individual futures contract.</p> <p>B = Exercise Price.</p> <p>C = Previous Day's Implied Strip Price, calculated as follows:</p> $\text{Implied Strip Price} = \frac{F}{G}$ <p>F = $a + b + c + d$</p> <p>a = Q1 previous day's Settlement Price x megawatt hours for Q1 as determined by the Exchange.</p> <p>b = Q2 previous day's Settlement Price x megawatt hours for Q2 as determined by the Exchange.</p> <p>c = Q3 previous day's Settlement Price x megawatt hours for Q3 as determined by the Exchange.</p> <p>d = Q4 previous day's Settlement Price x megawatt hours for Q4 as determined by the Exchange.</p> <p>G = Total number of megawatt hours of all four Futures Contracts.</p>
5.	Exercise Price	The Exchange shall determine Exercise Prices from time to time having regard to the weighted average price (weighted on the basis of the megawatt hours of each futures contract) of the four futures contracts determined in Item 1, and shall Publish the Exercise Prices so determined.
6.	Undesirable Situations	If an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these

Item	Heading	Individual contract specifications
		Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Amended 30/12/09

Explanatory Note

The terms of all Strip Options over Victoria Base Load Electricity Futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3:

- (a) which provides for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation
 - the manner in which Exercise Price is quoted and minimum fluctuations
 - Settlement Months
 - the Declaration Day
 - the time at which trading ceases on the Declaration Date
 - the latest time for lodgment of an Exercise Request; and
- (b) which also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (which document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is as follows:

"Time at which trading ceases" – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is "12 noon on the Declaration Date".

Link to Procedures for determination. [VIC Base Load Strip Option Determin](#)

6.62.4 Victoria Base Load Electricity Cap Futures Contract

This Contract commenced on 3 November 2004

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	One (1) Megawatt (MW) of electrical energy per hour during the base load profile as defined in Item 1.2, bought and sold in the Victoria (VIC) region of the Wholesale Electricity Pool Market conducted by the National Electricity Market Management Company Limited (“NEMMCO”) or its successor, over the period of a Calendar Quarter.
1.2	Reference Price	<p>The Wholesale Electricity Pool Market price that underlies the Contract shall be the VIC reference price. The VIC reference price shall be calculated by NEMMCO on a base load profile (on a half hourly basis for purposes of invoicing physical deliveries of electricity occurring between 0:00 hours Monday and 24:00 hours Sunday – Australian Eastern Standard Time (“AEST”) exclusive of any days which may be determined by the Exchange ('the base load hours')) in accordance with the following formula:</p> $RP = \frac{[C - (300 \times D)]}{E}$ <p>Where</p> <p>RP = Reference Price.</p> <p>C = the sum of all base load half hourly spot prices for the Region in the Calendar Quarter greater than \$300.00.</p> <p>D = the total number of base load half hour spot prices for the Region in the Calendar Quarter greater than \$300.00</p> <p>E = the total number of base load half hour spot prices for the Region in the Calendar Quarter.</p>
1.3	Type of Contract	Cash settled
2	Contract Value	The price, quoted in Australian dollars (to such number of decimal places as shall be determined by the Exchange) per Megawatt hour, agreed to by the parties at the time of entering into the Contract and multiplied by the number of base load hours in the underlying Calendar Quarter and expressed as Australian dollars, where the number of base load hours is as defined in Item 1.2, for any Calendar Quarter.
3	Provisional Settlement Price.	<ul style="list-style-type: none"> (a) The Reference Price as calculated in Item 1.2 shall be notified to the Market by SFE Clearing, at such time as it shall determine, as a provisional Settlement Price. (b) SFE Clearing may, at its discretion at any time up until the final Settlement Price is declared, amend the provisional Settlement Price.
4.	Settlement Price	<ul style="list-style-type: none"> (a) For each Settlement Day SFE Clearing shall declare the numerical value which shall be the provisional settlement price on the first Business Day after expiry. (b) Subject to Item 3 (b), the provisional Settlement Price shall be declared by SFE Clearing as the Final Settlement Price on the third Business Day after the Final Trading Day. (c) This Settlement Price shall be accepted as final. (d) The Settlement Price of a Contract on the Settlement Day shall be a numerical value calculated as the Settlement Value of the underlying amount of electricity as described in Item 5, multiplied by the amount of electricity represented by one contract as defined in Item 1.1 above.

Item	Heading	Individual Contract Specifications
5.	Settlement Value	The Settlement Value is the Settlement Price multiplied by the number of base load hours in the underlying Calendar Quarter and expressed as Australian dollars, where the number of base load hours is as described in Item 1.2, for any Calendar Quarter.
6.	Exclusion of Liability	Subject to the right of the Exchange under Rule 1.4 to direct that contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the information received from NEMMCO or its successors as being conclusive and final. Any failure by the Exchange or SFE Clearing or any entity on behalf of those parties, to provide or obtain the relevant information necessary for calculating the Settlement Price, or any inaccuracies created before or during the calculation or in the transmission thereof shall not lead to a party having any claim whatsoever against NEMMCO or its successor, SFE Clearing or the Exchange.
7.	Inability for SFE Clearing House to declare settlement price and undesirable situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Amended 30/12/09

Explanatory Note

The terms of all Victoria Base Load Electricity Cap Futures Contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provides for determinations by the Exchange as to
 - the units in which prices are to be quoted by participants when submitting orders
 - the Final Trading Day in a Settlement Month
 - the time at which trading ceases on the Final Trading Day
 - the Settlement Date
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the Contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (which document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows:

"Final Trading Day" – such business day as is determined by the Exchange. The actual determination made by the Exchange is "The last Business Day of the Calendar Quarter".

Link to Procedures for determination. [VIC_Base_Load_Cap_Futures_Determin](#)

6.63.1 Victoria Peak Period Electricity Futures Contract

Item	Heading	Individual contract specifications
1.1	Contract Unit	One (1) Megawatt (MW) of electrical energy per hour during the peak period profile as defined in Item 1.2, bought and sold in the Victoria (VIC) region of the Wholesale Electricity Pool Market conducted by the National Electricity Market Management Company Limited (“NEMMCO”) or its successor, over the period of a Calendar Quarter.
1.2	Reference Price	The Wholesale Electricity Pool Market price that underlies the Contract shall, subject to Item 3(c), be the VIC reference price as calculated by NEMMCO on a half hourly basis for purposes of invoicing physical deliveries of electricity occurring between 7:00 am and 10 pm – Australian Eastern Standard Time (“AEST”) inclusive Monday to Friday excluding Public Holidays and days determined by the Exchange.
1.3	Public Holidays	<ul style="list-style-type: none"> (a) For the purposes of Item 1.2 above, Public Holidays shall be defined as those days identified by NEMMCO and/or any other days as determined by the Exchange. (b) The Exchange shall determine the final number of Public Holidays in a Calendar Quarter and shall notify the market prior to the listing of a Calendar Quarter. (c) Any determination by the Exchange that a day not being a Public Holiday shall be excluded from the determination of the Settlement Price, shall be made and notified to the market prior to a Contract being listed.
1.4	Type of Contract	Cash settled.
2	Contract Value	The price quoted in Australian dollars (to such number of decimal places as shall be determined by the Exchange) per Megawatt hour agreed to by the parties at that time and multiplied by the peak period hours in the underlying Calendar Quarter and expressed as Australian dollars, where the number of peak period hours for any Calendar Quarter is as defined in Item 1.2.
3	Provisional Settlement Price	<ul style="list-style-type: none"> (a) The reference price as calculated in Item 1.2 shall be notified to the Market by SFE Clearing, at such time as it shall determine, as a provisional cash settlement price. (b) SFE Clearing may, at its discretion at any time up until the final Cash Settlement Price is declared, amend the provisional settlement price. (c) Subject to the operation of Rule 1.4, SFE Clearing shall declare the provisional settlement price to be the final Settlement Price on such day as it shall determine. (d) Subject to the operation of Rule 1.4, the numerical value of the Settlement Price as declared by SFE Clearing shall be accepted as final.
4	Settlement Value	The arithmetic average of peak period spot prices on a half hourly basis over the Calendar Quarter expressed as Australian dollars (to such number of decimal places as shall be determined by the Exchange) quoted by the Exchange for that Settlement Day multiplied by the number of peak period hours in the underlying Calendar Quarter and expressed as Australian dollars.
5	Average Quoted Price	<p>The “peak period average quoted price” of the underlying physical market for purposes of settlement of Contract shall be calculated as a ratio of A/B where:</p> <p>“A” Equals the sum of the half hour VIC regional reference prices occurring during the period defined in Item 1.2 rounded in a manner determined by the Exchange.</p>

Item	Heading	Individual contract specifications
		“B” Equals the total number of half hour VIC regional reference prices occurring during the period defined in Item 1.2. The peak period average quoted price shall be rounded as determined by the Exchange.
6	Settlement Price	(a) For each Settlement Day SFE Clearing shall declare the numerical value which shall be the provisional Settlement Price on the first Business Day after expiry. (b) The provisional Settlement Price shall be later confirmed by SFE Clearing as the Settlement Price on the third Business Day after expiry. (c) This Settlement Price shall be accepted as final. (d) The Settlement Price of a Contract on the Settlement Day shall be a numerical value calculated as the average quoted price of the underlying amount of electricity as described in Item 5, multiplied by the amount of electricity represented by one contract as defined in Item 1.1 above.
7	Exclusion of Liability	Subject to the right of the Exchange under Rule 1.4 to direct that Contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the information received from NEMMCO or its successors as being conclusive and final. Any failure by the Exchange or SFE Clearing or any entity on behalf of those parties, to provide or obtain the relevant information necessary for calculating the Settlement Price, or any inaccuracies created before or during the calculation or in the transmission thereof shall not lead to a party having any claim whatsoever against NEMMCO or its successor, SFE Clearing or the Exchange.
8	Inability for SFE House to declare Settlement Price and Undesirable Situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Amended 30/12/09

Explanatory Note

The terms of all Victoria Peak Period Electricity Futures Contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provides for determinations by the Exchange as to
 - the units in which prices are to be quoted by participants when submitting orders
 - the Final Trading Day in a Settlement Month
 - the time at which trading ceases on the Final Trading Day
 - the Settlement Date
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document “Procedures, Determinations and Practice Notes” (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows

“Final Trading Day” – such business day as is determined by the Exchange. The actual determination made by the Exchange is “The last Business Day of the Settlement Quarter”.

Link to Procedures for determination. [VIC_Peak_Period_Elect_Determination](#)

6.63.2 Ordinary Options Over Victoria Peak Period Electricity Futures Contracts

Item	Heading	Individual contract specifications
1	Contract Unit	A Victoria Peak Period Electricity Futures Contract.
2	Options not subject to Exercise Request will expire	On the Declaration Date, SFE Clearing shall, unless directed otherwise by an Exercise Request, allow all Options to expire. SFE Clearing will not exercise in-the-money Options unless directed to do so by an Exercise Request.
3	Undesirable Situations	If undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

The terms of all ordinary options over Victoria Peak Period Electricity Futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3:

- (a) which provides for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation
 - the manner in which Exercise Price is quoted and minimum fluctuations
 - Settlement Months
 - the Declaration Day
 - the time at which trading ceases on the Declaration Date
 - the latest time for lodgement of a Request or a Deny Automatic Exercise Request; and
- (b) which also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document “Procedures, Determinations and Practice Notes” (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is as follows:

“Time at which trading ceases” – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is “12.00 noon on the Declaration Date”.

Link to Procedures for determination. [VIC_Peak_Period_Oldinary_Opt_Determ](#)

6.64.1 Queensland Base Load Electricity Futures Contract

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	One (1) Megawatt (MW) of electrical energy per hour during the base load profile as defined in Item 1.2, bought and sold in the Queensland (QLD) region of the Wholesale Electricity Pool Market conducted by the National Electricity Market Management Company Limited (“NEMMCO”) or its successor, over the period of a Calendar Quarter.
1.2	Reference Price	The Wholesale Electricity Pool Market price that underlies the Contract shall, subject to Item 3(c), be the QLD reference price as calculated by NEMMCO on a half hourly basis for purposes of invoicing physical deliveries of electricity occurring between 0:00 hours Monday and 24:00 hours Sunday – Australian Eastern Standard Time (“AEST”), during the period of a Calendar Quarter, exclusive of any days which may be determined by the Exchange.
1.3	Type of Contract	Cash settled.
2	Contract Value	The price, quoted in Australian dollars (to such number of decimal places as shall be determined by the Exchange) per Megawatt hour, agreed to by the parties at the time of entering into the Contract and multiplied by the number of base load hours in the underlying Calendar Quarter and expressed as Australian dollars, where the number of base load hours for any Calendar Quarter is as defined in Item 1.2.
3	Settlement Price	<ul style="list-style-type: none"> (a) The reference price as calculated in Item 1.2 shall be notified to the Market by SFE Clearing, at such time as it shall determine, as a provisional cash settlement price. (b) SFE Clearing may, at its discretion at any time up until the final Settlement Price is declared, amend the provisional cash settlement price. (c) Subject to the operation of Operating Rule 1.4, SFE Clearing shall declare the provisional settlement price to be the final Settlement Price on such day as it shall determine. (d) Subject to the operation of Rule 1.4, the numerical value of the Settlement Price as declared by SFE Clearing shall be accepted as final.
4	Settlement Value	The arithmetic average of base load spot prices on a half hourly basis over the Calendar Quarter expressed as Australian dollars (to such number of decimal places as shall be determined by the Exchange) quoted by the Exchange for that Settlement Day multiplied by the number of base load hours in the underlying Calendar Quarter and expressed as Australian dollars.
5	Average Quoted Price	<p>The “base load average quoted price” of the underlying physical market for purposes of settlement of Contract shall be calculated as a ratio of A/B where:</p> <p>“A” Equals the sum of the half hour NSW regional reference prices occurring during the period defined in Item 1.2 rounded in a manner determined by the Exchange.</p> <p>“B” Equals the total number of half hour NSW regional reference prices occurring during the period defined in Item 1.2.</p> <p>The base load average quoted price shall be rounded as determined by the Exchange.</p>
6	Settlement Price	<ul style="list-style-type: none"> (a) For each Settlement Day SFE Clearing shall declare the numerical value which shall be the provisional settlement price on the first Business Day after expiry. (b) The provisional settlement price shall be later confirmed by SFE Clearing as the Settlement Price on the third Business Day after expiry. (c) This Settlement Price shall be accepted as final.

Item	Heading	Individual Contract Specifications
		(d) The Settlement Price of a Contract on the Settlement Day shall be a numerical value calculated as the average quoted price of the underlying amount of electricity as described in Item 5, multiplied by the amount of electricity represented by one contract as defined in Item 1.1 above.
7	Exclusion of Liability	Subject to the right of the Exchange under Rule 1.4 to direct that contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the information received from NEMMCO or its successors as being conclusive and final. Any failure by the Exchange or SFE Clearing or any entity on behalf of those parties, to provide or obtain the relevant information necessary for calculating the Settlement Price, or any inaccuracies created before or during the calculation or in the transmission thereof shall not lead to a party having any claim whatsoever against NEMMCO or its successor, SFE Clearing or the Exchange.
8	Inability for SFE House to declare settlement price and undesirable situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Amended 30/12/09

Explanatory Note

The terms of all Queensland Base Load Electricity Futures Contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provides for determinations by the Exchange as to
 - the units in which prices are to be quoted by participants when submitting orders
 - the Final Trading Day in a Settlement Month
 - the time at which trading ceases on the Final Trading Day
 - the Settlement Date
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows: "Final Trading Day" – such business day as is determined by the Exchange. The actual determination made by the Exchange is "The last Business Day of the Settlement Quarter".

Link to Procedures for determination. [QLD_Base_Load_Elect_Determination](#)

6.64.2 Ordinary Options Over Queensland Base Load Electricity Futures Contracts

THIS CONTRACT WAS DELISTED ON 29 JULY 2004

Item	Heading	Individual contract specifications
1	Contract Unit	A Queensland Base Load Electricity Futures Contract.
2	Options not subject to Exercise Request will expire	On the Declaration Date, SFE Clearing shall, unless directed otherwise by an Exercise Request, allow all Options to expire. SFE Clearing will not exercise in-the-money Options unless directed to do so by an Exercise Request.
3	Undesirable Situations	If undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

The terms of all ordinary options over Queensland Base Load Electricity Futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3:

- (a) which provides for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation
 - the manner in which Exercise Price is quoted and minimum fluctuations
 - Settlement Months
 - the Declaration Day
 - the time at which trading ceases on the Declaration Date
 - the latest time for lodgement of a Request or a Deny Automatic Exercise Request; and
- (b) which also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is as follows:

"Time at which trading ceases" – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is "12.00 noon on the Declaration Date".

Link to Procedures for determination. [QLD Base Load Ordinary Opt Determ](#)

6.64.3 Strip Options over Queensland Base Load Electricity Futures contracts

This Contract commenced on 5 November 2004

Item	Heading	Individual contract specifications
1.	Contract Unit	An Option over four predetermined Queensland Base Load Electricity Futures Contracts as described in Item 1 of Rule 6.64.1.
2.	Options not subject to Exercise Request will expire	On the Declaration Date, SFE Clearing shall, unless directed otherwise by an Exercise Request, allow all Options to expire. SFE Clearing will not exercise in-the-money Options unless directed to do so by an Exercise Request.
3.	Value of the Contract Premium in dollars and cents	The price, quoted in Australian dollars (to such number of decimal places as shall be determined by the Exchange) per Megawatt hour, agreed to by the parties at the time of entering into an Option and multiplied by the aggregate number of base load hours in the underlying four Queensland Base Load Electricity Futures Contracts and expressed as Australian dollars.
4.1	Determination of Option Settlement Price	(a) The Option Settlement Price will be the average price quoted on the SYCOM® Strip Trading Facility which is referable to the four futures contracts determined in Item 1. (b) The average price will be the average price of the mid point of the bid and the offer at such intervals and at such times as determined by the Exchange.
4.2	Futures Prices Resulting from Exercised Strip Options	$FP = A \times \frac{B}{C}$ <p>FP = Price allocated to each futures contract resulting from exercised Strip Option.</p> <p>A = the previous day's Settlement Price for the Contract Quarter for each individual futures contract.</p> <p>B = Exercise Price.</p> <p>C = Previous Day's Implied Strip Price, calculated as follows:</p> $\text{Implied Strip Price} = \frac{F}{G}$ <p>F = $a + b + c + d$</p> <p>a = Q1 previous day's Settlement Price x megawatt hours for Q1 as determined by the Exchange.</p> <p>b = Q2 previous day's Settlement Price x megawatt hours for Q2 as determined by the Exchange.</p> <p>c = Q3 previous day's Settlement Price x megawatt hours for Q3 as determined by the Exchange.</p> <p>d = Q4 previous day's Settlement Price x megawatt hours for Q4 as determined by the Exchange.</p> <p>G = Total number of megawatt hours of all four Futures Contracts.</p>
5.	Exercise Price	The Exchange shall determine Exercise Prices from time to time having regard to the weighted average price (weighted on the basis of the megawatt hours of each futures contract) of the four futures contracts determined in Item 1, and shall Publish the Exercise Prices so determined.
6.	Undesirable Situations	If an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these

Item	Heading	Individual contract specifications
		Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Amended 30/12/09

Explanatory Note

The terms of all Strip Options over Queensland Base Load Electricity Futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3:

- (a) which provides for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation
 - the manner in which Exercise Price is quoted and minimum fluctuations
 - Settlement Months
 - the Declaration Day
 - the time at which trading ceases on the Declaration Date
 - the latest time for lodgment of an Exercise Request; and
- (b) which also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document “Procedures, Determinations and Practice Notes” (which document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is as follows:

“Time at which trading ceases” – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is “12 noon on the Declaration Date”.

Link to Procedures for determination. [QLD_Base_Load_Strip_Option_Determin](#)

6.64.4 Queensland Base Load Electricity Cap Futures Contract

This Contract commenced on 3 November 2004

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	One (1) Megawatt (MW) of electrical energy per hour during the base load profile as defined in Item 1.2, bought and sold in the Queensland (QLD) region of the Wholesale Electricity Pool Market conducted by the National Electricity Market Management Company Limited (“NEMMCO”) or its successor, over the period of a Calendar Quarter.
1.2	Reference Price	<p>The Wholesale Electricity Pool Market price that underlies the Contract shall be the QLD reference price. The QLD reference price shall be calculated by NEMMCO on a base load profile (on a half hourly basis for purposes of invoicing physical deliveries of electricity occurring between 0:00 hours Monday and 24:00 hours Sunday – Australian Eastern Standard Time (“AEST”) exclusive of any days which may be determined by the Exchange ('the base load hours')) in accordance with the following formula:</p> $RP = \frac{[C - (300 \times D)]}{E}$ <p>Where</p> <p>RP = Reference Price.</p> <p>C = the sum of all base load half hourly spot prices for the Region in the Calendar Quarter greater than \$300.00.</p> <p>D = the total number of base load half hour spot prices for the Region in the Calendar Quarter greater than \$300.00</p> <p>E = the total number of base load half hour spot prices for the Region in the Calendar Quarter.</p>
1.3	Type of Contract	Cash settled
2	Contract Value	The price, quoted in Australian dollars (to such number of decimal places as shall be determined by the Exchange) per Megawatt hour, agreed to by the parties at the time of entering into the Contract and multiplied by the number of base load hours in the underlying Calendar Quarter and expressed as Australian dollars, where the number of base load hours is as defined in Item 1.2, for any Calendar Quarter.
3	Provisional Settlement Price.	<ul style="list-style-type: none"> (a) The Reference Price as calculated in Item 1.2 shall be notified to the Market by SFE Clearing, at such time as it shall determine, as a provisional Settlement Price. (b) SFE Clearing may, at its discretion at any time up until the final Settlement Price is declared, amend the provisional Settlement Price.
4.	Settlement Price	<ul style="list-style-type: none"> (a) For each Settlement Day SFE Clearing shall declare the numerical value which shall be the provisional settlement price on the first Business Day after expiry. (b) Subject to Item 3 (b), the provisional Settlement Price shall be declared by SFE Clearing as the Final Settlement Price on the third Business Day after the Final Trading Day. (c) This Settlement Price shall be accepted as final. (d) The Settlement Price of a Contract on the Settlement Day shall be a numerical value calculated as the Settlement Value of the underlying amount of electricity as described in Item 5, multiplied by the amount of electricity represented by one contract as defined in Item 1.1 above.

Item	Heading	Individual Contract Specifications
5.	Settlement Value	The Settlement Value is the Settlement Price multiplied by the number of base load hours in the underlying Calendar Quarter and expressed as Australian dollars, where the number of base load hours is as described in Item 1.2, for any Calendar Quarter.
6.	Exclusion of Liability	Subject to the right of the Exchange under Rule 1.4 to direct that contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the information received from NEMMCO or its successors as being conclusive and final. Any failure by the Exchange or SFE Clearing or any entity on behalf of those parties, to provide or obtain the relevant information necessary for calculating the Settlement Price, or any inaccuracies created before or during the calculation or in the transmission thereof shall not lead to a party having any claim whatsoever against NEMMCO or its successor, SFE Clearing or the Exchange.
7.	Inability for SFE Clearing House to declare settlement price and undesirable situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Amended 30/12/09

Explanatory Note

The terms of all Queensland Base Load Electricity Cap Futures Contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provides for determinations by the Exchange as to
 - the units in which prices are to be quoted by participants when submitting orders
 - the Final Trading Day in a Settlement Month
 - the time at which trading ceases on the Final Trading Day
 - the Settlement Date
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the Contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (which document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows:

"Final Trading Day" – such business day as is determined by the Exchange. The actual determination made by the Exchange is "The last Business Day of the Calendar Quarter".

Link to Procedures for determination. [QLD Base Load Cap Futures Determin](#)

6.65.1 Queensland Peak Period Electricity Futures Contract

Item	Heading	Individual contract specifications
1.1	Contract Unit	One (1) Megawatt (MW) of electrical energy per hour during the peak period profile as defined in Item 1.2, bought and sold in the Queensland (QLD) region of the Wholesale Electricity Pool Market conducted by the National Electricity Market Management Company Limited (“NEMMCO”) or its successor, over the period of a calendar quarter.
1.2	Reference Price	The Wholesale Electricity Pool Market price that underlies the Contract shall, subject to Item 3.1(c), be the QLD reference price as calculated by NEMMCO on a half hourly basis for purposes of invoicing physical deliveries of electricity occurring between 7:00 am and 10 pm – Australian Eastern Standard Time (“AEST”) inclusive Monday to Friday excluding Public Holidays and days determined by the Exchange.
1.3	Public Holidays	<ul style="list-style-type: none"> (a) For the purposes of Item 1.2 above, Public Holidays shall be defined as those days identified by NEMMCO and/or any other days as determined by the Exchange. (b) The Exchange shall determine the final number of Public Holidays in a Calendar Quarter and shall notify the market prior to the listing of a Calendar Quarter. (c) Any determination by the Exchange that a day not being a Public Holiday shall be excluded from the determination of the Settlement Price, shall be made and notified to the market prior to a contract being listed.
1.4	Type of Contract	Cash settled.
2	Contract Value	The price, quoted in Australian dollars (to such number of decimal places as shall be determined by the Exchange) per Megawatt hour, agreed to by the parties at that time and multiplied by the peak period hours in the underlying Calendar Quarter and expressed as Australian dollars, where the number of peak period hours for any Calendar Quarter is as defined in Item 1.2.
3	Provisional Settlement Price	<ul style="list-style-type: none"> (a) The reference price as calculated in Item 1.2 shall be notified to the Market by SFE Clearing, at such time as it shall determine, as a provisional cash settlement price. (b) SFE Clearing may, at its discretion at any time up until the final Settlement Price is declared, amend the provisional cash settlement price. (c) Subject to the operation of Rule 1.4, SFE Clearing shall declare the provisional settlement price to be the final Settlement Price on such day as it shall determine. (d) Subject to the operation of Rule 1.4, the numerical value of the Settlement Price as declared by SFE Clearing shall be accepted as final.
4	Settlement Value	The arithmetic average of peak period spot prices on a half hourly basis over the Contract Quarter expressed as Australian dollars (to such number of decimal places as shall be determined by the Exchange) quoted by the Exchange for that Settlement Day multiplied by the number of peak period hours in the underlying Calendar Quarter and expressed as Australian dollars.
5	Average Quoted Price	<p>The “peak period average quoted price” of the underlying physical market for purposes of settlement of Contract shall be calculated as a ratio of A/B where:</p> <p>“A” Equals the sum of the half hour QLD regional reference prices occurring during the period defined in Item 1.2 rounded in a manner determined by the Exchange.</p>

Item	Heading	Individual contract specifications
		<p>“B” Equals the total number of half hour QLD regional reference prices occurring during the period defined in Item 1.2.</p> <p>The peak period average quoted price shall be rounded as determined by the Exchange.</p>
6	Settlement Price	<ul style="list-style-type: none"> (a) For each Settlement Day SFE Clearing shall declare the numerical value which shall be the provisional settlement price on the first Business Day after expiry. (b) The provisional settlement price shall be later confirmed by SFE Clearing as the Settlement Price on the third Business Day after expiry. (c) This Settlement Price shall be accepted as final. (d) The Settlement Price of a Contract on the Settlement Day shall be a numerical value calculated as the average quoted price of the underlying amount of electricity as described in Item 5, multiplied by the amount of electricity represented by one Contract as defined in Item 1.1 above.
7	Exclusion of Liability	<p>Subject to the right of the Exchange under Rule 1.4 to direct that Contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the information received from NEMMCO or its successors as being conclusive and final.</p> <p>Any failure by the Exchange or SFE Clearing or any entity on behalf of those parties, to provide or obtain the relevant information necessary for calculating the Settlement Price, or any inaccuracies created before or during the calculation or in the transmission thereof shall not lead to a party having any claim whatsoever against NEMMCO or its successor, SFE Clearing or the Exchange.</p>
8	Inability for SFE House to declare settlement price and undesirable situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the settlement price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Amended 30/12/09

Explanatory Note

The terms of all Queensland Peak Period Electricity Futures Contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provides for determinations by the Exchange as to
 - the units in which prices are to be quoted by participants when submitting orders
 - the Final Trading Day in a Settlement Month
 - the time at which trading ceases on the Final Trading Day
 - the Settlement Date
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document “Procedures, Determinations and Practice Notes” (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows

“Final Trading Day” – such business day as is determined by the Exchange. The actual determination made by the Exchange is “The last Business Day of the Settlement Quarter”.

Link to Procedures for determination. [QLD Peak Period Elect Determination](#)

6.65.2 Ordinary Options Over Queensland Peak Period Electricity Futures Contracts

Item	Heading	Individual contract specifications
1	Contract Unit	A Queensland Peak Period Electricity Futures Contract.
2	Options not subject to Exercise Request will expire	On the Declaration Date, SFE Clearing shall, unless directed otherwise by an Exercise Request, allow all Options to expire. SFE Clearing will not exercise in-the-money Options unless directed to do so by an Exercise Request.
3	Undesirable situations	If undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

The terms of all ordinary options over Queensland Peak Period Electricity Futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3:

- (a) which provides for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation
 - the manner in which Exercise Price is quoted and minimum fluctuations
 - Settlement Months
 - the Declaration Day
 - the time at which trading ceases on the Declaration Date
 - the latest time for lodgement of a Request or a Deny Automatic Exercise Request; and
- (b) which also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document “Procedures, Determinations and Practice Notes” (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is as follows:

“Time at which trading ceases” – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is “12.00 noon on the Declaration Date”.

Link to Procedures for determination. [OLD_Peak_Period_Old_Opt_Determ](#)

6.66.1 South Australia Base Load Electricity Futures Contract

Item	Heading	Individual contract specifications
1.1	Contract Unit	One (1) Megawatt (MW) of electrical energy per hour during the base load profile as defined in Item 1.2, bought and sold in the South Australia (SA) region of the Wholesale Electricity Pool Market conducted by the National Electricity Market Management Company Limited (“NEMMCO”) or its successor, over the period of a Calendar Quarter.
1.2	Reference Price	The Wholesale Electricity Pool Market price that underlies the Contract shall, subject to Item 3(c), be the SA reference price as calculated by NEMMCO on a half hourly basis for purposes of invoicing physical deliveries of electricity occurring between 0:00 hours Monday and 24:00 hours Sunday – Australian Eastern Standard Time (“AEST”), during the period of a Calendar Quarter, exclusive of any days which may be determined by the Exchange.
1.3	Type of Contract	Cash settled.
2	Contract Value	The price, quoted in Australian dollars (to such number of decimal places as shall be determined by the Exchange) per Megawatt hour, agreed to by the parties at the time of entering into the Contract and multiplied by the number of base load hours in the underlying Calendar Quarter and expressed as Australian dollars, where the number of base load hours for any Calendar Quarter is as defined in Item 1.2.
3	Provisional Settlement Price	<ul style="list-style-type: none"> (a) The reference price as calculated in Item 1.2 shall be notified to the Market by SFE Clearing, at such time as it shall determine, as a provisional cash settlement price. (b) SFE Clearing may, at its discretion at any time up until the final Settlement Price is declared, amend the provisional cash settlement price. (c) Subject to the operation of Rule 1.4, SFE Clearing shall declare the provisional settlement price to be the final Settlement Price on such day as it shall determine. (d) Subject to the operation of Rule 1.4, the numerical value of the Settlement Price as declared by SFE Clearing shall be accepted as final.
4	Settlement Value	The arithmetic average of base load spot prices on a half hourly basis over the Calendar Quarter expressed as Australian dollars (to such number of decimal places as shall be determined by the Exchange) quoted by the Exchange for that Cash Settlement Day multiplied by the number of base load hours in the underlying Calendar Quarter and expressed as Australian dollars.
5	Average Quoted Price	<p>The “base load average quoted price” of the underlying physical market for purposes of settlement of contract shall be calculated as a ratio of A/B where:</p> <p>“A” Equals the sum of the half hour SA regional reference prices occurring during the period defined in Item 1.2 rounded in a manner determined by the Exchange.</p> <p>“B” Equals the total number of half hour SA regional reference prices occurring during the period defined in Item 1.2.</p> <p>The base load average quoted price shall be rounded as determined by the Exchange.</p>
6	Settlement Price	<ul style="list-style-type: none"> (a) For each Settlement Day SFE Clearing shall declare the numerical value which shall be the provisional settlement price on the first Business Day after expiry. (b) The provisional settlement price shall be later confirmed by SFE Clearing as the Settlement Price on the third Business Day after expiry. (c) This Settlement Price shall be accepted as final. (d) The Settlement Price of a Contract on the Settlement Day shall be a

Item	Heading	Individual contract specifications
		numerical value calculated as the average quoted price of the underlying amount of electricity as described in Item 5, multiplied by the amount of electricity represented by one Contract as defined in Item 1.1 above.
7	Exclusion of Liability	<p>Subject to the right of the Exchange under Rule 1.4 to direct that Contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the information received from NEMMCO or its successors as being conclusive and final.</p> <p>Any failure by the Exchange or SFE Clearing or any entity on behalf of those parties, to provide or obtain the relevant information necessary for calculating the Settlement Price, or any inaccuracies created before or during the calculation or in the transmission thereof shall not lead to a party having any claim whatsoever against NEMMCO or its successor, SFE Clearing or the Exchange.</p>
8	Inability for SFE House to declare settlement price and undesirable situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Amended 30/12/09

Explanatory Note

The terms of all South Australia Base Load Electricity Futures Contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provides for determinations by the Exchange as to
 - the units in which prices are to be quoted by participants when submitting orders
 - the Final Trading Day in a Settlement Month
 - the time at which trading ceases on the Final Trading Day
 - the Settlement Date
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows:

"Final Trading Day" – such business day as is determined by the Exchange. The actual determination made by the Exchange is "The last Business Day of the Settlement Quarter".

Link to Procedures for determination. [SA Base Load Elect Determination](#)

6.66.2 Ordinary Options Over South Australia Base Load Electricity Futures Contracts

THIS CONTRACT WAS DELISTED ON 29 JULY 2004

Item	Heading	Individual contract specifications
1	Contract Unit	A South Australia Base Load Electricity Futures Contract.
2	Options not subject to Exercise Request will expire	On the Declaration Date, SFE Clearing shall, unless directed otherwise by an Exercise Request, allow all Options to expire. SFE Clearing will not exercise in-the-money Options unless directed to do so by an Exercise Request.
3	Undesirable Situations	If undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

The terms of all ordinary options over South Australia Base Load Electricity Futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3:

- (a) which provides for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation
 - the manner in which Exercise Price is quoted and minimum fluctuations
 - Settlement Months
 - the Declaration Day
 - the time at which trading ceases on the Declaration Date
 - the latest time for lodgement of a Request or a Deny Automatic Exercise Request; and
- (b) which also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is as follows:

"Time at which trading ceases" – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is "12.00 noon on the Declaration Date".

Link to Procedures for determination. [SA Base Load Ordinary Opt Determ](#)

6.66.3 Strip Options over South Australia Base Load Electricity Futures contracts

This Contract commenced on 5 November 2004

Item	Heading	Individual contract specifications
1.	Contract Unit	An Option over four predetermined South Australia Base Load Electricity Futures Contracts as described in Item 1 of Rule 6.66.1.
2.	Options not subject to Exercise Request will expire	On the Declaration Date, SFE Clearing shall, unless directed otherwise by an Exercise Request, allow all Options to expire. SFE Clearing will not exercise in-the-money Options unless directed to do so by an Exercise Request.
3.	Value of the Contract Premium in dollars and cents	The price, quoted in Australian dollars (to such number of decimal places as shall be determined by the Exchange) per Megawatt hour, agreed to by the parties at the time of entering into an Option and multiplied by the aggregate number of base load hours in the underlying four South Australia Base Load Electricity Futures Contracts and expressed as Australian dollars.
4.1	Determination of Option Settlement Price	(a) The Option Settlement Price will be the average price quoted on the SYCOM® Strip Trading Facility which is referable to the four futures contracts determined in Item 1. (b) The average price will be the average price of the mid point of the bid and the offer at such intervals and at such times as determined by the Exchange.
4.2	Futures Prices Resulting from Exercised Strip Options	$FP = A \times \frac{B}{C}$ <p>FP = Price allocated to each futures contract resulting from exercised Strip Option.</p> <p>A = the previous day's Settlement Price for the Contract Quarter for each individual futures contract.</p> <p>B = Exercise Price.</p> <p>C = Previous Day's Implied Strip Price, calculated as follows:</p> $\text{Implied Strip Price} = \frac{F}{G}$ <p>F = $a + b + c + d$</p> <p>a = Q1 previous day's Settlement Price x megawatt hours for Q1 as determined by the Exchange.</p> <p>b = Q2 previous day's Settlement Price x megawatt hours for Q2 as determined by the Exchange.</p> <p>c = Q3 previous day's Settlement Price x megawatt hours for Q3 as determined by the Exchange.</p> <p>d = Q4 previous day's Settlement Price x megawatt hours for Q4 as determined by the Exchange.</p> <p>G = Total number of megawatt hours of all four Futures Contracts.</p>
5.	Exercise Price	The Exchange shall determine Exercise Prices from time to time having regard to the weighted average price (weighted on the basis of the megawatt hours of each futures contract) of the four futures contracts determined in Item 1, and shall Publish the Exercise Prices so determined.
6.	Undesirable Situations	If an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these

Item	Heading	Individual contract specifications
		Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Amended 30/12/09

Explanatory Note

The terms of all Strip Options over South Australia Base Load Electricity Futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3:

- (a) which provides for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation
 - the manner in which Exercise Price is quoted and minimum fluctuations
 - Settlement Months
 - the Declaration Day
 - the time at which trading ceases on the Declaration Date
 - the latest time for lodgment of an Exercise Request; and
- (b) which also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (which document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is as follows:

"Time at which trading ceases" – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is "12 noon on the Declaration Date".

Link to Procedures for determination. [SA_Base_Load_Strip_Option_Determin](#)

6.66.4 South Australia Base Load Electricity Cap Futures Contract

This Contract commenced on 3 November 2004

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	One (1) Megawatt (MW) of electrical energy per hour during the base load profile as defined in Item 1.2, bought and sold in the South Australia (SA) region of the Wholesale Electricity Pool Market conducted by the National Electricity Market Management Company Limited (“NEMMCO”) or its successor, over the period of a Calendar Quarter.
1.2	Reference Price	<p>The Wholesale Electricity Pool Market price that underlies the Contract shall be the SA reference price. The SA reference price shall be calculated by NEMMCO on a base load profile (on a half hourly basis for purposes of invoicing physical deliveries of electricity occurring between 0:00 hours Monday and 24:00 hours Sunday – Australian Eastern Standard Time (“AEST”) exclusive of any days which may be determined by the Exchange ('the base load hours')) in accordance with the following formula:</p> $RP = \frac{[C - (300 \times D)]}{E}$ <p>Where</p> <p>RP = Reference Price.</p> <p>C = the sum of all base load half hourly spot prices for the Region in the Calendar Quarter greater than \$300.00.</p> <p>D = the total number of base load half hour spot prices for the Region in the Calendar Quarter greater than \$300.00</p> <p>E = the total number of base load half hour spot prices for the Region in the Calendar Quarter.</p>
1.3	Type of Contract	Cash settled
2	Contract Value	The price, quoted in Australian dollars (to such number of decimal places as shall be determined by the Exchange) per Megawatt hour, agreed to by the parties at the time of entering into the Contract and multiplied by the number of base load hours in the underlying Calendar Quarter and expressed as Australian dollars, where the number of base load hours is as defined in Item 1.2, for any Calendar Quarter.
3	Provisional Settlement Price.	<ul style="list-style-type: none"> (a) The Reference Price as calculated in Item 1.2 shall be notified to the Market by SFE Clearing, at such time as it shall determine, as a provisional Settlement Price. (b) SFE Clearing may, at its discretion at any time up until the final Settlement Price is declared, amend the provisional Settlement Price.
4.	Settlement Price	<ul style="list-style-type: none"> (a) For each Settlement Day SFE Clearing shall declare the numerical value which shall be the provisional settlement price on the first Business Day after expiry. (b) Subject to Item 3 (b), the provisional Settlement Price shall be declared by SFE Clearing as the Final Settlement Price on the third Business Day after the Final Trading Day. (c) This Settlement Price shall be accepted as final. (d) The Settlement Price of a Contract on the Settlement Day shall be a numerical value calculated as the Settlement Value of the underlying amount of electricity as described in Item 5, multiplied by the amount of electricity represented by one contract as defined in Item 1.1 above.

Item	Heading	Individual Contract Specifications
5.	Settlement Value	The Settlement Value is the Settlement Price multiplied by the number of base load hours in the underlying Calendar Quarter and expressed as Australian dollars, where the number of base load hours is as described in Item 1.2, for any Calendar Quarter.
6.	Exclusion of Liability	Subject to the right of the Exchange under Rule 1.4 to direct that contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the information received from NEMMCO or its successors as being conclusive and final. Any failure by the Exchange or SFE Clearing or any entity on behalf of those parties, to provide or obtain the relevant information necessary for calculating the Settlement Price, or any inaccuracies created before or during the calculation or in the transmission thereof shall not lead to a party having any claim whatsoever against NEMMCO or its successor, SFE Clearing or the Exchange.
7.	Inability for SFE Clearing House to declare settlement price and undesirable situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Amended 30/12/09

Explanatory Note

The terms of all South Australia Base Load Electricity Cap Futures Contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provides for determinations by the Exchange as to
 - the units in which prices are to be quoted by participants when submitting orders
 - the Final Trading Day in a Settlement Month
 - the time at which trading ceases on the Final Trading Day
 - the Settlement Date
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the Contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (which document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows:

"Final Trading Day" – such business day as is determined by the Exchange. The actual determination made by the Exchange is "The last Business Day of the Calendar Quarter".

Link to Procedures for determination. [SA Base Load Cap Futures Determin](#)

6.67.1 South Australia Peak Period Electricity Futures Contract

Item	Heading	Individual contract specifications
1.1	Contract Unit	One (1) Megawatt (MW) of electrical energy per hour during the peak period profile as defined in Item 1.2, bought and sold in the South Australia (SA) region of the Wholesale Electricity Pool Market conducted by the National Electricity Market Management Company Limited (“NEMMCO”) or its successor, over the period of a Calendar Quarter.
1.2	Reference Price	The Wholesale Electricity Pool Market price that underlies the Contract shall, subject to Item 3.1(c), be the SA reference price as calculated by NEMMCO on a half hourly basis for purposes of invoicing physical deliveries of electricity occurring between 7:00 am and 10 pm – Australian Eastern Standard Time (“AEST”) inclusive Monday to Friday excluding Public Holidays and days determined by the Exchange.
1.3	Public Holidays	<ul style="list-style-type: none"> (a) For the purposes of Item 1.2 above, Public Holidays shall be defined as those days identified by NEMMCO and/or any other days as determined by the Exchange. (b) The Exchange shall determine the final number of Public Holidays in a Calendar Quarter and shall notify the market prior to the listing of a Calendar Quarter. (c) Any determination by the Exchange that a day not being a Public Holiday shall be excluded from the determination of the Settlement Price, shall be made and notified to the market prior to a Contract being listed.
1.4	Type of Contract	Cash settled.
2	Contract Value	The price quoted in Australian dollars (to such number of decimal places as shall be determined by the Exchange) per Megawatt hour agreed to by the parties at that time and multiplied by the peak period hours in the underlying Calendar Quarter and expressed as Australian dollars, where the number of peak period hours for any Calendar Quarter is as defined in Item 1.2.
3	Provisional Settlement Price	<ul style="list-style-type: none"> (a) The reference price as calculated in Item 1.2 shall be notified to the Market by SFE Clearing, at such time as it shall determine, as a provisional cash settlement price. (b) SFE Clearing may, at its discretion at any time up until the final Settlement Price is declared, amend the provisional cash settlement price. (c) Subject to the operation of Rule 1.4, SFE Clearing shall declare the provisional settlement price to be the final Settlement Price on such day as it shall determine. (d) Subject to the operation of Rule 1.4, the numerical value of the Settlement Price as declared by SFE Clearing shall be accepted as final.
4	Settlement Value	The arithmetic average of peak period spot prices on a half hourly basis over the Calendar Quarter expressed as Australian dollars (to such number of decimal places as shall be determined by the Exchange) quoted by the Exchange for that Cash Settlement Day multiplied by the number of peak period hours in the underlying Calendar Quarter and expressed as Australian dollars.
5	Average Quoted Price	The “peak period average quoted price” of the underlying physical market for purposes of settlement of contract shall be calculated as a ratio of A/B where: “A” Equals the sum of the half hour SA regional reference prices occurring during the period defined in Item 1.2 rounded in a manner determined by the Exchange.

Item	Heading	Individual contract specifications
		“B” Equals the total number of half hour SA regional reference prices occurring during the period defined in Item 1.2. The peak period average quoted price shall be rounded as determined by the Exchange.
6	Settlement Price	(a) For each Settlement Day SFE Clearing shall declare the numerical value which shall be the provisional settlement price on the first Business Day after expiry. (b) The provisional Settlement Price shall be later confirmed by SFE Clearing as the Settlement Price on the third Business Day after expiry. (c) This Settlement Price shall be accepted as final. (d) The Settlement Price of a Contract on the Settlement Day shall be a numerical value calculated as the average quoted price of the underlying amount of electricity as described in Item 5, multiplied by the amount of electricity represented by one contract as defined in Item 1.1 above.
7	Exclusion of Liability	Subject to the right of the Exchange under Rule 1.4 to direct that Contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the information received from NEMMCO or its successors as being conclusive and final. Any failure by the Exchange or SFE Clearing or any entity on behalf of those parties, to provide or obtain the relevant information necessary for calculating the Settlement Price, or any inaccuracies created before or during the calculation or in the transmission thereof shall not lead to a party having any claim whatsoever against NEMMCO or its successor, SFE Clearing or the Exchange.
8	Inability for SFE House to declare Settlement Price and Undesirable Situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the settlement price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Amended 30/12/09

Explanatory Note

The terms of all South Australia Peak Period Electricity Futures Contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provides for determinations by the Exchange as to
 - the units in which prices are to be quoted by participants when submitting orders
 - the Final Trading Day in a Settlement Month
 - the time at which trading ceases on the Final Trading Day
 - the Settlement Date
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document “Procedures, Determinations and Practice Notes” (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows

“Final Trading Day” – such business day as is determined by the Exchange. The actual determination made by the Exchange is “The last Business Day of the Settlement Quarter”.

Link to Procedures for determination. [SA_Peak_Period_Elect_Determination](#)

6.67.2 Ordinary Options Over South Australia Peak Period Electricity Futures Contracts

Item	Heading	Individual contract specifications
1	Contract Unit	A South Australia Peak Period Electricity futures contract.
2	Options not subject to Exercise Request will expire	On the Declaration Date, SFE Clearing shall, unless directed otherwise by an Exercise Request, allow all Options to expire. SFE Clearing will not exercise in-the-money Options unless directed to do so by an Exercise Request.
3	Undesirable Situations	If undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

The terms of all ordinary options over South Australia Peak Period Electricity Futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3:

- (a) which provides for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation
 - the manner in which Exercise Price is quoted and minimum fluctuations
 - Settlement Months
 - the Declaration Day
 - the time at which trading ceases on the Declaration Date
 - the latest time for lodgement of a Request or a Deny Automatic Exercise Request; and
- (b) which also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document “Procedures, Determinations and Practice Notes” (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is as follows:

“Time at which trading ceases” – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is “12.00 noon on the Declaration Date”.

Link to Procedures for determination. [SA_Peak_Period_Oldinary_Opt_Determ](#)

6.68.1 New Zealand Base Load Electricity Futures Contract

THIS CONTRACT WILL TAKE EFFECT ON 14 JULY 2009

Item	Heading	Individual contract specifications
1.1	Contract Unit	One (1) Megawatt (MW) of electrical energy per hour during the base load profile as defined in Item 1.2, bought and sold in the New Zealand Electricity Market conducted by The Marketplace Company Limited (M-co) or its successor for the grid reference point(s) specified in the Determinations, over the period of a Calendar Quarter.
1.2	Reference Price	The New Zealand Electricity Market price that underlies the Contract shall, subject to Item 3(c), be the price calculated for the grid reference point(s) specified in the Determinations on a half hourly basis for purposes of invoicing physical deliveries of electricity occurring between 0:00 hours Monday and 24:00 hours Sunday – New Zealand time, during the period of a Calendar Quarter, exclusive of any days which may be determined by the Exchange. New Zealand time is defined in the Determinations.
1.3	Type of Contract	Cash settled.
2	Contract Value	The price, quoted in New Zealand dollars (to such number of decimal places as shall be determined by the Exchange) per Megawatt hour, agreed to by the parties at the time of entering into the Contract and multiplied by the number of base load hours in the underlying Calendar Quarter and expressed as New Zealand dollars, where the number of base load hours for any Calendar Quarter is as defined in Item 1.2.
3	Provisional Settlement Price	<ul style="list-style-type: none"> (a) The reference price as calculated in Item 1.2 shall be notified to the Market by SFE Clearing, at such time as it shall determine, as a “provisional cash settlement price”. (b) SFE Clearing may, at its discretion at any time up until the final Settlement Price is declared, amend the provisional cash settlement price. (c) Subject to the operation of Rule 1.4, SFE Clearing shall declare the Provisional Settlement Price to be the final Settlement Price on such day as it shall determine. (d) Subject to the operation of Rule 1.4, the numerical value of the Settlement Price as declared by SFE Clearing shall be accepted as final.
4	Settlement Value	The arithmetic average of base load spot prices on a half hourly basis over the Calendar Quarter expressed as New Zealand dollars (to such number of decimal places as shall be determined by the Exchange) quoted by the Exchange for that Settlement Day multiplied by the number of base load hours in the underlying Calendar Quarter and expressed as New Zealand dollars.
5	Average Quoted Price	<p>The “base load average quoted price” of the underlying physical market for purposes of settlement of contract shall be calculated as a ratio of A/B where:</p> <p>“A” Equals the sum of the half hour reference prices for the grid reference point(s) specified in the Determinations occurring during the period defined in Item 1.2, rounded in a manner determined by the Exchange.</p> <p>“B” Equals the total number of half hour reference prices for the grid reference point(s) specified in the Determinations occurring during the period defined in Item 1.2.</p> <p>The base load average quoted price shall be rounded as determined by the Exchange.</p>

Item	Heading	Individual contract specifications
6	Settlement Price	<p>(a) For each Settlement Day SFE Clearing shall declare the numerical value which shall be the provisional settlement price on the first business day in New Zealand after expiry.</p> <p>(b) The provisional settlement price shall be later confirmed by SFE Clearing as the Settlement Price on the third business day in New Zealand after expiry.</p> <p>(c) This Settlement Price shall be accepted as final.</p> <p>(d) The Settlement Price of a contract on the Settlement Day shall be a numerical value calculated as the average quoted price of the underlying amount of electricity as described in Item 5, multiplied by the amount of electricity represented by one contract as defined in Item 1.1 above.</p>
7	Exclusion of Liability	Any failure by the Exchange or SFE Clearing or any entity on behalf of those parties, to provide or obtain the relevant information necessary for calculating the Settlement Price, or any inaccuracies created before or during the calculation or in the transmission thereof shall not lead to a party having any claim whatsoever against M-co or its successor, SFE Clearing or the Exchange.
8	Inability for SFE Clearing to declare settlement price and undesirable situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the settlement price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Amended 14/07/09, 04/01/10

6.68.2 Strip Options over New Zealand Base Load Electricity Futures Contracts

THIS CONTRACT WILL TAKE EFFECT ON 14 JULY 2009

Item	Heading	Individual contract specifications
1	Contract Unit	An Option over four predetermined New Zealand Base Load Electricity Futures Contracts as described in Item 1 of Rule 6.68.1.
2	Options not subject to Exercise Request will expire	On the Declaration Date, SFE Clearing shall, unless directed otherwise by an Exercise Request, allow all Options to expire. SFE Clearing will not exercise Options unless directed to do so by an Exercise Request.
3	Value of the Contract Premium in dollars and cents	The price, quoted in New Zealand dollars (to such number of decimal places as shall be determined by the Exchange) per Megawatt hour, agreed to by the parties at the time of entering into an Option and multiplied by the aggregate number of base load hours in the underlying four New Zealand Base Load Electricity Futures Contracts and expressed as New Zealand dollars.
4.1	Determination of Option Settlement Price	The Option Settlement Price will be the price quoted on the SYCOM® Strip Trading Facility which is referable to the four futures contracts determined in Item 1, as determined by the Exchange.
4.2	Futures Prices Resulting from Exercised Strip Options	$FP = A \times \frac{B}{C}$ <p>FP = Price allocated to each futures contract resulting from exercised Strip Option.</p> <p>A = the previous day's Settlement Price for the Contract Quarter for each individual futures contract.</p> <p>B = Exercise Price.</p> <p>C = Previous Day's Implied Strip Price, calculated as follows:</p> $\text{Implied Strip Price} = \frac{F}{G}$ <p>F = $a + b + c + d$</p> <p>a = Q1 previous day's Settlement Price x megawatt hours for Q1 as determined by the Exchange.</p> <p>b = Q2 previous day's Settlement Price x megawatt hours for Q2 as determined by the Exchange.</p> <p>c = Q3 previous day's Settlement Price x megawatt hours for Q3 as determined by the Exchange.</p> <p>d = Q4 previous day's Settlement Price x megawatt hours for Q4 as determined by the Exchange.</p> <p>G = Total number of megawatt hours of all four Futures Contracts.</p>
5	Exercise Price	The Exchange shall determine Exercise Prices from time to time having regard to the weighted average price (weighted on the basis of the megawatt hours of each futures contract) of the four futures contracts determined in Item 1, and shall Publish the Exercise Prices so determined.
6	Undesirable	If an undesirable situation within the meaning of Rule 1.4 is developing or

Item	Heading	Individual contract specifications
	Situations	has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

6.69.1 Victorian Wholesale Gas Futures Contract

THIS CONTRACT WILL TAKE EFFECT ON 21 JULY 2009

Item	Heading	Individual contract specifications
1.1	Contract Unit	One hundred (100) Gigajoules (GJ) of natural gas per day as defined in Item 1.2, bought and sold in the Victorian Wholesale Gas Market conducted by the Victorian Energy Network Corporation (“VENCorp”) or its successor, over the period of a Calendar Quarter.
1.2	Reference Price	The Victorian Wholesale Gas Market price that underlies the Contract shall, subject to Item 3(c), be the beginning of day (6am) price calculated by VENCorp, during the period of a Calendar Quarter.
1.3	Type of Contract	Cash settled.
2	Contract Value	The price, quoted in Australian dollars (to such number of decimal places as shall be determined by the Exchange) per GJ, agreed to by the parties at the time of entering into the Contract and multiplied by 100 multiplied by the number of days in the underlying Calendar Quarter and expressed as Australian dollars.
3	Provisional Settlement Price	<ul style="list-style-type: none"> (a) The reference price as calculated in Item 1.2 shall be notified to the Market by SFE Clearing, at such time as it shall determine, as a “provisional cash settlement price”. (b) SFE Clearing may, at its discretion at any time up until the final Settlement Price is declared, amend the provisional cash settlement price. (c) Subject to the operation of Rule 1.4, SFE Clearing shall declare the Provisional Settlement Price to be the final Settlement Price on such day as it shall determine. (d) Subject to the operation of Rule 1.4, the numerical value of the Settlement Price as declared by SFE Clearing shall be accepted as final.
4	Settlement Value	The arithmetic average of the beginning of day (6am) prices calculated by VENCorp over the Calendar Quarter expressed as Australian dollars (to such number of decimal places as shall be determined by the Exchange) quoted by the Exchange for that Settlement Day multiplied by 100 multiplied by the number of days in the underlying Calendar Quarter and expressed as Australian dollars.
5	Average Quoted Price	<p>The “average quoted price” of the underlying physical market for purposes of settlement of contract shall be calculated as a ratio of A/B where:</p> <p>“A” Equals the sum of the daily reference prices occurring during the period defined in Item 1.2, rounded in a manner determined by the Exchange.</p> <p>“B” Equals the total number of daily reference prices occurring during the period defined in Item 1.2.</p> <p>The average quoted price shall be rounded as determined by the Exchange.</p>
6	Settlement Price	<ul style="list-style-type: none"> (a) For each Settlement Day SFE Clearing shall declare the numerical value which shall be the provisional settlement price on the first Business Day after expiry. (b) The provisional settlement price shall be later confirmed by SFE Clearing as the Settlement Price on the third Business Day after expiry. (c) This Settlement Price shall be accepted as final. (d) The Settlement Price of a contract on the Settlement Day shall be a numerical value calculated as the average quoted price of the underlying amount of gas as described in Item 5, multiplied by the amount of gas represented by one contract as defined in Item 1.1 above.

Item	Heading	Individual contract specifications
7	Exclusion of Liability	<p>Subject to the right of the Exchange under Rule 1.4 to direct that Contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the information received from VENCorp or its successors as being conclusive and final.</p> <p>Any failure by the Exchange or SFE Clearing or any entity on behalf of those parties, to provide or obtain the relevant information necessary for calculating the Settlement Price, or any inaccuracies created before or during the calculation or in the transmission thereof shall not lead to a party having any claim whatsoever against VENCorp or its successor, SFE Clearing or the Exchange.</p>
8	Inability for SFE Clearing to declare settlement price and undesirable situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the settlement price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

6.69.2 Strip Options over Victorian Wholesale Gas Futures Contracts

THIS CONTRACT WILL TAKE EFFECT ON 21 JULY 2009

Item	Heading	Individual contract specifications
1	Contract Unit	An Option over four predetermined Victorian Wholesale Gas Contracts as described in Item 1 of Rule 6.69.1.
2	Options not subject to Exercise Request will expire	On the Declaration Date, SFE Clearing shall, unless directed otherwise by an Exercise Request, allow all Options to expire. SFE Clearing will not exercise in-the-money Options unless directed to do so by an Exercise Request.
3	Value of the Contract Premium in dollars and cents	The price, quoted in Australian dollars (to such number of decimal places as shall be determined by the Exchange) per Gigajoule (GJ) of natural gas per day, agreed to by the parties at the time of entering into an Option and multiplied by 100 multiplied by the number of days in the underlying four Victorian Wholesale Gas Contracts and expressed as Australian dollars.
4.1	Determination of Option Settlement Price	The Option Settlement Price will be the price quoted on the SYCOM® Strip Trading Facility which is referable to the four futures contracts determined in Item 1, as determined by the Exchange.
4.2	Futures Prices Resulting from Exercised Strip Options	$FP = A \times \frac{B}{C}$ <p>FP = Price allocated to each futures contract resulting from exercised Strip Option.</p> <p>A = the previous day's Settlement Price for the Contract Quarter for each individual futures contract.</p> <p>B = Exercise Price.</p> <p>C = Previous Day's Implied Strip Price, calculated as follows:</p> $\text{Implied Strip Price} = \frac{F}{G}$ <p>F = $a + b + c + d$</p> <p>a = Q1 previous day's Settlement Price x number of days in Q1 as determined by the Exchange.</p> <p>b = Q2 previous day's Settlement Price x number of days in Q2 as determined by the Exchange.</p> <p>c = Q3 previous day's Settlement Price x number of days in Q3 as determined by the Exchange.</p> <p>d = Q4 previous day's Settlement Price x number of days in Q4 as determined by the Exchange.</p> <p>G = Total number of days in all four Futures Contracts.</p>
5	Exercise Price	The Exchange shall determine Exercise Prices from time to time having regard to the weighted average price (weighted on the basis of the number of days of each futures contract) of the four futures contracts determined in Item 1, and shall Publish the Exercise Prices so determined.
6	Undesirable Situations	If an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until

Item	Heading	Individual contract specifications
		the price has been declared shall be complied with as soon as possible after it has been declared.

6.70.1 Greasy Wool Futures Contract

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	<p>Greasy wool equivalent of 2,500 kilograms net clean weight of merino fleece wool of 21 microns mean fibre diameter:</p> <ul style="list-style-type: none"> (i) of "good topmaking" style; (ii) of good colour; (iii) with measured mean staple strength of 35 n/ktx; (iv) with mean staple length of 90 mm; (v) with less than 1.1 per cent vegetable matter; (vi) grown and shorn from living animals in Australia; (vii) delivered to an Approved Warehouse; (viii) comprising a deliverable parcel; and (ix) admitted to "deliverable stock" <p>which is subject to the Seller's right to deliver wool of other grades within the tolerances stated in these Individual Contract Specifications.</p>
1.2	Type of Contract	Deliverable.
2	Approved Warehouses	<ul style="list-style-type: none"> (a) The Exchange shall from time to time determine those warehouses in Sydney or other locations to which delivery may occur in satisfaction of a contract. Warehouses so approved shall be called "Approved Warehouses". (b) Wool that has been admitted to deliverable stock and has been removed from an Approved Warehouse may only be tendered if moved directly to another Approved Warehouse. SFE Clearing may from time to time require tenderers of wool moved from the original Approved Warehouse to produce evidence that the wool was moved directly.
3	Wool Testing Organisations	<ul style="list-style-type: none"> (a) The Exchange shall from time to time determine one or more wool testing organisations which carry out measurements in accordance with International Wool Textile Organisation. (b) Bodies so approved shall be called Approved Testing Organisations.
4	Approved Appraisal Bodies	<ul style="list-style-type: none"> (a) The Exchange shall from time to time determine one or more industry bodies to appraise wool which has been tested. (b) Bodies so approved shall be called Approved Appraisal Bodies.
5	Warehouse Receipts	<ul style="list-style-type: none"> (a) The Exchange shall from time to time designate a form of document which certifies that the wool to which it refers is in an Approved Warehouse, and the document shall be used for the purpose of transferring title. (b) Such document shall be known as "Warehouse Receipts". Warehouse Receipts must indicate whether Wool Tax has been paid in respect of the deliverable wool. (c) Delivery can be effected only in relation to wool which is stored at an Approved Warehouse at the time a Warehouse Receipt is submitted.
6.1	Admission to Deliverable Stock	<p>Wool will be admitted to "deliverable stock" by the Exchange when:</p> <ul style="list-style-type: none"> (a) it has been tested in accordance with Item 6.2; (b) appraised in accordance with Item 6.3; (c) is grouped together for delivery in a single State in no more than four (4) Approved Warehouses; (d) it complies with the requirements of Item 6.4; (e) has a current Warehouse Receipt as described in Item 5 in relation to that wool, the Seller has lodged with SFE Clearing documentation in a manner determined by the Exchange, and such documentation has been accepted by SFE Clearing as satisfactory.
6.2	Measurement	<ul style="list-style-type: none"> (a) In order to be admitted to deliverable stock, each wool lot must be measured by an Approved Testing Organisation. (b) Measurements are to be in accordance with International Wool Textile

Item	Heading	Individual Contract Specifications
		Organisation (IWTO) approved testing procedures and documented in certificates as determined by the Exchange, and the sample date(s) on such certificates which relate to the measurements must be dated not more than one (1) year before the date of admission to deliverable stock.
6.3	Appraisal	<ul style="list-style-type: none"> (a) In order to be admitted to deliverable stock the additional characteristics of "topmaking style" and "colour" must be appraised by an Approval Appraisal Body, and all wool lots must be appraised as "good colour" and be style "MF5" or better. (b) Such appraisal must be documented in a certificate in such a manner as is determined by SFE Clearing. (c) Such appraisal must be undertaken no more than one (1) year prior to the wool being admitted to deliverable stock.
6.4	Tolerance Criteria	Deliverable wool shall meet tolerance criteria in relation to mean fibre diameter, IWTO Schlumberger Dry Top and Noil Yield, mean staple strength, mean staple length, seed and shive, and total vegetable matter as determined by the Exchange.
6.5	Composition of Deliverable Wool	<ul style="list-style-type: none"> (a) The total net clean weight of wool tendered for delivery shall be no less than 2,250 kilograms. In the event of an excess above 2,750 kilograms the seller shall forego all rights to such excess and the net clean weight shall be deemed to be 2,750 kilograms. (b) Contracts tendered for delivery shall comprise of wool lots of four (4) bales or more, except that one wool lot only of three (3) bales or less may be included for delivery. (c) Wool tendered for delivery is to be comprised of whole bales in the industry accepted standard format contained in a standard wool pack as approved for delivery by an organisation designated pursuant to Item 4 and which shall be in shippable order with a minimum gross "greasy" weight of 110 kilograms and a maximum gross "greasy" weight of 204 kilograms. (d) The Exchange may grant exclusion to Item 6.5(c) to permit delivery of dumped wool. (e) Each "wool lot" shall consist of a single line of wool prepared in accordance with the industry practice, with such certificate(s) issued for each wool lot as determined by the Exchange.
7	Ceasing to be deliverable stock	<ul style="list-style-type: none"> (a) Wool will be deemed to no longer be deliverable stock under the following circumstances: <ul style="list-style-type: none"> (i) the wool is removed from an Approved Warehouse other than in terms of Item 2(b); or (ii) the wool becomes out of time in accordance with Item 7(b); or (iii) the Exchange makes a declaration that the wool does not comply with deliverable stock criteria. (b) Wool will remain deliverable, subject to Item 2(b) and may be tendered in any Settlement Month within twenty-four (24) calendar months exclusive of the month of the wool being initially sampled. Wool that is not eligible for delivery in terms of this Item 7 shall be deemed to be out of time.
8	Non-Deliverable Wool	<p>The following wool shall not be deliverable:</p> <ul style="list-style-type: none"> (a) Wool that has been removed from the original Approved Warehouse contrary to Item 2(f). (b) Wool which is out of time pursuant to Item 7(b). (c) Wool found to be false packed or to vary in such a way that in the opinion of the appraisers it is of such a character that there shall be difficulty in arriving at a fair appraisal. (d) Scoured wool. (e) Slipe wool. (f) Carbonised wool. (g) Discoloured wool. (h) Cotted wool.

Item	Heading	Individual Contract Specifications
		<p>(i) Wool which has Noogoora Burr.</p> <p>(j) Wool lots appraised as requiring prefixes, suffixes or qualifiers.</p> <p>(k) Wool which has a lien or encumbrance.</p>
9	Tendering Procedures	<p>(a) Tender documentation shall be in a format and shall be completed in a manner determined by the Exchange.</p> <p>(b) Position documentation shall be in the format determined by the Exchange.</p> <p>(c) In order to tender wool for delivery in satisfaction of the contract, <i>either</i> the most recent of the following documents, must be provided:</p> <ul style="list-style-type: none"> (i) measurement certificate(s) pursuant to Item 6.2(b); (ii) appraisal certificate pursuant to Item 6.3(b); (iii) Warehouse Receipt(s) from the Approved Warehouse(s) pursuant to Item 5(a); and (iv) any other certificate which may be determined by the Exchange. <p><i>or</i></p> <p>where documentation referred to in paragraphs (i) to (iii) above is held in safe accommodation, a safe accommodation receipt evidencing such documentation must be submitted to SFE Clearing including any other certificate which may be determined by the Exchange.</p> <p>(d) 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 Individual Contract Specifications.</p>
10.1	Safe Accommodation	<p>(a) Where wool is admitted into deliverable stock pursuant to Item 6.1 the Seller may request SFE Clearing to retain the documentation in safe accommodation in accordance with Item 10.2 until such time that the seller notifies SFE Clearing that it intends to tender wool for delivery pursuant to these Contract Specifications.</p> <p>(b) SFE Clearing will not act on any instructions received from a Participant unless it is satisfied that all requirements under this Rule 6.70.1 have been complied with.</p>
10.2	Safe Accommodation Procedure	<p>(a) Where a Clearing Participant requests that documentation be retained in safe accommodation pursuant to Item 10.1(a), SFE Clearing shall arrange for the documentation referred to in Item 5 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.</p> <p>(b) SFE Clearing shall provide the Clearing Participant with a safe accommodation receipt evidencing the deposit of the documentation in the safe accommodation.</p> <p>(c) SFE Clearing shall record the deposit of the documentation in safe accommodation and once the documentation has been lodged, SFE Clearing holds the documentation as bailee for the Clearing Participant.</p> <p>(d) Where a safe accommodation receipt is used to tender wool pursuant to Item 9(c), SFE Clearing shall issue the Buyer with a safe accommodation receipt evidencing the documentation retained in safe accommodation. The Buyer may subsequently notify SFE Clearing of its election to uplift the documentation evidenced by the safe accommodation.</p>
10.3	Obligation for Loss From Safe Accommodation	<p>If any documentation held in safe accommodation is lost, stolen, destroyed or damaged:</p> <p>(a) SFE Clearing 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;</p> <p>(b) each Clearing Participant must do all things necessary to assist SFE Clearing for the purpose of Item 10.3(a); and</p> <p>(c) if SFE Clearing is liable as bailee to a Clearing Participant in relation to any loss, theft, destruction of, or damage to, any documentation retained in safe accommodation, SFE Clearing shall, subject to the Clearing By-Laws, only be</p>

Item	Heading	Individual Contract Specifications
		liable to indemnify the Clearing Participant for the cost of replacement of such documentation.
10.4	Lodgement of Tender Documentation	<p>(a) Tender documentation must be lodged with SFE Clearing on a Business Day, except the Final Trading Day, within the Delivery Period by a time determined by the Exchange.</p> <p>(b) Position documentation must be lodged on any Business Day during the Delivery Period when the Buyer or Seller hold an Open Position or have Closed Out a position.</p> <p>(c) Tender documentation must be lodged with SFE Clearing by a time determined by the Exchange on the Final Trading Day of the Settlement Month. Failure to lodge tender documentation by such time shall constitute default.</p> <p>(d) Position documentation must be lodged with SFE Clearing by a time determined by the Exchange on the Final Trading Day of the Settlement Month.</p> <p>(e) A tender shall not be withdrawn or substituted without the consent of the Exchange.</p>
11.1	Determination and Publication of Premium and Discount Schedule	<p>(a) The Exchange shall determine and publish the premium and discount schedule on a day it shall determine. This schedule shall contain the difference in value, in cents per kilogram net clean weight, between the deliverable grades in reference to the measured parameters of mean fibre diameter, vegetable matter, and mean staple strength and the location of an Approved Warehouse in which the wool is stored.</p> <p>(b) Subsequent to the publishing of the premium and discount schedule referred to in paragraph (a) above, the Exchange may alter the schedule of premiums and discounts, at any time prior to the Close of Trading.</p>
11.2	Value of Wool Lots	The value of wool lots tendered for delivery shall be determined by reference to the test certificates of such testing organisations or authorities as indicated Item 3 and Item 4 adjusted in accordance with the premium and discount schedule pursuant to Item 11.1.
12	Effective Delivery	<p>(a) On receipt of tender documentation from the Seller, SFE Clearing shall assign wool as tendered for delivery to a Buyer. Such assignment by SFE Clearing shall be final. A Buyer to whom a delivery has been assigned by SFE Clearing is obligated to take such delivery and make payment in accordance with Item 14 and Item 15.</p> <p>(b) For the purposes of assignment, Clearing Participants must provide information to SFE Clearing in relation to Open Positions by such time and in such a format as determined by SFE Clearing from time to time.</p> <p>(c) Effective delivery shall be made by SFE Clearing handing to the Buyer either:</p> <p>(i) an endorsed Warehouse Receipt(s) and Certificates as required in these Contract Specifications in respect of each contract; or</p> <p>(ii) a safe accommodation receipt evidencing the endorsed Warehouse Receipt(s) and Certificates in (i) above.</p>
13	Invoice Price	The "invoice price" shall be the Daily Settlement Price for that day on which SFE Clearing accepts tender documentation pursuant to Item 10.4 adjusted for the premium and discounts applicable to the deliverable wool pursuant to Item 11.1.
14.1	Tax adjusted Settlement Value	<p>(a) The "Settlement Value" is calculated by multiplying the invoice price, by the weight as provided for in Item 6.5(a).</p> <p>(b) The "Settlement Value" must then be multiplied by the then current Goods and Services Tax rate to calculate the "Goods and Services Tax amount" and the Goods and Services Tax amount must then be added to the Settlement Value to obtain the Tax Adjusted Settlement Value.</p>
14.2	Payment of Settlement Value	<p>(a) Payment of the Tax Adjusted Settlement is to be made by the Buyer to SFE Clearing by such time as it shall determine on the Settlement Day. The</p>

Item	Heading	Individual Contract Specifications
	(as adjusted)	<p>method of payment shall be as determined by SFE Clearing from time to time.</p> <p>(b) Payment of the Tax Adjusted Settlement shall be made by SFE Clearing to the Seller by such time as it may determine on the Settlement Day. The method of payment shall be determined by SFE Clearing from time to time.</p>
14.3	Delivery Period	The Delivery Period is a period of determined by the Exchange ending with close of trading on the Final Trading Day.
14.4	Settlement Day	<p>(a) The Settlement Day shall be determined by the Exchange.</p> <p>(b) On the Settlement Day:</p> <ul style="list-style-type: none"> (i) tender documentation must be lodged with SFE Clearing; (ii) settlement funds are required to be paid to and remitted by SFE Clearing; and (iii) documentation pursuant to Item 9 is required to be transferred to the Buyer.
15.3	Payment not made	Should payment for any tender not be duly made, SFE Clearing is authorised to sell the wool. Any difference in price resulting through such sales, together with interest and all charges shall be settled with SFE Clearing by the Buyer forthwith.
16.1	Disputes	<p>(a) Disputes which arise as a consequence of any testing or appraisal procedures shall be the sole responsibility of the testing or appraisal bodies and not that of the Exchange or SFE Clearing. The Exchange and SFE Clearing will consider all testing and appraisal results submitted to be final and conclusive evidence as to the standards to be met under this Rule 6.70.1.</p> <p>(b) The Exchange and SFE Clearing shall regard certificate(s) lodged pursuant to these Individual Contract Specifications as conclusive evidence of the matters stated therein and that the criteria provided in the Individual Contract Specifications are met and the Exchange and SFE Clearing may rely upon such certificate(s) as conclusive evidence in relation to the matters contained therein.</p>
16.2	Documents	Delivery Documents as determined by the Exchange must be taken up by Clearing Participants without prejudice to and regardless of any question in dispute and such questions shall be determined by the parties. All differences, interest and all other charges are for prompt settlement.

Explanatory Note

The terms of all Greasy Wool Futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2, which provided for determinations by the Exchange as to

- the units in which prices are to be quoted by participants when submitting orders
- the Final Trading Day in a Settlement Month
- the time at which trading ceases on the Final Trading Day
- the Settlement Day
- the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
- the Settlement Months in which a Final Trading Day for a contract occurs

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows:

"Final Trading Day" – such Business Day as is determined by the Exchange. The actual determination made by the Exchange is "The third Thursday of each Settlement Month, or if that day is not a Business Day then the Business Day immediately preceding the third Thursday of the Settlement Month".

Link to Procedures for determination. [Greasy Wool Futures Determination](#)

6.70.2 Ordinary Options Over Greasy Wool Futures Contracts

Item	Heading	Individual contract specifications
1	Contract Unit	A Greasy Wool Futures Contract.
2	Undesirable Situations	If an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the value or price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

the terms of all Greasy Wool Exchange Traded Options contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.3

- (a) which provided for determinations by the Exchange as to:
 - the manner in which Premium is quoted and minimum fluctuation
 - the manner in which Exercise Price is quoted and minimum fluctuations
 - Settlement Months
 - the Declaration Day
 - the time at which trading ceases on the Declaration Date
 - the latest time for lodgement of a Request or a Deny Automatic Exercise Request; and
- (b) which also sets out terms which are applicable to all option contracts.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document “Procedures, Determinations and Practice Notes” (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.3 relating to the time on which trading in options ceases is as follows: “Time at which trading ceases” – such time as is determined by the Exchange. The actual determination made by the Exchange pursuant to this power is “12.00 noon on the Declaration Date”.

Link to Procedures for determination. [Greasy_Wool_Option_Determ](#)

6.71 Fine Wool (Cash Settled) Futures Contract

Item	Heading	Individual contract specifications
1.1	Contract Unit	Two thousand five hundred (2,500) kilograms net clean weight of merino fleece wool of 19.0 microns mean fibre diameter.
1.2	Type of Contract	Cash settled.
2	Contract Value	The price agreed to by the parties at the time of making the contract (in cents per kilogram clean), multiplied by two thousand five hundred (2,500).
3	Settlement Value	The Settlement Price for the Settlement Day (in cents per kilogram clean), multiplied by two thousand five hundred (2,500).
4	Settlement Price	The SFE 19.0 micron clean wool price indicator published by the Australian Wool Exchange Limited on the Final Trading Day and declared as the Settlement Price by SFE Clearing at such time as SFE Clearing shall determine.
5	Exclusion of Liability	Subject to the right of the Exchange under Rule 1.4 to direct that Contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the information received from the Australian Wool Exchange Limited or its successors as being conclusive and final. Failure by the Exchange, or the Australian Wool Exchange, or SFE Clearing, or any entity on behalf of those parties, to provide or obtain the relevant information necessary for calculating the Settlement Price, or any inaccuracies created before or during the calculation or in the transmission thereof shall not lead to a party having a claim whatsoever against the Australian Wool Exchange Limited, SFE Clearing or the Exchange, and the provisions of Rule 1.4 shall apply.
6	Inability for SFE Clearing to declare Settlement Price and undesirable situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

The terms of all Fine Wool (Cash Settled) Futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provides for determinations by the Exchange as to
 - the units in which prices are to be quoted by participants when submitting orders
 - the Final Trading Day in a Settlement Month
 - the time at which trading ceases on the Final Trading Day
 - the Settlement Date
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Settlement Day for this contract day is as follows "Settlement Day" – such Business Day as is determined by the Exchange. The actual determination made by the Exchange is "The first Business Day following the Final Trading Day".

Link to Procedures for determination. [Fine_Wool_Futures_Determination](#)

6.72 Broad Wool (Cash Settled) Futures Contract

Item	Heading	Individual contract specifications
1.1	Contract Unit	Two thousand five hundred (2,500) kilograms net clean weight of merino fleece wool of 23.0 microns mean fibre diameter.
1.2	Type of Contract	Cash settled.
2	Contract Value	The price agreed to by the parties at the time of making the Contract (in cents per kilogram clean), multiplied by two thousand five hundred (2,500).
3	Settlement Price	The SFE 23.0 micron clean wool price indicator published by the Australian Wool Exchange Limited on the Final Trading Day and declared as the Settlement Price by SFE Clearing at such time as shall be determined by SFE Clearing at such time as SFE Clearing shall determine.
4	Settlement Value	The Settlement Price for the Settlement Day (in cents per kilogram clean), multiplied by two thousand five hundred (2,500).
5	Exclusion of Liability	Subject to the right of the Exchange under Rule 1.4 to direct that Contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the information received from the Australian Wool Exchange Limited or its successors as being conclusive and final. Failure by the Exchange, or the Australian Wool Exchange, or SFE Clearing, or any entity on behalf of those parties, to provide or obtain the relevant information necessary for calculating the Settlement Price, or any inaccuracies created before or during the calculation or in the transmission thereof shall not lead to a party having a claim whatsoever against the Australian Wool Exchange Limited, SFE Clearing or the Exchange, and the provisions of Rule 1.4 shall apply.
6	Inability for SFE Clearing to declare Settlement Price and Undesirable Situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an Undesirable Situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note

The terms of all Broad Wool (Cash Settled) Futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provides for determinations by the Exchange as to
 - the units in which prices are to be quoted by participants when submitting orders
 - the Final Trading Day in a Settlement Month
 - the time at which trading ceases on the Final Trading Day
 - the Settlement Date
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Settlement Day for this contract day is as follows

“Settlement Day” – such Business Day as is determined by the Exchange. The actual determination made by the Exchange is “The first Business Day following the Final Trading Day”.

Link to Procedures for determination. [Broad Wool Futures Determination](#)

6.73 MLA/ SFE Cattle Futures Contract

THIS CONTRACT WAS DELISTED ON 21 AUGUST 2009

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	Five thousand (5,000) kilograms of dressed weight equivalent of young cattle as represented by the National Livestock Reporting Service Eastern Young Cattle Indicator (the "Indicator").
1.2	Type of Contract	cash settled.
2	Contract Value	The price agreed to by the parties at the time of making the Contract, multiplied by five thousand (5,000) or as determined by the Exchange and expressed as Australian dollars.
3	Settlement Value	The value of the Indicator expressed as Australian dollars quoted by SFE Clearing for that Settlement Day (to the nearest quarter of a cent or other fraction of a cent as determined by the Exchange per kilogram) multiplied by five thousand (5,000) and expressed as Australian dollars.
4	Settlement Price	For each Settlement Day SFE Clearing shall declare the numerical value of the Indicator, which shall be the Settlement Price.
5.1	Method of determining the Settlement Price	(a) The Settlement Price shall be the closing quotation of the Indicator on the third Tuesday in the Settlement Month (or on such other day as may be agreed by all parties). (b) Closing quotation of the Indicator shall be calculated to the nearest quarter of a cent or such other amount as may be agreed by all parties.
5.2		The closing quotation referred to in Item 5.1 shall be the official quotation provided by Meat and Livestock Australia Limited or its duly authorised agent, by notice In Writing to the Exchange (with, unless otherwise agreed by all parties, a copy of the notice being forwarded to SFE Clearing) by (unless otherwise agreed by all parties) 12.00 noon on the Final Trading Day.
5	Exclusion of Liability	Subject to the right of the Exchange under Rule 1.4 to direct that contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the figure received from Meat and Livestock Australia Limited or its duly authorised agent as being conclusive evidence of the adjusted quotation. In the event of a failure by the Exchange, SFE Clearing, Meat and Livestock Australia Limited, or any entity on behalf of those parties, to provide or obtain the relevant information necessary for calculating the Settlement Price or any inaccuracies created before or during the calculation or in the transmission thereof, no party shall have any claim whatsoever against Meat and Livestock Australia Limited, the Exchange or SFE Clearing, and the provisions of Rule 1.4 shall apply.
6	Inability for SFE Clearing to declare Settlement Price and undesirable situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Item	Heading	Individual Contract Specifications
7	Interpretation	<p>For the purposes of Item 5.1 and 5.2, "all parties" means:</p> <ul style="list-style-type: none"> (a) the Exchange; and (b) SFE Clearing; and (c) Meat & Livestock Australia Limited. <p>or their successors.</p>

Amended 21/08/09

Explanatory Note

The terms of all MLA/SFE Cattle futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provides for determinations by the Exchange as to
 - the units in which prices are to be quoted by participants when submitting orders
 - the Final Trading Day in a Settlement Month
 - the time at which trading ceases on the Final Trading Day
 - the Settlement Date
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows

"Final Trading Day" – such business day as is determined by the Exchange. The actual determination made by the Exchange is "The Business Day following the third Tuesday of the Settlement Month".

Link to Procedures for determination. [MLA_SFE_Cattle_Futures_Determination](#)

6.74 New Zealand Broad Wool (Cash Settled) Futures Contract

THIS CONTRACT WAS DELISTED ON 25 FEBRUARY 2005

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	Two thousand five hundred (2,500) kilograms net clean weight of clean cross bred full and second shear wool of 36-40 microns mean fibre diameter.
1.2	Type of Contract	Cash settled.
2	Contract Value	The price agreed to by the parties at the time of making the Contract (in New Zealand cents per kilogram clean) multiplied by two thousand five hundred (2,500).
3	Settlement Price	The SFE New Zealand 36 - 40 Micron Indicator published by Tectra Limited (Tectra) or its successor on the Final Trading Day and declared as the Settlement Price by SFE Clearing at such time as shall be determined by SFE Clearing.
4	Settlement Value	The Settlement Price for the Settlement Day (in New Zealand cents per kilogram clean), multiplied by two thousand five hundred (2,500).
5	Exclusion of Liability	<p>Subject to the right of the Exchange under Rule 1.4 to direct that Contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the information received from Tectra or its successors as being conclusive and final.</p> <p>Failure by the Exchange, or Tectra, or SFE Clearing, or any entity on behalf of those parties, to provide or obtain the relevant information necessary for calculating the Settlement Price, or any inaccuracies created before or during the calculation or in the transmission thereof shall not lead to a party having a claim whatsoever against Tectra, SFE Clearing or the Exchange, and the provisions of Rule 1.4 shall apply.</p>
6	Inability for SFE Clearing to declare Settlement Price and Undesirable Situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an Undesirable Situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note:

All currency is in NZ\$. All times are New Zealand times.

The terms of all New Zealand Broad Wool futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provides for determinations by the Exchange as to
 - the units in which prices are to be quoted by participants when submitting orders
 - the Final Trading Day in a Settlement Month
 - the time at which trading ceases on the Final Trading Day
 - the Settlement Date
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the

separate document “Procedures, Determinations and Practice Notes” (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows

“Final Trading Day” – such business day as is determined by the Exchange. The actual determination made by the Exchange is “The third Friday of the Settlement Month, or if that day is not a Business Day, the Business Day following that day”.

Link to Procedures for determination. [NZ Broad Wool Determination](#)

6.75.1 Thermal Coal Futures Contract

Item	Heading	Individual contract specifications
1	Contract Unit	1,000 metric tonnes of thermal coal.
2	Type of Contract	Deliverable.
3	Contract Value	The price agreed to by the parties at the time of making the contract (in \$US per metric tonne), multiplied by one thousand (1,000).
4	Grade and Quality Specifications	Thermal coal units shall meet minimum grade and quality specifications as determined by the Exchange.
5	Final Trading Day	Such Business Day as determined by the Exchange.
6	Delivery port	Coal shall be delivered to the Buyer's vessel at a port determined by the Exchange.
7	Deliverable Range	The total weight of thermal coal delivered per contract shall be within a deliverable range determined by the Exchange.
8	Nomination Procedures	<ul style="list-style-type: none"> (a) A Buyer who intends to receive thermal coal must submit a Buyer Nomination Form to SFE Clearing by a time determined by the Exchange. (b) A Seller who intends to deliver thermal coal must submit a Seller Nomination Form to SFE Clearing by a time determined by the Exchange. (c) SFE Clearing will inform each Seller(s) of the Buyer(s) to which it is required to deliver thermal coal.
9	Delivery Period	Delivery will commence on the day in the Delivery Month nominated by the Buyer.
10	Delivery	<ul style="list-style-type: none"> (a) Upon notification from SFE Clearing that a Seller is required to deliver thermal coal to a Buyer, the Seller will arrange for the Coal to be delivered free on board (FOB) to the vessel(s) nominated in the Buyer Nomination Form. (b) All duties, entitlements, taxes, fees and other charges imposed prior to delivery on or in respect to the thermal coal to be paid by Seller. (c) The title and risk in respect of the thermal coal passes from the Seller to the Buyer when the thermal coal passes the ship's rail of the Buyer's vessel at the named port of shipment. (d) Delivery shall occur in accordance with any requirements determined by the Exchange.
11	Inability to deliver	<ul style="list-style-type: none"> (a) If, due to circumstances beyond the control of the Buyer or Seller (as applicable) the Seller is permanently unable to arrange delivery of thermal coal to the Buyer's vessel or the Buyer is permanently unable to take delivery from the Seller, SFE Clearing will cancel the delivery process and the contracts of the Buyer and Seller will be cash settled at a price determined by the Exchange. (b) For the purposes of this Item "circumstances beyond the control of the Buyer or Seller" are limited to: <ul style="list-style-type: none"> (i) natural disasters; (ii) fires, floods or explosions; (iii) acts of Government including governmental restriction or control on export, import or foreign exchange; (iv) war; (v) port strikes; (vi) quarantine restrictions;

Item	Heading	Individual contract specifications
		<p>(vii) embargos; or (viii) any other circumstance which the Exchange determines to be beyond the control of the Buyer or Seller;</p> <p>which was not reasonably foreseeable by the Buyer or Seller (as applicable) at the time they submitted a Nomination Form to SFE Clearing.</p>
12	Lodgement of Delivery Documentation	<p>(a) Delivery Documentation consists of the following documents:</p> <ul style="list-style-type: none"> (i) statement of facts which meets the requirements determined by the Exchange; (ii) bill of lading which meets the requirements determined by the Exchange; (iii) document(s) providing evidence of grade and quality which meet the requirements determined by the Exchange; (iv) document(s) providing evidence of weight which meet the requirements determined by the Exchange; and (v) any other documents(s) as determined by the Exchange. <p>The Exchange makes no representation or warranty as to the authenticity, validity or accuracy of the documents mentioned above.</p> <p>(b) The Seller(s) must ensure that all relevant Delivery Documentation is lodged with SFE Clearing by a time determined by the Exchange.</p>
13	Alternative delivery mechanism	<p>(a) At any time after Nomination Forms of a Buyer and Seller are matched by SFE Clearing, and before the last Business Day in the Delivery Month the Buyer and Seller may agree to arrange delivery by a mechanism other than that specified in these contract specifications.</p> <p>(b) Where an alternative delivery mechanism is to be used the Buyer and Seller shall notify SFE Clearing by submitting to it a completed executed copy of the 'Alternative Delivery Form'. Upon receipt of this form, SFE Clearing shall then have no further obligation and/or responsibility for delivery of the thermal coal by the Seller or payment for that coal by the Buyer, and will return all margin monies held at that time to the Buyer and/or Seller (as appropriate) with respect to the contracts involved.</p> <p>(c) In executing the Alternative Delivery Form, the Buyer and Seller agree that the Exchange and SFE Clearing are no longer responsible for delivery in relation to the relevant thermal coal futures and not liable for any cost or expense the Buyer and Seller may incur as a result of the execution, delivery, performance, breach or default of such contracts.</p>
14	Adjusted Settlement Price	The Adjusted Settlement Price for thermal coal delivered pursuant to this contract shall be the Daily Settlement Price on the Final Trading Day adjusted in accordance with the adjustment factors referred to in Item 15 below.
15	Adjustment Factors	<p>The Exchange may determine adjustment factors for:</p> <ul style="list-style-type: none"> (a) the ash and sulphur content of thermal coal; (b) the net calorific value of thermal coal; and (c) any other factor likely to influence the value of thermal coal delivered pursuant to this contract. <p>The Exchange may determine different adjustment factors for new contract months.</p>
16	Final Settlement Tonnage	The Final Settlement Tonnage is the weight of thermal coal delivered as based on the relevant document(s) as set out in the Determinations.

Item	Heading	Individual contract specifications
17	Adjusted Settlement Value	The Adjusted Settlement Value is as set out in the Determinations.
18	Final Settlement Value	<p>The Final Settlement Value is the Adjusted Settlement Value plus the despatch payment or minus the demurrage charge, and adjusted for any applicable taxes as determined by the Exchange.</p> <p>The despatch payment and demurrage charge will be calculated in accordance with the method determined by the Exchange.</p>
19	Settlement Day	<ul style="list-style-type: none"> (a) The Settlement Day will be as determined by the Exchange. (b) On the Settlement Day the Final Settlement Value is required to be paid to SFE Clearing by the Buyer. (c) On receipt of the Final Settlement Value from the Buyer, SFE will remit the Final Settlement Value to the Seller and forward all Delivery Documentation provided by the Seller to the Buyer.
20	Disputes	<ul style="list-style-type: none"> (a) Disputes which arise as a consequence of any testing or appraisal procedures shall be the sole responsibility of the testing or appraisal bodies, as set out in the Determinations, and not that of the Exchange or SFE Clearing. The Exchange and SFE Clearing will consider all testing and appraisal results submitted to be final and conclusive evidence as to the standards to be met under Rule 6.75.1. (b) The Exchange and SFE Clearing shall regard the Delivery Documentation and any other document(s) lodged pursuant to these Individual Contract Specifications as conclusive evidence of the matters stated therein and that the criteria provided in the Individual Contract Specifications are met and the Exchange and SFE Clearing may rely upon such document(s) as conclusive evidence in relation to the matters contained therein.
21	Documents	Delivery Documentation as determined by the Exchange must be taken up by Clearing Participants without prejudice to and regardless of any question in dispute and such questions shall be determined by the parties. All differences, interest and all other charges are for prompt settlement.
22	Exclusion of Liability	<p>Subject to the right of the Exchange under Rule 1.4 to direct that Contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, any failure by the Exchange or SFE Clearing or any entity on behalf of those parties, to provide or obtain the relevant information necessary for calculating the Settlement Price or Final Settlement Value, or any inaccuracies created before or during the calculation or in the transmission thereof shall not lead to a party having any claim whatsoever against SFE Clearing or the Exchange.</p> <p>The Exchange and SFE Clearing shall be entitled to regard the Delivery Documentation as being conclusive and final.</p>
23	Inability of SFE Clearing to declare Settlement Price and undesirable situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

6.75.2 Ordinary Options over Thermal Coal Futures Contract

Item	Heading	Individual contract specifications
1	Contract Unit	A Thermal Coal Futures Contract.
2	Options not subject to Exercise Request will expire	On the Declaration Date, SFE Clearing shall, unless directed otherwise by an Exercise Request, allow all Options to expire. SFE Clearing will not exercise in-the-money Options unless directed to do so by an Exercise Request.
3	Undesirable situations	If an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

6.75.3 Quarterly Strip Options over Thermal Coal Futures Contracts

Item	Heading	Individual contract specifications
1	Contract Unit	An Option over 3 predetermined Thermal Coal Futures Contracts as described in Item 1 of Rule 6.75.1.
2	Options not subject to Exercise Request will expire	On the Declaration Date, SFE Clearing shall, unless directed otherwise by an Exercise Request, allow all Options to expire. SFE Clearing will not exercise in-the-money Options unless directed to do so by an Exercise Request.
3	Value of the Contract Premium in dollars and cents	The price, quoted in US dollars (to such number of decimal places as shall be determined by the Exchange) per metric tonne, agreed to by the parties at the time of entering into an Option and multiplied by 1000 and expressed as US dollars.
4.1	Determination of Option Settlement Price	(a) The Option Settlement Price will be the average price quoted on the SYCOM® Strip Trading Facility which is referable to the 3 futures contracts determined in Item 1. (b) The average price will be the average price of the mid point of the bid and the offer at such intervals and at such times as determined by the Exchange.
4.2	Futures Prices Resulting from Exercised Strip Options	$FP = A \times \frac{B}{C}$ <p>FP = Price allocated to each futures contract resulting from exercised Strip Option.</p> <p>A = the previous day's Settlement Price for the Contract Month for each individual futures contract.</p> <p>B = Exercise Price.</p> <p>C = Previous Day's Implied Strip Price, calculated as follows:</p> $\text{Implied Strip Price} = \frac{F}{G}$ <p>F = $a + b + c$</p> <p>a = Contract Month 1 previous day's Settlement Price as determined by the Exchange.</p> <p>b = Contract Month 2 previous day's Settlement Price determined by the Exchange.</p> <p>c = Contract Month 3 previous day's Settlement Price as determined by the Exchange.</p> <p>G = Three.</p>
5	Exercise Price	The Exchange shall determine Exercise Prices from time to time having regard to the average price of the 3 futures contracts determined in Item 1, and shall Publish the Exercise Prices so determined.
6	Undesirable Situations	If an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

6.75.4 Calendar Year Thermal Coal Futures Contract

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	Twelve (12) consecutive underlying Thermal Coal Futures Contracts comprising one calendar year.
1.2	Type of Contract	Deliverable.
1.3	Underlying Product	The Thermal Coal Futures Contracts which underlie the Calendar Year Thermal Coal Futures Contract are set out in Rule 6.75.1.
1.4		If the Exchange determines that any Thermal Coal Futures Contracts previously approved for Calendar Year Thermal Coal Futures Contracts should for any reason no longer be approved, the Exchange shall take such steps in respect of such contracts as it sees fit, which may include a prohibition on opening new trading months.
2	Contract value	The face value of each contract at the formation of the Calendar Year Thermal Coal Futures Contracts between Buyer and Seller.
3	Settlement Value	The Settlement Value per Contract shall be based on the final Settlement Price for the Delivery Month for the Final Trading Day, and shall equate to a margin variation as determined by the Exchange.
4	Delivery	<p>The Exchange shall, from time to time, determine the manner by which delivery of the underlying Thermal Coal Futures Contracts for a particular type of Calendar Year Thermal Coal Futures Contract may be made.</p> <p>Delivery must be made in accordance with the procedures determined by the Exchange.</p>
5	Payment of the Settlement Value	<p>(a) Payment of the Settlement Value is to be made to SFE Clearing on the Settlement Day by a time determined by SFE Clearing.</p> <p>(b) The method of payment shall be determined by SFE Clearing from time to time.</p>
6	Underlying Thermal Coal (FOB) Futures Contracts	The underlying Thermal Coal Futures Contracts must be taken up by Clearing Participants without prejudice to and regardless of any question in dispute.
7	Inability of SFE Clearing to declare settlement price and undesirable situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.
8	Exclusion of Liability	Subject to the right of the Exchange under Rule 1.4 to direct that Contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, any failure by the Exchange or SFE Clearing or any entity on behalf of those parties, to provide or obtain the relevant information necessary for calculating the Settlement Price or Settlement Value, or any inaccuracies created before or during the calculation or in the transmission thereof shall not lead to a party having any claim whatsoever against SFE Clearing or the Exchange.

6.75.5 Ordinary Options over Calendar Year Thermal Coal Futures Contract

Item	Heading	Individual contract specifications
1	Contract Unit	A Calendar Year Thermal Coal Futures Contract.
2	Undesirable situations	If an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

6.76.1 Renewable Energy Certificate Futures Contract (Deliverable)

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	1000 Renewable Energy Certificates (RECs).
1.2	Type of Contract	Deliverable
1.3	Underlying RECs	<p>A Renewable Energy Certificate (REC) will be as defined in the <i>Renewable Energy (Electricity) Act 2000</i> (Cth) as amended, re-enacted or replaced from time to time (see Rule 7.2.6).</p> <p>The types of RECs acceptable for delivery will be determined by the Exchange.</p>
1.4	Designated Registry	As determined by the Exchange.
2	Contract value	The face value of each contract at the formation of the REC Futures Contract between Buyer and Seller.
3	Settlement Value	<p>The Settlement Value per Contract shall be based on the final Settlement Price for the Settlement Month for the Final Trading Day (as determined by the Exchange) calculated using the following formula:</p> <p>(number of units the subject of the contract) x (final Settlement Price)</p> <p>and then adjusted for any applicable taxes as determined by the Exchange.</p>
4	Ending Position Advice	The Buyer and Seller shall provide SFE Clearing with an ending position advice in a form published by SFE Clearing by no later than the time it shall determine on the Final Trading Day.
5.1	Delivery	<ul style="list-style-type: none"> (a) SFE Clearing will provide the Buyer and Seller with information detailing the match of the Buyer and Seller (including the details set out in (b) or (c) below as applicable) in a form as published by the Exchange. (b) SFE Clearing will advise the Buyer by a time determined by SFE Clearing, in respect of each Contract: <ul style="list-style-type: none"> (i) the name of the account that the RECs will be transferred from; (ii) the amount that will be paid for the RECs; and (iii) any other information required by the Exchange. (c) SFE Clearing will advise the Seller by a time determined by SFE Clearing, in respect of each Contract: <ul style="list-style-type: none"> (i) the name of the account to which the RECs are to be transferred; (ii) the amount that will be paid for the RECs; and (iii) any other information required by the Exchange.
5.2	Payment of Settlement Value	<ul style="list-style-type: none"> (a) Payment of the Settlement Value is to be made by the Buyer to SFE Clearing on the Settlement Day by a time determined by SFE Clearing. (b) The method of payment shall be determined by SFE Clearing from time to time.
5.3	Authority to Transfer	SFE Clearing shall instruct the Seller to transfer RECs in accordance with the instructions received by SFE Clearing.

Item	Heading	Individual Contract Specifications
5.4	Transfer of RECs	The Seller must ensure that on the Settlement Day, by no later than a time determined by SFE Clearing a transfer of RECs in accordance with the instructions received from SFE Clearing is made to the designated account within the Designated Registry.
5.5	Confirmation of Receipt of RECs	The Buyer must lodge with SFE Clearing on the Settlement Day by no later than a time determined by SFE Clearing, a report in the form prescribed by SFE Clearing which indicates the status of the transfer(s) which they are to receive on the Settlement Day pursuant to the details advised by SFE Clearing in Item 5.1(b).
5.6	Release of Settlement Funds	SFE Clearing will release settlement funds via a payment method (as determined by SFE Clearing) to Clearing Participants on the Settlement Day at a time determined by it, provided delivery has occurred in accordance with these Operating Rules.
5.7	Circumstances Delaying Delivery	If any transfer of RECs required under these Operating Rules cannot be accomplished by the time specified on Settlement Day due to the unavailability or temporary suspension of the Designated Registry , such transfer shall be made as soon as possible and in accordance with any instructions which may be given by the Exchange in consultation with SFE Clearing.
6	Circumstances preventing delivery	<p>(a) If, due to circumstances beyond the control of the Buyer or Seller (as applicable) the Seller is permanently unable to arrange delivery of RECs to the Buyer or the Buyer is permanently unable to take delivery from the Seller, the Exchange will cancel the delivery process and the contracts of the Buyer and Seller will be cash settled at a price advised by the Exchange.</p> <p>(b) “Circumstances beyond the control of the Buyer or Seller” are limited to the following:</p> <ul style="list-style-type: none"> i) the relevant provisions of the Renewable Energy (Electricity) Act 2000 (Cth) (as amended from time to time) are suspended; ii) if the REC Registry (as defined under the Renewable Energy (Electricity) Act 2000 (Cth)) is repealed or amended in a manner which prevents the performance of delivery obligations in accordance with these Operating Rules and Determinations; iii) any other circumstance which the Exchange determines to be beyond the control of the Buyer or Seller prevents delivery in accordance with the Operating Rules and Determinations.
7	Inability of SFE Clearing to declare settlement price and undesirable situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Item	Heading	Individual Contract Specifications
8	Exclusion of Liability	Subject to the right of the Exchange under Rule 1.4 to direct that Contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, any failure by the Exchange or SFE Clearing or any entity on behalf of those parties, to provide or obtain the relevant information necessary for calculating the Settlement Price or Settlement Value, or any inaccuracies created before or during the calculation or in the transmission thereof shall not lead to a party having any claim whatsoever against SFE Clearing or the Exchange or any related bodies corporate (as defined in the Corporations Act 2001).

Explanatory Note

The terms of REC Futures Contracts (deliverable) comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provides for determinations by the Exchange as to
 - the units in which prices are to be quoted by participants when submitting orders
 - the Final Trading Day in a Settlement Month
 - the time at which trading ceases on the Final Trading Day
 - the Settlement Day
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day; and
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows:

"Final Trading Day" – such Business Day as is determined by the Exchange. The actual determination made by the Exchange is "Three (3) Business Days prior to Settlement Day". The Settlement day has been determined to be the "15th day of the Settlement Month or next Business Day."

SFE Clearing will not at any time hold the underlying REC as part of the Delivery under Item 5.1. It is the Buyer's responsibility to confirm that the REC conforms to the specifications set out in this Rule and its Determinations.

Failure of a Participant's client to be able to make or take delivery of the underlying commodity will not be considered to be "beyond the control of the Buyer or Seller" under Item 6.

Introduced 07/10/09 Amended 20/07/10

6.76.2 Ordinary Options Over Renewable Energy Certificate Futures Contracts

Item	Heading	Individual contract specifications
1	Contract Unit	A Renewable Energy Certificate Futures Contract.
2	Undesirable situations	If an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Introduced 07/10/09

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6.81 CFDs – Equity Indices

Item	Heading	Individual contract specifications
1	Contract Unit	A sum of money equal to such index as determined by the Exchange, being an index whose provider has entered a contractual arrangement with the Exchange in relation to the proposed use of the index
2	Contract Value	The price agreed to by the parties at the time of making the CFD and expressed in such currency as determined by the Exchange
3	Settlement Value	The numerical value of the index determined by the Exchange on the Final Trading Day and expressed in such currency as determined by the Exchange
4	Settlement Price	The numerical value of the index determined by the Exchange on the Final Trading Day
5	Declaration of Settlement Price and Value	The Exchange will inform SFE Clearing of the Settlement Value at such time on the Final Trading Day as it shall determine and SFE Clearing shall declare the Settlement Price and Value at such time as it shall determine
6	CFD Daily Settlement Price	The numerical value of the index as determined by the Exchange each Trading Day.
7	Buyers' CFD Daily Adjustments	<p>The Buyer pays:</p> <ul style="list-style-type: none"> • Contract Interest in accordance with the following formula and as determined by SFE Clearing: <p>Contract Interest = I x SP x (N/D) x X</p> <p>Where:</p> <p>I = The Contract Interest Base Rate SP = The CFD Daily Settlement Price N = The number of days for which the Contract Interest is being calculated D = Number of days in the year based on market convention X = The number of units of the underlying per lot of the CFD contract</p> <p>Contract Interest is always charged in the base currency of the CFD.</p> <p>The Exchange will use the days of the year convention (i.e. 365 or 360) that corresponds to the base currency of the CFD.</p> <p>and</p> <ul style="list-style-type: none"> • the Open Interest Charge in accordance with the following formula and as determined by SFE Clearing: <p>OIC Charge = OIC rate x (N / D) x SP x X</p> <p>Where:</p> <p>OIC Rate = Open Interest Charge Rate as determined by SFE Clearing applied to open positions. SP = The CFD Daily Settlement Price N = The number of days for which the OIC is being calculated D = The number of days in the year based on market convention X = The number of units of the underlying per lot of the CFD contract</p> <p>OIC is always charged in the base currency of the CFD.</p> <p>The Exchange will use the days of the year convention (i.e. 365 or 360) that corresponds to the base currency of the CFD.</p>

Item	Heading	Individual contract specifications
		<p>The Buyer receives:</p> <ul style="list-style-type: none"> • Index Dividend Yield, if determined by SFE Clearing, in accordance with the following formula: <p>Index Dividend = $Ei \times X$</p> <p>Where:</p> <p>Ei = Ex-dividend adjustment amount for the Index as determined by SFE Clearing X = The number of units of the underlying per lot of the CFD contract</p> <p>Index Dividend is received in the base currency of the CFD.</p>
	Sellers' CFD Daily Adjustments	<p>The Seller pays:</p> <ul style="list-style-type: none"> • the Open Interest Charge in accordance with the following formula and as determined by SFE Clearing: <p>OIC Charge = $OIC \text{ rate} \times (N / D) \times SP \times X$</p> <p>Where:</p> <p>$OIC \text{ Rate}$ = Open Interest Charge Rate as determined by SFE Clearing applied to open positions SP = The CFD Daily Settlement Price N = The number of days for which the OIC is being calculated D = The number of days in the year based on market convention X = The number of units of the underlying per lot of the CFD contract</p> <p>OIC is always charged in the base currency of the CFD.</p> <p>The Exchange will use the days of the year convention (i.e. 365 or 360) that corresponds to the base currency of the CFD.</p> <p>and</p> <ul style="list-style-type: none"> • Index Dividend Yield, if determined by SFE Clearing, in accordance with the following formula: <p>Index Dividend = $Ei \times X$</p> <p>Where:</p> <p>Ei = Ex-dividend adjustment amount for the Index and determined by SFE Clearing X = The number of units of the underlying per lot of the CFD contract</p> <p>Index Dividend is always charged in the base currency of the CFD.</p> <p>The Seller receives:</p> <ul style="list-style-type: none"> • Contract Interest as determined by SFE Clearing in accordance with the following formula <p>Contract Interest = $I \times SP \times (N/D) \times X$</p> <p>Where:</p> <p>I = The Contract Interest Base Rate SP = The CFD Daily Settlement Price N = The number of days for which the Contract Interest is being calculated</p>

Item	Heading	Individual contract specifications
		<p>D = Number of days in a the year based on market convention X = The number of units of the underlying per lot of the CFD contract</p> <p>Contract Interest is received in the base currency of the CFD.</p> <p>The Exchange will use the days of the year convention (i.e. 365 or 360) that corresponds to the base currency of the CFD.</p>
8	Exclusion of liability	<p>Subject to the right of the Exchange under Rule 1.4 to direct that Contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the numerical values provided by the supplier of an index or its duly authorised agent as being conclusive evidence of the closing value of the index, dividend information and other data.</p> <p>In the event of the supplier of an index or its duly authorised agent, failing to provide the closing value of the index, dividend information and other data or providing a closing value of the index, dividend information and other data that is numerically inaccurate, no party shall make any claim whatsoever against, the supplier of an index its duly authorised agents, SFE Clearing or the Exchange, and the provisions of Rule 1.4 shall apply.</p>
9	Undesirable Situations	If an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply.

Explanatory Note

The terms of all Contracts for Difference comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2 which provides for determinations as to:

- the units in which prices are to be quoted by Participants when submitting orders;
- the minimum fluctuations to be used in quoting contract prices; and
- the amounts representing interest and yield.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

It is envisaged that the Exchange would exercise its powers in Rule 6.2.1(d)(iii) to reschedule the Settlement Day for this contract so that the contract would, in practice, never reach expiry. This contract, therefore, does not have a Final Trading Day and it follows that the Exchange and SFE Clearing would not be required to determine and declare a Settlement Value and Settlement Price, respectively but a CFD Daily Settlement Price will be determined from which the CFD Daily Adjustments will be calculated.

Link to Procedures and Determination. [Contract for Difference](#)

6.82 CFDs – Equities

Item	Heading	Individual contract specifications
1.	Contract Unit	A sum of money expressed in Australian dollars and equal to the value of a security traded on the ASX
2.	Contract Value	The price agreed to by the parties at the time of making the CFD and expressed in Australian dollars
3.1 (a)	Adjustments - Securities	<p>On the Close of Trading on the day preceding the day that a security underlying an Equity CFD ("the relevant contract"):</p> <ul style="list-style-type: none"> (i) is officially quoted by the ASX, as, "ex interest", "ex return of capital", "ex bonus" and "ex entitlement": the Exchange shall advise SFE Clearing of adjustments to the value of the Open Position of the relevant contract and/or to the number of securities underlying the relevant contract and/or any cash adjustment amount; (ii) is officially quoted by ASX, as "ex-rights": the Exchange shall advise SFE Clearing of adjustments to the value of the Open Position of the relevant contract and/or to the number of securities underlying the relevant contract and/or any cash adjustment amount; (iii) is the subject of a capital issue, stock split, consolidation, reconstruction or other similar action, in respect of any underlying securities: the Exchange shall advise SFE Clearing of the adjustment to the number of the securities underlying the relevant contracts together with the adjustment (if any) to the value of the Open Position in the relevant contracts and SFE Clearing shall adjust all such Open Positions. Such adjustment shall be effective from the close of business on the day preceding the day that the underlying security becomes the subject of a stock split or consolidation or other similar action. <p>The objective of any adjustment will be to ensure that the Contract Value after an event as described in Item 3.1(a) (i), (ii) and (iii) will be as far as practicable equivalent to the value prior to that event.</p> <p>The terms used in this Item 3.1 shall have the meaning assigned to them by the ASX.</p>
3.1(b)	Adjustments – Other	Any adjustments other than as described in this Item made by a company to its capital structure will be adjusted in accordance with the adjustments made on a designated stock or any other designated entity except where it is manifestly unfair to do so in which case the Exchange shall make an adjustment based upon achieving a fair and reasonable value
4	Settlement Value	The numerical value of the security determined by the Exchange on the Final Trading Day and expressed in Australian dollars
5	Settlement Price	The numerical value of the security determined by the Exchange on the Final Trading Day
6	Declaration of Settlement Price and Value	The Exchange will inform SFE Clearing of the Settlement Value at such time on the Final Trading Day as it shall determine and SFE Clearing shall declare the Settlement Price and Value at such time as it shall determine
7	CFD Daily Settlement Price	The numerical value of the security as determined by the Exchange each Trading Day
8	Buyers' CFD Daily Adjustments	<p>The Buyer pays:</p> <ul style="list-style-type: none"> • Contract Interest in accordance with the following formula and as determined by SFE Clearing: <p>Contract Interest = I x SP x (N/D) x X</p> <p>Where: I = The Contract Interest Base Rate</p>

Item	Heading	Individual contract specifications
		<p>SP = The CFD Daily Settlement Price N = The number of days for which the Contract Interest is being calculated D = Number of days in the year based on market convention X = The number of units of the underlying per lot of the CFD contract</p> <p>Contract Interest is always charged in the base currency of the CFD.</p> <p>The Exchange will use the days of the year convention (i.e. 365 or 360) that corresponds to the base currency of the CFD.</p> <p>and</p> <ul style="list-style-type: none"> the Open Interest Charge in accordance with the following formula and as determined by SFE Clearing <p>OIC Charge = OIC rate x (N / D) x SP x X</p> <p>Where:</p> <p>OIC Rate = Open Interest Charge Rate as determined by SFE Clearing applied to open positions</p> <p>SP = The CFD Daily Settlement Price N = The number of days for which the OIC is being calculated D = The number of days in the year based on market convention X = The number of units of the underlying per lot of the CFD contract</p> <p>For Equity CFDs the rate at which the OIC is calculated may differ between those holding net long and net short positions.</p> <p>OIC is always charged in the base currency of the CFD.</p> <p>The Exchange will use the days of the year convention (i.e. 365 or 360) that corresponds to the base currency of the CFD.</p> <p>The Buyer receives:</p> <ul style="list-style-type: none"> Dividend yield as determined by SFE Clearing in accordance with the following formula: <p>Equity Dividend = Di x X</p> <p>Where:</p> <p>Di = Net scheduled dividend payment in dollars and cents of the currency the dividend is paid as advised by ASX. X = The number of units of the underlying per lot of the CFD contract</p> <p>The Equity Dividend is always paid in the base currency of the CFD.</p> <p>and</p> <ul style="list-style-type: none"> a Long Franking Credit Cashflow in accordance with the following formula: <p>Long Franking Credit Cashflow = [Ts/(Ts + Ds)] x Fl x X</p> <p>Where:</p> <p>Fl = Long Franking credit per share as calculated by the Exchange X = The number of units of the underlying per lot of the CFD contract Ds = Total open short positions held by designated price makers in the Equity CFD contract after a mandatory close out is performed by SFE Clearing of the designated price maker long and short positions which are able to be</p>

Item	Heading	Individual contract specifications
		<p>offset against each other.</p> <p>Ts = Total open short positions held by all non-designated price maker clients in the Equity CFD contract</p> <p>The Long Franking Credit Cashflow is always paid in the base currency of the CFD.</p>
	Sellers' CFD Daily Adjustments	<p>The Seller pays:</p> <ul style="list-style-type: none"> the Open Interest Charge in accordance with the following formula and as determined by SFE Clearing <p>OIC Charge = OIC rate x (N / D) x SP x X</p> <p>Where:</p> <p>OIC Rate = Open Interest Charge Rate as determined by SFE Clearing applied to open positions</p> <p>SP = The CFD Daily Settlement Price</p> <p>N = The number of days for which the OIC is being calculated</p> <p>D = The number of days in the year based on market convention</p> <p>X = The number of units of the underlying per lot of the CFD contract</p> <p>For Equity CFDs the rate at which the OIC is calculated may differ between those holding net long and net short positions.</p> <p>OIC is always charged in the base currency of the CFD.</p> <p>The Exchange will use the days of the year convention (i.e. 365 or 360) that corresponds to the base currency of the CFD.</p> <p>and</p> <ul style="list-style-type: none"> Dividend yield, if determined by SFE Clearing, in accordance with the following formula <p>Equity Dividend = Di x X</p> <p>Where:</p> <p>Di = Net Scheduled Dividend payment in dollars and cents of the currency the dividend is paid as advised by ASX.</p> <p>X = The number of units of the underlying per lot of the CFD contract</p> <p>The Equity Dividend is always charged in the base currency of the CFD.</p> <p>and</p> <ul style="list-style-type: none"> a Short Franking Credit Cashflow in accordance with the following formula. <p>Short Franking Credit Cashflow = Fs x X</p> <p>Where:</p> <p>Fs = Short Franking credit per share as calculated by the Exchange</p> <p>X = The number of units of the underlying per lot of the CFD contract</p> <p>The Short Franking Credit Cashflow is always charged in the base currency of the CFD.</p>

Item	Heading	Individual contract specifications
		<p>The Seller receives:</p> <ul style="list-style-type: none"> Contract Interest in accordance with the following formula and as determined by SFE Clearing: <p>Contract Interest = I x SP x (N/D) x X</p> <p>Where:</p> <p>I = The Contract Interest Base Rate SP = The CFD Daily Settlement Price N = The number of days for which the Contract Interest is being calculated D = Number of days in the year based on market convention X = The number of units of the underlying per lot of the CFD contract</p> <p>Contract Interest is received in the base currency of the CFD.</p> <p>The Exchange will use the days of the year convention (i.e. 365 or 360) that corresponds to the base currency of the CFD.</p>
7	Undesirable Situations	If an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply
8	Compulsory Acquisition Notice - Securities	<p>Where a security underlying an Equity CFD is or becomes the subject of a compulsory acquisition notice in accordance with the Corporations Act or in accordance with an equivalent scheme or offer on the ASX, then the provisions of this Item shall apply:</p> <p>(a) Where a compulsory acquisition notice is made which is consistent with compulsory acquisition rights pursuant to the Corporations Act, then trading in the CFD which have as their underlying security the shares which are the subject of the announcement will cease and all existing Open Positions will be cash settled by SFE Clearing as soon as practicable after that announcement. A numerical value equivalent to the compulsory acquisition price shall be the Settlement Value.</p> <p>(b) In the event that the compulsory acquisition is in a form either completely or partially of shares, securities, debentures or other paper, in accordance with the Corporations Act, then the Settlement Value shall be determined as the value of the shares or securities being offered on the day of the notice being given plus any cash, on offer. In the case of debentures or other paper the Exchange will determine the value.</p>
9	Suspension	In the event that the ASX suspends trading in the securities of a listed company which are the underlying subject of an Equity CFD, then the Exchange may determine a course of action in relation to the Equity CFD, including, but not limited to, the cessation or suspension in the trading of the Contract
10	Designated price maker mandatory close out	To effect the designated price maker mandatory close out of positions for the purpose of the calculation of the Long Franking Credit Cashflow the designated price makers will comply with the mandatory close out process as determined by SFE Clearing

Explanatory Note

The terms of all Contracts for Difference comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2 which provides for determinations as to:

- the units in which prices are to be quoted by Participants when submitting orders;
- the minimum fluctuations to be used in quoting contract prices; and
- the amounts representing interest and yield.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

It is envisaged that the Exchange would exercise its powers in Rule 6.2.1(d)(iii) to reschedule the Settlement Day for this contract so that the contract would, in practice, never reach expiry. This contract, therefore, does not have a Final Trading Day and it follows that the Exchange and SFE Clearing would not be required to determine and declare a Settlement Value and Settlement Price, respectively but a CFD Daily Settlement Price will be determined from which the CFD Daily Adjustments will be calculated.

Link to Procedures and Determination. [Contract for Difference](#)

6.83 CFDs – Commodities

Item	Heading	Individual contract specifications
1.1	Contract Unit	A sum of money equal to such commodity as determined by the Exchange, being a commodity whose price provider has entered a contractual arrangement with the Exchange in relation to the proposed use of the commodity price
2	Contract Value	The price agreed to by the parties at the time of making the CFD and expressed in such currency as determined by the Exchange
3	Settlement Value	The numerical value of the commodity determined by the Exchange on the Final Trading Day and expressed in such currency as determined by the Exchange
4	Settlement Price	The numerical value of the commodity determined by the Exchange on the Final Trading Day
5	Declaration of Settlement Price and Value	The Exchange will inform SFE Clearing of the Settlement Value at such time on the Final Trading Day as it shall determine and SFE Clearing shall declare the Settlement Price and Value at such time as it shall determine
6	CFD Daily Settlement Price	The numerical value of the commodity determined by the Exchange each Trading Day
7	Buyers' CFD Daily Adjustments	<p>The Buyer pays:</p> <ul style="list-style-type: none"> • Contract Interest in accordance with the following formula and as determined by SFE Clearing: <p>Contract Interest = I x SP x (N/D) x X</p> <p>Where:</p> <p>I = The Contract Interest Base Rate SP = The CFD Daily Settlement Price N = The number of days for which the Contract Interest is being calculated D = Number of days in the year based on market convention X = The number of units of the underlying per lot of the CFD contract</p> <p>Contract Interest is always charged in the base currency of the CFD.</p> <p>The Exchange will use the days of the year convention (i.e. 365 or 360) that corresponds to the base currency of the CFD.</p> <p>and</p> <ul style="list-style-type: none"> • the Open Interest Charge in accordance with the following formula and as determined by SFE Clearing: <p>OIC Charge = OIC rate x (N / D) x SP x X</p> <p>Where:</p> <p>OIC Rate = Open Interest Charge Rate as determined by SFE Clearing applied to open positions SP = The CFD Daily Settlement Price N = The number of days for which the OIC is being calculated D = The number of days in the year based on market convention X = The number of units of the underlying per lot of the CFD contract</p> <p>OIC is always charged in the base currency of the CFD.</p> <p>The Exchange will use the days of the year convention (i.e. 365 or 360) that corresponds to the base currency of the CFD.</p>

Item	Heading	Individual contract specifications
	Sellers' CFD Daily Adjustments	<p>The Seller pays:</p> <ul style="list-style-type: none"> the Open Interest Charge in accordance with the following formula and as determined by SFE Clearing: <p>OIC Charge = OIC rate x (N / D) x SP x X</p> <p>Where:</p> <p>OIC Rate = Open Interest Charge Rate as determined by SFE Clearing applied to open positions</p> <p>SP = The CFD Daily Settlement Price</p> <p>N = The number of days for which the OIC is being calculated</p> <p>D = The number of days in the year based on market convention</p> <p>X = The number of units of the underlying per lot of the CFD contract</p> <p>OIC is always charged in the base currency of the CFD.</p> <p>The Exchange will use the days of the year convention (i.e. 365 or 360) that corresponds to the base currency of the CFD.</p> <p>The Seller receives:</p> <ul style="list-style-type: none"> Contract Interest in accordance with the following formula and as determined by SFE Clearing: <p>Contract Interest = I x SP x (N/D) x X</p> <p>Where:</p> <p>I = The Contract Interest Base Rate</p> <p>SP = The CFD Daily Settlement Price</p> <p>N = The number of days for which the Contract Interest is being calculated</p> <p>D = Number of days in the year based on market convention</p> <p>X = The number of units of the underlying per lot of the CFD contract</p> <p>Contract Interest is received in the base currency of the CFD.</p> <p>The Exchange will use the days of the year convention (i.e. 365 or 360) that corresponds to the base currency of the CFD.</p>
9	Exclusion of liability	<p>Subject to the right of the Exchange under Rule 1.4 to direct that Contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the numerical values provided by the supplier of a price or other indicator or its duly authorised agent as being conclusive evidence of the price and other data supplied.</p> <p>In the event of the supplier of a price or other data or its duly authorised agent, failing to provide the price or other data, or providing a price or other data that is numerically inaccurate, no party shall make any claim whatsoever against, the supplier of the price or other data its duly authorised agents, SFE Clearing or the Exchange, and the provisions of Rule 1.4 shall apply.</p>
8	Undesirable Situations	If an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply.

Explanatory Note

The terms of all Contracts for Difference comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2 which provides for determinations as to:

- the units in which prices are to be quoted by Participants when submitting orders;
- the minimum fluctuations to be used in quoting contract prices; and
- the amounts representing interest and yield.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

It is envisaged that the Exchange would exercise its powers in Rule 6.2.1(d)(iii) to reschedule the Settlement Day for this contract so that the contract would, in practice, never reach expiry. This contract, therefore, does not have a Final Trading Day and it follows that the Exchange and SFE Clearing would not be required to determine and declare a Settlement Value and Settlement Price, respectively but a CFD Daily Settlement Price will be determined from which the CFD Daily Adjustments will be calculated.

Link to Procedures and Determination. [Contract for Difference](#)

6.84 CFDs – Foreign Exchange

Item	Heading	Individual contract specifications
1.1	Contract Unit	A sum of money equal to such foreign exchange spot as determined by the Exchange per 100 units of the underlying currency
2	Contract Value	The price agreed to by the parties at the time of making the CFD and expressed in such currency as determined by the Exchange
3	Settlement Value	The numerical value of the foreign exchange spot determined by the Exchange on the Final Trading Day and expressed in such currency as determined by the Exchange
4	Settlement Price	The numerical value of the foreign exchange spot determined by the Exchange on the Final Trading Day
5	Declaration of Settlement Price and Value	The Exchange will inform SFE Clearing of the Settlement Value at such time on the Final Trading Day as it shall determine and SFE Clearing shall declare the Settlement Price and Value at such time as it shall determine
6	CFD Daily Settlement Price	The numerical value of the foreign exchange spot as determined by the Exchange each Trading Day
7	Buyers' CFD Daily Adjustments	<p>The Buyer pays:</p> <ul style="list-style-type: none"> Contract Interest in accordance with the following formula and as determined by SFE Clearing: <p>Contract Interest = I x SP x (N/D) x X</p> <p>Where:</p> <p>I = The Contract Interest Base Rate SP = The CFD Daily Settlement Price N = The number of days for which the Contract Interest is being calculated D = Number of days in the year based on market convention X = The number of units of the underlying per lot of the CFD contract</p> <p>Contract Interest is always charged in the base currency of the CFD.</p> <p>The Exchange will use the days of the year convention (i.e. 365 or 360) that corresponds to the base currency of the CFD.</p> <p>and</p> <ul style="list-style-type: none"> the Open Interest Charge in accordance with the following formula and as determined by SFE Clearing <p>OIC Charge = OIC rate x (N / D) x SP x X</p> <p>Where:</p> <p>OIC Rate = Open Interest Charge Rate as determined by SFE Clearing applied to open positions SP = The CFD Daily Settlement Price N = The number of days for which the OIC is being calculated D = The number of days in the year based on market convention X = The number of units of the underlying per lot of the CFD contract</p> <p>OIC is always charged in the base currency of the CFD.</p> <p>The Exchange will use the days of the year convention (i.e. 365 or 360) that corresponds to the base currency of the CFD.</p>

Item	Heading	Individual contract specifications
		<p>The Buyer receives:</p> <ul style="list-style-type: none"> • Yield Cashflow in accordance with the following formula: <p>$\text{Yield} = I \times N / D \times X$</p> <p>Where:</p> <p>I = Yield interest rate for the contract N = The number of days for which the Yield Cashflow is calculated D = Number of days used in the Interest Calculation X = The number of units of the underlying per lot of the CFD contract</p> <p>The Yield Cashflow is received in the opposing currency in the foreign exchange pair as determined by the Exchange.</p> <p>The Exchange will use the days of the year convention (i.e. 365 or 360) that corresponds to the base currency of the CFD.</p>
	Sellers' CFD Daily Adjustments	<p>The Seller pays:</p> <p>$\text{OIC Charge} = \text{OIC rate} \times (N / D) \times SP \times X$</p> <p>Where:</p> <p>OIC Rate = Open Interest Charge Rate as determined by SFE Clearing applied to open positions. SP = The CFD Daily Settlement Price N = The number of days for which the OIC is being calculated D = The number of days in the year X = The number of units of the underlying per lot of the CFD contract</p> <p>OIC is always charged in the base currency of the CFD</p> <p>The Exchange will use the days of the year convention (i.e. 365 or 360) that corresponds to the base currency of the CFD.</p> <p>and</p> <ul style="list-style-type: none"> • Yield Cashflow in accordance with the following formula: <p>$\text{Yield} = I \times N / D \times X$</p> <p>Where:</p> <p>I = Yield interest rate for the contract N = The number of days for which the Yield Cashflow is calculated D = Number of days used in the Interest Calculation X = The number of units of the underlying per lot of the CFD contract</p> <p>The Yield Cashflow is charged in the opposing currency in the foreign exchange pair as determined by the Exchange.</p> <p>The Exchange will use the days of the year convention (i.e. 365 or 360) that corresponds to the base currency of the CFD.</p> <p>The Seller receives:</p> <ul style="list-style-type: none"> • Contract Interest in accordance with the following formula and as determined by SFE Clearing: <p>$\text{Contract Interest} = I \times SP \times (N/D) \times X$</p>

Item	Heading	Individual contract specifications
		<p>Where:</p> <p>I = The Contract Interest Base Rate SP = The CFD Daily Settlement Price N = The number of days for which the Contract Interest is being calculated D = Number of days in the year based on market convention X = The number of units of the underlying per lot of the CFD contract</p> <p>Contract Interest is received in the base currency of the CFD.</p> <p>The Exchange will use the days of the year convention (i.e. 365 or 360) that corresponds to the base currency of the CFD.</p>
9	Exclusion of liability	<p>Subject to the right of the Exchange under Rule 1.4 to direct that Contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the numerical values provided by the supplier of a price or other indicator or its duly authorised agent as being conclusive evidence of the price and other data supplied.</p> <p>In the event of the supplier of a price or other data or its duly authorised agent, failing to provide the price or other data, or providing a price or other data that is numerically inaccurate, no party shall make any claim whatsoever against, the supplier of the price or other data its duly authorised agents, SFE Clearing or the Exchange, and the provisions of Rule 1.4 shall apply.</p>
8	Undesirable Situations	If an undesirable situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply.

Explanatory Note

The terms of all Contracts for Difference comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2 which provides for determinations as to:

- the units in which prices are to be quoted by Participants when submitting orders;
- the minimum fluctuations to be used in quoting contract prices; and
- the amounts representing interest and yield.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the separate document "Procedures, Determinations and Practice Notes" (this document does not form part of the Rules).

It is envisaged that the Exchange would exercise its powers in Rule 6.2.1(d)(iii) to reschedule the Settlement Day for this contract so that the contract would, in practice, never reach expiry. This contract, therefore, does not have a Final Trading Day and it follows that the Exchange and SFE Clearing would not be required to determine and declare a Settlement Value and Settlement Price, respectively but a CFD Daily Settlement Price will be determined from which the CFD Daily Adjustments will be calculated.

Link to Procedures and Determination. [Contract for Difference](#)

SECTION 7: DEFINITIONS AND INTERPRETATION

The purpose of this section is to provide for the definitions and interpretation of the Operating Rules.

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7.1 DEFINITIONS

In these Operating Rules, the words standing in the first column of the table set out below shall, except where inconsistent with the subject or context bear the meanings set opposite to them respectively in the second column:

Words	Meanings
Acquire	“Acquire” as that term is defined in the Corporations Act.
Account	In relation to a daily open position report a single account carried by a Participant as principal or on behalf of a Client OR two (2) or more Affiliated Accounts carried by a Participant as principal or on behalf of a Client or Clients.
Affiliated Accounts	Two or more accounts maintained or carried by a Participant which that 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	The signification through SFE Allocation & Clearing System that the bought or sold side of a Futures Contract or Option Contract is to be held in the name of another Participant.
Alternative Clearing and Settlement Facility	A clearing and settlement facility, approved by the Exchange, that the operator is licensed to conduct under an Australian CS Facility Licence, being an operator that is a Facility Participant and that has agreed to accept registration of Market Contracts in accordance with the Clearing By-Laws.
Amended Business Rules	The Operating Rules in force prior to 11 March 2004
API	Applications Programming Interface.
Approved Foreign Bank	A bank approved by the Board or Exchange upon such conditions as the Board or Exchange sees fit, being a bank established by or under the law of a foreign country, as an Approved Foreign Bank for the purpose of enabling a Participant:
Amended 31/03/08	<ul style="list-style-type: none"> (i) to open a Clients' segregated account where Client moneys are received in that country; and (ii) to invest monies pursuant to Rule 2.2.26, which monies are held in Clients' segregated accounts held in that country. <p>(The Board or Exchange may as necessary impose restrictions upon the Participant or Participants in its or their use of Approved Foreign Banks).</p>
Approved Securities	Those securities described in Section 5.
Approved Subordinated Debt	An amount owing by a Participant which is payable at a time or by instalments 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 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 Participant in priority to the claim of the subordinated creditors and in respect of which
Amended 31/03/08	

a Subordinated Loan Deed has been executed under seal by the Participant, the lender and the Exchange.

The Deed shall specifically provide:

- (i) that its terms are not to be varied without the agreement in writing of all parties;
- (ii) that the lender's rights to receive interest and principal payments pursuant to the loan are subordinated at all times to other creditors;
- (iii) 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 Operating Rules;
- (iv) 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 Participant's Net Tangible Assets falls below the minimum required by the Operating Rules;

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

Approved Warehouse	"Approved warehouse" as that term is defined by the relevant Operating Rule for each contract to which it applies.
ASIC	The Australian Securities and Investments Commission or any successor body.
ASX	ASX Limited or any company which is a member of the ASX Group, (and any reference in these Operating Rules to information provided by the ASX is a reference to information provided by a company which is a member of the ASX Group).
Australian ADI	"Australian ADI" as that term is defined in the Corporations Act.
Australian CS Facility Licence	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 or AFSL	A licence granted by ASIC that authorises a person who carries on a financial services business to provide financial services.
Authorised Representative	"Authorised Representative" as that term is defined in Chapter 7 of the Corporations Act.
BCC	Business Conduct Committee.
Block Trade	Any Trade which is executed via the Block Trade Facility.
Block Trade Facility	The facility described in Section 3 of the Operating Rules whereby Block Trades are executed.
Block Trade Order	An order in a Class of Contract prescribed by the Exchange which must be executed via the Block Trade Facility.
Board	The whole or any number of the Directors of the Exchange acting as a Board.
BOS	Back Office Server which connects to the OM SECUR BOC.
Business Day	Any day on which the office of the Exchange is open.

Buyer	In relation to a Futures Contract, the buyer of that contract, and in relation to an Option Contract, the taker or purchaser of that contract, including a person offering to take or purchase, as the case may be.
Calendar Quarter	The calendar quarter in which settlement of a particular Class of Contract is to take place or takes place.
Call	The demand for payment of a sum of money made upon a client.
Call Option Contract	The meaning set out in Rule 6.3.2.
CFD Daily Settlement Price	The daily settlement price of a CFD Contract as determined by the Exchange
CFD Daily Adjustment	The daily cash flows relevant to a CFD Contract calculated by reference to the CFD Daily Settlement Price
CFD or Contract For Difference	A Futures Contract designated by the Exchange as a Contract for Difference
Chief Executive	The chief executive officer of the Exchange or where there is no Chief Executive Officer, the Chairman of the Exchange or a person delegated by him to perform some or all of the powers and functions of the Chief Executive Officer, (including any power to nominate or delegate) as conferred by the Board or the Operating Rules.
Claim	A claim, action, proceeding or demand made against the party concerned however it arises and whether past, present or future, fixed or unascertained, actual or contingent, at law or in equity.
Class Of Contract	(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 Participant	Any corporation, body or person which is a party to clearing arrangements with the SFE Clearing (and unless the context otherwise requires, a reference in these Operating Rules to a Clearing Participant will include a reference to a Facility Participant).
Clearing Rules	The Operating Rules of SFE Clearing Corporation Pty Limited.
Client	In relation to a Participant, any person, firm or corporation on behalf of whom the Participant enters, acquires or disposes of a Futures Contract or Option Contract, or on whose behalf the Participant proposes to enter, acquire or dispose of a Futures Contract or Option Contract or from whom the Participant accepts instructions to enter, acquire or dispose of Futures Contracts or Option Contracts.
Client Account	An account of a Client.
Client Identifier	The unique identifier of at least one character assigned by a Participant to each Client to identify the Client in the Participant's dealing record.
Client Positions	Open Positions designated as Client Positions under the Clearing Rules.
Client Trade	A trade of a Participant held on behalf of a Client.
Close of Trading or Close	Such time as is designated by the Board from time to time as the closing time for trading in all or any futures or options contracts.

Close Out	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.
Commencement of Trading or Open	Such time as is designated by the Board from time to time for the commencement of trading for all or any Contracts.
Confirmation or Confirmed	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 Participant; or (b) accepted by Allocation from a Participant.
Constitution	The Constitution of the Exchange as amended from time to time.
Contract	A contract entered, acquired or disposed of on the Exchange or capable of being entered, acquired, or disposed of on the Exchange.
Contract Committee	The committee constituted from time to time under Section 5 of the Operating Rules.
Contract Premium	The premium at which an Option Contract is traded.
Contract Schedules	Those sections of the document entitled 'Procedures, Determinations and Practice Notes' containing Determinations made by the Exchange or SFE Clearing, in respect of each Class of Contract.
Contract Unit	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	The value or worth of a Contract at the time of making that Contract.
Control	"Control" as that term is defined in the Corporations Act.
Corporation	Any body corporate.
Corporations Act	The Corporations Act 2001 (Cth) as amended from time to time.
Cover	Cash and/or Approved Securities as determined by the Exchange and held by a Participant against a Client's liability from time to time.
Custom Market	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 Section 3 of the Operating Rules.
Custom Market Order	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 Section 3 of the Operating Rules.
Daily Settlement Price	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 SFE Clearing.
Deal, Deal In or Dealing or Cognate Expressions	Deal or dealing as those terms are defined in Section 766C of the Corporations Act.

Declaration Date	The last date on which an Option Contract may be exercised by the Buyer.
Delist	Cease to make a Class of Contract available for acquisition or disposal on a trading facility operated by the Exchange.
Deny Automatic Exercise Request	The notice which may be lodged in the SFE Allocation & Clearing System by Participants holding a bought Option Position in the SFE Allocation & Clearing System pursuant to which the automatic exercise on the Declaration Date of an Option Contract in the money is denied.
Designate	The indication or designation by any means within SFE Allocation & Clearing System that the trade is either a House Trade or a Client Trade.
Directors	The directors from time to time of a corporation, including any alternate directors.
Discretionary Account	A trading account over which the Client gives a Participant authority to effect transactions in Futures Contracts or Option Contracts without prior reference to or approval of that Client. (Where a Client gives such authority over an account to a Director, partner, employee or representative of a Participant (other than where that person is acting in the capacity of a Director of the Client and has substantial control over the management of that Client, and holds in excess of twenty per cent (20%) of the issued shares of the Client rather than as representative of the Participant), that account shall be deemed to be a discretionary account operated by that Participant.) For the purposes of this definition, discretionary account shall not refer to an account held by a Participant on behalf of a Client, where the instructions authorised Dealings In Futures Contracts without the prior approval of that Client only as to the time when or the price at which the Dealings are to be effected, or both.)
Dispose	“Dispose” as that term is defined in the Corporations Act.
‘Employee’, ‘member of staff’, ‘officer’, official’ and like words of the Exchange	‘employee’, ‘member of staff’, ‘officer’, ‘official’ and like words of Sydney Futures Exchange Limited or any of its Related Bodies Corporate.
Entry of Order	To enter, amend and/or cancel an order.
Error Trade	A Trade transacted in error or deemed by the Exchange to be transacted in error because it is not in the best interests of a fair, orderly and transparent market.
Exchange	Sydney Futures Exchange Limited (ACN 000 943 377). (Where the Operating Rules confer on the Exchange a power to do or refrain from doing some act or to exercise a discretion, a reference to the Exchange includes a reference to the Board, the Chief Executive or other officer of the Exchange authorised by the Board or Chief Executive to exercise that power or who is otherwise properly authorised to exercise that power).
Exchange Equipment	Equipment required by a Participant in Order to access the SFE 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	An exchange for physical transaction is a transaction where: (i) a bona fide physical transaction, as determined by the Exchange, in a commodity or instrument is completed and physical delivery

	takes place at the time of the transaction or is intended by both parties to take place at a later time, or a transaction of a kind approved by the Board is entered into; and
(ii)	at or about the same time a Contract, opposite in effect, is entered, acquired or disposed of by a Full Participant or two Full Participants, for the same or similar quantity or amount of the commodity or a substantially similar commodity or instrument between Full Participants, on behalf of the parties to the physical transaction.
Exchange Official	An Exchange employee whose duties include the supervision of Trading and such other duties as may be required by the Chief Executive or the Trading Manager from time to time.
Exchange Party	The Exchange and each of its officers, directors, employees, agents, consultants, Related Bodies Corporate or Licensors.
Exchange Software	The software developed by or on behalf of the Exchange or a Related Body Corporate from time to time to operate the SFE System and 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.
Exercise Price	The price at which a Buyer shall purchase or sell the Underlying Futures Contract or Underlying Physical upon the exercise of an Option over a Futures Contract or over an Underlying Physical, as the case may be.
Exercise Request	The notice to be lodged by Participants holding a bought option position in the SFE Allocation & Clearing system pursuant to which options (whether or not in the money) are exercised prior to their expiry on the Declaration Date.
Expiry Month	The calendar month in which an Option Contract Expires.
Expression of Interest	An enquiry made to a 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	Any person approved by the Exchange who has an Australian CS Facility Licence and is a Clearing Participant.
Fidelity Fund	The fund referred to in the Compensation Arrangement Rules
	Explanatory Note Refer to SFE's website for Fidelity Fund Compensation Arrangement Rules.
Final Trading Day	The last day on which trading is permitted in any Contract within a Class of Contracts for the particular settlement month.
Financial Market	“Financial Market” as that term is defined in the Corporations Act.
Financial Product	“Financial Product” as that term is defined in the Corporations Act.
Financial Product Advice	“Financial Product Advice” as that term is defined in the Corporations Act.
Financial Services Licensee	The holder of an Australian Financial Services Licence.
Financial Statements	“Financial statements” as that term is defined in the Corporations Act.
Firm	A partnership of two (2) or more persons.

Full Participant	Any person who is admitted and remains recognised as a Participant under Section 2 of the Operating Rules.
Futures Contract	A Contract designated by the Exchange as a Futures Contract.
Futures Price	The price at which a Futures Contract is bought or sold.
Guarantor Clearing Participant	In relation to a Full Participant a Clearing Participant which has provided a guarantee of the trading of that Full Participant as provided in Section 2 of the Operating Rules and, unless the context otherwise requires, a reference to a Guarantor Clearing Participant in the Operating Rules includes a Facility Participant.
House Account	Any account other than a Client Account.
House Trade	Any Trade other than a Client Trade.
Individual Contract Specifications	The terms of a Class of Contracts identified in the relevant sub-section (numbered from 6A to 6E) of Section 6 of the Operating Rules.
Initial Margin	The amount which a 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.
Intellectual Property	<ul style="list-style-type: none"> (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	In respect of a Contract, the Daily Settlement Price for the Contract determined by the Exchange immediately following the Close of the Market, before any objections are heard pursuant to Section 1 of the Operating Rules.
Intra-Day Option	An Option which expires on the afternoon of the same Business Day of the relevant Trading Date.
Intra-Day Option Futures Price	The price against which an Intra-Day Option over a Futures Contract is settled.
In Writing	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 Operating Rule 2.4 means a licence or sub-licence.
Licensed Software	The Exchange Software which is the subject of a licence granted by Operating Rule 2.4.1(a).
Licensor	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.

Liquid Assets	Assets that would or could, in the ordinary course of events, be quickly or readily converted into cash.
List	Make a Class of Contract available for acquisition or disposal on a trading facility operated by the Exchange.
Local Participant	Deleted 01/09/08
Margin	See Variation Margin
Market	A market in one or more of the Class of Contracts entered into, acquired or disposed of on the Exchange.
Market Contract	The same meaning as in the Clearing Rules.
Market Halt	A period of time when trading in a Market has been temporarily suspended by the Exchange.
Market Integrity Range	The range, as determined by the Exchange, above or below a fair price valuation, as determined by the Exchange, within which all trades are deemed by the Exchange to impact the fairness, orderliness and transparency of the market and will be cancelled.
Message Facility	A function of the Trading Platform which enables messages to be sent to the market.
Minimum Volume Threshold	The threshold determined by the Exchange from time to time, being the minimum number of lots in respect of each Contract.
Month	Calendar month.
MPC	Market Practices Committee.
Net Tangible Assets	(a) The sum of the values of the assets (both fixed and current) owned by the Participant or prospective 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 Participant or prospective 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 SFE Clearing 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 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 prescribed by the Exchange.
Amended 31/03/08	
New Operating Rules	The Operating Rules of Sydney Futures Exchange Limited .
New Exchange	Sydney Futures Exchange Limited.

No Cancellation Range	The range, as determined by the Exchange, above or below a fair price valuation, as determined by the Exchange, within which Error Trades will not be cancelled.
Nominating Participant	Deleted 01/09/08
Non-Participant	A person who is not a Participant.
Non-quarter Months	Those months which are not Quarter Months.
Non-US Exchanges	Exchanges, other than the Exchange, which are located outside the US.
Objection Trade	A trade subject to Rule 1.12.
Old Exchange	SFE Corporation Limited.
OMnet Gateway	The network comprising a set of components for handling communications between Participant's applications and OM SECUR Back Office Software.
OM Secur BOC	Back office client being the SFE Allocation & Clearing System users program which connects with the BOS and resides on the OM Secur BOPC.
OM Secur BOPC	The physical workstation where back office applications are executed.
OM Secur Back Office Software	The set of software components including the OM Secur BOPC and the OM Secur BOC, supplied by the Exchange that handles the interaction between Participants and the SFE Allocation & Clearing System and the downloading of clearing information.
Open	The commencement of Open Trading in a particular Contract or such other time as is designated by the Board.
Open Position	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	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.
Operating Rules	The rules and regulations made by the Exchange that deal with the activities and conduct of the Exchange and its Participants, and the activities and conduct of other persons in relation to each Market run by the Exchange.
Option or Option Contract	An Option over a Futures Contract or a number of Futures Contracts or an Option over an Underlying Physical as listed by the Exchange.
Option Series	Options of the same class having the same exercise price and declaration date.
Order System	A software application, satisfactory to the Exchange, for entering orders into the Trading Platform through a terminal.

Ordinary Option	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	An Option which expires in the morning of the relevant Trading Date.
Overnight Option Futures Price	The price against which an Overnight Option over a Futures Contract is settled.
Overnight Option Months	Futures Contract months in which the Exchange has determined that Overnight Options may be traded.
Participant Amended 01/09/08	A Full Participant.
Physical Emergency	Where the physical functions of the Exchange are, or are threatened to be, severely and adversely affected by an event external to the Exchange, such as (but not limited to) fire, accident, flood, bomb threat, threat of violence, substantially inclement weather, power failure, communication breakdown, computer or systems breakdown or malfunction, or danger to personnel.
Pre-Opening Phase	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	A phase where the market is halted and appropriate orders are Purged in preparation for the Price Discovery Phase.
Prescribed Rate	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	A second Pre-Opening Phase.
Prioritised Execution	A method of prioritising orders for execution based upon orders being received on the Trading Platform obtaining priority of execution over: <ul style="list-style-type: none"> (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.
Procedures, Determinations and Practice Notes Amended 01/09/08	The document set out at www.asx.com.au containing: <ul style="list-style-type: none"> (a) procedures which, if adopted by Participants or the Exchange as the case may be, will facilitate trading on the Exchange; (b) decisions made by the Exchange pursuant to these Operating Rules; and (c) practice notes issued by the Exchange as to how the Operating Rules are interpreted and enforced.
Product Disclosure Statement	"Product Disclosure Statement" as that term is defined in the Corporations Act.
Proprietary Full Participant	A Full Participant that is not also a Clearing Participant and that only executes House Trades on the Markets of the Exchange and does not accept orders from Clients for execution of Client Orders.
Publish or Published	Make information available to the public and/or to Participants by any means including electronic means.

Purge	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	The meaning set out in Rule 6.3.2
Qualifying Error Range	The range, as determined by the Exchange, above or below a fair price valuation, as determined by the Exchange, within which trades will not be cancelled unless the Error Trade is reported to the Exchange in accordance with procedures determined by the Exchange and counterparty approval is obtained.
Quarter Months	March, June, September and December.
Related Body Corporate	"Related Body Corporate" as that term is defined in the Corporations Act 2001 (Cth).
Relative	In relation to a person, the spouse, parent or remoter lineal ancestor, son, daughter or remoter issue or brother or sister of the person.
Representative	"Representative" as that term is defined in Section 910A of the Corporations Act.
Request for Quote Facility	A function of the Trading Platform which enables requests for quote to be sent to the market.
Responsible Officer	"Responsible Officer" as that term is defined in the Corporations Act.
Retail Client	"Retail Client" as that term is defined in the Corporations Act.
Retain	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	Trading a position from the nearest delivery month to an equivalent position in a different delivery month.
Rule	See "Operating Rule".
Seal	Any common seal or duplicate common seal of the Exchange.
Secured Creditor	A creditor whose debt is secured in a manner which at law gives it priority over unsecured creditors upon the bankruptcy or winding up of a Participant.
Seller	In relation to a Futures Contract the seller of that contract, and in relation to an Option Contract, the grantor or writer of that contract, including a person offering to grant or write, as the case may be.
Serial Option	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	The day on which: <ul style="list-style-type: none"> (i) 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; (ii) the parties to a deliverable contract are required, in accordance with the Rules, to give delivery in the case of the Seller and to

	(iii) take delivery and make payment in the case of the Buyer; 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	The calendar month in which the Final Trading Day in a particular Class of Contract occurs.
Settlement Price	The price of a contract on the Settlement Day.
Settlement Quarter	The quarter in which settlement of a particular Class of Contract is to take place or takes place.
Settlement Value	The value or worth of a cash settled contract on the Settlement Day.
SFE Allocation & Clearing System	The computer system known as OM SECUR which includes the OMnet Gateway and related systems, and which comprises the central clearing system of the Exchange and all of its Related Bodies Corporate used for the receipt of matched trade records from the Trading Platform, and the processing of Allocations and Confirmations of each Trade.
SFE Clearing	SFE Clearing Corporation Pty Limited (ACN 050 615 864). Where the Clearing Rules confer on SFE Clearing a power to do or refrain from doing some act or to exercise a discretion, a reference to SFE Clearing includes a reference to the Board, the Managing Director or other officer of SFE Clearing authorised by the Board or Managing Director to exercise that power or who is otherwise properly authorised to exercise that power.
SFE Clearing Rules	The By-Laws of SFE Clearing.
SFE Corporation Business Rules	The Operating Rules of SFE Corporation Limited (ACN 000 299 392) as in force prior to 1 January 2002.
SFE System	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.
Shared Order	An order that may be viewed and actioned by authorised Representatives of the same Participant.
Sponsoring Full Participant Amended 01/09/08	A Full Participant of which a Trader is an Officer or Representative.
Spread	A type of Strategy Trade.
Strategy Trade	A strategy, as determined by the Exchange, for Trading more than one contract and conducted in accordance with Rule 3.2.
Strip Option or Strip Option Contract	An option over a predetermined number of Futures Contracts.
Support Fee	The fee determined by the Exchange from time to time, charged by the Exchange, for providing support services in relation to the SFE System.
Terminal Amended 01/09/08	(a) An automated order entry interface through which an Order System routes orders to the trading platform; or (b) a workstation.

Third Party	Any person (including a Client) other than the Exchange, an Exchange Party or a Participant.
Trading Book	A function that contains all active orders in the Trading Platform.
Trading Data	All data including symbols, information, statistics and any other data in letter or numeral form disclosing, describing, summarising or otherwise commenting on the trading of Contracts traded on the Trading Platform.
Trading Date	The period from any commencement of Open Trading to the Close of Trading (disregarding any temporary interruptions to Trading).
Trading Infrastructure Fee	Any and all charges determined by the Exchange from time to time payable by a Participant to the Exchange in consideration for, or in any way connected with, the use of the SFE System.
The Secretary	The Secretary of the Exchange.
“To Trade” and Similar Expressions	To enter, acquire or dispose of Contracts on a Market operated by the Exchange.
Trading Day	In respect of a particular Market a day on which that Market is open for trading.
Trading Manager	The employees of the Exchange designated by the Board or its delegate, who shall supervise trading in accordance with the Operating Rules, or, in the absence of the Trading Manager, any Exchange employee designated by the Chief Executive from time to time to act as Trading Manager.
Trading Period	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	The computerised trading facility operated by the Exchange and depending on the context may also include Exchange Systems.
Underlying Futures Contract	The Futures Contract or Contracts upon which an Option Over A Futures Contract is based.
Underlying Physical	The asset, instrument, index, reference rate or any other thing, excluding a futures contract, whose price movement determines the value of the Contract.
US	The United States of America.
Variation Margin	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.
Year	Calendar year.

7.2 INTERPRETATION

7.2.1 Numbers

Words importing the singular number only shall include the plural number and vice versa.

7.2.2 Reference to Person

The word "person" and words importing a person or persons shall include corporations, companies and Firms, and the word "Firms" shall include partnerships.

7.2.3 Gender

Words importing the masculine gender only shall include the feminine or neuter gender.

7.2.4 Headings

Headings shall not affect interpretation.

7.2.5 Knowledge of a Participant

In the Operating Rules reference to knowledge of a Participant which is a corporation shall include reference to the knowledge of an officer of that corporation as defined in the Corporations Act.

7.2.6 Reference to Law

Unless the contrary intention appears, a reference to a law, a statute or a provision of a law or statute includes that law, statute or provision as amended, re-enacted or replaced from time to time.

7.2.7 Corporations Act References

Except so far as the contrary intention appears in the Operating Rules, an expression in a provision of the Operating Rules that deals with a matter dealt with by a particular provision of the Corporations Act, has the same meaning as in that provision of the Corporations Act.

7.2.8 Explanatory Notes and Indexes

Explanatory Notes and Indexes do not form part of the Operating Rules.



**PROCEDURES
DETERMINATIONS
AND
PRACTICE NOTES**

**RELATING TO THE
OPERATING RULES OF
SYDNEY FUTURES EXCHANGE LIMITED**

(ACN 000 943 377)

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SECTION 1: THE EXCHANGE

Rule 1.8 Open, Close and Phases of Trading

Trading Platform Phases of Operation and Prioritisation

- 1 There will be a Pre-Opening Phase prior to the commencement of Open Trading.
- 2 During the Pre-Opening Phase only individual Limit Orders at a specified price may be entered into the Trading Platform Book but they cannot be executed by the Trading Platform until the Open.
- 3 No bids or offers entered into the Trading Platform Book during the Pre-Opening Phase may be cancelled during the Levelling Phase and no further bids or offers may be entered in this period.
- 4 At the expiry of the Levelling Phase, the Trading Platform shall execute at the Open as many as possible bids greater than or equal to a common price and as many as possible offers less than or equal to a common price. For the purposes of filling orders at the common opening price, time of order submission shall be used to determine priority among orders at a single price. The allocation of orders by the Trading Platform shall be final.
- 5 The common price calculated during the Levelling Phase shall be determined on the basis of an Equilibrium Price at which the most trades may be executed. During the Pre-Opening Phase the Trading Platform shall display, where possible, an indicative Equilibrium Price based on the bids and offers in the Trading Platform Book.
- 6 Upon commencement of Open Trading, all bids and offers released for trading, shall be executed by the Trading Platform by Prioritised Execution.
- 7 There shall be a Pre-Price Discovery Phase for specified Markets as determined by the Exchange from time to time. At the commencement of the Pre-Price Discovery Phase, all orders that have not traded or have not fully traded and/or are not designated as GTC shall be purged from the Trading Platform in readiness for the Price Discovery Phase. No new orders shall be accepted and no modifications to GTC orders with the exception of cancellation of GTC orders, shall be made during the Pre-Price Discovery Phase.
- 8 There shall be a Price Discovery Phase for specific Markets, as determined by the Exchange from time to time, prior to the re-commencement of Open Trading.
- 9 During the Price Discovery Phase only individual Limit Orders may be entered into the Trading Platform Book but they cannot be executed by the Trading Platform until the Open.
- 10 No bids or offers entered into the Trading Platform Book during the Price Discovery Phase may be cancelled during the Levelling Phase and no further bids or offers may be entered in this period.
- 11 At a time after the Close of a Commodity specified by the Exchange, all orders that have not traded or have not fully traded and are not designated as GTC shall lapse and be Purged from the Trading Platform

Prioritisation of the Trading Platform

- 12 (a) Once accepted by the Trading Platform , entries in the Trading Platform Book, other than orders entered via the Custom Market, shall be maintained in time priority as recorded by the Trading Platform until executed on a Prioritised Execution basis (other than during a Pre-Opening Phase) or cancelled.
- (b) Once accepted by the Trading Platform, GTC Orders entered in the the Trading Platform Book may be maintained through to the next Trading Date subject to Purge and Retain functionality.

Rule 1.10 Market Halts

Procedures

When the Trading Platform ceases to be in operation within the meaning of Rule 1.10, all live orders shall be retained in the Trading Platform Book unless a malfunction of the computer system does not so permit.

1. Recommencement of Trading

- (a) There shall be a Pre-Opening Phase of five (5) minutes (or such longer period as the Trading Manager or Chief Executive considers necessary) prior to allowing Trading to re-commence.
- (b) The Pre-Opening Phase shall be conducted in the same manner as the Pre-Opening Phase conducted in accordance with Rule 1.8.
- (c) Where the Trading Manager is of the opinion that a Pre-Opening Phase is not necessary following a disruption, the Trading Manager may dispense with such Pre-Opening Phase but shall allow a period of at least five (5) minutes after Participants regain a connection to the Trading Platform to allow Participants to log-on to the Trading Platform and to cancel any orders which have previously been released to the Trading Platform Book before Open Trading Commences.

2. Alternative Trading

As per Rule 1.10.5 full details of trades executed by telephone communication or other electronic means must be recorded by both parties In Writing in the form prescribed by the Exchange and must be sent to the Exchange as soon as possible and in any event:

- (a) within thirty (30) minutes, or such other time as determined by the Exchange, of the resumption of Trading Platform Trading where trading on the Trading Platform re-commences within the same Trading Date; or
- (b) within thirty (30) minutes, or such other time as determined by the Exchange, of the Close where trading Platform Trading does not re-commence within the same Trading Date.

Form Of Confirmation Of Trades Executed During Market Halt

Date: _____

Facsimile: _____

To: Sydney Futures Exchange Limited – Trading Operations Department

From: _____
(name of Participant)

In accordance with Rule 1.10.5, we confirm that the following trades have been completed:

Details of Trade

Buyer	Seller	Volume	Delivery Month	Contract Details	Client Identifier	Exercise Price	Price	Date	Time	+/-

(Authorised Signature – print name below)

(Name of Participant)

NB: A form must be completed and submitted by both Participants/ Representatives involved within 30 minutes of the resumption of the Trading Platform. It is recommended that Representatives submit completed forms continuously during the course of a market halt.

FOR EXCHANGE USE:

Received by: _____

Time: _____

Details Agreed: _____

Presented to the Clearing House
for Registration: _____

Rule 1.13 Errors During Trading

1. Where a Representative executes a trade in error, then the Representative is permitted to trade out of that error. The Representative in doing so must ensure continued compliance with the sequencing provisions of the Operating Rules. (See Section 3 of the Operating Rules).

Note: At all times the Client's interest is paramount.

Error Trade Records

2. The Participant must keep a record of all error trades for a period of five (5) years. In accordance with Rule 2.2.23 the record of error trades will be required to be submitted to the Exchange upon request. The record should contain the following details:
 - (a) a description of the trade including the deal number;
 - (b) the name of the employee who was responsible for the error trade;
 - (c) the name of the employee or Representative responsible for the execution;
 - (d) a detailed explanation as to how the error trade occurred, including details of the original client order which precipitated the error.
 - (e) the subsequent action or non-action taken by the Participant in respect of that error trade; and
 - (f) the financial result of the trade.

Close Out of Order

3. Below is an example of the type of information which would be contained as an entry in the Error Trade Record. Note that the Error Trade Record does not have to be completed prior to the error trade being exited.
4. Participants should have a policy to close out errors as soon as they become aware of the error. Traders must not use client orders to work a positive error.

Prohibited Cancellation

5. Pursuant to Rule 1.13.11(b) an Error will not be cancelled beyond 10 minutes after the Closing of the Trading Date for that Contract

Amended 01/08/08

EXAMPLE ERROR TRADE RECORD

Date: 3 March 2004

Order Taker: John Brown, Representative

Trader: Simon White

**Person Responsible
For Error:** **John Brown, Representative**

Explanation: Jack Smith from ABC Bank phoned at 9.55am and placed an order to sell 100 BAB @ X with John Brown. (Order No.15 - copy attached). John Brown inadvertently entered into SYCOM® instructions to sell 100 BAB @ Y (Deal No. 123456) (order attached). John Brown later realised that an error trade had occurred. The client had been filled at the wrong price. The client's original order was not filled as the market did not reach X. The order was subsequently cancelled by the client.

Action: An order to buy 100 BAB at market was made to close the position (Deal No. 123457). The order was filled @ (price) at (time). The order was booked to Participant's House Account No:

Financial Result: loss of \$1,000

Specified Tick Range

ERP Ranges for Commodity and Electricity Contracts

Table updated 13 October 2008

Futures Contracts	NCR	QER (Lower Limit)	QER (Upper Limit)	Start of MIR
Fine Wool	10 Cents	11 Cents	99 Cents	100 Cents
Greasy Wool	10 Cents	11 Cents	99 Cents	100 Cents
Broad Wool	10 Cents	11 Cents	99 Cents	100 Cents
MLA Cattle	10 Cents	11 Cents	99 Cents	100 Cents
d-cypha SFE Base Load	1.5% FPV	> 1.5% FPV	≤ 15% FPV	> 15% FPV
d-cypha SFE Peak Load	1.5% FPV	> 1.5% FPV	≤ 15% FPV	> 15% FPV
d-cypha SFE Base Load Strip	1.5% FPV	> 1.5% FPV	≤ 15% FPV	> 15% FPV
d-cypha SFE Peak Load Strip	1.5% FPV	> 1.5% FPV	≤ 15% FPV	> 15% FPV
d-cypha SFE Off - Peak Load	1.5% FPV	> 1.5% FPV	≤ 15% FPV	> 15% FPV
d-cypha SFE Base Load Cap	1.5% FPV	> 1.5% FPV	≤ 15% FPV	> 15% FPV
d-cypha SFE Base Load Cap Strip	1.5% FPV	> 1.5% FPV	≤ 15% FPV	> 15% FPV

ERP Ranges for Interest Rate Products

Table updated 13 October 2008

Futures Contracts	NCR	QER (Lower Limit)	QER (Upper Limit)	Start of MIR
Australian 30 Day Inter Bank	5.0 Basis Points	5.5 Basis Points	49.5 Basis Points	50.0 Basis Points
Australian 90 Day Bank Bills	5.0 Basis Points	6.0 Basis Points	49.0 Basis Points	50.0 Basis Points
Australian 3 Year Treasury Bond	5.0 Basis Points	5.5 Basis Points	49.5 Basis Points	50.0 Basis Points
Australian 10 Year Treasury Bond	5.0 Basis Points	5.5 Basis Points	49.5 Basis Points	50.0 Basis Points
Australian 3 Year Interest Rate Swap	5.0 Basis Points	5.5 Basis Points	49.5 Basis Points	50.0 Basis Points
Australian 10 Year Interest Rate Swap	5.0 Basis Points	5.5 Basis Points	49.5 Basis Points	50.0 Basis Points
NZ 30 Day Official Cash Rate	5.0 Basis Points	5.5 Basis Points	49.5 Basis Points	50.0 Basis Points
NZ 90 Day Bank Bills	5.0 Basis Points	6.0 Basis Points	49.0 Basis Points	50.0 Basis Points
NZ 3 Year Government Bond	5.0 Basis Points	6.0 Basis Points	49.0 Basis Points	50.0 Basis Points
NZ 10 Year Government Bond	5.0 Basis Points	6.0 Basis Points	49.0 Basis Points	50.0 Basis Points
AUS / US 10 Year Bond Spread	5.0 Basis Points	5.5 Basis Points	49.5 Basis Points	50.0 Basis Points

ERP Ranges for Equity Index Products

Table updated 13 October 2008

Futures Contracts	NCR	QER (Lower Limit)	QER (Upper Limit)	Start of MIR
SFE SPI 200	25 Points	26 Points	249 Points	250 Points
NZX 15 Index	25 Points	26 Points	249 Points	250 Points

ERP Ranges for ASX CFD Products

Table updated 13 October 2008

ASX CFD Contracts	NCR	QER (Lower Limit)	QER (Upper Limit)	Start of MIR
ASX Equity CFDs	1.5% FPV	> 1.5 % FPV	≤ 15% FPV	> 15% FPV
ASX Index CFDs	1.5% FPV	> 1.5 % FPV	≤ 15% FPV	> 15% FPV
ASX FX CFDs	1.5% FPV	> 1.5 % FPV	≤ 15% FPV	> 15% FPV
ASX Commodity CFDs	1.5% FPV	> 1.5 % FPV	≤ 15% FPV	> 15% FPV

ERP Ranges for Options Contracts

Table updated 13 October 2008

Option Contracts	NCR	QER (Lower Limit)	QER (Upper Limit)	Start of MIR
Interest Rate Products				
Australian 90 Day Bank Bills	5 Basis Points	5.5 Basis Points	19.5 Basis Points	20 Basis Points
Australian 30 Day Inter Bank	5 Basis Points	5.5 Basis Points	19.5 Basis Points	20 Basis Points
NZ 90 Day Bank Bills	5 Basis Points	5.5 Basis Points	19.5 Basis Points	20 Basis Points
Australian 3 Year Treasury Bond	5 Basis Points	5.5 Basis Points	19.5 Basis Points	20 Basis Points
Australian 10 Year Treasury Bond	5 Basis Points	5.5 Basis Points	19.5 Basis Points	20 Basis Points
NZ 3 Year Government Bond	5 Basis Points	5.5 Basis Points	19.5 Basis Points	20 Basis Points
NZ 10 Year Government Bond	5 Basis Points	5.5 Basis Points	19.5 Basis Points	20 Basis Points
Australian 3 Year Treasury Bond SSO	5 Basis Points	5.5 Basis Points	19.5 Basis Points	20 Basis Points
Australian 10 Year Treasury Bond SSO	5 Basis Points	5.5 Basis Points	19.5 Basis Points	20 Basis Points
Equity Products				
SFE SPI 200	25 Points	26 Points	99 Points	100 Points
NZX Equity Options	25 Cents	26 Cents	99 Cents	100 Cents
Commodity and Electricity Products				
Greasy Wool	25 Cents	26 Cents	99 Cents	100 Cents
d-cypha SFE Peak Load	25 Cents	26 Cents	99 Cents	100 Cents
d-cypha SFE Base Load Strip	25 Cents	26 Cents	99 Cents	100 Cents

Table updated 13 October 2008

FPV of Option (determined by SFE)	% of Options NCR and MIR
Below 5 Minimum Tick Increments	20%
Between 5.1 and 20 Minimum Tick Increments	40%
Between 20.1 and 50 Minimum Tick Increments	60%
Between 50.1 and 100 Minimum Tick Increments	80%
Greater than 100 Minimum Tick Increments	100%

SECTION 2: PARTICIPANTS

SECTION 2.2 - FULL PARTICIPANTS

Rule 2.2.1 – Approval Process

Application Form

Application Form – Please contact the Exchange for a copy of the Full Participant Application Form.

Rule 2.2.2 – Prescribed Guaranteee

GUARANTEE BY GUARANTOR CLEARING PARTICIPANT

(Guarantor Clearing Participant) hereby guarantees to Sydney Futures Exchange Limited ("the Exchange") and to each other Full Participant of the Exchange the performance of all Futures Contracts or Option Contracts traded on the Exchange pursuant to the Operating Rules of the Exchange

by (name of Full Participant) (the Full Participant) and to cause all such contracts to be registered with the Exchange's Clearing House in our name.

PROVIDED HOWEVER that this guarantee shall not extend to such transactions which are allocated to another Clearing Participant by the Full Participant and where the allocation is accepted by that Clearing Participant.

The liability of the Guarantor Clearing Participant under this Guarantee is unconditional and shall not be affected by anything which but for this provision might operate to release it from its obligations including, without limiting the generality of the foregoing:

- (a) any transaction or arrangement that may take place between the Full Participant and the Exchange or any other Full Participant of the Exchange; and
- (b) the liquidation of the Full Participant or any other person or corporation.

This guarantee shall be interpreted as if it were part of the Constitution and Operating Rules of the Exchange.

DATE: _____

SIGNED: _____
(Director)

NAME: _____
(Print)

Amended 01/09/08

Rule 2.2.2(A) Pay Fees**Prescribed Fees for Full Participants**

Effective 1 January 2008

- Application Fee: \$25,000.00 (once only cost)
- Admission Fee: No charge
- Annual Access Fee: \$10,000.00 per annum (Waived for current year)

All fees exclusive of GST.

Amended 01/08/08

Rule 2.2.2(B) Lodge Undertakings, Indemnities, Notify of Receiver, Liquidator or Bankruptcy

Please contact the Exchange for the relevant Forms.

Rule 2.2.6 Trading Rights

Trading on Behalf of US Clients and Trading from Locations within the US

This Practice Note sets out SFE's interpretation of and the practical application of the Orders and directions given by the Commodity Futures Trading Commission (CFTC) in relation to:

- Conditions under which SFE Participants may trade SFE products on behalf of clients located in the US - in Part I of this document; (details of the procedures for making application to so trade are set out in Annexure A);
- Products on other exchanges which may be traded on behalf of clients located in the US in accordance with Operating Rule 2.2.30 – in Part II of this document;
- SFE products which may be traded on behalf of clients located in the US – in Part III of this document; and
- Placement of SYCOM terminals in the US offices of Participants or their clients – in Part IV of this document.

NB In this Practice Note the term 'trading' has been used to mean soliciting or accepting orders for or involving SFE Contracts, and in connection therewith accepting any client funds or securities or extending credit to margin, guarantee or secure any trades or contracts.

Part I - Trading SFE Products for Clients in the US

1. Relief under Regulation 30.10

Persons who wish to trade SFE products for clients in the United States are required EITHER to be registered with the CFTC as Futures Commission Merchants (FCMs) OR to have been granted relief from the requirement to so register under Regulation 30.10 of the Regulations under the US Commodity Exchange Act.

Most Full Participants of SFE have obtained relief under Regulation 30.10.

Participants who do not act directly for US clients are not required to be registered by the CFTC and therefore need not apply for relief – for example:

- a Participant who provides only execution and/or clearing service for a registered FCM and who has no contact with the FCM's clients; or
- a Participant who trades SFE products solely for its US subsidiary or affiliate or US branch office, for "proprietary accounts" (ie. house accounts)
- is not required to be registered as an FCM or to apply for relief under Regulation 30.10.

Likewise Participants who:

- execute orders for SFE products for or on behalf of the foreign futures and options customer omnibus account of an FCM, without soliciting or accepting funds or security directly from any US clients, or
- carry the foreign futures and options customer omnibus account for an FCM and who accept orders for SFE products from a person authorised by the FCM as an authorised customer²

need not be registered as an FCM or obtain a Regulation 30.10 relief.

Relief under Regulation 30.10 is available only to persons who:

- are located outside the US; and
- who trade on behalf of clients in the US.

² An 'authorised customer' is a person within the US with specific qualifications, who is authorised by an FCM to place orders for the FCM's foreign futures and options customer omnibus account.

It does not apply to trading in the US. Participants who wish to trade on US exchanges in the US must either be members of those exchanges or have an arrangement with an FCM who is a member.

2 Rationale for CFTC granting relief to SFE Participants from registration as an FCM

In November 1988 the CFTC granted an Order in respect of SFE, pursuant to which an SFE Participant (then known as a Member) and SFE on behalf of each Participant may file a document with the CFTC giving undertakings and agreeing to comply with the conditions of the Order. Once the document is processed the Members/Participants concerned are excused from compliance with certain of the CFTC's foreign futures and options rules, the major rule being that which requires registration with the CFTC as an FCM. The Order was granted on the basis that the CFTC was satisfied that the regulatory regimes to which SFE Participants are subject are comparable with those to which registered FCM's are subject in the US, and subject to the conditions specified in the Order.

Key areas of regulatory comparability include:

- registration, authorisation or other form of licensing, fitness review or qualification of persons through whom client orders are solicited and accepted;
- minimum financial requirements for those persons that accept client funds;
- minimum sale practice standards, including disclosure of risks, and the risk of transactions undertaken outside the US;
- procedures for auditing compliance with the requirements of the regulatory programme, including record keeping and reporting requirements;
- protection of client funds from misapplication; and
- the existence of appropriate information sharing arrangements.

3 Marketing

Participants who have been granted relief under Regulation 30.10 may engage in limited marketing activities from within the US. The conditions of such marketing are:

- it is limited to 30 business days in any calendar year in the aggregate;
- the Participant must supervise and accept liability for all conduct by its employees or other representatives which takes place in the US with respect to its marketing activities;
- all accounts opened and all orders accepted must be effected directly through the Participant's own office in Australia; and
- it is limited to US clients which are institutions, government entities and individuals who have a high degree of sophistication and substantial financial resources. Such persons include:
 - (i) registered FCM³s, IB⁴s, CPO⁵s and CTA⁶s;
 - (ii) brokers and dealers registered with the Securities Exchange Commission;
 - (iii) investment companies, business development companies, banks, and insurance companies appropriately registered in the US;
 - (iv) governmental entities, including the US, a US state or a foreign government, or a division or agency of any of them;
 - (v) plans established for the benefit of the employees of a state, an organisation described in section 202(a)(22) of the US Investment Advisers Act of 1940, a corporation, business trust, partnership, pool, trust or insurance company which in all cases has assets in excess of US\$5 million;
 - (vi) self-directed employee benefit plans where investment decisions are made solely by persons that are accredited investors as defined in 17 CFR⁷ 230.501(a) or any entity in which all of the equity owners are accredited investors as defined in 17 CFR 230.501(a);
 - (vii) appropriately licensed Small Business Investment Companies;
 - (viii) natural persons whose individual net worth or joint net worth with that person's spouse exceeds US\$1 million; or

³ Futures Commission Merchants

⁴ Introducing Brokers

⁵ Commodity Pool Operators

⁶ Commodity Trading Advisers

⁷ Code of Federal Regulations

- (ix) natural persons who had an individual income in excess of US\$200,000 in each of the two most recent years, or joint income with that person's spouse in excess of US\$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year.

Part II – Products on Other Exchanges

On July 17 2006 the CFTC issued a Supplemental Order which authorises SFE Participants who already have relief under Regulation 30.10 to solicit and accept orders from US clients for trading on certain other exchanges where those exchanges are determined by SFE pursuant to Operating Rule 2.2.30(a)⁸. See Annexure C for a list of exchanges which have been determined. (These exchanges are all located outside the US and (other than the SFE) outside Australia).

Dealing on these other exchanges is subject to compliance with Operating Rule 2.2.30. In addition, the Supplemental Order requires SFE Participants who wish to benefit from it to agree to provide to the CFTC or the US Department of Justice, the books and records related to trading on these exchanges on the same basis as they do in respect of trading SFE products for US clients (as set out in Annexure A hereto, in item (b) of the Undertakings by Participants). By effecting transactions pursuant to the Supplemental Order, Participants will be deemed to have agreed to this condition without the need to provide a formal undertaking to do so.

Participants should note that whilst Operating Rule 2.2.30 sets out rules relating to dealing on 'Non-US Exchanges', the Supplemental Order refers to 'non-US and non-Australian exchanges' - ie the Order does not extend to dealing on ASX. Participants wishing to deal in futures and options contracts on ASX on behalf of US clients must be ASX Participants and have Rule 30.10 relief granted to them in that capacity - for details see ASX's Circular entitled '[ASX Participants trading futures contract on behalf of US clients](#)'.

If Participants wish SFE to determine an additional exchange pursuant to Rule 2.2.30(a) they should send an email to surveillance@sfe.com.au to enable SFE to consider the matter. Participants should provide the name of the exchange, the name of its regulator, the contracts which are traded on that exchange (including, as relevant, equities, futures, options over futures), the volume of contracts traded (separated into equities and derivatives) and the contract(s) in which the Participant proposes to deal for US clients.

Determinations and procedures under to Rule 2.2.30:

Determinations made under Rule 2.2.30(c) (Risk Disclosure Statement)
see Annexure B [Risk Disclosure Statement](#)

Determinations made under Rule 2.2.30(a) (list of exchanges)
see Annexure C [Exchanges Determined for Rule 2.2.30](#)

Procedures under Rule 2.2.30(d) (notifications)
see Annexure D [Procedures Under Rule 2.2.30](#)

Part III – SFE Contracts which may be Traded

The CFTC restricts some TYPES of contracts which may be traded on behalf of US clients; there is no restriction on exchange traded futures over **commodities**, or options over those futures contracts, but the offer or sale of exchange traded futures or options on **stock index and government debt products** is not permitted unless specific approval has been given by the CFTC. A list of all such products approved by the CFTC is kept up to date by the CFTC on their website – see <http://www.cftc.gov/opa/backgrounder/opapart30.htm>.

Most of SFE's products are not restricted in this manner. A complete list of those which are approved for trading on behalf of clients in the US appears in the determinations relating to Rule 6.1.

[Contracts not approved for US Customers](#)

⁸ This Supplemental Order replaces an earlier Order which provided for Participants to deal for US clients, subject to certain conditions, on exchanges which were 'recognised' exchanges published in Schedule 11 of the Corporations Regulations. Schedule 11 was removed as a part of the Financial Services Reform amendments to the Corporations Act.

Part IV – Placement of SYCOM Terminals in the US

SYCOM terminals may be placed in the US to enable eligible Full Participants and their clients to trade SFE products directly. SFE has been able to do this because the Commodity Futures Trading Commission (CFTC) has granted relief from the normal requirement in the US that it be designated as a “Derivatives Transaction Execution Facility”. This relief has been granted by way of a ‘no-action’⁹ letter and on the basis that the CFTC is satisfied that the regulatory environments in which SFE and its Participants operate are comparable to those which apply in the US.

1. Use of SYCOM terminals in the US

1. Full Participants must appoint an agent in the US who will receive, on their behalf, communications from the CFTC;
2. SYCOM terminals may be placed in Full Participants' US offices and the offices of their affiliates, for proprietary trading;
3. SYCOM terminals may be placed in the offices of the US clients of Full Participants, and the clients authorised by the Full Participants to enter orders directly into SYCOM provided:
 - 3.1. the Full Participant guarantees and assumes all financial responsibility for all activity conducted through each terminal.
 - 3.2. the Full Participant has relief under Regulation 30.10
 - 3.3. the Full Participant agrees to comply with the various conditions of the approval.

2. Conditions of use of SYCOM terminals in clients' offices in the US

The conditions imposed pursuant to item 3.3 above are that the relevant Full Participant:

- 2.1. must agree to and submit to the jurisdiction of the CFTC with respect to the activities conducted pursuant to the no-action relief;
- 2.2. must agree to provide, on the request of the CFTC, the United States Department of Justice and if appropriate, the National Futures Association, prompt access to original books and records maintained at our United States offices as well as to the premises where SFE Terminals are installed or used in the USA;
- 2.3. will take reasonable steps to prevent unauthorised access to SFE Terminals;
- 2.4. will assist SFE in a timely manner in any investigation into potential violations of SFE's Operating Rules, the Commodity Exchange Act (CEA) or the terms and conditions of the no-action relief, including but not limited to, requiring the client to produce documents, to answer questions from SFE and/or appear in connection with the investigation;
- 2.5. will suspend or terminate the clients' access to the SYCOM if SFE determines that the actions of the client threaten the integrity or liquidity of any contract, violates any of the Operating Rules of SFE, the CEA or the terms and conditions of the no-action relief or if the client fails to co-operate in an investigation.

⁹ “A ‘No-action’ letter states that the relevant department within the CFTC will not recommend enforcement action against the exchange solely because of the latter’s failure to obtain Derivatives Transaction Execution Facility designation.

Annexure A – Procedure for Obtaining Relief Under Regulation 30.10

The CFTC has authorised the National Futures Association (NFA) to receive and process applications for and to grant Regulation 30.10 exemptions. Each Participant who intends to take advantage of the relief is required to give the undertakings set out below. SFE has prepared forms, which are available upon request, to assist Participants in their application for this exemption, and the forms include these undertakings.

The NFA charges Participants an annual fee of US\$100 for registration, records and maintenance; invoices are sent out annually to Participants and failure to pay the fee within 30 days following the due date is deemed to be a request to withdraw the confirmation of exemption.

Undertakings by Participants:

Participants must give:

- (a) (i) a consent to US jurisdiction;
(ii) a valid and binding appointment of an agent in the US for the service of process; such agent may be a registered Futures Commission Merchant or the National Futures Association;
- (b) an agreement to provide books and records related to transactions under Part 30 upon request, to a representative of the CFTC or the US Department of Justice, within 72 hours or such lesser period as may be specified; (SFE understands that copies of such books and records would normally be acceptable);
- (c) representations that no principal of the Participant would be disqualified from doing business under Section 8a(2) of the Commodity Exchange Act (for reasons such as refusal of or suspension of a licence, conviction within the last ten years of embezzlement, theft, fraud or felony, etc);
- (d) disclose the identity of each subsidiary or affiliate of a Participant which is domiciled within the US with related business (eg a bank or broker), and a brief description of that subsidiary's or affiliate's principal business in the US;
- (e) an undertaking that the Participant will not accept any futures related business from any of its affiliates or subsidiaries in the US (other than a proprietary account of the affiliate or subsidiary) unless such entities are registered appropriately with the CFTC;
- (f) a statement that the Participant has informed in writing its affiliates or subsidiaries which are banks, broker-dealers, or dealers in cash commodities that they may not introduce to or solicit futures business on behalf of the Participant unless such entities are appropriately registered;
- (g) a consent to participate in any National Futures Association paper arbitration programme for the resolution of client disputes and consent to notify all US clients of the availability of such a program;
- (h) an agreement to maintain the greater of NTA as required by SFE's Operating Rules or 4 per cent of funds segregated on behalf of US clients; and
- (i) an undertaking to comply with the Corporations Act and the SFE's Operating Rules.

Undertakings by SFE

SFE is also required to lodge with the CFTC, in respect of each Participant which requires the exemption, representations that:

- (a) the Participant is licensed, is in good standing, is engaged in business with clients in Australia and would not be disqualified under Section 8(a)(2) of the Commodity Exchange Act;
- (b) SFE will monitor the Participant for compliance with regulatory requirements; and
- (c) SFE will notify the CFTC or the NFA of any change in a Participant's status, including termination of trading in the US, which would affect its eligibility to continue to enjoy the exemption.

Appointment of Agent

Participants should note that the first step in complying with the CFTC's conditions is the appointment of a U.S. agent. The NFA has indicated that it will provide its services as an agent upon completion and lodgement of its Agency Agreement in triplicate. The agency fee is included in the US\$100 registration, records and maintenance fee. Copies of the "Request to Appoint the NFA as Agent" and the appointment form for an agent other than the NFA are also available from SFE upon application. Participants that are in good standing with SFE who intend to appoint the NFA as an agent should lodge the "Request to Appoint the NFA as Agent" form with SFE, which will then arrange for same to be forwarded to the NFA.

Participants who do not wish to appoint the NFA as their agent may appoint a registered futures commission merchant in the US as their agent.

Location in the United States – Subsidiaries and Affiliated Companies

An SFE Participant which is a US based company with branches outside the US is located in the US and so would not be eligible for Regulation 30.10 exemption. Any such Participant must make application for registration as an FCM in order to trade on behalf of US customers.

An SFE Participant with related companies in the US is normally eligible for Regulation 30.10 exemption. The Participant is, however, required to disclose the existence of all related companies which are in the business of banking, broking or commodities merchandising and may not accept futures related business from those entities (unless the latter are registered FCMs, IBs or CTAs) and must inform those entities that they may not introduce to, or solicit futures business on behalf of, the Participant, (again, unless such entities are appropriately registered).

Particular conditions apply to SFE Participants' bank branches located in the US. Those branches may not:

- engage in futures or options trading except for their proprietary account;
- refer any foreign futures or options transactions to the Participant;
- solicit or enter into foreign futures or options business on behalf of the Participant; or
- establish relationships in the US with the Participant's clients in the US for the purpose of facilitating the Participant's futures and options business in the US

In addition, the Participant must maintain all contract documents, books and records relating to its trading for US clients outside the US, and both it and its US bank branches must provide, on request by the CFTC, the NFA or the US Department of Justice, access to their books and records for the purpose of ensuring compliance with the above.

Risk Disclosure Statements

Prior to opening an account being with a US client (other than an institutional client), a Participant with Regulation 30.10 relief is required to provide a prescribed Risk Disclosure Statement (RDS) to the client and have the client sign it or, if the Statement is provided electronically, have the client acknowledge that he has received and understood the Statement. A copy of the statement is attached at Annexure B. Participants should note that an RDS is required even where a Product Disclosure Statement (PDS) has been provided, as the wording of a RDS is slightly different from that of a PDS.

Participants should note that 'institutional clients' as described in the CFTC Regulations do not need to be provided with an RDS but they should be aware that such 'institutional clients' are not necessarily the same as 'wholesale clients' as described in the Corporations Act of Australia, so that where a Participant is not required to provide an Australian client with a PDS Statement, it may be required to provide an equivalent client with a RDS if the client is located in the US.

Institutional clients include:

- financial institutions
- US regulated insurance companies, investment companies and investment advisers
- US regulated commodity pools with total assets exceeding US\$5 million ,

- corporations, partnerships, proprietorships, organisations, trusts or other entities with total assets which exceed US\$10 million ,
- US regulated retirement benefit schemes with total assets exceeding US\$5 million
- certain US government entities
- brokers or dealers subject to regulation by the Securities Exchange Commission
- FCMs, floor brokers and floor traders regulated by the CFTC
- individuals with total asset in excess of US\$10 million

The above list is provided as a guide only. A full list of persons who comprise institutional clients may be found in the definition of 'eligible contract participant' in Section 1a subsection 12 of the US Commodity Exchange Act at www.access.gpo.gov/uscode/title7/chapter1_.html

Annexure B – Risk Disclosure Statement - Rule 2.2.30(c)

- The Risk Disclosure Statement determined pursuant to Rule 2.2.30(c) is that required by the CFTC Regulations from time to time. The current version is set out below.
- No Risk Disclosure Statement is required where none is required by the CFTC Regulations (for example, for institutional clients) – see section above on Risk Disclosure Statements.

RISK DISCLOSURE STATEMENT

THE RISK OF LOSS IN TRADING COMMODITY FUTURES CONTRACTS CAN BE SUBSTANTIAL. YOU SHOULD, THEREFORE, CAREFULLY CONSIDER WHETHER SUCH TRADING IS SUITABLE FOR YOU IN LIGHT OF YOUR CIRCUMSTANCES AND FINANCIAL RESOURCES.

You should be aware of the following points:

- (1) You may sustain a total loss of the funds that you deposit with your broker to establish or maintain a position in the commodity futures market, and you may incur losses beyond these amounts. If the market moves against your position, you may be called upon by your broker to deposit a substantial amount of additional margin funds, on short notice, in order to maintain your position. If you do not provide the required funds within the time required by your broker, your position may be liquidated at a loss, and you will be liable for any resulting deficit in your account.
- (2) Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example, when the market reaches a daily price fluctuation limit ("limit move").
- (3) Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily limit your losses to the intended amounts, since market conditions on the exchange where the order is placed may make it impossible to execute such orders.
- (4) All futures positions involve risk, and a "spread" position may not be less risky than an outright "long" or "short" position.
- (5) The high degree of leverage (gearing) that is often obtainable in futures trading because of the small margin requirements can work against you as well as for you. Leverage (gearing) can lead to large losses as well as gains.
- (6) You should consult your broker concerning the nature of the protections available to safeguard funds or property deposited for your account.

ALL OF THE POINTS NOTED ABOVE APPLY TO ALL FUTURES TRADING WHETHER FOREIGN OR DOMESTIC. IN ADDITION, IF YOU ARE CONTEMPLATING TRADING FOREIGN FUTURES OR OPTIONS CONTRACTS, YOU SHOULD BE AWARE OF THE FOLLOWING ADDITIONAL RISKS:

- (7) Foreign futures transactions involve executing and clearing trades on a foreign exchange. This is the case even if the foreign exchange is formally "linked" to a domestic exchange, whereby a trade executed on one exchange liquidates or establishes a position on the other exchange. No domestic organization regulates the activities of a foreign exchange, including the execution, delivery, and clearing of transactions on such an exchange, and no domestic regulator has the power to compel enforcement of the rules of the foreign exchange or the laws of the foreign country. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs. For these reasons, customers who trade on foreign exchanges may not be afforded certain of the protections which apply to domestic transactions, including the right to use domestic alternative dispute resolution procedures. In particular, funds received from customers to margin foreign futures transactions may not be provided the same protections as funds received to margin futures transactions on domestic exchanges. Before you trade, you should familiarize yourself with the foreign rules which will apply to your particular transaction.
- (8) Finally, you should be aware that the price of any foreign futures or option contract and, therefore, the potential profit and loss resulting therefrom, may be affected by any fluctuation in the foreign exchange rate between the time the order is placed and the foreign futures contract is liquidated or the foreign option contract is liquidated or exercised.

THIS BRIEF STATEMENT CANNOT, OF COURSE, DISCLOSE ALL THE RISKS AND OTHER ASPECTS OF THE COMMODITY MARKETS

I hereby acknowledge that I have received and understood this risk disclosure statement.

.....
Date

.....
Signature of Customer

Amended 18/11/09

Rule 2.2.10 Compliance with Operating Rules and Notification of Breaches

1. A partial exemption has been granted to Operating Rule 2.2.10(b) whereby the obligation of a Full Participant to self report a failure to comply with the Operating Rules or any law relating to the regulation of markets operated by the Exchange is mandatory unless otherwise determined.

Where an exemption to this rule exists, it will be documented in the Procedures, Determinations and Practice Notes of the corresponding rule.

Rule 2.2.13 Position Limits

Pursuant to Operating Rule 2.2.13(d)(ii) the Exchange may determine the permitted number of Open Positions which may be held by that Full Participant. The Exchange has made the following determinations:

	SFE 3-Year Commonwealth Treasury Bond Futures Contracts	SFE 10-Year Commonwealth Treasury Bond Futures Contracts
Maximum number of spot month net open positions to be held at close of trading on T-1 and the remaining life of the contract at a corporate ‘group’ level	25,000	19,000

In its desire to maintain a ‘level playing field’ approach to its market surveillance, SFE advises that these expiry concentration position limits should be considered by market users as hard limits applicable to all market users (with beneficial ownership applied at ‘group’¹⁰ level), regardless of the particular type or style of trading activity undertaken. However, the SFE Operating Rules (and any relevant amendments) provide SFE with discretion to validly vary the limits on an exceptional case-by-case basis, with such discretion likely to be exercised on an infrequent and judicious basis only.

These limits have been based upon consideration of a number of factors including:

- SFE’s assessment of overall futures market size and a maximum acceptable degree of OI concentration;
- physical market turnover and liquidity on expiry day (ie. the size of the cash market); and
- turnover and liquidity within the repo market.

Whilst the expiry position concentration limits have been set at levels significantly below the levels of positions which various participants can and do, from time to time, hold during the course of a contract, they have been set at levels in excess of any actual market holdings (other than one isolated instance) noted to date at the close of T-1 and accordingly, in SFE’s opinion, provide ample scope for all current market activities to continue unimpacted.

Based on high quality input to the market consultation process, SFE is also confident that the increased certainty of users in the ongoing robustness of the market is the overriding objective of a vast majority of market users.

SFE has no current concerns with positions being held in excess of these expiry position concentration limits during a contract’s life. SFE considers that the optionality to trade in excess of these end-of-contract limits during a contract’s life is desirable, and it is a matter of choice for individual entities to develop their trading policy around these published expiry concentration limits.

Going forward, SFE also intends to regularly review and as, necessary, revise its view of appropriate expiry position concentration limits based on changing market conditions and related factors and to publish any such amendments to the market on a timely basis.

In addition, Participants are reminded of the ongoing regulatory obligations placed on both themselves and their clients to trade in a fair, orderly and transparent manner. Throughout the roll period, Participants are encouraged to roll bond futures positions in a timely and orderly manner and to maintain timely submission of ‘Daily Beneficial Ownership Reports’ (DBORs) to SFE Surveillance (previously referred to as ‘reportable position reports’) and timely daily close out procedures.

Participants are referred to Bulletins 47/04 and 76/04 for further detail.

¹⁰ Application of limits at a ‘group’ level as the default (i.e. consolidating all affiliated corporate entities) is considered to be the most straightforward and reasonable basis. However, genuine disparate holdings by international branches of a global institution, or by proprietary trading and funds management divisions of a bank may be examples where SFE would utilise its discretion to vary limits as required.

Participants are also advised that position limits have been determined in relation to the NZFOX Equity Options Contract. Pursuant to Rule 6.45 (Item 8) the Exchange has determined that these limits are the number of Equity Options whose Contract Units represent in the aggregate 5% of the issued ordinary shares of each relevant company (as set out in the Procedures to Rule 6.45).

Amended 13/05/09

Rule 2.2.14 Fees**Prescribed Fees for Full Participants**

Effective 1 January 2004

- Annual Access Fee: \$10,000.00 per annum, exclusive of GST.

See other fees at 2.2.2A

Rule 2.2.18 NTA, Liquid Assets, Secured Creditor

1. – Statement of Financial Position

A. Quarterly Return

FORMAT: Statement by Directors to support Quarterly Return;
 Statement of Net Tangible Assets;
 Statement of Net Liquid Assets; and
 Statement of Sumdry Creditors.

Please contact the Exchange for these forms.

WHEN DUE:	Return as at:	31 December	- Due 31 January
		31 March	- Due 30 April
		30 June	- Due 31 August
		30 September	- Due 31 October

SEND TO: The Sydney Futures Exchange Limited
 c/- Compliance & Surveillance Department
 30 Grosvenor Street
 SYDNEY NSW 2000

EXTENSIONS: Extensions may be granted provided that a request, **in writing**, is made **prior to** the due date detailed above. The request for an extension of time must include:

- the reason extension is required; and
- the time (date) required to lodge the return.

NOTE: Operating Rule 2.2.7 states that the Participant status and rights of a Full Participant shall be suspended without the need for a Board decision where the Full Participant:

- (i) fails to submit Financial Positions within 7 days of the due date; or
- (ii) fails to maintain the minimum Net Tangible Assets required by Operating Rule 2.2.7

B. Monthly Return

FORMAT: Statement by Directors to support Monthly Return;
 Statement of Net Tangible Assets;
 Statement of Reserves & NTA Movements; and
 Statement of Client Funds.

Please contact the Exchange for these forms.

<u>WHEN DUE:</u>	Return as at:	31 January	- Due 28 February
		28 February	- Due 31 March
		30 April	- Due 31 May
		31 May	- Due 30 June
		30 June	- Due 31 July
		31 July	- Due 31 August
		31 August	- Due 30 September
		31 October	- Due 30 November
		30 November	- Due 31 December

Or last Business Day before due date if it falls on a day which is not a Business Day.

SEND TO: The Sydney Futures Exchange Limited
 c/- Compliance & Surveillance Department
 30 Grosvenor Street
 SYDNEY NSW 2000

EXTENSIONS: Extensions may be granted provided that a request, **in writing**, is made **prior to** the due date detailed above. The request for an extension of time must include:

- the reason extension is required; and
- the time (date) required to lodge the return.

NOTE: Operating Rule 2.2.7 states that the Participant status and rights of a Full Participant shall be suspended without the need for an Exchange decision where the Full Participant:

- (i) fails to submit Financial Positions within 7 days of the due date; or
- (ii) fails to maintain the minimum Net Tangible Assets required by Operating Rule 2.2.2

2. – Annual Audit Certificate

The prescribed form is to be provided within three months of its financial year end.

SEND TO: The Sydney Futures Exchange Limited
c/- Compliance & Surveillance Department
30 Grosvenor Street
SYDNEY NSW 2000

EXTENSIONS: Annual Audit Certificate - Application to Business Conduct Committee c/-
Compliance Department

Extensions may be granted provided that a request, **in writing**, is made **prior to** the due date detailed above. The request for an extension of time must include:

- reason extension is required; and
- the time (date) required to lodge the return.

NOTE: Operating Rule 2.2.7 states that the Participant status and rights of a Full Participant shall be suspended without the need for an Exchange decision where the Full Participant:

- (i) fails to submit Financial Positions within 7 days of the due date; or
- (ii) fails to maintain the minimum net tangible assets required by Operating Rule 2.2.2

3 – Net Tangible Assets Below The Minimum Level Required

If a Participant becomes aware that its Net Tangible Assets have fallen below the minimum level required it must immediately notify the Exchange as follows:

Rule 7.1 defines Net Tangible Assets as:

- (a) the sum of the values of the assets owned by the Participant or prospective Participant as the case may be, less the sum of any liabilities attaching to those assets or to the Participant or prospective Participant generally.

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 SFE Clearing 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 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 provisions 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 Business Conduct Committee so approves, having regard to all the circumstances, exclude Approved Subordinated Debt.

Or

- (b) Such other assets as are prescribed by the Exchange.

FORMAT: Letter

WHEN DUE: Immediately

SEND TO: The Sydney Futures Exchange Limited
 Manager - Compliance & Surveillance
 30 Grosvenor Street
 SYDNEY NSW 2000

COMMENTS: A detailed financial statement must be lodged with the Business Conduct Committee within 24 hours of such notification.

It should also be noted that an automatic suspension of Participant status and rights arises 24 hours after the Net Tangible Assets of a Participant falls below the minimum and approval is required from the Business Conduct Committee or the Exchange to waive this suspension.

4. – Net Tangible Assets Less Than 150 per cent of the Minimum Level Required

or

Net Tangible Assets has Decreased by More than 20 per cent Since the Last Statement of Financial Position Provided to the Exchange

If either of the above occurs, the Participant must notify the Exchange as follows:

FORMAT: Letter

WHEN DUE: Within five (5) business days

SEND TO: The Sydney Futures Exchange Limited
 c/- Compliance & Surveillance Department
 30 Grosvenor Street
 SYDNEY NSW 2000

EXTENSIONS: Not Applicable

COMMENTS: The Participant shall also provide the Exchange with such statements of its financial position as the Exchange may require, at such time or times as the Exchange may direct.

Annual Audit Certificate Form

Independent Auditor's Report

To the Directors of [Entity Name]

Scope

We have audited the accounting records and internal control policies and procedures (“internal controls”) of [Entity Name] (the “Participant”) designed to ensure compliance with the requirements of:

- Divisions 2, 3, 4, 5, 6 and 7 of Part 7.8 of the Corporations Act 2001 other than Section 991A (collectively the “Act”);
- [the Sydney Futures Exchange Limited’s Operating Rule 2.2.18 and]⁺ [the SFE Clearing Corporation Pty Limited’s Clearing Rule 8.1][#] in relation to the maintenance of net tangible assets (the “Net Tangible Assets Rules”); [and
- the Sydney Futures Exchange Limited’s Operating Rule 2.2.26 in relation to clients’ segregated accounts (the “Clients’ Segregated Accounts Rules”);]⁺

in order to express an opinion about their effectiveness for the [period/year] ended [date].

The directors of the Participant are responsible for maintaining an effective internal control structure, including establishing and maintaining accounting records and effective internal controls designed to ensure compliance with the requirements of the Act, the Net Tangible Assets Rules [and the Clients’ Segregated Accounts Rules]⁺. We have conducted an independent audit of the internal controls designed to ensure compliance with the requirements of the Act, the Net Tangible Assets Rules [and the Clients’ Segregated Accounts Rules]⁺ in order to express an opinion on them to the directors of the Participant for the [period/year] ended [date].

Our audit has been conducted in accordance with Australian Auditing Standards and accordingly included such tests and procedures as we considered necessary in the circumstances. Our procedures included examination, on a test basis, of evidence supporting the Participant’s accounting records and operation of its internal controls in relation to compliance with the requirements of the Act, the Net Tangible Assets Rules [and the Clients’ Segregated Accounts Rules]⁺. These procedures have been undertaken to form an opinion whether in all material aspects, the Participant maintained suitably designed and effective internal controls to ensure compliance with the requirements of the Act, the Net Tangible Assets Rules [and the Clients’ Segregated Accounts Rules]⁺ for the [period/year] ended [date].

This report has been prepared for the Participant in order to meet its obligations to lodge this report with [the Sydney Futures Exchange Limited and]⁺ [the SFE Clearing Corporation Pty Limited][#] in accordance with [Operating Rule 2.2.18(g) and]⁺ [Clearing Rule 4.14(a)][#] respectively. We disclaim any assumption of responsibility for reliance on this report to any person other than the Participant, [the Sydney Futures Exchange Limited and]⁺ [the SFE Clearing Corporation Pty Limited][#] or for any purpose other than that for which it was prepared.

Inherent Limitations

Because of the inherent limitations of any internal control structure it is possible that fraud, errors or non-compliance with laws and regulations may occur and not be detected. Further, the overall internal control structure, within which the internal controls designed to ensure compliance with the requirements of the Act, the Net Tangible Assets Rules [and the Clients’ Segregated Accounts Rules]⁺ operate, has not been audited, and no opinion is expressed as to its effectiveness.

An audit is not designed to detect all weaknesses in internal controls or all instances of non-compliance with the requirements of the Act, the Net Tangible Assets Rules [and the Clients’ Segregated Accounts Rules]⁺ as it is not performed continuously throughout the period/year and the tests performed over the internal controls are on a sample basis having regard to the nature and size of the Participant.

⁺ Delete wording if the Participant is **only** a Clearing Participant. This wording remains if the Participant is a Full & Clearing Participant.

[#] Delete wording if the Participant is **only** a Full Participant. This wording remains if the Participant is a Full & Clearing Participant.

Any projection of the evaluation of internal controls to future periods is subject to the risk that the internal controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

The audit opinion expressed in this report has been formed on the above basis.

[Qualified] Auditor's Opinion

In our opinion, [except for the matters referred to in the qualification below,] [Entity Name]:

- (a) (i) maintained, in all material respects, during the [period/year] ended [date] suitably designed and effective internal controls to comply with the requirements of:
 - Divisions 2, 3, 4, 5 and 6 of Part 7.8 of the Corporations Act 2001; and
 - Division 7 of Part 7.8 of the Corporations Act 2001 other than Section 991A;
 - (ii) operated and controlled each account required by Sections 981B and 982B of the Corporations Act 2001 in accordance with those Sections during the [period/year] ended [date]; and
 - (iii) provided all necessary records, information and explanations in accordance with the requirements of Section 990I of the Corporations Act 2001; and
- (b) maintained, in all material respects, during the [period/year] ended [date] suitably designed and effective internal controls to comply with the requirements of [the Sydney Futures Exchange Limited's Operating Rule 2.2.18 and]
+ [the SFE Clearing Corporation Pty Limited's Clearing Rule 8.1][#] in relation to the maintenance of net tangible assets; [and]
 - (c) maintained, in all material respects, during the [period/year] ended [date] suitably designed and effective internal controls to comply with the requirements of the Sydney Futures Exchange Limited's Operating Rule 2.2.26 in relation to clients' segregated accounts.]⁺

Qualification (if applicable)

Audit Firm Signature _____

Name of Audit Firm _____

Partner's Signature _____

Name of Partner _____

Address of Audit Firm _____

Date _____

Appendix

Director's Declaration

As directors of [Entity Name] ("the Participant"), we are responsible for maintaining an effective internal control structure, including establishing and maintaining accounting records and effective internal controls designed to ensure compliance with the requirements of:

- Divisions 2, 3, 4, 5, 6 and 7 of Part 7.8 of the Corporations Act 2001 other than Section 991A;
- [the Sydney Futures Exchange Limited's Operating Rule 2.2.18 and] ⁺ [the SFE Clearing Corporation Pty Limited's Clearing Rule 8.1][#] in relation to the maintenance of net tangible assets; [and]
- the Sydney Futures Exchange Limited's Operating Rule 2.2.26 in relation to clients' segregated accounts].⁺

In carrying out this responsibility, we have had regard to the interests of the clients and owners of the Participant, and to the general effectiveness and efficiency of the operations of the Participant.

In the opinion of the directors of [Entity Name], [Entity Name]:

- (a) (i) maintained, in all material respects, during the [period/year] ended [date] suitably designed and effective internal controls to comply with the requirements of:
 - Divisions 2, 3, 4, 5 and 6 of Part 7.8 of the Corporations Act 2001; and
 - Division 7 of Part 7.8 of the Corporations Act 2001 other than Section 991A;
- (ii) operated and controlled each account required by Sections 981B and 982B of the Corporations Act 2001 in accordance with those Sections during the [period/year] ended [date]; and
- (iii) provided all necessary records, information and explanations to the auditor in accordance with the requirements of Section 990I of the Corporations Act 2001; and
- (b) maintained, in all material respects, during the [period]/year ended [date] suitably designed and effective internal controls to comply with the requirements of [the Sydney Futures Exchange Limited's Operating Rule 2.2.18 and] ⁺ [the SFE Clearing Corporation Pty Limited's Clearing Rule 8.1][#] in relation to the maintenance of net tangible assets; [and]
- (c) maintained, in all material respects, during the [period/year] ended [date] suitably designed and effective internal controls to comply with the requirements of the Sydney Futures Exchange Limited's Operating Rule 2.2.26 in relation to clients' segregated accounts].⁺

Signed in Accordance with a Resolution of the Board of directors

Date

⁺ Delete wording if the Participant is **only** a Clearing Participant. This wording remains if the Participant is a Full & Clearing Participant.

[#] Delete wording if the Participant is **only** a Full Participant. This wording remains if the Participant is a Full & Clearing Participant.

Rule 2.2.23 Order Records and Accounting Records

Order Records

1. The requirement to document the nature of instructions received includes the following information:
 - client name/account number;
 - client ID;
 - commodity;
 - market, eg E, CBOT etc;
 - delivery month;
 - buy or sell;
 - number of lots; and
 - price/limit.
2. All the information required to be recorded by the Exchange's Operating Rules and the Corporations Act 2001 (Cth) will be satisfied if Participants maintain a copy of each day's Trading Platform Trading Log for each Terminal for all orders received and simultaneously input into the Trading Platform. These logs can be stored electronically, but must be made available where required in order to satisfy the Exchange's Operating Rules.
3. Participants should note that if they receive a Good 'Til Cancelled Order or any other order that cannot be Input immediately into the Trading Platform, manual order records must be maintained.
4. Where a Participant relies on the Trading Platform Trading Log as its order records it is recommended that the Participant enter each order received independent of another to ensure that a clear audit trail exists which a third party can verify.
5. It is important that Participants ensure that when a Representative begins their shift, they log on under their log in and password, so that the identity of the person transmitting and executing orders is recorded correctly.

Error Trade Records

See the procedure for Rule 1.13. [Errors During Trading](#)

Rule 2.2.24 Daily Beneficial Ownership Report and Exceptional Reports

Procedure

Content of Report

1. Each daily report required by Rule 2.2.24 shall contain the name and address of the beneficial holder of the position (or, if approved by SFE, a symbol or indicator which will enable the Participant and the Exchange to readily identify the name and address of the holder), together with such other information as the Exchange may determine. Any Participant which chooses to use symbols or indicators shall, prior to their use, provide the Exchange with a list of such symbols or indicators and the corresponding names and addresses.
2. Each daily report shall show each Open Position separately for each delivery month or Option Series, as the case may be, of each contract as at the Close on the preceding Trading Date.
3. Where a bought or a sold position results in there being an Open Position in:
 - (a) Futures Contracts in a particular commodity in any one delivery month; or
 - (b) options in a single Option Series in a particular commodity in any one (1) delivery month,

the bought and sold Futures Contracts of all delivery months of the particular commodity and the bought and sold options in all Options Series of the particular commodity must be reported.

Client Obligation to provide information

Pursuant to a prescribed term of Client Agreements (Rule 2.2.25), the Client contracts with the Participant and acknowledges that:

In relation to the Client's trading on the SFE, the Client will upon the Participant's request, provide all information and documentation relevant to that trading, to the Participant and the Participant is authorised by the Client to provide the information and documentation to the SFE.

This requirement places an obligation on the Client to take all reasonable steps to obtain and communicate to the Participant information, which would include that regarding beneficial ownership. Where a Client raises confidentiality as a reason for non-disclosure, SFE would advise Participants to refer the Client to Operating Rule 1.6 which ensures that the confidentiality of the information provided is maintained by SFE. Where confidential information is provided to SFE it attracts rigorous confidentiality obligations under Rule 1.6. It is therefore reasonable that the Client provide "confidential" information as its use and disclosure is protected by the Operating Rules of SFE.

Explanatory Note

Rule 2.2.24 has been written on the basis of a general concept of an "account" that is a representation of a single holding by a single beneficial owner for a single purpose or trading strategy. It is recognised, however, that this does not always apply – such as in the case of a single account holding positions with multiple beneficial owners for reasons which make it appropriate to combine into a single Affiliated Account (also known as an "omnibus" account), as below.

Affiliated Accounts ("Omnibus" Accounts)

Where a Participant knows that two or more accounts maintained or carried by that Participant are acting under day-to-day trading control of a common entity or set of related entities, these accounts may be reported as a single Affiliated Account, even if the ultimate beneficial owners of the positions are separate entities. This will commonly be the case for fund management trading or instances where confidentiality prevents a Participant from knowing the details of a position's ultimate beneficial owners.

SFE's practice has been to request that in such a case, these accounts be reported to the level at which day-to-day trading decisions are made – fund accounts, for example, would be reported as a single fund account. Where individual clients of a broking service make their own decisions, these would be reported separately.

It is recognised that where an Affiliated Account is carried on behalf of an entity that is not the Participant nor a related entity to it, the identities of the ultimate beneficial owners of holdings in this account are a matter of commercial confidentiality between the Participant and its (immediate) client. As such, these accounts may be initially listed in these reports as a single Affiliated Account.

If this is the case, however, Participants are explicitly reminded that they have an obligation under Rule 2.2.24(b) to provide information regarding the identity of the ultimate beneficial owners of positions if and when requested by SFE. This Rule applies to all Affiliated Accounts, including those held offshore.

It is the Participant's obligation to ensure that they have established the appropriate procedures to obtain information relating to the identity of clients in an Affiliated Account readily. These procedures may include requiring the client provide the information directly to SFE in order to preserve confidentiality. Indeed, the Client Agreement Form may be a suitable mechanism to ensure the appropriate framework is in place to ensure client account information is readily obtainable.

Participants' House Affiliated Accounts

Where the Participant has a number of internal divisions which clear trades through their futures division, a House Omnibus Account will generally incorporate trade details undertaken by these many different divisions.

In some instances the Participant may only report open positions as a total of all divisions' trading held by the Participant. The Exchange must then request that the Participant break down the report to reflect the separate positions held by the different divisions within the Participant entity.

SFE recommends that Participants report their House Omnibus Account information, where possible, with a full break down of open positions held by their separate Divisions as a matter of best practice.

Determination of Penalties in Case of Breach

This Rule requires reports provided under it to be complete, accurate and submitted in a timely manner. In considering whether a penalty should be imposed – and the level of penalty imposed - upon a Participant which is in breach of Rule 2.2.24 because of computer malfunction or, without limitation, other circumstances which the Participant demonstrates are beyond its control, the Board or the Business Conduct Committee shall have due regard for the circumstances of the breach.

A Participant should be able to demonstrate that it has made every effort to submit these files accurately and in a timely manner, including identification and use of back-up procedures should the primary submission mechanism fail. Participants are further reminded that if the Daily Open Position Report is submitted by a third-party on the Participant's behalf, the Participant remains liable for any failure to provide this report.

Alternative Avenues to Request the Information

Where the ultimate client account information is held in an offshore client omnibus account, SFE may utilise various international information sharing arrangements to access the relevant information. Clearly, such a procedure is not as discreet as requesting the relevant information from the Participant direct and the Participant requesting the information from its Client. If necessary, SFE may:

- (i) request the information directly from the host exchange via "The International Information Sharing Memorandum of Understanding and Agreement". This document was signed in March 1996 and allows SFE to request information from over 50 foreign futures exchanges and clearing houses;
- (ii) request the information directly via the "Intermarket Surveillance Group Agreement"; or
- (iii) request the Australian Securities & Investment Commission ("ASIC") exercise its international information sharing arrangements and where possible request the information be compelled by the relevant foreign regulator.

Participants will appreciate that SFE normally only uses these avenues when Participant efforts to obtain the relevant client account information have been unsuccessful.

Rule 2.2.25 Client Documentation

Client Agreement

The Operating Rules of the Exchange expressly state that Client Agreements must contain the prescribed terms set out in Rule 2.2.25.

The Exchange no longer distinguishes between different prescribed terms for different types of clients. The prescribed terms will apply to all Client Agreements.

Participant must require all clients to have in force Client Agreements containing the prescribed terms prior to the commencement of trading for clients.

The prescribed terms are to be used as the basis of establishing minimum agreements with clients but are not of themselves either in whole or in part in the form of such agreement.

International Give Up Agreement

Previously the Exchange had designated a form of International Give Up Agreement for use by Participants dealing with non-resident clients in relation to execution-only business. Participants may continue to use the International Give Up Agreement and must incorporate the prescribed terms. Since the prescribed terms are the same for all types of Client Agreements, there is now no practical difference between using the Agreement for resident and non-resident clients.

Participants should be aware that the International Give Up Agreement on its own does not satisfy the Exchange's requirements and must ensure that all Client Agreements incorporate the prescribed terms.

Margins

A clause regarding margins to the effect of Rule 2.2.25(e) is not required where a Full Participant is performing executing business only and the client has an agreement in place with a Clearing Participant.

Deemed Agreements

Where the client of a Participant is also a Participant of the Exchange, the Participant can rely on a deemed client agreement form being in force (Rule 2.2.25). The Participant is required to send a copy of the deemed agreement to the Participant client to be considered to be acting in compliance with the Exchange's Business Rules.

However, it is recommended that Participants consider entering into a written agreement regardless of whether the client is a Participant to avoid any question of the existence or terms and conditions of such an agreement, particularly when undertaking discretionary trading.

Product Disclosure Statement

Participants should note that the Risk Disclosure Statement and Explanatory Memorandum, required under the former Section 1210 of the Corporations Act, are no longer required to be given to clients. Instead, Participants should address disclosure requirements in the Product Disclosure Statement.

Clients Segregated Accounts

It is recommended that a Participant includes in its Client Agreement documentation a clause to satisfy the requirements of Rule 2.2.26(i) regarding written agreement from a Client of the details of all funds to be invested.

It is strongly recommended that Participants pass Notice 50/06 on to clients for their information.

Average pricing – Confirmations

It is recommended that a participant includes in its Client Agreement documentation a clause to satisfy the authorisation requirements of the Corporations Act s1017F and Regulation 7.9.63(C) where average pricing is to be used in confirmations.

SFE Notice 50 / 06 “Clients’ Segregated Account Provisions”



SFE NOTICE NO. 50/06

Date of Issue: 16 May 2006
 Effective Date: 16 May 2006

CLIENTS’ SEGREGATED ACCOUNT PROVISIONS

The objective of this Notice is to remind all Participants and end user clients of the provisions relating to a Clients’ Segregated Account (CSA) and to clarify how a CSA functions and the potential contingent liabilities which may arise for clients (including Local Participants) out of the operation of a CSA.

For this reason, it is strongly recommended that Participants pass this Notice on to clients for their information.

The purpose of a CSA is to segregate moneys deposited by clients of a Participant from the Participant’s own money, thus insulating the clients’ moneys from liabilities arising from proprietary trading by the Participant or any other business liabilities incurred by the Participant. The moneys in a Participant’s CSA **cannot** be applied to satisfy margin liabilities for a Participant’s own trading or any other liabilities of the Participant that do not relate to client dealings.

Part 7.8 of the Corporations Act details the provisions relating to segregation of clients’ moneys for Australian Financial Services Licence holders providing futures broking services and these provisions are reflected in detail in the Exchange Operating Rules. In addition, the Operating Rules of SFE Clearing Corporation (SFECC) require that clients’ moneys be segregated at Clearing House level and that clients’ moneys are not permitted to be used to meet any default on the House Clearing Account of a Clearing Participant.

It should be highlighted that **individual client moneys are not separated from each other** as all clients’ moneys are co-mingled into the CSA held by the Participant. This is consistent with the Corporations Act and the Exchange Operating Rules – refer Rule 2.2.26 and related guidance. As a result, **it is important for clients (including Local Participants) to understand that the operation of a CSA may not protect an individual client’s money in the case of a default arising from the trading of any other client of that Participant. In such a case, assets in the accounts of non-defaulting clients are potentially at risk, even though these clients did not cause the default.** A Participant has the right to apply all clients’ moneys held in the CSA to meet any default of another client.

Should there be insufficient clients’ moneys to meet margin liabilities in the CSA, a Participant is required under Exchange Operating Rule 2.2.26(f) to “top up” the CSA by the extent of any shortfall within five (5) clear business days. Therefore, a Participant’s own money would be applied to satisfy a default in its CSA. It could arise that the Participant’s own money may not be sufficient to cover the whole default – for example, in the event that the Participant itself becomes insolvent as a result of the client default or for other reasons including losses on its own trading.

In summary, total CSA moneys would be at risk after Participant moneys have been applied to cover any shortfall in the CSA. An individual client’s moneys may be at risk as such individual balances are not separated from each other but instead are co-mingled into the one CSA.

Should you have any further queries in relation to the above, please contact Robert Coaldrae - Senior Manager, Compliance and Surveillance on 9256 0495 or via e-mail on rcoaldrae@sfe.com.au.

A handwritten signature in black ink that reads "Anne T. Brown".

Anne T. Brown
 General Manager, Risk and Compliance

SFE takes no responsibility for any errors or omissions contained in this notice and will not be liable for any reason including without limitation negligence, for losses, consequential or otherwise, arising from or in connection with decisions made in reliance upon this information. This information does not substitute for the Operating Rules and in the case of inconsistency the Operating Rules prevail. Before acting on any matter contained in this notice readers should discuss the matter with their own professional advisers.

Rule 2.2.26 Clients' Segregated Accounts

1. If a client pays a Participant money and a Participant is obliged to pay that money into a segregated account that money must be paid **directly** into the segregated account rather than paid into the Participant's general account and then transferred to the segregated account.
2. Where a Participant withdraws client segregated moneys from the Clients' Segregated Account to invest in accordance with Regulation 7.8.02(2) of the Corporations Regulations 2001 (Cth) and the written agreement between the Participant and the client permits the Participant to charge a fee for investing or be entitled to the interest on the money, then a Participant must first deposit the principal and interest on the investment back into the Clients' Segregated Account. The Participant is then permitted to withdraw the fee or interest to which he is entitled.
3. Where segregated moneys have been invested and a cheque for interest is paid to the Participant then that cheque can be paid into the Participant's general account, provided that the Participant is entitled to all the interest. If a client is entitled to part of the interest the cheque must first be deposited into the segregated account.
4. Where a Participant invests money from the Clients' Segregated Account pursuant to Regulation 7.8.02(2) of the Corporations Regulations 2001 (Cth) then the Exchange's Rule 2.2.26(i) imposes additional restrictions on such investment to the extent that:
 - the investment shall be readily realisable; and
 - no less than 50 per cent of monies invested shall be on 24 hour call.
5. Where a Participant deals on its own behalf or on behalf of a related corporation (acting as principal), it must have its own house account as distinct from that of the Clients' Segregated Account to meet deposits or margins (Rule 2.2.26(j)). This separation of house account and client account applies equally to the Clearing House level (Clearing Rule 41).
6. Where omnibus accounts are operated by a Participant (eg. on behalf of another broker), a house account and client account are to be maintained separately at all levels in the chain to the Clearing House level. Although net margining within each omnibus account is permitted, the client account cannot be netted off against the house account.

7. Property

Property is defined to include credit facilities and securities.

On the receipt of property, it is the responsibility of each Participant to deposit the property in safe custody on or before the next day after the property is received or deposited with a broker.

The following records are required to be kept:

- date property received/deposited in safe custody; and
- particulars of the property so deposited.

Client property must be segregated from Participant's own property and Participants must be able to liquidate property when required.

Note that no property held in safe custody shall be used to satisfy a Participant's debt.

8. Money

Money received from a client or on behalf of a client must be deposited in a CSA of the Participant on or before the next day after the funds were received. Where a Participant receives money from a person and only some of which is attributed to clients, then the whole amount must be deposited in the CSA. The Participant is then entitled to withdraw that part which does not relate to clients.

The segregated account must:

- be maintained by the Participant with a banking corporation;
- be designated as a “clients’ segregated account” unless maintained outside Australia and the law requires it to be designated in some other way; and
- not contain monies other than monies to which clients are entitled.
- Segregated monies are not available to pay creditors of a broker in the event of receivership or liquidation.

9. “Topping Up” of CSA

Operating Rule 2.2.26(f) states that where five clear business days (inclusive of the day of the call) after a call has been made on a Client for initial or variation margins in accordance with the Operating Rules of the Exchange, or such call should have been made in accordance with those Rules, and the call which was or should have been made has not been satisfied by payment of monies into a CSA or by lodgement of cover, then the Participant must pay into the CSA an amount of money not less than either the liability of the client under such a call or the amount which the Participant would be obliged to call the client on the day after five clear business days (inclusive of the day of the call) has elapsed as aforesaid, whichever is the lesser.

Subject to Operating Rule 2.2.26(d) such monies may be withdrawn. The Participant is furthermore obligated to pay into the CSA after five (5) clear Business Days, any amount (which has not been met by the client), which arises as a result of debit balances of a client resulting from realised losses or otherwise.

10. Acknowledgement from Client of Investment

It is recommended that a Participant includes in its Client Agreement documentation a clause to satisfy the requirements of Rule 2.2.26(i) so as to seek written agreement from a Client of the details of all funds to be invested.

11. Client Notification

It is strongly recommended that Participants pass Notice 50/06 on to clients for their information.

SFE Notice 50 / 06 “Clients’ Segregated Account Provisions”



SFE NOTICE NO. 50/06

Date of Issue: 16 May 2006
 Effective Date: 16 May 2006

CLIENTS’ SEGREGATED ACCOUNT PROVISIONS

The objective of this Notice is to remind all Participants and end user clients of the provisions relating to a Clients’ Segregated Account (CSA) and to clarify how a CSA functions and the potential contingent liabilities which may arise for clients (including Local Participants) out of the operation of a CSA.

For this reason, it is strongly recommended that Participants pass this Notice on to clients for their information.

The purpose of a CSA is to segregate moneys deposited by clients of a Participant from the Participant’s own money, thus insulating the clients’ moneys from liabilities arising from proprietary trading by the Participant or any other business liabilities incurred by the Participant. The moneys in a Participant’s CSA **cannot** be applied to satisfy margin liabilities for a Participant’s own trading or any other liabilities of the Participant that do not relate to client dealings.

Part 7.8 of the Corporations Act details the provisions relating to segregation of clients’ moneys for Australian Financial Services Licence holders providing futures broking services and these provisions are reflected in detail in the Exchange Operating Rules. In addition, the Operating Rules of SFE Clearing Corporation (SFECC) require that clients’ moneys be segregated at Clearing House level and that clients’ moneys are not permitted to be used to meet any default on the House Clearing Account of a Clearing Participant.

It should be highlighted that **individual client moneys are not separated from each other** as all clients’ moneys are co-mingled into the CSA held by the Participant. This is consistent with the Corporations Act and the Exchange Operating Rules – refer Rule 2.2.26 and related guidance. As a result, **it is important for clients (including Local Participants) to understand that the operation of a CSA may not protect an individual client’s money in the case of a default arising from the trading of any other client of that Participant. In such a case, assets in the accounts of non-defaulting clients are potentially at risk, even though these clients did not cause the default.** A Participant has the right to apply all clients’ moneys held in the CSA to meet any default of another client.

Should there be insufficient clients’ moneys to meet margin liabilities in the CSA, a Participant is required under Exchange Operating Rule 2.2.26(f) to “top up” the CSA by the extent of any shortfall within five (5) clear business days. Therefore, a Participant’s own money would be applied to satisfy a default in its CSA. It could arise that the Participant’s own money may not be sufficient to cover the whole default – for example, in the event that the Participant itself becomes insolvent as a result of the client default or for other reasons including losses on its own trading.

In summary, total CSA moneys would be at risk after Participant moneys have been applied to cover any shortfall in the CSA. An individual client’s moneys may be at risk as such individual balances are not separated from each other but instead are co-mingled into the one CSA.

Should you have any further queries in relation to the above, please contact Robert Coaldrake - Senior Manager, Compliance and Surveillance on 9256 0495 or via e-mail on rcoaldrake@sfe.com.au.

A handwritten signature in black ink that reads "Anne T. Brown".

Anne T. Brown
 General Manager, Risk and Compliance

SFE takes no responsibility for any errors or omissions contained in this notice and will not be liable for any reason including without limitation negligence, for losses, consequential or otherwise, arising from or in connection with decisions made in reliance upon this information. This information does not substitute for the Operating Rules and in the case of inconsistency the Operating Rules prevail. Before acting on any matter contained in this notice readers should discuss the matter with their own professional advisers.

Rule 2.2.27 Margins and Right of Close Out

1 Initial Margin (Deposit) and Variation Margin

There are two types of margins namely initial margins (which sometimes are called “deposits”) and variation margins. In order to protect the financial security of both the broker and the clearing house until variation margins are paid, each client in the market is required to put up an initial margin in order to trade. Contract initial margins are governed by the minimum set by the clearing house or the futures exchange or both and vary from time to time according to the volatility of the market in question. This means that an initial margin may change after a position has been opened, requiring a further payment (or refund on request) at that time. They are carefully calculated to cover the maximum expected movement in the market from one day to the next. It should be noted that a broker is entitled to call (which means a demand for payment – in this case from a client) a higher initial margin than the minimum set in order to protect its personal obligation incurred when dealing on behalf of a client. Liability for initial margin occurs at the time of the trade regardless of whether a call for payment is made or not.

Section 991F(2) of the Corporations Act 2001 (Cth) prohibits a broker from supplying credit to an employee (or a person associated with an employee) for the purpose of acquiring a financial product.

2 Liability for Initial Margins

The liability for initial margins from clients arises upon execution of any instruction on behalf of clients. The minimum initial margin to be called is set by SFE Clearing. Regular bulletins are issued advising Participants of changes in initial margin levels. Initial margin requirements must be satisfied by cash unless the Participant has agreed to accept and has received cover by way of approved securities. A list of approved securities is contained below. It should be noted that where a Participant wishes to accept another form of security, application for approval must be made to the Business Conduct Committee.

3 Payment Of Initial Margins

All payments or lodgement of cover must be made within twenty-four (24) hours of the request for lodgement of cover or the call for payment. Where a client is located overseas then lodgement of cover or payment of a call must be made within 48 hours. A Participant is not permitted to provide credit or cover to a client. However a Participant may exercise a reasonable discretion in accordance with Operating Rule 2.2.27(g)(iii) to not Close Out Open Positions held on account of the client where the client is in default by failing to pay a call. What is reasonable in this regard will be determined by the Exchange on a case by case basis, having regard to factors such as:

- the expertise and financial status of the client;
- any genuine attempts by the client to meet the call within the time prescribed;
- whether relevant actions or omissions of third parties resulted in the client failing to pay the call;

4 Liability for Variation Margins

Liability for debit variation margins arises at the time the variation margin comes into existence and irrespective of the time when any call is made. Calls for variation margins must be satisfied by payment (as with initial margins) unless the Participant has agreed to accept and has received cover by way of approved securities.

5 Payment Of Variation Margins

The Exchange has determined all payments or lodgement of cover must be made within twenty-four (24) hours if the client is domestically domiciled and forty-eight (48) hours if the client is internationally domiciled, of the request for lodgement of cover or the call for payment. Variation margins must be called when the client has a net debit variation margin position of \$1000. However, where the amount of such a call is less than \$1000, the making of such a call is at the discretion of the Participant.

6 Procedures

A Participant must ensure that it has procedures in place to demonstrate the initial margin and variation margin calls are being made as soon as possible after the execution of the client’s instructions. Such procedures may include the use of a “Margin Action Book”, appropriate diary notations or appropriate notations on the Daily

Account Summary (or equivalent). A Margin Action Book (sample attached) is a means of centralising procedures. It is recommended that each Participant maintain such accounting records that detail the following:

- client name;
- amount of call required;
- time and date client contacted;
- client response; and
- date funds received.

7 Non-Receipt of Margins and Closing Out Positions

Operating Rule 2.2.27(g)(i) obliges Participants to close out all or any existing futures positions in any market held by Participants on account of a client without further notice if the client is in default by failing to pay a Call.

If a client does not pay a margin, the broker is entitled to close out the client's position and deduct the resulting realised loss from the initial margin.

The Business Conduct Committee expects that Participants will close out a client's positions as soon as there is ANY doubt, to a reasonable person, that the funds will not arrive from the client. This is subject to any reasonable discretion exercised by the Participant in accordance with Rule 2.2.27(g)(iii) as referred to above.

8 Self-Reporting Margin Breaches

The Business Conduct Committee has directed that Participants are required to self report breaches of the Exchange's margin rules when a margin call has not been met by a Client and the Participant has not closed out the Client's positions. The breach must be self-reported to the Compliance and Surveillance Manager of the Exchange as soon as any doubt arises that the funds will not arrive from the Client. Circumstances which the Committee considers might reasonably cause such doubt to arise include, but are not limited to, where the Client cannot be contacted, where no evidence is forthcoming from the Client as to the payment status or instructions, and where there is a pattern of previous behaviour.

Participants are required to maintain a register of all incidents of non-receipt of margins. This register must contain the following details:

- Name of the client.
- Amount of the call.
- Time and date of the initial call and any subsequent calls.
- Details of escalation and other relevant steps taken by the Participant.
- Details of whether the Participant closed out the Client's positions and, if not, the reasons why the Participant has not done so, having regard to Operating Rule 2.2.27(g)(iii) as referred to above.
- Date and amount of funds received or details of action taken by the Client.

This register must be made available to Compliance and Surveillance staff of the Exchange on demand. Compliance and Surveillance staff will conduct spot checks of Participants' registers.

9 Approved Securities

The following is the list of securities referred to in the Operating Rules. In relation to each of the securities listed, the Participant must have and be able to demonstrate direct control over and authority to liquidate the Approved Security:

- (a) A *bank* letter of credit or guarantee in favour of the Participant issued in documentary form by a *bank* (provided that the *bank* is not the Client) or such other guarantee as may be approved by the Business Conduct Committee.

A reference to a *bank* in this Schedule is a reference to an “*Authorised Deposit-Taking Institution (ADI)*” as authorised by the Australian Prudential Regulation Authority (APRA). (A list of authorised banks, which is subject to regular update by APRA, can be found at www.apra.gov.au/adi/adilist.cfm). A reference to a *bank* also includes a foreign bank that has sufficient credit rating.

- (b) A letter of credit or guarantee in favour of the Participant issued by the New South Wales Treasury Corporation, the Queensland Treasury Corporation and the Tasmanian Public Finance Corporation.

- (c) Not more than seventy-five percent (75%) of the market value of Australian shares, or 70% of the market value of New Zealand shares, or such other percentage of the market value of the shares as may be prescribed by the Business Conduct Committee.

For the purpose of this Schedule, Australian shares are shares listed on an Australian Stock Exchange approved pursuant to the Corporations Act 2001 (Cth) and are shares in one or more of the top one hundred listed Australian companies measured by market capitalisation at the time the Cover was lodged. New Zealand shares are shares in one or more of the top ten listed New Zealand companies measured by market capitalisation at the time the Cover was lodged.

- (d) Australian Government Securities will be accepted as follows. Valuation is dependent on residual maturity with the following haircuts:

over 1 year :	10 per cent of market value
under 1 year :	5 per cent of market value

- (e) Foreign Government Securities will be accepted as follows. Valuation is dependent on residual maturity with the following haircuts:

Under 12 months maturity : 10 per cent of market value

A Foreign Government Security for the purpose of this Schedule is a security where:

- (i) a Participant is trading on a foreign Financial Market and the security is approved by that foreign Financial Market;
 - (ii) the security is acceptable as Cover by a Futures Broker of that country;
 - (iii) that country is prescribed by the Business Conduct Committee; and
 - (iv) the country has a Standard & Poor's long-term and short-term credit rating for sovereigns of AAA and A-1 respectively.
- (f) Not more than ninety-five percent (95%) of the market value of bills of exchange accepted or endorsed by a *bank* (provided the bank is not the Client).
 - (g) Not more than ninety-five percent (95%) of the market value of Negotiable Certificates of Deposit issued by a *bank* (provided the bank is not the Client).
 - (h) Such other security or credit facility and on such terms as may be approved by the Business Conduct Committee from time to time.

10. Credit Lines

Paragraph (i) of the list of approved securities reads:

“Such other security or credit facility and on such terms as may be approved by the Business Conduct Committee from time to time.”

The Committee has recently reviewed the policy it will adopt in relation to the exercise of its discretion under this provision to permit credit lines to be granted to clients.

The Committee reaffirmed the basic principle that the payments of margins by cash or some other form of realisable security is fundamental to the financial integrity of the Sydney Futures Exchange Limited and its Participants.

In the past, the Committee has used discretion when in very limited circumstances granting permission for credit facilities to be provided by a Participant.

The Committee has directed that in future such discretion will only be exercised in the case of a Participant which is a bank within the meaning of the Banking Act, and where:-

- (a) the monies are lent by a separate credit division of the bank;

- (b) such monies are lent in accordance with normal credit policy of the bank, and SFE Corporation Limited compliance staff have access to the relevant approval by the credit division;
- (c) the facility is used to pay obligations for initial and variation margins and that such obligations are met by actual payment into the clients' segregated account of the Participant through a direct call on the facility.

No approval will be given for any facility which involves the waiver of initial or variation margin requirements for any period.

The Committee is also aware of arrangements where a related entity of the Participant provides credit to clients of the Participant to meet initial and variation margins. The Committee finds this situation acceptable on the basis that the credit is provided by a related entity whose core business activity is the provision of credit to clients and also that the related entity is not a subsidiary of the Participant.

Sample Form 1 - Margin Action Book

DATE: _____

CLIENT: _____

AMOUNT OF CALL: \$ _____

DETAILS OF CALL: - Initial Margin
- Variation Margin

\$ _____

TIME CLIENT CONTACTED: _____

NAME IF CLIENT REPRESENTATIVE: _____

CLIENT RESPONSE: _____

DATE FUNDS RECEIVED: _____

SIGNED (PARTICIPANT REPRESENTATIVE) _____

SIGNED (AUTHORISED PARTICIPANT PERSONNEL) _____

Sample Form 2 - Margin Action Book

Rule 2.2.28 Mandatory Recording of Information by the Exchange and its Participants

The following instances detail areas where it is expected that Participants record information received in relation to client instructions.

1. Participants must ensure that internal desks transmit all orders to the futures desk in such a way that instructions are recorded via a telephone line or other electronic device (ie. via e-mail or squawk box). In addition, the Exchange recommends that Participants should avoid receiving orders face to face from clients. However, should circumstances arise where a client has placed instructions in a manner where there is no electronic or other record, the Participant must ensure that the client's instructions are recorded in some manner. That is, the client subsequently telephones the Participant and confirms placement of the order to the Participant or ensures that the client records the order details in writing and signs evidence of authorisation to place the order.
2. Participants are reminded of their responsibility to ensure that all equipment used to record electronic devices is functional at all times. Any instances identified where voice recordings cannot be produced due to technical malfunctions of equipment will constitute a breach of the Exchange's Business Rules and may result in the imposition of a financial penalty. Therefore, it is important that Participants conduct periodic testing of their equipment to ensure compliance with the Exchange's Business Rules.

3. **Synchronisation of Clocks to SYCOM®**

The Exchange recommends that Participants ensure, on a regular basis, that its voice recording equipment is synchronised to the time on SYCOM®. This will assist both the Exchange and Participants in retrieving information past execution.

4. For the purposes of Operating Rule 2.2.28(a), the minimum period for which recordings of conversations with Clients and other parties relating to Client instructions shall be retained is:
 - (a) 3 months; or
 - (b) where the representative of the Full Participant having the relevant conversation is doing so from outside Australia, pursuant to an arrangement whereby the Full Participant arranges for other representatives of the global group to take orders on behalf of the Full Participant during certain hours each trading day ("rolling the book"), the period which is customary for regulated intermediaries conducting similar trades in that jurisdiction to retain such records.

Rule 2.2.30 Dealing on Behalf of US Customers on Non-US Exchanges

Exchanges Determined for the Purposes of Operating Rule 2.2.30(A) (also Annexure C to rule 2.2.6)

ADEX Athens Exchange Derivatives Market	<i>OB</i> Oslo Bors
<i>BM & F</i> Commodities & Futures Exchange Brazil	<i>OMX Exchanges</i> (Nordic Derivatives Market – Stockholm, Copenhagen, Helsinki, Riga, Tallinn, & Vilnius)
BSE Budapest Stock Exchange	<i>OME</i> Osaka Mercantile Exchange
<i>C-Com</i> Central Japan Commodity Exchange	<i>OSE</i> Osaka Securities Exchange
DGCX Dubai Gold and Commodities Exchange	<i>RTS</i> Russian Trading System Stock Exchange
EDX EDX London	<i>SAFEX</i> South African Futures Exchange
EEX European Energy Exchange	<i>SGX</i> Singapore Exchange
Eurex	<i>SHFE</i> Shanghai Futures Exchange
Euronext (<i>Paris, Amsterdam, Brussels, Lisbon</i>)	<i>SICOM</i> Singapore Commodity Exchange Limited
<i>Euronext.liffe</i>	<i>SPSE</i> Sao Paulo Stock Exchange
HKEX Hong Kong Exchanges & Clearing Ltd	<i>TAIFEX</i> Taiwan Futures Exchange
<i>ICE Futures</i> (formerly IPE)	<i>TASE</i> Tel Aviv Stock Exchange Limited
<i>IDEM</i> Italian Derivatives Market	<i>TRX</i> Tokyo Financial Exchange (formerly TIFFE, Tokyo International Financial Futures Exchange)
<i>ISE</i> International Securities Exchange	<i>TOCOM</i> Tokyo Commodity Exchange
LME London Metal Exchange	<i>TGE</i> Tokyo Grain Exchange
KRX the Korea Exchange	<i>TSE</i> Tokyo Stock Exchange
MDEX Bursa Malaysia Derivatives	<i>Turkdex</i> Turkish Derivatives Exchange
ME Montreal Exchange	<i>WB</i> Wiener Börse AG
<i>MEFF</i> Mercado Espanol de Futuros Financieros	<i>WCE</i> Winnipeg Commodity Exchange
<i>MexDer</i> Mexico Derivatives Exchange	<i>WSE</i> Warsaw Stock Exchange
NSE National Stock Exchange of India Limited	

Notes:

It should be noted that:

1. the listing of these exchanges by SFE is for identification purposes only and in no way indicates that SFE has approved them;
2. the CFTC Order allows dealings for US customers in futures contracts and options over futures contracts which are offered by the above exchanges only where such contracts are approved for such purposes. Most futures contracts over stock indices and government debt have not been approved. A list of such contracts which have been approved by the CFTC may be found on the CFTC's web-site at <http://www.cftc.gov/opa/backgrounder/opapart30.htm>
3. whilst some of the exchanges listed above offer equity and other products as well as futures and options, SFE's listing of the exchanges does not mean that Participants may deal in those contracts on behalf of US customers – the listing applies only to futures contracts and options over futures contracts (where those contracts have been approved, as mentioned in (2) above).

Procedures Under Rule 2.2.30(D) (also annexure D to Rule 2.2.6)

Rule 2.2.30(d) requires Participants to give prior notification to the CFTC or its delegate of every exchange determined pursuant to Rule 2.2.30(a) on which it proposes to deal for US clients.

New Participants making application for relief under Regulation 30.10 will be required as a part of the application to provide a list of relevant exchanges. Participants who had already received relief under Regulation 30.10 when the Supplemental Order dated 17 July 2006 was issued have provided SFE with a list.

When a Participant wishes to add an exchange to the list of already determined exchanges, they should give prior notification in advance of commencing to trade on that exchange, by sending an email to surveillance@sfe.com.au. SFE will then forward the notification to the National Futures Association.

SECTION 2.3 LOCAL PARTICIPANTS – [DELETED]**Rule 2.3.2 Application Form – [Deleted]**

Deleted 01/09/08

Rule 2.3.3(a) Pay Fees – [Deleted]

Deleted 01/09/08

Rule 2.3.8 Change of Nominating Participant – [Deleted]

Deleted 01/09/08

Rule 2.3.22 Order Records and Accounting Records – [Deleted]

Deleted 01/09/08

Rule 2.4 Use of SFE Systems – [Deleted]

Deleted 01/07/08

SECTION 3: TRADING PRINCIPLES

Rule 3.1.1 Expressions of Interest

1. An Expression of Interest is an enquiry made by a Client to obtain the current market in a particular contract or for volume available at a certain price. It is not a firm order to buy or sell. This rule is intended to provide for the situation where a market is not available (on the screen) for a particular product. If a market is on screen, as would normally be the case for a liquid product such as the spot Ten Year Commonwealth Treasury Bond contract, the Participant may pass this information on to the Client, without being required to send a message.
2. In accordance with 3.1.1(a) upon receipt of an Expression of Interest a Participant is required to broadcast that interest to the entire market via the Trading Platform by either of the following methods:
 - (a) the “Request for Quote” facility where the Expression of Interest is for a single contract or option strike; or
 - (b) the “Message” facility where the Expression of Interest is for a multi-legged strategy.
3. When using the “Message” facility Participants must ensure that all Expressions of Interest are sent to “All Users”. Under no circumstances may a Participant send its interest to one or more selected Participants unless the same details of that Expression of Interest have been broadcast to “All Users”.
4. An Expression of Interest is only valid when the market is open. Therefore, although it is possible to make an Expression of Interest broadcast outside trading hours, it must be broadcast again upon the open of the trading session to ensure the widest possible audience.
5. Once an Expression of Interest has been broadcast via the Trading Platform to the market a Participant may make enquiries regarding that Expression of Interest amongst other market Participants. However, only information that has been disclosed to the entire market may be disclosed to other market Participants. It is a breach of the Operating Rules to disclose details of an Expression of Interest that have not been broadcast to the market.
6. A Participant cannot trade on an Expression of Interest until the Client gives a definite instruction to buy and sell. Failure to receive a firm order prior to executing a trade would be considered Post Allocation and therefore, prohibited by the Rule 3.1.20.

Rule 3.1.2 Information to be Input When Orders Entered on the Trading Platform

1. An Order is an instruction to deal that satisfies the following requirements:
 - contract(s) and month(s);
 - volume;
 - an instruction to buy or sell; and
 - price – ie. an indication of price level, volatility level or instruction such as volume weighted average price (VWAP).
2. As per Rule 3.1.2(b) the following shall be input when entering a bid or offer:
 - (a) type of order and/or time indications as required by the order type;
 - (b) relevant price;
 - (c) quantity;
 - (d) an indication as to whether an order should be Retained by the Trading Platform if the Participant's Terminal goes off line;
 - (e) an indication as to whether an order is a Shared Order;
 - (f) subject to an account number to be assigned to the order;
 - (g) in the case of the Spread Trade Facility, the differential;
 - (h) in the case of Custom Market Orders, the individual leg prices and the base ratio; and
 - (i) subject to a Client Identifier assigned to the client unless such Client Identifier is satisfied by (f) above.
3. As per rule 3.1.2(c) the Client Identifier or Account Number must be entered in the Trading Platform no later than ten (10) minutes after the entering of a bid or offer and may only be entered after this time when the Participant can demonstrate to the satisfaction of the Exchange that extenuating circumstances existed.
4. During Open Trading no bids may be released into the Trading Platform that are higher than the current best offer price and no offers may be released into the Trading Platform that are lower than the current best bid price, except when entering a Sweep Order.
5. The Client Identifier or Account Number can be entered as trade modification in the SFE Allocation & Clearing System either manually or electronically via the OMnet API.
6. Participants who wish to use straight through electronic processing via the SFE Allocation & Clearing System must comply with the following processes for the mapping of Account Numbers and Client Identifiers for any comments between the Trading Platform and the SFE Allocation & Clearing System or such other processes as the Exchange determines:
 - (a) Comments and Client Account information must be separated by a “/” delimiter, i.e. Comment/Account;
 - (b) The “/” delimiter can be entered anywhere within the field, e.g. Comment/Account or C123/Account;
 - (c) Comment information must always precede Client Account information;
 - (d) If there is a Comment but no Client Account, the field should contain no “/” delimiter, e.g. Comment;
 - (e) If there is a Client Account but no Comment, the field must commence with a “/”, e.g. /Account; and
 - (f) The field is limited in length to 15 characters.
7. The updated information will then be available to Participant's back office systems via the OM SECUR client information field on the API.

8. In the event the Participant fails to follow any or all of these procedures, straight through electronic processing will not be available and the Participant must give up or allocate information manually via OM SECUR.
9. Participants should note that ‘all or none’ orders are not acceptable. Therefore, if a client requests an order to be executed for a certain volume or not at all, it is the Participant’s responsibility to educate its clients that such orders cannot be accepted.
10. All orders, that are at or near market, must be entered into the Trading Platform upon receipt, in sequence, and pursuant to client instructions in accordance with the Operating Rules. It should be noted, however, that Participants can finesse orders, that is, orders must be entered into the Trading Platform but they do not have to be entered at their limit price, or for full volume.

Amended 01/09/08

Rule 3.1.3 Permitted Orders and Order Designations on the Trading Platform

- 1 Participants can only enter transactions that are Permitted Orders on the Trading Platform as follows:
 - (a) Limit Order: also referred to as “LIM”, being an order to be executed at a specified price;
 - (b) Sweep Order: being an order that allows a Participant to buy or sell one or more price levels through the prevailing Market to execute a given volume;
 - (c) Spread Order: being a Limit Order with a specified differential at which such order is to be executed;
 - (d) Custom Market Order: being a Limit Order which is a non-standard multi-legged strategy consisting of up to six legs of either Futures Contracts or Option Contracts or a combination of both and traded pursuant to the Custom Market Rules;
 - (e) Fill or Kill: also referred to as “FOK”, being a Limit Order which expires after a period of time as determined by the Trading Manager; and
 - (f) Good Till Cancelled: “GTC” being a Limit Order which remains good till cancelled.
 - (g) Market Limit Order: also referred to as “MLM”, being a Limit Order to be executed at a specified price which is above or below the prevailing Market; and
 - (i) Timed Orders: being a Limited Order which expires at a specified time and date; and

- 2 An order on the Trading Platform may also be designated as follows:
 - (a) Market: also referred to as “MKT”, orders are not functional and act as an order type identifier only;
 - (b) Market if Touched: also referred to as “MIT”, orders are not functional and act as an identifier only;
 - (c) Stop Order: also referred to as “STP”, orders are not functional and act as an identifier only;
 - (d) Stop Limit: also referred to as “SLM”, orders are not functional and act as an identifier only;
 - (e) Discretionary: also referred to as “DSC”, orders are not functional and act as an identifier only; and
 - (f) Timed: also referred to as “TIM”, orders are not functional and act as an identifier only.

However these orders shall have functionality as Limit Orders and are also subject to the Purge and Retain functionality.

Rule 3.1.4 & 3.1.5 Market Manipulation and Misleading Acts or Practices Regarding Price

1. These provisions prohibit any manipulative or misleading acts concerning trading on the market and in particular prohibit any artificial attempts to raise, lower or maintain the market price or to give a false impression of active trading.
2. Circumstances which fall within these provisions would include any attempt to artificially influence the closing price, any attempt to affect a settlement price by artificial trading on the futures market, or buying and selling into the market with the sole intent of making volume appear more than it really is (wash trading).
3. Prohibitions against market manipulation and misleading acts.
4. Breaches of the provisions of the Corporations Act mentioned can attract substantial penalties.

Rule 3.1.6 Entering Orders Without Intent to Trade

The following outlines circumstances in which it would be considered that a genuine intent to trade did not exist when entering orders into the Trading Platform.

1. Orders which are entered at price limits substantially higher or lower than the previous settlement price of the specific contract, or alternatively, entered with unusually large volume levels and thus do not appear to have been entered with a genuine intent to trade will be considered as a failure to comply with Rule 3.1.6.

Entering orders without the genuine intent to trade may be considered detrimental to open and competitive price discovery and Participants are advised that any such identified instances of this nature may incur disciplinary action.

It should be noted that in the event of an error, the Exchange's disciplinary Committees will consider such an event as a mitigating factor.

2. Where placement, modification and cancellation of orders are effected via the Trading Platform during the Pre-Opening period and are entered with intent to effect the opening price of any Futures or Options contract, these considered detrimental to open and competitive price discovery and instances of this nature are dealt with severely.

It should be noted, where a client of a Participant who has been provided access to the Trading Platform via a terminal appeared to have acted in a similar manner as outlined above, the Participant who has provided the access may be found to have contravened the Operating Rules by virtue of the actions of its client.

Rule 3.1.7 Orders to be Transmitted as Soon as Received

This Rule is intended to apply to orders that can, in accordance with Client instructions, be immediately transmitted to the Trading Platform, e.g. ‘limit’ and ‘market’ orders. Orders that cannot be transmitted to the Trading Platform such as ‘market on close’, ‘stop loss’ or ‘market if touched’ would be obvious exceptions to this Rule. Also, orders where Client instructions preclude immediate transmission would form exceptions unless those instructions would cause the Participant to breach Rules, e.g. instructions to withhold orders in order to trade to the exclusion of others. With regard to ‘at best’ orders, these orders should be transmitted to the trading Platform at such time as the Participant forms the view that the best price may be achieved.

Rule 3.1.8 Orders to be Transmitted and Executed in the Sequence Received

1. Participants should note that promoting orders within a Trading Platform queue to take the place of orders that have been cancelled is not allowed. This situation may arise when a Participant attempts to exploit a favourable queue position where the client has cancelled the original order. If a client cancels an order it is against the sequencing provisions of the Corporations Act and the Rule 3.1.8 to leave that order in the Trading Platform and promote another client order to take its place, or indeed to solicit another client order to take its place.
2. If a client cancels an order the Participant must cancel that order in the Trading Platform. If the order was entered as part of an aggregated order in the Trading Platform then the Participant must reduce the volume of the aggregated order by the amount remaining of the cancelled order. The broking or offering of a favourable queue position is a breach of the Operating Rules and accordingly will be referred to a disciplinary committee for its consideration.

Also see the practice notes at Rules 3.1.9 and 3.1.19 regarding aggregation of orders and allocation of trades.

[Aggregation](#)

[Trades Allocated in Order of Receipt](#)

Rule 3.1.9 Aggregation of Orders

Aggregation

1. The Exchange has determined that it is fair and equitable that the following sets out the only types of orders which, when received, may be aggregated for placement into the Trading Platform.
 - All Futures or Options orders received when the market is neither open, nor in pre-open;
 - Spread or Custom Market orders received during the pre-open phase of the market;
 - All Futures or Options orders received and recorded at exactly the same time;
 - Orders that, by definition, cannot be entered upon receipt, for example Market On Open or Market On Close; and
 - Orders negotiated under the Pre-Negotiated Business Rules.
2. Orders outside this scope should be entered separately, upon receipt, and any trades executed for the order should be allocated to the client for whom the order was entered (and reflected in the account or Client ID fields). Otherwise, the maintenance of a complete and accurate audit trail will be compromised and Clients potentially disadvantaged.

Allocation of Aggregated Orders

3. Further it is considered appropriate to allocate trades on a pro-rata basis only where orders have been aggregated for placement into the Trading Platform in line with one of the above scenarios, and where it is undertaken on a fair and equitable basis.
4. Allocation on a “fair and equitable” basis is determined pursuant to Rule 3.1.19 to be one of the following methods. Participants should note that one of the following methods may be applied only where orders are aggregated under allowable circumstances (see above). Otherwise allocation must be within strict sequence of receipt and execution.
 - Volume Weighted Average method; or
 - Percentage Basis.
5. An example of the Volume Weighted Average method of allocation is as follows:
Where a Participant holds 3 orders of 50 lots, 50 lots and 100 lots for Clients and these are aggregated into 200 lots for entry into SYCOM® and a 40 lot trade is executed, the orders must be allocated 10 lots each in respect of the first 2 and 20 lots for the other.
6. An example of the Percentage basis of allocation is as follows:
Where the same percentage of volume executed is applied regardless of the size of the order, for example, where 3 orders of differing volumes make up an aggregated 200 lots, and 30 lots are executed, then each order receives an allocation of 10 lots. This is believed to reduce the incentive for Clients to place large orders in order to receive a greater allocation to the detriment of the smaller client, and will also offer the added benefit of filling smaller orders faster.
7. Note: in order to maintain an accurate audit trail when entering aggregated orders, Participants must either enter each Client ID into the relevant field or denote “split” or other term in the Client ID field and ensure that manual order records reflect each order making up the aggregated amount.
8. Should Participants not wish to follow either method outlined above, then allocations must occur in strict sequence of order receipt.
9. All Participants have provided Compliance & Surveillance with their preferred method. Should a Participant wish to change its policy, it must advise SFE in writing prior to enacting its new policy.

Orders to be Transmitted and Executed in the Sequence Received

10. Also see the practice notes regarding Rules 3.1.8 and regarding the transmission and execution of orders in sequence and the allocation of trades.

Rule 3.1.10 Disclosure

1. No Participant may disclose to another party information that is not known to the rest of the market (or should not be reasonably known to the rest of the market). Only details of orders that have been disclosed in the screen may be divulged to clients. For instance, if a Participant receives an order with discretion and does not represent that discretion in the market, the Participant cannot inform any other party of that discretion.
2. Certain Operating Rules allow disclosure, including Rule 3.3 ‘Pre-Negotiated Business’ and Rule 3.4 ‘Block Trades’.
3. It is considered that divulging the identity of a Client, when in possession of a Client’s order would be a failure to comply with Rule 3.1.10.
4. The disclosure of information about a Client’s order, where the order had been entered into the Trading Platform, but not at a level that is visible to other Participants, is considered to be a failure to comply with Rule 3.1.10.

Rule 3.1.11 Withholding

The following outlines conduct that is interpreted as the withholding of orders in order to obtain a counterparty.

1. Where a Participant is in receipt of instructions and fails to represent those instructions in the market whilst it obtains or attempts to obtain the opposing side to the order, the Participant would be in breach of Rule 3.1.11.
2. Where a Participant holds opposing orders in any market (unless specifically excluded) at a price that can be executed in the designated market, then the Participant must take the orders to that market. Where a Participant does not take the orders to the relevant market, then the Participant will not have complied with Rule 3.1.11.

Rule 3.1.12 Withdrawing Orders

1. Participants must not withdraw orders in whole or in part for the benefit of another person.
2. Withdrawing orders is prohibited where the Participant does not have a genuine reason for the withdrawal, and instead has intent for the withdrawn order to be traded against another of the Participant's orders, whether or not the Participant is ultimately successful in doing so.
3. The methodology for this Rule is that if an order is valid and there are no genuine reasons for its withdrawal, then it should be in the market. It should not be withdrawn for the benefit of certain other persons, and therefore to the potential disadvantage of other market participants.

Rule 3.1.13 Pre-Arrangement

1. Prearrangement essentially consists of a Participant making private arrangements for a deal to take place between certain parties and potentially to the exclusion of other market participants.

During the “prearrangement” of trades, a Participant may also breach provisions relating to Rule 3.1.11 ‘Withholding Orders’ and/or Rule 3.1.10 ‘Disclosure of Information’.

2. Certain Operating Rules allow pre-arrangement, including Rule 3.3 ‘Pre-Negotiated Business’ and rule 3.4 ‘Block Trades’.

Rule 3.1.14 Trading to the Exclusion of Others

The following are identified instances of trading to the exclusion of others:

1. Orders may not be mass released with the intent to execute a cross trade excluding other Participants, and where the cross trade is executed potentially disadvantaging other Participants, it is considered a breach of Rule 3.1.14.
2. The preparation and release of ‘local’ strategies with the intent to execute a cross trade excluding other Participants will be considered a breach of Rule 3.1.14.
3. Similar to the preparation and release of ‘local’ strategies, certain third party order systems enable the generation of multiple order entry screens that allow the pre-preparation of certain types of orders for fast release into the market. Legitimate uses of this functionality would be, but are not limited to, the preparation of ‘stop loss’ or ‘market on close’ orders for immediate release into the Trading Platform. However, inappropriate use of such functionality for the purpose of executing opposing orders in an attempt to exclude other market participants will be considered a breach of Rule 3.1.14.
4. The use of two separate terminals for execution of trades with intent to cross will be considered a breach of Rule 3.1.14.
5. Opposing buy and sell orders should not be accepted on the basis that such opposite instructions will be traded against each other without giving other traders the opportunity to participate in the trade. The acceptance of such instructions where the cross trade is executed potentially disadvantaging other Participants is considered a breach of Rule 3.1.14.
6. Participants should not attempt to indicate to any other Participant that they should not seek to participate in a cross trade, any attempt to do so is considered a breach of rule 3.1.14.
7. Participants should not give or accept a request or instruction that a trade only be done between particular Participants. Additionally, no Participant should in any way arrange to so trade to the exclusion of other Participants, any attempt to do so is considered a breach of Rule 3.1.14.

Rule 3.1.15 Wash Trades

1. The intention of this Rule is to clearly prohibit the conduct of transactions which are fictitious to the extent that both sides are on behalf of the same beneficial party, whether that party is a Participant or a client. It is not intended that the provision will prohibit:
 - (a) a transaction where both sides are taken by the same Participant where the ultimate clients are different;
 - (b) a transaction where both sides are by the same entity but acting in different capacities (e.g., as trustee for two different funds); and
 - (c) a transaction where each side is for a different division of the same Participant entity which is trading separately and for different purposes (e.g., two internal divisions of the same entity).
 - 2.(a) A partial exemption from self-reporting inadvertent wash trades applies to contracts that are under 50 lots in volume. The exemption does not apply (and accordingly such trades still need to be self reported) in the following cases:
 - Where a wash trade is of 50 lots or more in volume;
 - For wash trades that are not, or otherwise appear not to be inadvertent – e.g. those that are intentional; and
 - For all wash trades other than those relating to the following Exchange contracts;
 - 30 Day Interbank Cash Rate futures
 - 90 Day Bank Accepted Bills futures
 - 3 Year Commonwealth Treasury Bond futures
 - 10 year Commonwealth Treasury Bond futures
 - SFE SPI 200™ Index futures.
 - 2.(b) The partial exemption is conditional upon the maintenance by Full Participants of a register in respect of any trade executed under their mnemonic, recording details of relevant wash trades executed that would otherwise have been self reported to the Exchange.
- Information to be maintained in the wash trade register includes:
- Time and date of trade execution;
 - Deal Number and full order details;
 - An explanation as to why/how the trade occurred; and
 - Details of any subsequent action taken by the Participant.
3. Where a Participant's client with direct market access has inadvertently executed a Wash Trade, the Participant is not required to report the wash trade to the Exchange. The Participant is required to review the actions of the client to ensure the trade was inadvertent and subsequently record the details on its Wash Trade register. The Participant is required to report the wash trade to the Exchange if the client intended to cross the trade.
 4. Where an error results in a Participant allocating both sides of a trade to its error account, the Participant is exempt from reporting this as a wash trade to the Exchange but must record the trade on its Wash Trade Register.

Amended 01/09/08, 28/04/09

Rule 3.1.17 Personal Account Trading

1. Rule 3.1.17 addresses the issue of Participants' employees trading their personal account. It provides that no person shall at any time trade on SFE for their personal account (or for the House Account) where the employee has or is likely to have knowledge or information about any of its Participant's client orders or instructions to trade in the same or similar commodity.

2. Therefore Rule 3.1.17 provides:

no person can trade or initiate a trade on any futures market for that person's account or initiate a trade for a Participant's House Account where the person has or is likely to have knowledge of client orders in the same or similar commodity. (The reference to House Account simply reiterates the effect of Rule 3.1.18 'Dual Trading').

3. The Exchange may grant an exemption from these provisions. Applications will be considered by the Business Conduct Committee on a case by case basis. The Committee will impose any terms and conditions it considers necessary in granting applications of this nature.

What constitutes Personal Account Trading

4. Rule 3.1.17 also contains deeming provisions for what constitutes personal account trading. Personal account trading is where a person trades for an entity, person or account:

- (i) in which the person has a beneficial interest or by exercise of discretion has a beneficial interest;
- (ii) over which the person exercises control;
- (iii) where the account is in the name of a corporation and the person has a relevant interest in that corporation. A relevant interest is defined in the Corporations Act. A relevant interest exists where:
 - a person who has power to vote in respect of a voting share in a body corporate has a relevant interest in the share;
 - a person who has a power to dispose of a share also has a relevant interest in the share. The power to dispose of a share includes a power to exercise control over the disposal of the share;
 - a person who has a controlling interest in or practical control of a body corporate which has a relevant interest in shares also has a relevant interest in those shares;
- (iv) which is in the name of a person's relative.

The term relative in this context refers to spouse, parents, son, daughter, brother, sister, grandparents, grandchildren, aunts and uncles.

Rule 3.1.18 Dual Trading

1. House Account Trading

Rule 3.1.18 applies to a Participant's employees who are permitted to trade for both clients and for their Participant's House Account.

This partial prohibition means that the employee cannot initiate a trade for his Participant's House Account in certain futures and options contracts prescribed by the Exchange where the employee:

- (i) holds or is likely to hold client orders;
- (ii) acts in a position where he has client orders; or
- (iii) is likely to have knowledge or information of client orders,

in the same or similar commodity.

2. Chinese Walls

Participants must institute "Chinese Walls" to ensure that employees initiating trading for client orders cannot initiate trades for the Participant's House Account and that employees who initiates trades for the Participant's House Account will not be privy to information concerning client orders. The onus will be on the Participant to demonstrate to the Exchange when requested that the Participant has effective dividing walls between employees broking client business and those authorised to trade the House Account.

3. "House Account" Definition – Rule 3.1.18

The term "House Account" means an account operated by a Participant for principal dealing only. It excludes dealings by the Participant on behalf of a company related to the Participant or another division within that Participant's company which is separate from its futures division.

The definition of a "related corporation" means a body corporate that is related as determined by the Corporations Act. This means that companies will be related where a body corporate is the holding company of another company, a subsidiary of another, or a subsidiary of a holding company.

4. "Initiate" - Intended Meaning

The term 'initiate' for the purpose of this Rule means that the employee originates an order to trade in a futures or options contract.

5. Prescribed and Similar Commodities

As a rule, where contracts prescribed by the Exchange are interest rate based, then 'similar commodities' would be all other interest rate based contracts traded on the Exchange and, for the SPI contract, Individual Share Futures contracts.

6. Exceptions

The exceptions to this partial prohibition include; trading out of genuine error trades and where the Exchange exercises its discretion to grant exceptions upon terms and conditions that they may consider necessary. This later power will only be exercised on a very limited basis and each application will be considered separately and upon its own merits.

Rule 3.1.19 Trades to be Allocated in Sequence of Order of Receipt

1. The rule is that all trades are to be allocated in sequence of order receipt. Should Participants not wish to follow either method of allocation outlined in the Practice Note at Rule 3.1.9, then they must allocate in strict sequence of order receipt. Participants must never allocate trades to aggregated orders on an ad-hoc basis. Where a Participant is found to have failed to allocate trades to aggregated orders in a manner that is deemed ‘fair and equitable’, they will be found in breach of Rule 3.1.19.
2. Participants should advise clients where they intend to allocate other than in strict sequence of receipt. Furthermore, Participants must document and communicate to clients their commercial policy in respect of pro-rata allocations. This can be achieved by way of a separate letter for existing clients. However for new clients, it would be prudent for this to be included in the Client Agreement Form. In this regard, Participants should decide and put into practice the method of allocation that is appropriate for them. Participants should provide the Exchange with a copy of the letter sent to clients outlining their policy.

Rule 3.2 Strategy Trading

The following Strategy Trades are permissible:

1. Strip Trading
2. Spread Trading
3. Option Strategy Trading
4. Custom Market Trading

CFDs are not permitted to be traded in the Custom Market.

1. – Trading Procedure - Strip Trading

There are two types of permitted Strip Trading:

- (a) Spot Month Strip Trading; and
- (b) Non Spot Month Strip Trading.

(a) Procedures for Spot Month Strip Trade

1. A Spot Month Strip Trade refers to a trade where between 5 and 20 consecutive traded months of a Futures Contract, beginning with the spot contract, are bought and/or sold simultaneously with the same volume for each of those traded months via a dedicated market on the Trading Platform.

2. Receipt of Order

As per Rule 3.2.2(c) upon receipt of an order the Participant transmits the order via order entry into the defined Trading Platform market window.

3. Pricing

- (a) The Exchange's standard for defining a Strip market will be that the last expiry month for that Strip market will denote the contract month to identify that Strip market in the defined market window on the Trading Platform.

For example: if the H0 contract was the spot (1) contract then:

1-5 strip	=	STH1	1-9	=	STH2
1-6	=	STM1	1-10	=	STM2
1-7	=	STU1	1-11	=	STU2
1-8	=	STZ1	1-12	=	STZ2

- (b) Contracts listed in the defined market window on the Trading Platform will be the 1-5 strip out to the 1-20 strip

- (c) Pricing convention in the defined market window on the Trading Platform will be:

$$\text{Differential} = (\text{IR strip price} - \text{YT price}) + 1000$$

$$\text{IR strip} = 94.00$$

$$\text{YT price} = 94.5000$$

ie trading 50 under, differential input into market for order entry = 950.00

- (d) Where an on-market Strip Trade is traded basis the Three Year Treasury Bond Contracts, the Three Year Treasury Bond Contract price allocated to the trade will be the last traded price in the Spot Three Year Treasury Bond Contract at the trade time of the Strip Trade. If the Three Year Treasury Bond Contracts have not traded, then the price allocated by the Exchange will be the Spot Three Year Treasury Bond Contract settlement price.

- (e) Prices for the first six (1-6) 90 Day Bank Accepted Bill contract months are within the high/low for that Trading Date. From the seventh to twentieth (7-20) month, prices are within the tick range as from the bid or offer for that particular contract month. Where there is no bid or offer, then the previous spread differential from the prior month must be used to determine the price.

- (f) The spot month of the 90 Day Bank Accepted Bill contract will always be the first month of any on-market Strip Trade executed through the on-market Strip Market.
- (g) There is no time limit after the entry of a bid or an offer before entering a bid or offer in the same Strip contract at the same price, which is opposite in effect.

4. Complete Record

- (a) Where a Strip has traded the Seller and Buyer complete a Strip Trade Record. The Seller provides the Record to the Buyer for verification containing the following information:
 - (i) the average price of the Strip Trade;
 - (ii) which Participant bought and which Participant sold;
 - (iii) the number of lots traded; and
 - (iv) the basis for each contract month.
- (b) The Record is submitted via SFEIN for 90 Day Bank Bill Strips and via the attached form for all other Spot Month Strip Trades

5 Submit Record To Exchange

- (a) As per Rule 3.2.2(a) Participants are responsible for ensuring that records for Spot Month Strip Trades are lodged with the Exchange within ten (10) minutes of the trade being executed.
- (b) The Strip Trade Record is transmitted to the Exchange within ten (10) minutes after the Strip Trade has been confirmed so that the Exchange can present the trades to SFE Clearing for registration. Where a Strip Trade Record is not received by the Exchange within the ten (10) minutes or the parties to the trade cannot agree the prices to be inserted on the Strip Trade Record, the Exchange shall allocate the indicative prices generated by the Exchange as the individual prices to the legs of the Strip Trade. The trade is deemed to be confirmed by the parties and recorded by the Exchange as being executed by the Trading Platform.
- (c) Each Record is provided to the Exchange in writing for verification. Full details are recorded by the Exchange and the record is retained by the Exchange. Full details of the net price of the Strip Trade shall be provided on the Trading Platform.
- (d) Exchange Officials are under no obligation to accept Record details where the information cannot be readily and properly verified.

6. Allocate Each Leg To Same Account

As per Rule 3.2.2(b) each individual leg of an on-market Strip Trade is allocated to the same account.

Spot Month Strip Trade Record FormSYCOM FAX No. (02) 9256 0617 or (02) 9256 0182

DATE		TIME	
------	--	------	--

AVERAGE PRICE		DEAL No.	
---------------	--	----------	--

Deal No.	Contract	Sell	Buy	Volume	Price

SELLER		
	Signature	
	Print Name	Member MNM
BUYER		
	Signature	
	Print Name	Member MNM

FOR SFE USE:

Received by:	
Time:	
Details Agreed:	
Presented to Trade Entry for Registration:	

(b) Procedures For Non-Spot Month Strip Trading

1. Non Spot Month Strip Trade

A Non Spot Month Strip Trade refers to a trade where seven (7) or more consecutive traded months of a Futures Contract are bought or sold simultaneously, with the same volume for each of those traded months and the trade is unable to be executed on a designated Trading Platform market (as the trade does not commence with the spot contract) or via the Custom Market

2. Receipt of Order

Upon receipt of an order the Participant transmits the order immediately to the Trading Platform via the Message Facility, stating the average price or Net Premium of the trade and the number of lots to be traded for each contract month. Participants state the average price of the Non Spot Month Strip Trade and the volume to be traded for each contract month and this is sent to the Exchange via the Trading Platform Message Facility using the following terminology:

“Sell /Buy CCMY – CCMY x lots @ average price”

3. Pricing

The basis price(s) are within the following limits:

- (a) The bid/offer of the appropriate contract.
- (b) If only a bid or only an offer, then the specified tick range from the existing bid or offer. If the bid is below prior settlement then prior settlement may be used. If the offer is over prior settlement then prior settlement may be used.
- (c) If no bid or offer exists, then the specified tick range as set out below from the settlement price.

4. Time To Obtain Counterparties

Upon release of the order to the market by the Trading Platform, Participants have a period of five (5) minutes to attempt to obtain counterparties. Should a Participant receive an opposite order it transmits the order to the Trading Platform via the Message Facility. After the five (5) minute period has elapsed, the Exchange will match the orders on a first in first out basis. However, the originating Participant is guaranteed to cross 50 per cent of the original order volume. Should there be any volume remaining of the originating order, the originating Participant may cross this remaining volume. Otherwise, the originating order shall lapse.

5. Exchange Advises of Counterparties

- (a) Once orders are matched, the Exchange will inform the selling Participant of its counterparties.
- (b) The selling Participant will, within ten (10) minutes of receiving the identities of counterparties from the Exchange, confirm with each of its counterparties the basis of each contract month and obtain authorisation of such confirmations by an Exchange Official. Otherwise the matter will be referred to the Trading Manager.
- (c) A record providing details of the Non Spot Month Strip Trade is completed by the Seller and provided to the Buyer for verification. This record contains the following information:
 - (i) the average price of the Non spot Month Strip Trade;
 - (ii) which Participant bought and which Participant sold;
 - (iii) the number of lots traded; and
 - (iv) the basis for each contract month.
- (d) The Record is then submitted to the Exchange via the attached form.
- (e) As per Rule 3.2.3(d) Participants are Responsible for ensuring that Records are lodged with the Exchange within ten (10) minutes of the trade being executed.

- (f) Full details shall be recorded by the Exchange and the record shall be retained by the Exchange.
Full details of the net price of the Strip Trade shall be provided on SYCOM®.
- (g) Exchange Officials are under no obligation to accept record details where the information cannot be readily and properly verified.

6. **Allocate Each Leg to Same Account**

As per Rule 3.2.2(b) each individual leg of an Non Spot Month Strip Trade is allocated to the same account.

(c) Specified Tick Ranges

The Specified Tick Ranges are the same as the No Cancellation Range set out in the Error Resolution Policy.

Amended 13/10/08

Record Form

Trading Date: _____ Trade Time: _____

Average Net Price: _____ Deal No _____
(Exchange use only)

Deal No	Contract	Strike Price P/C	Sell	Buy	Volume	Basis/Price

SELLER: _____ (Signature) _____ (print name)	_____ Participant (MNM)
BUYER: _____ (Signature) _____ (print name)	_____ Participant (MNM)

FOR EXCHANGE USE:

Received by: _____

Time: _____

Details Agreed: _____

Presented to the Trade Entry
for Registration: _____

2. – Spread Trading

(a) Procedures For Intra –Commodity Spreads

- 1 A Participant specifies the quantity of Futures Contracts bid or offered and the price differential when entering an Intra-commodity Spread order.
- 2 A bid will be buying the near month and selling the far month, an offer will be selling the near month and buying the far month.
- 3 An Intra-commodity Spread order when executed will be filled for both legs by the Trading Platform simultaneously with equal volume.
- 4 The Intra-commodity Spread market is fully interactive with the underlying market.
- 5 An Intra-commodity Spread order, if and when matched by the Trading Platform, may trade with other spread orders or orders from the underlying market.
- 6 When an Intra-commodity Spread order is matched with another Intra-commodity Spread order the Trading Platform will use the spread trade price algorithm to determine the proceeds of the individual legs, as detailed below.
- 7 As per Rule 3.2.2(b) each individual leg of an Intra-Commodity Spread is allocated to the same account.

(b) Procedures For Inter-commodity Spreads and Inter-Regional Spreads

- 1 A Participant specifies the quantity of the spread bid or offered and the price differential when entering an Inter-commodity Spread or Inter-regional Spread order.
- 2 Inter-commodity Spread or Inter-regional Spread markets pre-defined by the Exchange shall be at a ratio of one to one unless otherwise defined by the Exchange from time to time.
- 3 If an Inter-commodity Spread or Inter-regional Spread order is traded at a volume ratio then one lot of an Inter-commodity Spread or Inter-regional Spread order shall be, if and when matched, matched at the pre-defined volume ratio for the individual legs.
- 4 An Inter-commodity Spread or Inter-regional Spread order will be filled for both legs automatically by the Trading Platform simultaneously with the pre-defined volume ratio when matched.
- 5 The Inter-commodity Spread or Inter-regional Spread is partially interactive with the underlying market.
- 6 An Inter-commodity Spread or Inter-regional Spread order, if and when matched by the Trading Platform, may trade with other Inter-commodity Spread or Inter-regional Spread orders or orders from the underlying market.
- 7 When an Inter-commodity Spread or Inter-regional Spread order is matched with another Inter-commodity Spread or Inter-regional Spread order, the Trading Platform will use the spread trade price algorithm as detailed below to determine the prices of the individual legs.
- 8 As per Rule 3.2.2(b) each individual leg of an Inter-commodity Spread or Inter-regional Spread is allocated to the same account.
- 9 An Inter-Commodity Spread order can be traded so that the spot expiry month of one commodity can be spread against an expiry month of another commodity other than the spot expiry month.

(c) Spread Trade Price Algorithm

The Trading Platform uses the following algorithm to determine the individual leg prices for Spread-to-Spread trades:

- 1 If there is a bid and offer in the near month, then the algorithm uses the mid point of this bid and offer to establish the near month price, the spread differential traded at will be used to establish the far month's price.
- 2 In the absence of a bid and offer in the near month, the algorithm uses the mid point of the bid and offer in the far month to establish the far month price. The spread differential traded at will be used to establish the near month's price.
- 3 In the absence of a bid and offer in the near and far month, the algorithm uses any bid or offer existent in the near month to establish the near month price. The spread differential traded at will be used to establish the far month's price.
- 4 In the absence of a bid or offer in the near month, the algorithm uses any bid or offer existing in the far month to establish the far month price. The spread differential traded at will be used to establish the near month's price.
- 5 In the absence of any of the above, the algorithm uses the closing price (assume this is the settlement price) in the near month to establish the near month price. The spread differential traded at will be used to establish the far month's price.

(d) Specified Tick Ranges

For table containing Specified tick Ranges please click onto this link: [Specified Tick Range Rule 3.2](#)

3. – Procedures for Option Strategy Trading

1. Definition of Option Strategy

An Option Strategy means a strategy consisting of seven (7) or more legs of option contracts or a combination of Futures and Options Contracts.

2. Receipt of Order

Upon receipt of an order the Participant transmits the order immediately to the Trading Platform via the Message Facility, stating the average price or Net Premium of the trade and the number of lots to be traded for each Option Contract using the following terminology:

“Sell /Buy x lots CCMY – Sell/Buy x lots CCMY (name of strategy) @ net premium”

3. Pricing

The basis price(s) are within the following limits:

- (a) The bid/offer of the appropriate contract.
- (b) If only a bid or only an offer, then the specified tick range from the existing bid or offer. If the bid is below prior settlement then prior settlement may be used. If the offer is over prior settlement then prior settlement may be used.
- (c) If no bid or offer exists, then the specified tick range as set out below from the settlement price.

4. Time To Obtain Counterparties

Upon release of the order to the market by the Trading Platform, Participants have a period of five (5) minutes to attempt to obtain counterparties. Should a Participant receive an opposite order it transmits the order to the Trading Platform via the Message Facility. After the five (5) minute period has elapsed, the Exchange will match the orders on a first in first out basis. However, the originating Participant is guaranteed to cross 50 per cent of the original order volume. Should there be any volume remaining of the originating order, the originating Participant may cross this remaining volume. Otherwise, the originating order shall lapse.

5. Exchange advises of Counterparties

- (a) Once orders are matched, the Exchange will inform the selling Participant of its counterparties.
- (b) The selling Participant will, within ten (10) minutes of receiving the identities of counterparties from the Exchange, confirm with each of its counterparties the basis of each contract month and obtain authorisation of such confirmations by an Exchange Official. Otherwise the matter will be referred to the Trading Manager.
- (c) A record providing details of the off-market Option Strategy is completed by the Seller and provided to the Buyer for verification. This record contains the following information:
 - (i) the net premium of the Option Strategy;
 - (ii) which Participant bought and which Participant sold;
 - (iii) the number of lots traded; and
 - (iv) the basis for each contract month.
- (d) The Record is then submitted to the Exchange via the attached form.
- (e) As per Rule 3.2.2(a), Participants are Responsible for ensuring that Records are lodged with the Exchange within ten (10) minutes of the trade being executed.
- (f) Full details shall be recorded by the Exchange and the record shall be retained by the Exchange.

- (g) Exchange Officials are under no obligation to accept record details where the information cannot be readily and properly verified.

6. Allocate Each Leg to Same Account

As per Rule 3.2.2(b), each individual leg of an Option Strategy is allocated to the same account.

Specified Tick Ranges

For table containing Specified tick Ranges please click onto this link: [Specified_Tick_Range_Rule_3_2](#)

Option Strategy Record Form

Trading Date: _____ Trade Time: _____

Average Net Price: _____ Deal No _____
(Exchange use only)

Deal No	Contract	Strike Price P/C	Sell	Buy	Volume	Basis/Price

SELLER: _____ (Signature) _____ (print name)	_____ Participant (MNM)
BUYER: _____ (Signature) _____ (print name)	_____ Participant (MNM)

FOR EXCHANGE USE:

Received by: _____

Time: _____

Details Agreed: _____

Presented to the Trade Entry
for Registration: _____

4. – Custom Market Procedures

CFDs are not permitted to be traded in the Custom Market.

1. The Custom Market allows Participants to create their own multi-legged contingent strategies consisting of up to six (6) legs. Custom Market orders may consist of either futures or options or a combination of both. The Custom Market eliminates legging risk as the order is filled at a user-defined ratio and at specific leg prices for all contingent legs of the order.
2. As per Rule 3.2.2(b) each individual leg of a Custom Market trade must be allocated to the same account.
3. As per Rule 3.2.3(b) no Custom Market order should have any resemblance to order functionality which may already exist in the Trading Platform, for example futures spreads that are available. As pre-defined Spreads must be executed on the defined market.
4. As per Rule 3.2.3(c) prices for all legs of a Custom Market order must be within the following price limits at the time of order entry:
 - (a) The high/low of the Trading Date for the appropriate contract;
 - (b) If only a bid or only an offer then the specified tick range from the existing bid or offer (if the bid is below prior settlement then prior settlement may be used, if the offer is above prior settlement then prior settlement may be used);
 - (c) If no bid or offer exist, then the specified tick range from the settlement price. In the case of an Option Contract then within the specified tick range from the system generated indicative price; and
 - (d) For Futures/Options orders, deltas must be within the range as set out in the attached tick ranges.
5. As per Rule 3.2.3(a) all orders traded on the Custom Market must be traded at the lowest common denominator, however the maximum volume that can be used in the volume ratio field is 50 lots.

for example, trading an IR straddle:

- + 100 IR 95000P @ price
- + 100 IR 95000C @ price

In the Custom Market for the above example, the Custom Market Order should be entered with 100 lots in the volume field and the ratio field should be 1 - 1 for the two legs.

6. One exception to this rule is where the Custom Market Order is for an option strategy, which includes two or more option legs in a ratio, and is basis futures. In this situation, the volume that can be used in the volume ratio field, in relation to the option leg with the larger ratio denomination only, may exceed fifty lots. This is because available deltas would be restricted otherwise.
7. As per Rule 3.2.3(d) should a Participant be in possession of a Custom Market order and there is no existing market for that particular strategy, the Participant must ask for a market via the Message Facility broadcast to ‘all users’ before inputting the order.
8. Should a Participant broadcast their Custom Market interest outside a trading session, they must make a further broadcast upon the open of the next trading session in order to ensure the widest possible audience. Orders entered or subsequent trades executed may be cancelled where these procedures are not followed.
9. As per Rule 3.2.3(d) once a strategy has been established in the Custom Market, changes to the delta or basis require the user to create a new strategy and send out a message to All Users. This is because delta and basis changes result in a change in the outright price. It will also discourage Participants from making minor changes in order to maximise crossing opportunities.

10. As per Rule 3.2.3(e) should a Participant enter an order which creates an identical strategy and net price to an existing strategy, the orders or trades resulting from such orders may be cancelled by the Exchange.
11. As per Rule 3.2.3(f) where a bid and offer has been established in the Custom Market, a trade may only be executed between that bid and offer. In the event of only a bid or only an offer, a trade may not be executed where it is lower than the best bid or higher than the best offer. Orders that are subsequently entered and trades resulting from such orders shall be cancelled by the Exchange.
12. Participants are advised that should they be aware of an order that is out of market, they should contact the Exchange.
13. As all Custom Market orders are purged at the end of a trading day, should the Participant wish to continue broking a Custom Market order during the next trading session, they must broadcast the details of the strategy at the commencement of the next session prior to placement of the orders, as it is considered establishing a new strategy as per Rule 3.2.3(d).
14. Simultaneous futures/options transactions may be placed for execution within the Custom Market.
15. When a Custom Market Order is matched, Participants will receive confirmations for each leg of the Custom Market Order at the under defined ratio.

Specified Tick Range

For table containing Specified tick Ranges please click onto this link: [Specified Tick Range Rule 3.2](#)

Rule 3.3 Pre Negotiated Business Orders

Explanatory Note

The Pre-negotiated Business rules provide Participants with the opportunity to facilitate client business in order to obtain the best price for that business at that time. These rules permit Participants to withhold orders (subject to client consent) and pre-negotiate orders before bringing the business to the Exchange for execution on the Trading Platform.

Determinations

The Exchange has prescribed the following Contracts and minimum time periods:

	MINIMUM PRESCRIBED TIME BETWEEN MESSAGE AND ENTRY OF ORDERS: OUTRIGHT MARKET	MINIMUM PRESCRIBED TIME BETWEEN MESSAGE AND ENTRY OF ORDERS: CUSTOM MARKET	AFTER PRESCRIBED TIME HAS ELAPSED – TIME ALLOWED FOR ORDER EXECUTION+	MINIMUM VOLUME THRESHOLD
INTEREST RATES				
<i>90 Day Bank Accepted Bill Futures</i>	N/A	30 seconds*	90 seconds	1 lot
<i>Serial & Quarterly Options on 90 Day Bank Accepted Bill Futures</i>	10 seconds	30 seconds	90 seconds	1 lot
<i>3 Year Commonwealth Treasury Bond Futures</i>	N/A	30 seconds*	90 seconds	1 lot
<i>Serial & Quarterly Options on 3 Year Commonwealth Treasury Bond Futures</i>	10 seconds	30 seconds	90 seconds	1 lot
<i>3 Year Interest Rate Swap Futures</i>	10 seconds	30 seconds	90 seconds	1 lot
<i>10 Year Commonwealth Treasury Bond Futures</i>	N/A	30 seconds*	90 seconds	1 lot
<i>Serial & Quarterly Options on 10 Year Commonwealth Treasury Bond Futures</i>	10 seconds	30 seconds	90 seconds	1 lot
<i>10 Year Interest Rate Swap Futures</i>	10 seconds	30 seconds	90 seconds	1 lot
<i>New Zealand 90 Day Bank Bill Futures</i>	N/A	30 seconds*	90 seconds	1 lot
<i>New Zealand 90 Day Bank Bill Options</i>	10 seconds	30 seconds	90 seconds	1 lot
<i>New Zealand 3 Year Government Stock Futures</i>	N/A	30 seconds*	90 seconds	1 lot
<i>New Zealand 3 Year Government Stock Options</i>	10 seconds	30 seconds	90 seconds	1 lot
<i>New Zealand 10 Year Government Stock Futures</i>	N/A	30 seconds*	90 seconds	1 lot
<i>New Zealand 10 Year Government Stock Options</i>	10 seconds	30 seconds	90 seconds	1 lot
<i>Bond Index Futures</i>	10 seconds	30 seconds	90 seconds	0
<i>New Zealand 30 Day Official Cash Rate Futures Contract</i>	10 seconds	30 seconds	90 seconds	1 lot
<i>Options on 30 Day Interbank Cash Rate Futures</i>	10 seconds	30 seconds	90 seconds	1 lot

- + Time allowed for order execution – determined to be “immediate” in accordance with Operating Rule 3.3.7.
- * Can only be pre-negotiated under Rule 3.3 as part of a strategy in the Custom Market involving prescribed contracts, for example, a SFE SPI 200 Futures / SFE SPI 200 Options strategy or a 90 Day Bank Bill Futures / 90 Day Bank Bill Options strategy.

Amended 14/10/08

	MINIMUM PRESCRIBED TIME BETWEEN MESSAGE AND ENTRY OF ORDERS: OUTRIGHT MARKET	MINIMUM PRESCRIBED TIME BETWEEN MESSAGE AND ENTRY OF ORDERS CUSTOM MARKET	AFTER PRESCRIBED TIME HAS ELAPSED – TIME ALLOWED FOR ORDER EXECUTION+	MINIMUM VOLUME THRESHOLD
EQUITY				
<i>SFE SPI 200 Futures</i>	Prohibited	30 seconds*	90 seconds	1 lot
<i>SFE SPI 200 Options (quarterly)</i>	10 seconds	30 seconds	90 seconds	1 lot

Last updated: 17/06/10

- + Time allowed for order execution – determined to be “immediate” in accordance with Operating Rule 3.3.7.
- * Can only be pre-negotiated under Rule 3.3 as part of a strategy in the Custom Market involving prescribed contracts, for example, a SFE SPI 200 Futures / SFE SPI 200 Options strategy or a 90 Day Bank Bill Futures / 90 Day Bank Bill Options strategy.

	MINIMUM PRESCRIBED TIME BETWEEN MESSAGE AND ENTRY OF ORDERS: OUTRIGHT MARKET	MINIMUM PRESCRIBED TIME BETWEEN MESSAGE AND ENTRY OF ORDERS CUSTOM MARKET	AFTER PRESCRIBED TIME HAS ELAPSED – TIME ALLOWED FOR ORDER EXECUTION+	MINIMUM VOLUME THRESHOLD
COMMODITIES				
<i>MLA / SFE Cattle Futures</i>	120 seconds	120 seconds	90 seconds	1 lot
<i>SFE Wool Futures</i>	120 seconds	120 seconds	90 seconds	1 lot
<i>SFE Wool Bi-monthlyOptions</i>	120 seconds	120 seconds	90 seconds	1 lot
<i>Thermal Coal Futures (including strip products)</i>	30 seconds	30 seconds	90 seconds	1 lot
<i>Thermal Coal Options (including strip options)</i>	30 seconds	30 seconds	90 seconds	1 lot
ELECTRICITY				
<i>Australian electricity futures (including cap futures and strip products)</i>	30 seconds	30 seconds	90 seconds	1 lot
<i>Australian electricity options (including strip options)</i>	30 seconds	30 seconds	90 seconds	1 lot
<i>New Zealand Electricity Futures (including strip products)</i>	30 seconds	30 seconds	90 seconds	1 lot
<i>New Zealand Electricity Strip Options</i>	30 seconds	30 seconds	90 seconds	1 lot
<i>Victorian Wholesale Gas Futures (including strip products)</i>	30seconds	30 seconds	90 seconds	1 lot
<i>Victorian Wholesale Gas Strip Options</i>	30 seconds	30 seconds	90 seconds	1 lot
ENVIRONMENTAL PRODUCTS				
<i>REC Futures & Options</i>	120 seconds	120 seconds	90 seconds	1 lot

Last updated: 07/10/09

- + Time allowed for order execution – determined to be “immediate” in accordance with Operating Rule 3.3.7.
- * Can only be pre-negotiated under Rule 3.3 as part of a strategy in the Custom Market involving prescribed contracts, for example, a SFE SPI 200 Futures / SFE SPI 200 Options strategy or a 90 Day Bank Bill Futures / 90 Day Bank Bill Options strategy.

Trading Procedures

1. As per Rule 3.3.3 where a Participant receives an instruction from a Client which can be executed as pre-negotiated business, the Participant may:
 - (a) withhold transmission of the instructions in order to solicit orders from Clients and other Participants;
 - (b) disclose details of Clients’ instructions; and
 - (c) aggregate orders received from Clients in satisfaction or part satisfaction of the originating Client order.

The broker is free to withhold the order, disclose information not known to the rest of the market and pre-negotiate the other side of the order. An order may of course still be entered into the market, but it is not a requirement when pre-negotiating business.
2. As per Rule 3.3.4 once counterparties have been solicited the Participant(s) must enter the orders on the Trading Platform for execution.
3. As per Rule 3.3.5(a) prior to entering the pre-negotiated orders on the Trading Platform for execution in the relevant contract month or strategy, the Participant holding the originating Client order must make an enquiry via the Trading Platform Message Facility or via the Trading Platform Request For Quote Facility for a market in that contract month or strategy.
4. As per Rules 3.3.5(b) and (c) no pre-negotiated business order shall be entered into the Trading Platform unless the prescribed period, being not less than 5 seconds or such other time as determined by the Exchange, has elapsed after the entry of the enquiry.
5. As per Rule 3.3.6:
 - (a) Where the Trading Platform Request for Quote Facility is available all requests for quote must be made via that facility.
 - (b) Where a Trading Platform Request for Quote Facility is not available, all requests for quote must be made via the Trading Platform Message Facility.
6. The request for quote needs to specify all information that is material to the pricing and trading of the orders to be executed. The request for quote should, where applicable, include the following:
 - (a) A description of the contract and/or class and series of the options(s) that will form the strategy;
 - (b) A description of the intended trade using common market terminology; and
 - (c) If the trade involves a ratio of futures or options and/or delta hedge, information that explicitly specifies the ratio and/or delta and the price basis for the hedge in the underlying commodity.
7. If an order is not pre-negotiated and a Request for Quote or Message is not sent prior to entry of opposing orders then the Participant must conform with the usual Rules. This includes prohibitions on withholding, disclosure and trading to the exclusion of the market. If Participants are unsure whether orders have been pre-negotiated or not they are encouraged to send a Request for Quote or Message and wait the prescribed period before releasing opposing orders.
8. Following the entry of an enquiry via the Trading Platform Message Facility or Trading Platform Request for Quote Facility, the pre-negotiated orders must be entered on the Trading Platform for execution immediately after the prescribed period has elapsed. When entering orders after this prescribed period they can be entered simultaneously, for instance, by ‘tagging and releasing’ or entry via two separate Terminals at the same time.

9. Where a Participant holds opposing orders at a particular price, and a market is made following a Request for Quote or Message that touches or overlaps that specific price, then a Participant must trade with the market even if it means missing out on a cross trade. To hold back execution of a client order that is in market would be inconsistent with client instructions and detrimental to the client's best interests.

10. **Definition of Client**

For the purpose of the pre negotiated business facility “a Client” of a Participant which is a corporation shall include a related body corporate as defined in the Corporations Act or a division of the Participant which is separate from that Participant’s futures division.

11. **Client Authorisation**

As per Rule 3.3.8 before entering a pre-negotiated business order on behalf of a Client a Participant must be authorised In Writing by the Client to do so either specifically or generally.

There is no prescribed format for this authorisation other than that it be in writing (e-mail is acceptable) and that it must state that the client authorises orders to be pre-negotiated on its behalf. This can be a general authorisation and only needs to be done once, and it can also be part of a Client Agreement. The written authorisation should be kept on file.

Rule 3.4 Block Trading

Explanatory Note

The Block Trade Facility (BTF) is an ‘off-market’ trading mechanism available for certain SFE products. The BTF permits SFE Participants to arrange and execute nominally large transactions on behalf of their clients, via a facility that is separate from the electronic Exchange market. The BTF is simply an alternative way for market users to transact SFE contracts that exceed a minimum size threshold.

Features & Benefits

- **Price certainty** – With a Block Trade you can lock in the price negotiated between two parties. This price may be legitimately different to prices on the Trading Platform. Volume-Weighted-Average-Price (VWAP) trading is also permitted.
- **Execution certainty** – Block Trades will be approved by SFE so long as they occur in prescribed contracts and do not contravene the business rules of the BTF.
- **Flexible order arrangement** – Pre-arrangement, disclosure and withholding stipulations do not apply to orders arranged under BTF rules. Facilitating Participants therefore have maximum flexibility to bring large orders to market.
- **Extended disclosure period** – Block Trades are disclosed to the market by the Exchange at 9:30am on the following business morning (other than Block Trades for the Australian Electricity Futures and Options contracts which will be disclosed by the Exchange within 2 hours of being registered).
- **Extended trading hours** – Block Trades may be transacted up to ten minutes after the regular Trading Platform market is closed (other than Block Trades for the Australian Electricity and Victorian Wholesale Gas Futures and Options contracts which may be registered not later than 5pm). This is a practical consideration to allow Block Trades to occur that are conditional upon a closing futures price; for example, a market-on-close order.

Amended 05/11/09

Determinations

CONTRACTS	SFE SPI 200 FUTURES CONTRACT	CFDs	AUSTRALIAN ELECTRICITY FUTURES CONTRACT	AUSTRALIAN - ELECTRICITY OPTIONS - STRIP OPTIONS - CAP FUTURES
APPLICABLE CONTRACTS	Closet quarterly (March, June, September, December) contract to expiry	All	All	All
MINIMUM THRESHOLD	200 lots	\$100,000 divided by the number of CFDs	15 lots	15 lots
CHANGE OF QUARTERLY MONTH (DAYS PRIOR TO EXPIRY)	5	Not applicable to CFDs	N/A	N/A
MINIMUM TRADING INCREMENT	0.1	Refer to individual contract specifications	\$0.01	\$0.01

CONTRACTS	NEW ZEALAND THREE YEAR BOND FUTURES CONTRACT	NEW ZEALAND TEN YEAR BOND FUTURES CONTRACT	NEW ZEALAND 30 DAY OFFICIAL CASH RATE FUTURES	NZSX 15 INDEX FUTURES CONTRACT (THE 'ZIF')
APPLICABLE CONTRACTS	All	All	All	All
MINIMUM THRESHOLD	50 lots	100 lots	50 lots	35 lots
CHANGE OF SPOT MONTH (DAYS PRIOR TO EXPIRY)	N/A	N/A	N/A	N/A
MINIMUM TRADING INCREMENT	0.005	0.005	0.005	One index point

CONTRACTS	REC FUTURES &OPTIONS	NEW ZEALAND ELECTRICITY FUTURES CONTRACT	NEW ZEALAND ELECTRICITY STRIP OPTIONS	THERMAL COAL FUTURES (INCLUDING STRIP PRODUCTS)	THERMAL COAL OPTIONS (INCLUDING STRIP OPTIONS)
APPLICABLE CONTRACTS	All	All	All	All	All
MINIMUM THRESHOLD	5 lots	5 lots	5 lots	5 lots	5 lots
CHANGE OF SPOT MONTH (DAYS PRIOR TO EXPIRY)	N/A	N/A	N/A	N/A	N/A
MINIMUM TRADING INCREMENT	\$0.01	NZ\$0.01	NZ\$0.01	US\$0.01	US\$0.01

CONTRACTS	VICTORIAN WHOLESALE GAS FUTURES (INCLUDING STRIP PRODUCTS)	VICTORIAN WHOLESALE GAS STRIP OPTIONS
APPLICABLE CONTRACTS	All	All
MINIMUM THRESHOLD	5 lots	5 lots
CHANGE OF SPOT MONTH (DAYS PRIOR TO EXPIRY)	N/A	N/A
MINIMUM TRADING INCREMENT	\$0.01	NZ\$0.01

CONTRACTS	THREE YEAR COMMONWEALTH TREASURY BOND FUTURES CONTRACTS	TEN YEAR COMMONWEALTH TREASURY BOND FUTURES CONTRACTS	90 DAY BANK ACCEPTED BILL FUTURES CONTRACTS
APPLICABLE CONTRACTS	Spot Month only	Spot Month only	All Months
APPLICABLE TRADING SESSION	Night Session only	Night Session only	Night Session only
MINIMUM THRESHOLD	1,500 lots	750 lots	750 lots
CHANGE OF SPOT MONTH (DAYS PRIOR TO EXPIRY)	5	5	5
MINIMUM TRADING INCREMENT	Refer to contract specifications	0.005	0.01

Last updated: 20/07/10

Trading Procedures

1. Trade Negotiation

As per Rule 3.4.3 where a Participant receives a Block Trade Order from a Client, the Participant may:

- (a) solicit counterparties to the Block Trade Order amongst other Participants;
- (b) withhold transmission of the Block Trade Order in order to solicit those counterparties;
- (c) disclose those details of the Block Trade Order as authorised by the Clients; and
- (d) aggregate orders where each order is greater than or equal to the Minimum Volume Threshold for that contract.

2. Trade Notification

As per Rule 3.4.6 Participants to a Block Trade shall communicate the agreed terms of the Block Trade Order to the Exchange via the SYCOM Message Facility within 5 minutes of the trade.

For Block Trades in the Australian electricity futures and options market, the message sent to the Exchange by the Participant representing the Seller shall be by way of a Market Broadcast via the Message Facility within 5 minutes of the trade that includes all details of the Block Trade in the following format:

1. Descriptor (e.g. "BT", or "Legs")
2. Product Code
3. Volume
4. Price

With a single product or a group of single products, which do not constitute a defined Strip Product, then typically only one message will be required. For Example:

"BT: BNH9 20 @ 65.00"

With a defined Strip Product that was Block Traded, then 2 or more messages may be required. For example:

"BT: HNZ8 20 @ 40.25."

"Legs HNZ8 40.25: BNH8 20 @ 52.75, BNM8 20 @ 32.50, BNU8 20 @38.00, BNZ8 20 @37.80"

Amended 07/10/09

3. Trade Registration

As per Rule 3.4.6 Participants to a Block Trade must each complete the Block Trade Facility Registration Form and submit the form to the Exchange for validation or submit the details via SFEIN-within five (5) minutes of the time at which the Block Trade Order was communicated to the Exchange. The time limit for the submission of the Block Trade Facility Registration Form or submission via SFEIN or such other notification to the Exchange commences as soon as the agreed terms of the Block Trade Order are communicated to the Exchange. The Exchange may grant an extension of time beyond five (5) minutes but the Exchange is under no obligation to grant such an extension.

The registration process for each block traded product is as follows:

CONTRACTS	SFE SPI 200 FUTURES CONTRACT	AUSTRALIAN DOLLAR FUTURES CONTRACT	AUSTRALIAN ELECTRICITY FUTURES CONTRACT	AUSTRALIAN ELECTRICITY OPTIONS CONTRACT
METHOD OF REGISTRATION	SFEIN	SFEIN	SFEIN	SFEIN

CONTRACTS	NEW ZEALAND THREE YEAR BOND FUTURES CONTRACT	NEW ZEALAND TEN YEAR BOND FUTURES CONTRACT	NZSX 15 INDEX FUTURES CONTRACT (“THE ZIF”)
METHOD OF REGISTRATION	Block Trade Registration Form sent by fax to the Exchange	Block Trade Registration Form sent by fax to the Exchange	Block Trade Registration Form sent by fax to the Exchange

CONTRACTS	BOND INDEX FUTURES CONTRACT	THREE YEAR COMMONWEALTH TREASURY BOND FUTURES CONTRACTS	TEN YEAR COMMONWEALTH TREASURY BOND FUTURES CONTRACTS	90 DAY BANK ACCEPTED BILL FUTURES CONTRACTS
METHOD OF REGISTRATION	Block Trade Registration Form sent by fax to the Exchange	SFEIN	SFEIN	SFEIN

CONTRACTS	REC FUTURES & OPTIONS	NEW ZEALAND ELECTRICITY FUTURES CONTRACT	NEW ZEALAND ELECTRICITY STRIP OPTIONS	THERMAL COAL FUTURES (INCLUDING STRIP PRODUCTS)
METHOD OF REGISTRATION	SFEIN	SFEIN	SFEIN	SFEIN

CONTRACTS	THERMAL COAL OPTIONS (INCLUDING STRIP OPTIONS)	VICTORIAN WHOLESALE GAS FUTURES (INCLUDING STRIP PRODUCTS)	VICTORIAN WHOLESALE GAS STRIP OPTIONS
METHOD OF REGISTRATION	SFEIN	SFEIN	SFEIN

Last updated: 07/10/09

The Block trade Registration Form can be found on SFE's website at www.sfe.com.au/sfein

The guide to using the SFEIN system can be found on SFE's website at www.sfe.com.au/sfein

4. Retention of Records by Participants

The original completed Block Trade Facility Registration Form(s) or submission by SFEIN or such other notification as prescribed by the Exchange will be retained by the Participant(s) to a Block Trade Order and a copy of the completed, validated and confirmed Block Trade Facility Registration Form or such other notification as prescribed by the Exchange will be retained by the Exchange.

5. Trade Publication

Details of all Block Trades validated and confirmed by the Exchange shall be published by the Exchange to Participants. The details published to Participants will include the commodity, quantity, time, expiry month(s) and price of each Block Trade and the identity of the Participants who conducted the trade.

The Exchange will assess the validity of the details recorded on the Block Trade Facility Registration Form or such other notification as prescribed by the Exchange. When the Exchange is satisfied that the details recorded are valid and complete, then the Exchange will confirm the execution of the Block Trade.

6. Exchange Under no Obligation to Accept Record Details

The Exchange is under no obligation to accept record details where:

- (a) the information cannot be readily and properly validated; and
- (b) the proposed price of the Block Trade varies significantly, as assessed by the Exchange, from the price at which trades are being effected on the Trading Platform at the time that the record details are lodged.

7. Validity of Block Trade

Any Block Trade which is not executed in accordance with Rule 3.4 shall be invalid. The decision of the Exchange as to the invalidity of a Block Trade shall be final. The Exchange shall notify the effected Participants of that decision and send a message to the market identifying the Block Trade concerned.

8. Exchange May Take Disciplinary Action

Confirmation by the Exchange of execution of a Block Trade does not preclude the Exchange from taking disciplinary action in the event that the Block Trade is found to be other than in compliance with the Operating Rules.

9. Unfilled Block Trade Orders

Where counterparties have been solicited pursuant to Rule 3.4 and the Block Trade Order remains unfilled, then the Block Trade Order may revert to a Permitted Order as described in Rule 3.1.3 and can be executed by the Participant on the Trading Platform in accordance with the Client's instructions.

10. Block Trade Order versus Block Trade Interest

A Participant must be holding an order that meets the requirements of a Block Trade Order before it can solicit counterparties. If a Participant has received 'interest' in a Block Trade but not a firm order it may continue to 'broke' the interest but must do so in accordance with the Operating Rules. For instance, only revealing to potential counterparties information that has already been shown to the market via the message facility.

11. Block Trade Order Recording

Although Block Trades are executed off-market they are still subject to the requirements to maintain order records.

Amended 01/09/08

12. Authorisation by Client to Execute Block Trade Orders

As per Rule 3.4.7 Participants must be authorised in writing by the Client to execute a Block Trade Order on their behalf, either specifically or generally. This may be included in the Client Agreement Form between the Participant and the Client or may be obtained by a separate written authorisation.

13. Block Trade Pricing

The Exchange reserves the right to refuse to accept a Block Trade where the price varies significantly from the price of the underlying at the time the Block Trade was lodged. The Exchange may still accept a Block Trade where the price is well away from the current underlying market, but it is likely to query the Participant(s) involved to establish the rationale for the price.

As a guide, the price of a Block Trade will be acceptable without query where it is within the tick range, either side of the current market price. Where a Block Trade price falls outside this range the Exchange will generally query the Participants involved. However, it is important to note that prices outside this range may still be acceptable. For instance, a price determined on VWAP (Volume Weighted Average Price) may be outside this range but the Exchange will accept prices based on VWAP.

14. Aggregation of Orders and Roll Business

As per Rule 3.4.5(a) Participants cannot aggregate smaller orders to make up a Block Trade Order, thereby satisfying the Minimum Volume Threshold. Block Trade Orders may only be aggregated where each individual order meets or exceeds the Minimum Volume Threshold. This does not preclude an order from one client being allocated to several accounts. For instance, a fund manager may place an order that satisfies the minimum volume threshold and is executed as a Block Trade, but it may then be allocated to several sub-accounts under the fund manager's control.

As per Rule 3.4.5(b) it is prohibited to use the Block Trade Facility to execute Roll business. For the electricity futures contracts, inter-commodity spread trading (ie the simultaneous purchase of a Base Load futures contract and the sale of a Peak Period futures contract of the same contract expiry or vice versa) and strip trading involving the spot month is not deemed to be Roll business.

15. Non-Availability of Block Trading

Block Trading is restricted to certain prescribed contracts and months. Block Trading may also be restricted in the spot month for a number of days prior to a contracts expiry.

16. Sequencing

Block Trade Orders are subject to the sequencing provisions, that is, orders must be executed and trades allocated in the sequence in which they are received and recorded. It is not appropriate to 'prorata' volumes executed amongst clients.

17. Procedures upon Execution of a Block Trade

As per Rule 3.4.6 where a Block Trade Order is to be crossed, the executing Participant must advise the Exchange (at Trading Operations) of the details of the Block Trade via the message facility, within five minutes of the trade. The time on this message will be the official time stamp used by the Exchange.

Where two or more Participants are involved in a Block Trade, the initiating Participant must send the message to the Exchange, including details of the counterparty(s). Again, the time stamp on the message will be the official time stamp used by the Exchange.

Once the message has been sent to Trading Operations, each Participant involved must complete and send the Block Trade Registration form within five minutes of the text message, ensuring all relevant details have been filled out correctly and legibly. Refer to the tables within the Trading Procedures to determine whether the Block Registration form is to be sent to the Exchange via fax or SFEIN. Each Participant must fill out their side of all trades and the Exchange will match opposing sides.

18. When is a Block Trade Executed?

A Block Trade is not executed until it is accepted by the Exchange. An agreement between parties to execute a Block Trade does not constitute a 'filled' trade - it must firstly be accepted by the Exchange.

Execution of Unsuccessful Block Trades on SYCOM®

Where a Participant is unsuccessful in obtaining counterparties to a Block Trade Order (i.e., the Minimum Volume Threshold cannot be met), but counterparties wish to execute a trade for a lesser volume, the Participant may take the orders to SYCOM® for execution. However, as the trade would essentially have been 'prearranged' the Participant must not attempt to execute a cross trade unless a period of sixty (60) seconds has elapsed from the entry of the originating Client order. This will enable other Participants, and therefore their clients, to enter opposing orders into SYCOM®.

Block Trade Worked Examples

19. SFE SPI 200 Worked Examples

Example One

10:00am (trade negotiation)

Client A places an order with Participant A to fill a 1,000 lot buy order in September SFE SPI 200™ futures via the BTF. On this occasion, Participant A contacts a House trader from a division within the Participant firm, who is able to take the sell side of the proposed transaction at a price of 3250.

10:10am (trade notification)

The two parties to the BTF agree on all trade details by 10:10am. As the initiating Participant (and the only Participant to the trade), Participant A notifies the Exchange of the proposed Block Trade via the SYCOM® message facility.

10:15am (trade confirmation)

On behalf of Client A, Participant A confirms the proposed Block Trade to the Exchange via SFEIN.

10:20am (trade validation)

After receipt of all details of the Block Trade, the Exchange validates the trade with the executing Participant.

9:30am on the following business day (trade publication)

The Exchange disseminates information regarding the transaction to the market.

Example Two

10:00am (trade negotiation)

Client B places an order with Participant A to fill a 1,750 lot sell order in SFE SPI 200™ June futures via the BTF. Participant A is not able to obtain a counterparty to its Client's Block Trade order from within its internal or external client base, and thus proceeds to contact other Participants and clients.

10:40am (trade notification)

By 10:40am, a House trader from Participant B has agreed to buy 1,750 June SPI 200™ futures contracts at 3375 from Participant A's customer (Client B). As the initiating Participant, Participant A notifies the Exchange of the proposed Block Trade via the SYCOM® message facility.

10:45am (trade confirmation)

On behalf of Client B, Participant A notifies the Exchange of the proposed Block Trade via SFEIN. On behalf of its internal client (House), Participant B confirms the proposed Block Trade to the Exchange via SFEIN.

10:50am (trade validation)

After receipt of all details of the Block Trade, the Exchange validates the trade with the executing Participant.

9:30am on the following business day (trade publication)

The Exchange disseminates information regarding the transaction to the market.

Example Three

10:00am (trade negotiation)

Client C places a market-on-close order (defined in this case as the 4:30pm price between the counterparties) with Participant A to fill a 750 lot buy order in December SFE SPI 200™ futures. On this occasion, a House trader from another division of Participant A is able to take the sell side of the proposed transaction.

4:30pm (trade notification)

Following receipt of the closing price of 3400 at 4:30pm, all details of the proposed trade have now been agreed. As the initiating Participant, Participant A notifies the Exchange of the proposed Block Trade via the SYCOM® message facility.

4:35pm (trade confirmation)

On behalf of Client C, Participant A confirms the proposed Block Trade to the Exchange via SFEINI.

4:40pm (trade validation)

After receipt of all details of the Block Trade, the Exchange validates the trade with the executing Participant.

9:30am on the following business day (trade publication)

The Exchange disseminates information regarding the transaction to the market.

Example Four

10:00am (trade negotiation)

Client D places an order with a Participant A to fill a 5,000 lot sell order in March SFE SPI 200™ futures via the BTF. On this occasion, Participant A is not able to completely fill the Block Trade order from within its internal external client base and thus proceeds to contact other Participants and clients.

11:30am (trade notification)

By 11:30am, Participant A has filled the buy side of Client D's order at an agreed price of 3350 as follows: Participant A (for a House account of another division) 500 lots; Participant A (on behalf of Client E) 1,500 lots; Participant B (on behalf of Client F) 1,000 lots; and Participant C (on behalf of Client G) 2,000 lots. As the initiating Participant, Participant A notifies the Exchange of the proposed Block Trade via the SYCOM® message facility.

11:35am (trade confirmation)

Participants A, B and C each confirm the proposed Block Trade to the Exchange via SFEIN on behalf of all clients involved.

11:40am (trade validation)

After receipt of all details of the Block Trade, the Exchange validates the trade with the executing Participant.

9:30am on the following business day (trade publication)

The Exchange disseminates information regarding the transaction to the market.

Example Five

10:00am (trade negotiation)

Client H places an order with a Participant A to fill a 1,500 lot sell order in March SFE SPI 200™ futures via the BTF. Participant A proceeds to contact other Participants and internal and external clients.

10:30am (trade notification)

By 10:30am, Participant A has filled the buy side of Client H's order at an agreed price of 3355 with another of its customers, Client I. As the initiating Participant, Participant A confirms the proposed Block Trade to the Exchange via the SYCOM® message facility.

10:35am (trade confirmation)

On behalf of Clients H and I, Participant A notifies the Exchange of the proposed Block Trade via SFEIN.

10:40am (trade validation)

After receipt of all details of the Block Trade, the Exchange validates the trade with the executing Participant.

9:30am on the following business day (trade publication)

The Exchange disseminates information regarding the transaction to the market.

20. New Zealand Interest Rate Product Worked Examples

Example One

10:00am (trade negotiation)

Client A places an order with SFE Participant A to fill a 200 lot buy order in September 2001 3 Year New Zealand Government Stock futures at 9450 via the BTF. On this occasion, SFE Participant A is able to take the sell side of the proposed transaction.

10:10am (trade notification)

The two parties to the BTF agree on all trade details by 10:10am. As the initiating SFE Participant, SFE Participant A notifies the Exchange of the proposed Block Trade via the SYCOM® message facility.

10:15am (trade confirmation)

On behalf of Client A, SFE Participant A notifies the Exchange of the proposed Block Trade via the Block Trade Registration Form which is faxed to the Exchange.

10:20am (trade validation)

After receipt of **all** details of the Block Trade, the Exchange validates the trade with the executing participant.

9:30am on the following business day (trade publication)

The Exchange disseminates information regarding the transaction to the market.

Example Two

10:00am (trade negotiation)

Client B places an order with SFE Participant A to fill a 175 lot sell order in 10 Year New Zealand Government Stock June 2001 futures via the BTF. On this occasion, SFE Participant A cannot fill the order on its own book and proceeds to contact other SFE Participants and clients.

10:40am (trade notification)

By 10:40am, SFE Participant B has agreed to buy 175 June 2001 10 Year New Zealand Government Stock futures contracts at 9425 from SFE Participant A's customer (Client B). As the initiating SFE

Participant, SFE Participant A notifies the Exchange of the proposed Block Trade via the SYCOM® message facility.

10:45am (trade confirmation)

On behalf of Client B, SFE Participant A notifies the Exchange of its part of the proposed Block Trade via the Block Trade Registration Form which is faxed to the Exchange.

On its own behalf, SFE Participant B notifies the Exchange of its part of the proposed Block Trade via the Block Trade Registration Form which is faxed to the Exchange.

10:50am (trade validation)

After receipt of **all** details of the Block Trade, the Exchange validates the trade with the executing participant.

9:30am on the following business day (trade publication)

The Exchange disseminates information regarding the transaction to the market.

Block Trade Facility

Example Three

10:00am (trade negotiation)

Client C places a market-on-close order (defined in this case as the 4:30pm price between the counterparties) with SFE Participant A to fill a 750 lot buy order in September 2001 3 Year New Zealand Government Stock futures. On this occasion, SFE Participant A is able to take the sell side of the proposed transaction.

4:30pm (trade notification)

Following receipt of the closing price of 9440 at 4:30pm, all details of the proposed trade have now been agreed. As a result, on behalf of Client C, SFE Participant A notifies the Exchange of the proposed Block Trade via the SYCOM® message facility.

4:35pm (trade confirmation)

On behalf of Client C, SFE Participant A confirms the proposed Block Trade via the Block Trade Registration Form which is faxed to the Exchange.

4:40pm (trade validation)

After receipt of **all** details of the Block Trade, the Exchange validates the trade with the executing participant.

9:30am on the following business day (trade publication)

The Exchange disseminates information regarding the transaction to the market.

Example Four

10:00am (trade negotiation)

Client D places an order with SFE Participant A to fill a 500 lot sell order in June 2001 3 Year New Zealand Government Stock futures via the BTF. On this occasion, SFE Participant A cannot completely fill the order on its own book and proceeds to contact other SFE Participants and clients.

11:30am (trade notification)

By 11:30am, SFE Participant A has filled the buy side of Client D's order at an agreed price of 9450 as follows: SFE Participant A (for itself) 200 lots; SFE Participant A (on behalf of Client E) 100 lots; SFE Participant B (on behalf of Client F) 100 lots; and SFE Participant C (on behalf of Client G) 100 lots. As the initiating SFE Participant, SFE Participant A notifies the Exchange of the proposed Block Trade via the SYCOM® message facility.

11:35am (trade confirmation)

On behalf of Clients D, E, F and G, SFE Participants A, B and C each notify the Exchange of their part in the proposed Block Trade via the Block Trade Registration Form which is faxed to the Exchange.

11:40am (trade validation)

After receipt of **all** details of the Block Trade, the Exchange validates the trade with the executing participant.

9:30am on the following business day (trade publication)

The Exchange disseminates information regarding the transaction to the market.

Block Trade Facility

Example Five

10:00am (trade negotiation)

Client H places an order with SFE Participant A to fill a 150 lot sell order in June 2001 10 Year New Zealand Government Stock futures via the BTF. On this occasion, SFE Participant A cannot fill the order on its own book and proceeds to contact other SFE Participant's and clients.

10:30am (trade notification)

By 10:30am, SFE Participant A has filled the buy side of Client H's order at an agreed price of 9428 with another of its customers, Client I. As the initiating SFE Participant, SFE Participant A notifies the Exchange of the proposed Block Trade via the SYCOM® message facility.

10:35am (trade confirmation)

On behalf of Clients H and I, SFE Participant A notifies the Exchange of the proposed Block Trade via the Block Trade Registration Form which is faxed to the Exchange.

10:40am (trade validation)

After receipt of all details of the Block Trade, the Exchange validates the trade with the executing participant.

9:30am on the following business day (trade publication)

The Exchange disseminates information regarding the transaction to the market.

21. NZSX 15 Index Futures (“the ZIF”) Worked Examples

Example One***10:00am (trade negotiation)***

Client A places an order with Participant A to fill a 500 lot buy order in September NZSX 15 index futures (the ‘ZIF’) via the BTF. On this occasion, Participant A contacts a House trader from a division within the Participant firm, who is able to take the sell side of the proposed transaction at a price of 4,850.

10:10am (trade notification)

The two parties to the BTF agree on all trade details by 10:10am. As the initiating Participant (and the only Participant to the trade), Participant A notifies the Exchange of the proposed Block Trade via the SYCOM® message facility.

10:15am (trade confirmation)

On behalf of Client A, Participant A confirms the proposed Block Trade to the Exchange via the official Block Trade Facility Registration Form (“Trade Registration Form”).

10:20am (trade validation)

After receipt of all details of the Block Trade, the Exchange validates the trade with the executing Participant.

9:15am (New Zealand time) on the following business day (trade publication)

The Exchange disseminates information regarding the transaction to the market.

Example Two***10:00am (trade negotiation)***

Client B places an order with Participant A to fill a 1,750 lot sell order in June NZSX 15 (the ‘ZIF’) futures via the BTF. Participant A is not able to obtain a counterparty to its Client’s Block Trade order from within its internal or external client base, and thus proceeds to contact other Participants and clients.

10:40am (trade notification)

By 10:40am, a House trader from Participant B has agreed to buy 1,750 June NZSX 15 (the ‘ZIF’) futures contracts at 4,850 from Participant A’s customer (Client B). As the initiating Participant, Participant A notifies the Exchange of the proposed Block Trade via the SYCOM® message facility.

10:45am (trade confirmation)

On behalf of Client B, Participant A notifies the Exchange of the proposed Block Trade via the Trade Registration Form.

On behalf of its internal client (House), Participant B confirms the proposed Block Trade to the Exchange via the Trade Registration Form.

10:50am (trade validation)

After receipt of all details of the Block Trade, the Exchange validates the trade with the executing Participant.

9:15am (New Zealand time) on the following business day (trade publication)

The Exchange disseminates information regarding the transaction to the market.

Example Three***10:00am (trade negotiation)***

Client C places a market-on-close order (defined in this case as the 4:30pm price between the counterparties) with Participant A to fill a 750 lot buy order in December NZSX 15 (the ‘ZIF’) futures. On this occasion, a House trader from another division of Participant A is able to take the sell side of the proposed transaction.

4:30pm (trade notification)

Following receipt of the closing price of 4,860 at 4:30pm, all details of the proposed trade have now been agreed. As the initiating Participant, Participant A notifies the

Exchange of the proposed Block Trade via the SYCOM® Message Facility.

4:35pm (trade confirmation)

On behalf of Client C, Participant A confirms the proposed Block Trade to the Exchange via the Trade Registration Form.

4:40pm (trade validation)

After receipt of all details of the Block Trade, the Exchange validates the trade with the executing Participant.

9:15am (New Zealand time) on the following business day (trade publication)

The Exchange disseminates information regarding the transaction to the market.

Example Four

10:00am (trade negotiation)

Client D places an order with Participant A to fill a 5,000 lot sell order in March NZSX 15 (the ‘ZIF’) futures contract via the BTF. On this occasion, Participant A is not able to completely fill the Block Trade order from within its internal or external client base and thus proceeds to contact other Participants and clients.

11:30am (trade notification)

By 11:30am, Participant A has filled the buy side of Client D’s order at an agreed price of 4,600 as follows: Participant A (for a House account of another division) 500 lots; Participant A (on behalf of Client E) 1,500 lots; Participant B (on behalf of Client F) 1,000 lots; and Participant C (on behalf of Client G) 2,000 lots.

As the initiating Participant, Participant A notifies the Exchange of the proposed Block Trade via the SYCOM® message facility.

11:35am (trade confirmation)

Participants A, B and C each confirm the proposed Block Trade to the Exchange via the Trade Registration Form on behalf of all clients involved.

11:40am (trade validation)

After receipt of all details of the Block Trade, the Exchange validates the trade with the executing Participant.

9:15am (New Zealand time) on the following business day (trade publication)

The Exchange disseminates information regarding the transaction to the market.

Example Five

10:00am (trade negotiation)

Client H places an order with Participant A to fill a 1,500 lot sell order in March NZSX 15 (the ‘ZIF’) futures via the BTF. Participant A proceeds to contact other Participants and internal and external clients.

10:30am (trade notification)

By 10:30am, Participant A has filled the buy side of Client H’s order at an agreed price of 4,850 with another of its customers, Client I.

As the initiating Participant, Participant A confirms the proposed Block Trade to the Exchange via the SYCOM® message facility.

10:35am (trade confirmation)

On behalf of Clients H and I, Participant A notifies the Exchange of the proposed Block Trade via the Trade Registration Form.

10:40am (trade validation)

After receipt of all details of the Block Trade, the Exchange validates the trade with the executing Participant.

9:15am (New Zealand time) on the following business day (trade publication)

The Exchange disseminates information regarding the transaction to the market.

Rule 3.5 Exchange for Physical Trading

Explanatory Note

The EFP facility provides further flexibility in the management of price risk for clients of Participants. An EFP allows a futures position to be exchanged for a physical position in the underlying market at a price negotiated between the counterparties.

Determinations Made By The Exchange

Exchange For Physical Lodgement Times

Effective 21 March 2004 EFP's can be registered up until 5:00 pm only. EFP's agreed between 4:00 pm and 4:30 pm will require the seller and buyer to complete their registration within 15 and 30 minutes of execution respectively. Registration times for EFP sellers and buyers outside the 4:00 pm and 4:30 pm bracket will be set at 30 and 60 minutes respectively.

EFP's presented for registration after 5:00 pm will be processed on the next business day.

	Seller	Buyer
EFP's agreed between 7:00 am and 4:00 pm	Lodged within 30 minutes	Lodged within 60 minutes
EFP's agreed between 4:00 pm and 4:30 pm	Lodged within 15 minutes	Lodged within 30 minutes
EFP's agreed between 4:30 pm and 7:00 am	Lodged by 9:00 am	Lodged by 9:30 am

Trading Procedures

1. An Exchange for Physical transaction is effected where:

- (a) a bona fide physical transaction in a commodity, instrument or other transaction as determined by the Exchange is completed whereby physical delivery takes place at the time of the transaction or is intended by both parties to take place at a later time, or a transaction of a kind approved by the Board, is entered into;
- (b) at or about the same time a Contract, opposite in effect, is traded for the same or similar quantity or amount of the commodity or a substantially similar commodity or instrument on behalf of the parties to the physical transaction;

The essential element of the EFP rules is that a bona fide physical transaction takes place at the time of the futures transaction or is intended to take place at a later time (thus both immediate settlement and deferred [e.g. seven day] settlements are accommodated).

Full Participants should note that purported EFP transactions not conducted in accordance with SFE's rules will be subject to cancellation, sanctions imposed by the Market Practices or Business Conduct Committees and may be held to be unenforceable.

There must only be two beneficial parties to an EFP; the buyer of the physical must also be the seller of the futures and the seller of the physical must be the buyer of the futures.

No Full Participant may transact business for a discretionary account by way of an EFP transaction.

With respect to EFP transactions in the d-cypha SFE Electricity Products, where the Over The Counter (OTC) component of an EFP is within 10% of the size (e.g. MWhs) or value, SFE will accept the following construction in relation to d-cypha SFE Electricity EFP's:

- i) OTC Swaps, Caps and/or Options against d-cypha SFE Electricity Futures and/or Futures Options.

With respect to transactions in the SFE SPI 200 Index Futures Contract, SFE approves Special Size trades (as defined in the ASX Market Rules) in the S&P/ASX 200 index options contract (XJO options) as EFPs.

With respect to Contracts For Difference (CFDs), EEPs will be permitted for Equity CFDs and the Gold CFD.

2. Bona Fide Physical Transaction

A physical transaction is not *bona fide* if there is a pre-existing intent to reverse or cancel the physical deal once the futures transaction is registered unless the EFP transaction complies specifically with a scenario as determined by the Exchange. Currently the only scenario in which the Exchange has determined to allow the pre-meditated reversal of the physical side of the transaction is where the EFP specifically relates to a Primary Issuance of bonds into the market. The physical side of the EFP's between the lead managers or facilitating entities that relate directly to the transfer of risk associated with the Primary Issuance will, under this determination, be allowed to be reversed as part of the overall Primary Issuance transaction. Such EFP's registered with the Exchange will require reference to be made in the comments field in SFEIN stating the name, amount, maturity date, coupon and the lead managers/facilitators of the associated Primary Issue. An example of such a reference is contained in the screen dump of the relevant SFEIN page below. All other requirements relating to record keeping and evidence of physical transactions must be adhered to.

The screenshot shows a web-based application for managing financial contracts. On the left, a sidebar lists navigation links: 'Austraclear Member', 'Downloads', 'EFPs' (with sub-options 1. All EFPs, 2. Bond EFPs, 3. Swap EFPs, 4. Other EFPs, 5. By Strip, 6. Completed Today, 7. Historical by Date/Time, 8. Cancelled EFPs/Time, Strip Trade, Block Trade, Telephone Trade). The main area contains several sections:

- Comments:** (4) Asian Dev Bank, EIB, KFW, HSBC Finance 2Bill 30/06/2011 5.5% Lead MAN, NAB, WFC, DBA, UBS
- Physical Transaction Details (PART A):**
 - A: Bond Transaction:** (2) Date (dd-mm-yyyy) [27/09/2006], (6) Time hh:mm (24 hour format), No spaces allowed
 - (7) Seller, (9) Market Yield (%), (10) Settlement Date (dd-mm-yyyy)
 - (11) Face Value, (12) Type of Security, (13) Security Details if Other
 - (14) Coupon Rate (%), (15) Maturity Date (dd-mm-yyyy)
- Futures Contract Registration Details:**
 - (21) Contract Name/Month/Year: AF - Australian Dollar Futures Contract, Month: U - September, Year: 2006
 - (22) Contract Type: Futures, Call, Put, Strike Price, Delta Value, Registration Price
 - (25) Number of Contracts, (27) Sold Contracts registered to AAA

Whether a physical transaction is *bona fide* is a question of fact in each case, however, in deciding whether or not a transaction is *bona fide*, SFE will have regard to the normal dealing conduct and arrangements of the parties in relation to physical transactions generally. All relevant indicia of a *bona fide* transaction including transfer of cash will be considered.

Thus, SFE would expect to see the physical transactions related to EFPs recorded in the same way as any other similar physical transactions conducted by the parties. Instances where reversals or cancellations regularly take place other than in the ordinary course of business will be regarded as evidence of lack of *bona fide*.

There are no limits on the type of physical or financial asset (excluding exchange traded futures or options on futures contracts) being exchanged for futures or options, however it must be of similar value or quantity to the futures or options being traded and be reasonably correlated with the futures or options contract.

Exchange for Physical in the following currencies are considered reasonably correlated against SFE Interest Rate Futures and Options contracts: Australian dollar, New Zealand dollar, US dollar, Canadian dollar, British Pound and Euro denominated securities with a similar present value of a basis point (PVBP) exposure.

Exchange for Physicals against SFE Electricity and Commodity Futures and Options contracts are restricted to Australian or New Zealand denominated financial assets or physicals of similar value or quantity.

The onus is on the Full Participant to provide relevant information about the physical enabling SFE to determine that the futures transaction is "of similar quantity or amount" to the futures transaction.

A physical trade between two parties with the intention of being traded back in a reversal of the EFP or in exchange for other futures contracts (such as a roll trade or a curve spread trade) is being used merely as a tool to conduct off-market futures trading and is thus explicitly considered not to be part of a *bona fide* physical transaction. Submitted trades believed to fall into this category will not be approved.

3. Multiple Futures and Physical

An Exchange for Physical trade may involve more than one type of futures or physical. The most common EFP involves one type of physical (e.g. a certain number of a particular bond) to be offset against a certain type of futures contract. However a Multiple Futures EFP involves one type of physical and two or more types of futures (e.g. a combination of Ten Year and Three Year Bond Futures or a strip of Bank Bill Futures). Alternatively a Multiple Physical EFP involves two or more types of physical (e.g. bonds of different maturities) and one type of futures. A combination could involve two or more types of futures and two or more types of physical.

4. Price

There are no restrictions regarding the price for futures contracts traded in an EFP. However if the price of the futures were substantially different from that of the current market price SFE would seek good reason as to why the parties wish to trade at this price. In this regard it should be noted that SFE reserves the right to disallow an EFP.

5. Exchange for Physical Registration

- (a) Full details of the futures transaction and the physical transaction are provided to the Exchange in such form as determined by the Exchange. The “Notification of Exchange for Physicals” form must be lodged with SFE using the electronic SFEIN system for approval. Full Participants should be aware that failure to comply with the aforementioned may result in the EFP being rejected or disciplinary action being taken.
- (b) As per Rule 3.5.3 where a Participant enters into a Contract on behalf of a Clearing Participant and the position is to be registered in the name of the Clearing Participant, the Participant shall immediately send, or cause to be sent by the Clearing House, a document in a form determined by the Exchange, setting out the following information in relation to each such trade:
 - (i) name of the Clearing Participant;
 - (ii) name of contract;
 - (iii) delivery month;
 - (iv) contract price;
 - (v) number of lots (distinguishing those bought and those sold);
 - (vi) name of the Full Participant; and
 - (vii) date of the trade.
- (c) As per rule 3.5.9(b) where either before or during a particular month a Full Participant has entered into a Contract in accordance with this Operating Rule on behalf of a Clearing Participant and the Contract has not been disposed of, and as at the end of that month, the Participant's Contract is registered in the name of the Clearing Participant, the Participant shall, after the end of the month, send or cause to be sent by the Clearing House, a document setting out the following in relation to each such trade:
 - (i) name of the Clearing Participant;
 - (ii) name of contract;
 - (iii) delivery month; and
 - (iv) number of lots (distinguishing those bought and those sold).
- (d) The Exchange shall in respect to all EFP transactions publish to Participants after receipt of each EFP transaction the commodity, quantity, time and price of the EFP transaction and the identify of the Full Participants who conducted the trade.
- (e) As per rule 3.5.6, except as otherwise provided by the Operating Rules a Participant shall submit all Contracts which it trades to the Exchange, for registration with the Clearing House in accordance with the Clearing Rules.

- (f) As per Rule 3.5.7 a Participant shall ensure that any Open Position not given up to another Participant, created by trading on the instructions of a Client including discretionary trading on behalf of a Client, is either:
- (i) carried in the Participant's name as an Open Position with the Clearing House; or
 - (ii) carried in the Participant's name as an Open Position with another Participant.
 - (iii) Where in accordance with the Clearing Rules, the Clearing House wishes to protect its position by entering into transactions with Full Participants, Full Participants may with the approval of the Exchange agree to buy or sell Futures Contracts or Options Contracts as traded in the Exchange's Markets directly with the Clearing House and without trading on the Exchange's Markets. Such transactions may be registered by the Clearing House in the same way as contracts traded on the Exchange's Markets.

Amended 01/09/08

6. Retention of Records

As per Rule 3.5.9(a) where a client or the Full Participant is a party to an EFP transaction, the onus is on the Full Participant to obtain and keep on record appropriate evidence of the physical transaction. SFE considers that “best practice” is adopted where the Full Participant:

- (i) obtains and retains the physical evidence of the EFP transaction on their files;
- (ii) maintains authorised Full Participant signatory lists for employees to approve EFP transactions on the electronic SFEIN system and on paper if need be. If paper forms are used the signatory lists must be copied to the Compliance and Surveillance Department of SFE.

Appropriate evidence would include, but is not limited to:

- (i) Swap Agreement forms, such as ISDA documentation;
- (ii) Bond Confirmation Forms and third party confirmation i.e. Austraclear and RITS statements, and Euro-clear Documentation; or
- (iii) Greasy Wool Warehouse Receipts.

Where the Full Participant is able to employ “best practice”, all documentation relating to EFP transactions should be retained and maintained by the Full Participant in a manner and form which will enable the Compliance and Surveillance Department to conveniently and readily conduct a review. EFP documentation will be reviewed as part of the Compliance and Surveillance Department’s routine Full Participant inspection program.

Some Full Participants may find that it is both administratively and procedurally burdensome for them to retain on file the physical evidence relating to the EFP transaction. In these cases, SFE would consider that the Full Participant has satisfied the requirements of Rule 3.5 by undertaking the following procedures:

- (i) retaining and maintaining an updated authorised Full Participant signatory list for EFP transaction which must be copied to the Compliance and Surveillance Department of the SFE;
- (ii) obtaining and retaining executed copies of the general “Client Undertaking Form” (CUF) prior to transacting EFP business on the Client’s behalf. (See the attached form.); and
- (iii) requesting appropriate physical evidence (as referred in the “Notification of Exchange for Physical” form) on an “as needs” basis from the client when requested by SFE’s Compliance and Surveillance Department.

Participants should note that the futures side of an EFP transaction does involve trading of futures contracts, even though it has not been executed on SYCOM. Participants must retain all documentation normally required by such a transaction including order records as per Rule 2.2.23 and voice recordings as per Rule 2.2.28.

7. Acceptance of an EFP by SFE does not constitute acceptance that the trade has been conducted in accordance with the Operating Rules. SFE will partially rely on the Participants’ statements to that effect and will take appropriate action if non-compliance is subsequently discovered. All Participants involved in transactions in breach of SFE rules will be held responsible.

8. SFEIN

See the SFE Website for the “SFEIN Users Guide”.

[PARTICIPANT LETTERHEAD]

CLIENT UNDERTAKING

EXCHANGE FOR PHYSICAL TRANSACTIONS

The Client Undertakes:

The client acknowledges and undertakes that it shall provide to the Participant full details of the physical transaction (including documentary evidence) which attach to EFP transactions effected by the Participant on behalf of the Client. the Client acknowledges, that upon request, this information MUST BE PROVIDED to the Participant to ensure the Participant's compliance with the Business Rules of SFE Corporation ("SFE").

The Client understands that failure to comply with the provisions of Operating Rule 3.5 may result in disciplinary action by SFE against the Participant.

Client authorised signatory

Participant authorised signatory

Date

Date

SECTION 4: ALLOCATION AND CLEARING OF TRADES

Rule 4.2.12 Time to Designate and Allocate

The Exchange has determined the following times:

Session	Allocation and Assignments	Assignments of Allocations In
Overnight	9.00 am	9.30 am
Morning	2.00 pm	2.30 pm
Afternoon	6.00 pm	6.30 pm
NZ	3.30 pm (5.30 pm NZ time)	3.30 pm (5.30 pm NZ time)

SECTION 5: MARKET REGULATION

Rule 5.5.3 Exchange Investigation Function

Each Participant organisation should expect that staff of the Exchange will conduct an inspection of the records and procedures of the Participant approximately every eighteen (18) months to two (2) years in accordance with the programme maintained by the Exchange. The compliance testing programme forms the basis of testing that is conducted. Please contact the Compliance & Surveillance department to obtain a copy of the Compliance testing program should the Participant wish to utilise this to perform self audit testing. It can also be located at www.sfe.com.au

Rule 5.6.1 Disciplinary Powers of Board, BCC, MPC – [Deleted]

Deleted 31/03/08

Rule 5.6.5 Exchange Staff Powers – [Deleted]

Deleted 31/03/08

Rule 5.6.6 Trading Manager Powers – [Deleted]

Deleted 31/03/08

Rule 5.8.3 Appeal Process – [Deleted]

Deleted 31/03/08

SECTION 6: THE CONTRACTS

Rule 6.1 Contracts not approved for Trading by US Customers

Contracts listed on Sydney Futures Exchange which are not approved for trading on behalf of US customers:

- 6.41 Deliverable Individual Share Futures Contracts
- 6.42 Individual Share Futures Contracts (Cash Settled)
- 6.44 Futures Contracts over the NZSX 15 Share Price Index

Rule 6.4 Transitional Provisions To Enable NZFOE Contracts To Be Treated As Though They Had Been Open On The Exchange

Rule 6.4.2(b)

The Exchange had determined that an NZFOE Contract listed in Column 1 in the table below shall be treated as though it were a contract within the Class of Contracts listed opposite in Column 2

NZFOE contract	SFE contract
90 Day Bank Bill Futures Contract	New Zealand 90 Day Bank Bill Futures Contract
90 Day Bank Bill Futures Option Contract	Ordinary Option over New Zealand 90 Day Bank Bill Futures Contract
Ten Year Government Stock Futures Contract	Ten Year New Zealand Government Stock Futures Contract
Ten Year Government Stock Futures Option Contract	Ordinary Option over Ten Year New Zealand Government Stock Futures Contract
Three Year Government Stock Futures Contract	Three Year New Zealand Government Stock Futures Contract
Three Year Government Stock Futures Option Contract	Ordinary Option over Three Year New Zealand Government Stock Futures Contract

Rule 6.4.2(c)

The Exchange has determined that the form to be used for the purposes of Rule 6.4.2(c) is as follows:

GUARANTEE BY GUARANTOR CLEARING PARTICIPANT FOR CONTRACTS ENTERED INTO ON NZFOE AND TREATED AS EXCHANGE CONTRACTS

.....(Guarantor Clearing Participant)
(name of Guarantor Clearing Participant)

hereby guarantees to Sydney Futures Exchange Limited ("the Exchange") and to each other Full Participant of the Exchange the performance of all contracts which were executed on the New Zealand Futures & Options Exchange Limited and which the Exchange has agreed, pursuant to the Business Rules of the Exchange, to treat as though they had been executed on the Exchange by

.....(the Full Participant)
(name of Full Participant)

and to cause all such contracts to be registered with the Exchange's Clearing House in our name.

The liability of the Guarantor Clearing Participant under this Guarantee is unconditional and shall not be affected by anything which but for this provision might operate to release it from its obligations including, without limiting the generality of the foregoing:

- (a) any transaction or arrangement that may take place between the Full Participant and the Exchange or any other Full Participant of the Exchange; and
- (b) the liquidation of the Full Participant or any other person or corporation.

This guarantee shall be interpreted as if it were part of the Operating Rules of the Exchange.

DATE:

SIGNED:
(Director of Guarantor Clearing Participant)

NAME:
(Print)

Rule 6.20.1 Ten Year Commonwealth Treasury Bond Futures Contracts

Ref Rule	Subject	Determinations
6.20.1 Item 1(d)	Coupon Rate	For contracts listed up to and including June 2001 the coupon rate was 12 per cent For contracts listed on and after September 2001 the coupon rate was 6 per cent
6.20.1 Item 2 & 4	Calculation of Contract Value	The calculation within the brackets in the formula shall be carried out to eight decimal places and rounded to the nearest cent, 0.500 cents being rounded up).
6.20.1 Item 5(a)	Treasury Bond Series	As recorded in the Schedule to these Determinations
6.2.3	Manner of quoting Futures Price	Yield per cent per annum. For quotation purposes the futures Price shall be deducted from 100.000.
6.2.3	Minimum fluctuations for quoting Futures Price	Multiples of 0.005 per cent.
6.2.3	Ten Year Bond Settlement List	<ul style="list-style-type: none"> – ANZ Investment Bank Limited – Commonwealth Bank of Australia – Citigroup global Markets Australia Pty Limited – Deutsche Bank AG – JPMorgan Australia – Macquarie Bank Limited – National Australia Bank Limited – RBC Capital Markets – RBS Group (Australia) Pty Limited – The Toronto-Dominion Bank – UBS AG Australia Branch – Westpac Banking Corporation Limited
6.2.3	Time Settlement Price is declared	SFE Clearing will normally declare the Settlement Price at 3.00 pm on the Final Trading Day
6.20.1 Item 5(b)	Times for obtaining quotations for the purpose of calculating the Settlement Price	9.45 am, 10.30 am and 11.15 am on the final trading day.
6.1.4	Trading Hours	5.12pm-7.00am & 8.32am-4.30pm (US daylight saving time) 5.12pm-7.30am & 8.32am-4.30pm (US non daylight saving time)
6.2.3	Settlement Months	March, June, September and December up to two Quarter Months ahead
6.2.3	Final Trading Day	The fifteenth day of the Settlement Month, or if that day is not a Business Day, then the Business Day immediately following the fifteenth day
6.2.3	Time at which trading ceases on Final Trading Day	12.00 noon.
6.2.3	Settlement Day	The Business Day following the Final Trading Day in a Settlement Month
6.2.3	Final time by which Seller's obligations must be satisfied	12.00 noon on the Settlement Day

Ref Rule	Subject	Determinations
6.2.3	Final time by which Buyer' obligations must be satisfied	10.30 am on the Settlement Day

Amended 22/05/09

Schedule of Treasury Bond Series referred to above

The following series of Commonwealth Treasury Bonds are those determined by the Board pursuant to Item 5(a) of Rule 6.20 and its predecessor.

1	<u>Settlement Month - March 1989</u> 12.5% March 1997 12.5% September 1997 12.5% January 1998 12.0% July 1999 13.0% July 2000	2	<u>Settlement Month - June 1989</u> 12.5% March 1997 12.5% September 1997 12.5% January 1998 12.0% July 1999 13.0% July 2000
3	<u>Settlement Month - September 1989</u> 12.5% March 1997 12.5% September 1997 12.5% January 1998 12.0% July 1999 13.0% July 2000	4	<u>Settlement Month - December 1989</u> 12.5% March 1997 12.5% September 1997 12.5% January 1998 12.0% July 1999 13.0% July 2000
5	<u>Settlement Month - March 1990</u> 12.5% March 1997 12.5% September 1997 12.5% January 1998 12.0% July 1999 13.0% July 2000	6	<u>Settlement Month - June 1990</u> 12.5% March 1997 12.5% September 1997 12.5% January 1998 12.0% July 1999 13.0% July 2000
7	<u>Settlement Month - September 1990</u> 12.5% March 1997 12.5% September 1997 12.5% January 1998 12.0% July 1999 13.0% July 2000	8	<u>Settlement Month - December 1990</u> 12.5% March 1997 12.5% September 1997 12.5% January 1998 12.0% July 1999 13.0% July 2000
9	<u>Settlement Month - March 1991</u> 12.5% March 1997 12.5% September 1997 12.5% January 1998 12.0% July 1999 13.0% July 2000	10	<u>Settlement Month - June 1991</u> 12.5% March 1997 12.5% September 1997 12.5% January 1998 12.0% July 1999 13.0% July 2000
11	<u>Settlement Month - September 1991</u> 12.5% March 1997 12.5% September 1997 12.5% January 1998 12.0% July 1999 13.0% July 2000	12	<u>Settlement Month - December 1991</u> 12.5% January 1998 12.0% July 1999 13.0% July 2000 12.0% November 2001
13	<u>Settlement Month - March 1992</u> 12.5% January 1998 12.0% July 1999 13.0% July 2000 12.0% November 2001	14	<u>Settlement Month - June 1992</u> 12.0% July 1999 13.0% July 2000 12.0% November 2001 10.0% October 2002

15	<u>Settlement Month - September 1992</u> 13.0% July 2000 12.0% November 2001 10.0% October 2002	16	<u>Settlement Month – December 1992</u> 12.0% November 2001 10.0% October 2002 9.5% August 2003
17	<u>Settlement Month – March 1993</u> 12.0% November 2001 10.0% October 2002 9.5% August 2003	18	<u>Settlement Month - June 1993</u> 12.0% November 2001 10.0% October 2002 9.5% August 2003 9.0% September 2004
19	<u>Settlement Month - September 1993</u> 10.0% October 2002 9.5% August 2003 9.0% September 2004	20	<u>Settlement Month - December 1993</u> 12.0% November 2001 10.0% October 2002 9.5% August 2003 9.0% September 2004
21	<u>Settlement Month - March 1994</u> 10.0% October 2002 9.5% August 2003 9.0% September 2004 7.5% July 2005	22	<u>Settlement Month - June 1994</u> 10.0% October 2002 9.5% August 2003 9.0% September 2004 7.5% July 2005 6.75% November 2006
23	<u>Settlement Month - September 1994</u> 10.0% October 2002 9.5% August 2003 9.0% September 2004 7.5% July 2005 6.75% November 2006	24	<u>Settlement Month - December 1994</u> 9.5% August 2003 9.0% September 2004 7.5% July 2005 6.75% November 2006
25	<u>Settlement Month - March 1995</u> 9.5% August 2003 9.0% September 2004 7.5% July 2005 6.75% November 2006	26	<u>Settlement Month - June 1995</u> 9.5% August 2003 9.0% September 2004 7.5% July 2005 6.75% November 2006
27	<u>Settlement Month - September 1995</u> 9.0% September 2004 7.5% July 2005 10.0% February 2006 6.75% November 2006 10.0% October 2007	28	<u>Settlement Month - December 1995</u> 9.0% September 2004 7.5% July 2005 10.0% February 2006 6.75% November 2006 10.0% October 2007
29	<u>Settlement Month - March 1996</u> 9.0% September 2004 7.5% July 2005 10.0% February 2006 6.75% November 2006 10.0% October 2007	30	<u>Settlement Month - June 1996</u> 9.0% September 2004 7.5% July 2005 10.0% February 2006 6.75% November 2006 10.0% October 2007
31	<u>Settlement Month - September 1996</u> 7.5% July 2005 10.0% February 2006 6.75% November 2006 10.0% October 2007 8.75% August 2008	32	<u>Settlement Month - December 1996</u> 7.5% July 2005 10.0% February 2006 6.75% November 2006 10.0% October 2007 8.75% August 2008

33	<u>Settlement Month - March 1997</u> 7.5% July 2005 10.0% February 2006 6.75% November 2006 10.0% October 2007 8.75% August 2008	34	<u>Settlement Month - June 1997</u> 7.5% July 2005 10.0% February 2006 6.75% November 2006 10.0% October 2007 8.75% August 2008
35	<u>Settlement Month - September 1997</u> 7.5% July 2005 10.0% February 2006 6.75% November 2006 10.0% October 2007 8.75% August 2008	36	<u>Settlement Month - December 1997</u> 10.0% February 2006 6.75% November 2006 10.0% October 2007 8.75% August 2008
37	<u>Settlement Month - March 1998</u> 10.0% February 2006 6.75% November 2006 10.0% October 2007 8.75% August 2008 7.5% September 2009	38	<u>Settlement Month - June 1998</u> 10.0% February 2006 6.75% November 2006 10.0% October 2007 8.75% August 2008 7.5% September 2009
39	<u>Settlement Month - September 1998</u> 6.75% November 2006 10.0% October 2007 8.75% August 2008 7.5% September 2009	40	<u>Settlement Month - December 1998</u> 6.75% November 2006 10.0% October 2007 8.75% August 2008 7.5% September 2009
41	<u>Settlement Month - March 1999</u> 10.0% October 2007 8.75% August 2008 7.5% September 2009 5.75% June 2011	42	<u>Settlement Month - June 1999</u> 10.0% October 2007 8.75% August 2008 7.5% September 2009 5.75% June 2011
43	<u>Settlement Month - September 1999</u> 10.0% October 2007 8.75% August 2008 7.5% September 2009 5.75% June 2011	44	<u>Settlement Month - December 1999</u> 10.0% October 2007 8.75% August 2008 7.5% September 2009 5.75% June 2011
45	<u>Settlement Month - March 2000</u> 10.0% October 2007 8.75% August 2008 7.5% September 2009 5.75% June 2011	46	<u>Settlement Month - June 2000</u> 8.75% August 2008 7.5% September 2009 5.75% June 2011
47	<u>Settlement Month - September 2000</u> 8.75% August 2008 7.5% September 2009 5.75% June 2011	48	<u>Settlement Month - December 2000</u> 8.75% August 2008 7.5% September 2009 5.75% June 2011 6.5% May 2013
49	<u>Settlement Month - March 2001</u> 8.75% August 2008 7.5% September 2009 5.75% June 2011 6.5% May 2013	50	<u>Settlement Month - June 2001</u> 7.5% September 2009 5.75% June 2011 6.5% May 2013
51	<u>Settlement Month - September 2001</u> 7.5% September 2009 5.75% June 2011 6.5% May 2013	52	<u>Settlement Month - December 2001</u> 7.5% September 2009 5.75% June 2011 6.5% May 2013

53	<u>Settlement Month – March 2002</u> 7.5% September 2009 5.75% June 2011 6.5% May 2013	54	<u>Settlement Month – June 2002</u> 7.5% September 2009 5.75% June 2011 6.5% May 2013
55	<u>Settlement Month – September 2002</u> 7.5% September 2009 5.75% June 2011 6.5% May 2013	56	<u>Settlement Month – December 2002</u> 7.5% September 2009 5.75% June 2011 6.5% May 2013
57	<u>Settlement Month – March 2003</u> 5.75% June 2011 6.5% May 2013 6.25% April 2015	58	<u>Settlement Month – June 2003</u> 5.75% June 2011 6.5% May 2013 6.25% April 2015
59	<u>Settlement Month – September 2003</u> 5.75% June 2011 6.5% May 2013 6.25% April 2015	60	<u>Settlement Month – December 2003</u> 5.75% June 2011 6.5% May 2013 6.25% April 2015
61	<u>Settlement Month – March 2004</u> 5.75% June 2011 6.5% May 2013 6.25% April 2015	62	<u>Settlement Month – June 2004</u> 5.75% June 2011 6.5% May 2013 6.25% April 2015
63	<u>Settlement Month – September 2004</u> 5.75% June 2011 6.5% May 2013 6.25% April 2015	64	<u>Settlement Month – December 2004</u> 6.5% May 2013 6.25% April 2015 6% February 2017
65	<u>Settlement Month – March 2005</u> 6.5% May 2013 6.25% April 2015 6% February 2017	66	<u>Settlement Month – June 2005</u> 6.5% May 2013 6.25% April 2015 6% February 2017
67	<u>Settlement Month – September 2005</u> 6.5% May 2013 6.25% April 2015 6% February 2017	68	<u>Settlement Month – December 2005</u> 6.5% May 2013 6.25% April 2015 6% February 2017
69	<u>Settlement Month – March 2006</u> 6.5% May 2013 6.25% April 2015 6% February 2017	70	<u>Settlement Month – June 2006</u> 6.5% May 2013 6.25% April 2015 6% February 2017
71	<u>Settlement Month – September 2006</u> 6.25% April 2015 6% February 2017 5.25% March 2019	72	<u>Settlement Month – December 2006</u> 6.25% April 2015 6% February 2017 5.25% March 2019
73	<u>Settlement Month – March 2007</u> 6.25% April 2015 6% February 2017 5.25% March 2019	74	<u>Settlement Month – June 2007</u> 6.25% April 2015 6% February 2017 5.25% March 2019
75	<u>Settlement Month – September 2007</u> 6.25% April 2015 6% February 2017 5.25% March 2019	76	<u>Settlement Month – December 2007</u> 6.25% April 2015 6% February 2017 5.25% March 2019

77	<u>Settlement Month – March 2008</u>	6.25% April 2015 6% February 2017 5.25% March 2019	78	<u>Settlement Month – June 2008</u>	6.25% April 2015 6% February 2017 5.25% March 2019 5.75% May 2021
79	<u>Settlement Month – September 2008</u>	6.25% April 2015 6% February 2017 5.25% March 2019 5.75% May 2021	80	<u>Settlement Month – December 2008</u>	6% February 2017 5.25% March 2019 5.75% May 2021
81	<u>Settlement Month – March 2009</u>	6% February 2017 5.25% March 2019 5.75% May 2021	82	<u>Settlement Month – June 2009</u>	6% February 2017 5.25% March 2019 5.75% May 2021
83	<u>Settlement Month – September 2009</u>	6% February 2017 5.25% March 2019 5.75% May 2021	84	<u>Settlement Month – December 2009</u>	6.00% February 2017 5.25% March 2019 4.50% April 2020 5.75% May 2021
85	<u>Settlement Month – March 2010</u>	5.25% March 2019 4.50% April 2020 5.75% May 2021	86	<u>Settlement Month – June 2010</u>	5.25% March 2019 4.50% April 2020 5.75% May 2021
87	<u>Settlement Month – September 2010</u>	5.25% March 2019 4.50% April 2020 5.75% May 2021	88	<u>Settlement Month – December 2010</u>	5.25% March 2019 4.50% April 2020 5.75% May 2021 5.75% July 2022

Last updated: 16/06/10

Rule 6.20.2 Ordinary Options Over Ten Year Commonwealth Treasury Bond Futures Contracts

Ref Rule	Subject	Determinations
6.3.6	Manner of quoting Contract Premium	Yield per cent per annum. For quotation purposes the Contract Premium shall be multiplied by 100.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium	Multiples of 0.005 per cent
6.3.6	Manner of quoting Exercise Price of Options	Yield per cent per annum. For quotation purposes the Exercise Price shall be deducted from 100.00.
6.3.6	Minimum fluctuations to be used in quoting Exercise Price of Options	Multiples of 0.10 per cent annum
6.20.2 Item 2	Calculation of Contract Premium	<p>In calculating the Contract Premium:</p> <ul style="list-style-type: none"> ▪ the calculations within the brackets shall be carried out to eight decimal places; and ▪ the value of the Contract Premium shall be rounded to the nearest cent, 0.500 cents being rounded up
6.3.8	Creation of new Exercise Prices	New Exercise Prices are created as the underlying futures contract price moves, at intervals of 0.10 per cent per annum.
6.3.6	Final time for lodgement of Exercise Request or Deny Automatic Request	<p>Up to close of trading on the Declaration Date</p> <p>Up to 20 minutes after close of trading on any day other than the Declaration Date.</p>
6.3.6	Time Sellers are notified of Assignment of Exercise Request	<p>For Requests lodged on the Declaration Day:</p> <ul style="list-style-type: none"> ▪ by no later than 3.30 pm on the Business Day following the Declaration Date. <p>For Requests lodged on a day other than the Declaration Date:</p> <ul style="list-style-type: none"> ▪ by no later than 45 minutes prior to the commencement of trading on the next Business Day on which clearing occurs following the day on which the Request is lodged
6.1.4	Trading Hours	5.12pm - 7.00am and 8.32am - 4.30pm (US daylight saving time) 5.12pm - 7.30am and 8.32am - 4.30pm (US non daylight saving time)
6.3.6	Declaration Date:	The Business Day prior to the Last Trading Day in the underlying futures contract.
6.3.6	Time at which trading ceases on the Declaration Date	12.30pm
6.3.6	Expiry Months	March/July/September/December, up to two Quarter Months ahead.

Rule 6.20.3 Serial Options Over Ten Year Commonwealth Treasury Bond Futures Contracts

Ref Rule	Subject	Determinations
6.3.6	Manner of quoting Contract Premium	Yield per cent per annum. For quotation purposes the Contract Premium shall be multiplied by 100.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium	Multiples of 0.005 per cent per annum.
6.3.6	Manner of quoting Exercise Price of Options	Yield per cent per annum.
6.3.6	Minimum fluctuations to be used in quoting Exercise Price of Options	Multiples of 0.10 per cent per annum. For quotation purposes the Exercise Price shall be deducted from 100.00.
6.20.3 Item 2	Calculation of Contract Premium	In calculating the Contract Premium: <ul style="list-style-type: none"> ▪ the calculations within the brackets shall be carried out to eight decimal places; and ▪ the value of the Contract Premium shall be rounded to the nearest cent, 0.500 cents being rounded up.
6.3.8	Creation of new Exercise Prices	New Exercise Prices are created as the underlying futures contract price moves, at intervals of 0.10 per cent per annum.
6.20.3 Item 3	Final time for entering position close outs	No later than 2.00 pm on the settlement day
6.3.6	Final time for lodgement of Exercise Request or Deny Automatic Request	Up to close of trading on the Declaration Date Up to 20 minutes after close of trading on any day other than the Declaration Date.
6.3.6	Time Sellers are notified of Assignment of Exercise Request	For Requests lodged on the Declaration Day: <ul style="list-style-type: none"> ▪ by no later than 3.30 pm on the Declaration Date. For Requests lodged on a day other than the Declaration Date: <ul style="list-style-type: none"> ▪ by no later than 45 minutes prior to the commencement of trading on the next Business Day on which clearing occurs following the day on which the Request is lodged
6.1.4	Trading Hours	5.12pm - 7.00am and 8.32am - 4.30pm (US daylight saving time) 5.12pm - 7.30am and 8.32am - 4.30pm (US non daylight saving time)
6.3.6	Declaration Date:	The fifteenth day of the Settlement Month, or if that day is not a Business Day, then the Business Day immediately following the fifteenth day
6.3.6	Time at which trading ceases on the Declaration Date	12.30 pm
6.3.6	Expiry Months	January/February/April/May/July/August/October/ November with two Expiry Months listed at all times

Rule 6.20.4 Intraday Options Over Ten Year Commonwealth Treasury Bond Futures Contracts

Ref Rule	Subject	Determinations
6.3.6	Manner of quoting Contract Premium	Yield per cent per annum. For quotation purposes the Contract Premium shall be multiplied by 100.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium	Multiples of 0.005 per cent per annum.
6.3.6	Manner of quoting Exercise Price of Options	Yield per cent per annum.
6.3.6	Minimum fluctuations to be used in quoting Exercise Price of Options	Multiples of 0.01 per cent per annum. For quotation purposes the Exercise Price shall be deducted from 100.00.
6.20.4 Item 2	Calculation of Contract Premium	In calculating the Contract Premium: <ul style="list-style-type: none"> ▪ the calculations within the brackets shall be carried out to eight decimal places; and ▪ the value of the Contract Premium shall be rounded to the nearest cent, 0.500 cents being rounded up
6.20.4 Item 3(b)	Calculation of Intra-Day Option Futures Price *	The weighted average of trade prices shall be calculated to 4 decimal places and rounded to the nearest multiple of 0.005 per cent per annum; if the 3 rd and 4 th decimal places are 2 and 5 or 7 and 5 respectively, the weighted average shall be rounded to the next highest multiple of 0.005 per cent per annum.
6.20.4 Item 3(d)	Price sampling period	4.15pm - 4.25 pm
6.3.8	Creation of new Exercise Prices	New Exercise Prices are created as the underlying futures contract price moves, at intervals of 0.01 per cent per annum.
6.20.4 Item 4	Time of announcement of Intraday Option Futures Price	By 4.30 pm on each relevant day
6.1.4	Trading hours	8.32am – 4.10pm
6.3.6	Declaration Date:	Within the Trading Period during which the contract was first listed for trading.
6.3.6	Time at which trading ceases on the Declaration Date	4.10pm
6.3.6	Expiry Months	Intraday Options shall be available for futures contracts for the nearest Quarter Month ahead.

* **Explanatory Note:**

The Intra-Day Option Futures Price referred to in Item 3(b) is the weighted average of trade prices executed in the underlying futures contract between 4.15pm and 4.25pm, excluding any Exchange for Physical, Custom market and Intra- and Inter-Commodity spread trades.

Rule 6.20.5 Overnight Options Over Ten Year Commonwealth Treasury Bond Futures Contracts

Ref Rule	Subject	Determinations
6.3.6	Manner of quoting Contract Premium	Yield per cent per annum. For quotation purposes the Contract Premium shall be multiplied by 100.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium	Multiples of 0.005 per cent.
6.3.6	Manner of quoting Exercise Price of Options	Yield per cent per annum. For quotation purposes the Exercise Price shall be deducted from 100.00.
6.3.6	Minimum fluctuations to be used in quoting Exercise Price Options	Multiples of 0.01 per cent.
6.20.5 Item 2	Calculation of Contract Premium	In calculating the Contract Premium: <ul style="list-style-type: none"> ▪ the calculations within the brackets shall be carried out to eight decimal places; and ▪ the value of the Contract Premium shall be rounded to the nearest cent, 0.500 cents being rounded up
6.20.5 Item 3(b)	Calculation of Overnight Option Futures Price *	The weighted average of trade prices shall be calculated to 4 decimal places and rounded to the nearest multiple of 0.005 per cent per annum; if the 3 rd and 4 th decimal places are 2 and 5 or 7 and 5 respectively, the weighted average shall be rounded to the next highest multiple of 0.005 per cent per annum.
6.20.5 Item 3(d)	Price sampling periods	8.32 am – 8.42 am
6.3.8	Creation of new Exercise Prices	New Exercise Prices are created as the underlying futures contract price moves, at intervals of 0.01 per cent per annum.
6.20.5 Item 4	Time of announcement of Overnight Option Futures Prices	By 8.45 am on each relevant day
6.1.4	Trading hours	5.12 pm – 7.00 am (US daylight saving time) 5.12 pm - 7.30am (US non daylight saving time)
6.3.6	Declaration Date:	Within the Trading Period during which the contract was first listed for trading.
6.3.6	Time at which trading ceases	At the cessation of each Trading Period
6.3.6	Expiry Months	Overnight Options shall be available for futures contracts for the nearest Quarter Month ahead.

* **Explanatory Note:**

The Overnight Option Futures Price referred to in Item 3(b) is the weighted average of trade prices executed in the underlying futures contract between 8.32am and 8.42am, excluding any Exchange for Physical, Custom market and Intra- and Inter-Commodity spread trades and any trades that occur during the Levelling Phase.

Rule 6.21.1 Three Year Commonwealth Treasury Bond Futures Contracts

Ref Rule	Subject	Determinations
6.21.1 Item 1(d)	Coupon Rate	For contracts listed up to and including June 2001 the coupon rate was 12 per cent For contracts listed on and after September 2001 the coupon rate was 6 per cent
6.21.1 Item 2 & 4	Calculation of Contract Value	The calculation within the brackets in the formula shall be carried out to eight decimal places and rounded to the nearest cent, 0.500 cents being rounded up).
6.21.1 Item 5(a)	Treasury Bond Series	As recorded in the Schedule to these Determinations
6.2.3	Manner of quoting Futures Price	Yield per cent per annum. For quotation purposes the price shall be deducted from 100.00.
6.2.3	Minimum fluctuations for quoting Futures Price	Multiples of 0.005 per cent during the period 5.10pm on 8th of the expiry month, or the next business day if the 8th is not a business day, to 4.30pm on the day of expiry. At all other times the minimum price increment will be 0.01 per cent.
6.2.3	Three Year Bond Settlement List	<ul style="list-style-type: none"> — ANZ Investment Bank Limited — Commonwealth Bank of Australia — Citigroup Global Markets Australia Pty Limited — Deutsche Bank AG — JPMorgan Australia — Macquarie Bank Limited — National Australia Bank Limited — RBC Capital Markets — RBS Group (Australia) Pty Limited — The Toronto-Dominion Bank — UBS AG Australia Branch — Westpac Banking Corporation Limited
6.2.3	Time Settlement Price is declared	SFE Clearing will normally declare the Settlement Price by 3.00 pm on the Final Trading Day
6.21.1 Item 5(b)	Times for obtaining quotations for the purpose of calculating the Settlement Price	9.45 am, 10.30 am and 11.15 am on the Final Trading Day.
6.1.4	Trading Hours	5.10pm-7.00am & 8.30am-4.30pm (US daylight saving time) 5.10pm-7.30am & 8.30am-4.30pm (US non daylight saving time)
6.2.3	Settlement Months	March, June, September and December up to two Quarter Months ahead
6.2.3	Final Trading Day	The fifteenth day of the Settlement Month or if that day is not a Business Day, then the Business Day immediately following the fifteenth day
6.2.3	Time at which trading ceases on Final Trading Day	12.00 noon.
6.2.3	Settlement Day	The Business Day following the Final Trading Day in a Settlement Month
6.2.3	Final time by which Seller's obligations must be satisfied	12.00 noon on the Settlement Day

Ref Rule	Subject	Determinations
6.2.3	Final time by which Buyer' obligations must be satisfied	10.30 am on the Settlement Day

Amended 11/05/09; 22/05/09

Schedule of Bond series referred to above

The following series of Commonwealth Treasury Bonds are those determined by the Board pursuant to Item 5(a) of Rule 6.21 and its predecessor:

1	<u>Cash Settlement Month - June 1988</u> 13.0% January 1991 12.0% April 1991 12.0% December 1991 13.0% February 1992	2	<u>Cash Settlement Month - September 1988</u> 13.0% January 1991 12.0% April 1991 12.0% December 1991 13.0% February 1992
3	<u>Cash Settlement Month - December 1988</u> 13.0% January 1991 12.0% April 1991 12.0% December 1991 13.0% February 1992	4	<u>Cash Settlement Month - March 1989</u> 12.0% April 1991 12.0% December 1991 13.0% February 1992 12.0% March 1992
5	<u>Cash Settlement Month - June 1989</u> 12.0% December 1991 13.0% February 1992 12.0% March 1992 12.0% July 1992 13.0% May 1993	6	<u>Cash Settlement Month - September 1989</u> 12.0% December 1991 13.0% February 1992 12.0% March 1992 12.0% July 1992 13.0% May 1993
7	<u>Cash Settlement Month - December 1989</u> 13.0% February 1992 12.0% March 1992 12.0% July 1992 13.0% May 1993	8	<u>Cash Settlement Month - March 1990</u> 12.0% March 1992 12.0% July 1992 13.0% May 1993 12.5% September 1994
9	<u>Cash Settlement Month - June 1990</u> 12.0% March 1992 12.0% July 1992 13.0% May 1993 12.5% September 1994	10	<u>Cash Settlement Month - September 1990</u> 12.0% March 1992 12.0% July 1992 13.0% May 1993 12.5% September 1994
11	<u>Cash Settlement Month - December 1990</u> 12.0% March 1992 12.0% July 1992 13.0% May 1993 12.5% September 1994	12	<u>Cash Settlement Month - March 1991</u> 12.0% July 1992 13.0% May 1993 12.5% September 1994 12.5% April 1995
13	<u>Cash Settlement Month - June 1991</u> 13.0% May 1993 12.5% September 1994 12.5% April 1995 13.0% July 1995	14	<u>Cash Settlement Month - September 1991</u> 13.0% May 1993 12.5% September 1994 12.5% April 1995 13.0% July 1995
15	<u>Cash Settlement Month - December 1991</u> 12.5% September 1994 12.5% April 1995 13.0% July 1995 10.5% September 1995 13.0% July 1996	16	<u>Cash Settlement Month - March 1992</u> 12.5% September 1994 12.5% April 1995 10.5% September 1995 13.0% July 1996

17	<u>Cash Settlement Month - June 1992</u> 12.5% September 1994 12.5% April 1995 10.5% September 1995 13.0% July 1996	18	<u>Cash Settlement Month - September 1992</u> 12.5% September 1994 12.5% April 1995 10.5% September 1995 13.0% July 1996
19	<u>Cash Settlement Month - December 1992</u> 12.5% April 1995 10.5% September 1995 13.0% July 1996 12.5% March 1997	20	<u>Cash Settlement Month - March 1993</u> 12.5% April 1995 10.5% September 1995 13.0% July 1996 12.5% March 1997
21	<u>Cash Settlement Month - June 1993</u> 10.5% September 1995 13.0% July 1996 12.5% March 1997 12.5% September 1997	22	<u>Cash Settlement Month - September 1993</u> 10.5% September 1995 13.0% July 1996 12.5% March 1997 12.5% September 1997
23	<u>Cash Settlement Month - December 1993</u> 10.5% September 1995 13.0% July 1996 12.5% March 1997 12.5% September 1997	24	<u>Cash Settlement Month - March 1994</u> 13.0% July 1996 12.5% March 1997 12.5% September 1997 12.5% January 1998
25	<u>Cash Settlement Month - June 1994</u> 13.0% July 1996 12.5% March 1997 12.5% September 1997 12.5% January 1998	26	<u>Cash Settlement Month - September 1994</u> 12.5% March 1997 12.5% September 1997 12.5% January 1998 7.0% August 1998
27	<u>Cash Settlement Month - December 1994</u> 12.5% March 1997 12.5% September 1997 12.5% January 1998 7.0% August 1998	28	<u>Cash Settlement Month - March 1995</u> 12.5% March 1997 12.5% September 1997 12.5% January 1998 7.0% August 1998
29	<u>Cash Settlement Month - June 1995</u> 12.5% September 1997 12.5% January 1998 7.0% August 1998 6.25% March 1999	30	<u>Cash Settlement Month - September 1995</u> 12.5% January 1998 7.0% August 1998 6.25% March 1999 12.0% July 1999
31	<u>Cash Settlement Month - December 1995</u> 7.0% August 1998 6.75% March 1999 12.0% July 1999 7.0% April 2000	32	<u>Cash Settlement Month - March 1996</u> 7.0% August 1998 6.75% March 1999 12.0% July 1999 7.0% April 2000
33	<u>Cash Settlement Month - June 1996</u> 7.0% August 1998 6.25% March 1999 12.0% July 1999 7.0% April 2000	34	<u>Cash Settlement Month - September 1996</u> 6.25% March 1999 12.0% July 1999 7.0% April 2000 13.0% July 2000
35	<u>Cash Settlement Month - December 1996</u> 6.25% March 1999 12.0% July 1999 7.0% April 2000 13.0% July 2000	36	<u>Cash Settlement Month - March 1997</u> 6.25% March 1999 12.0% July 1999 7.0% April 2000 13.0% July 2000

37	<u>Cash Settlement Month - June 1997</u>	12.0% July 1999 7.0% April 2000 13.0% July 2000 8.75% January 2001	38	<u>Cash Settlement Month - September 1997</u>	7.0% April 2000 13.0% July 2000 8.75% January 2001 12.0% November 2001
39	<u>Cash Settlement Month - December 1997</u>	7.0% April 2000 13.0% July 2000 8.75% January 2001 12.0% November 2001	40	<u>Cash Settlement Month - March 1998</u>	7.0% April 2000 13.0% July 2000 8.75% January 2001 12.0% November 2001
41	<u>Cash Settlement Month - June 1998</u>	13.0% July 2000 8.75% January 2001 12.0% November 2001 9.75% March 2002	42	<u>Cash Settlement Month - September 1998</u>	13.0% July 2000 8.75% January 2001 12.0% November 2001 9.75% March 2002
43	<u>Cash Settlement Month - December 1998</u>	8.75% January 2001 12.0% November 2001 9.75% March 2002 9.5% August 2003	44	<u>Cash Settlement Month - March 1999</u>	8.7% January 2001 12.0% November 2001 9.75% March 2002 9.5% August 2003
45	<u>Cash Settlement Month - June 1999</u>	8.75% January 2001 12.0% November 2001 9.75% March 2002 9.5% August 2003	46	<u>Cash Settlement Month - September 1999</u>	12.0% November 2001 9.75% March 2002 9.5% August 2003
47	<u>Cash Settlement Month - December 1999</u>	12.0% November 2001 9.75% March 2002 9.5% August 2003 9.0% September 2004	48	<u>Cash Settlement Month - March 2000</u>	12.0% November 2001 9.75% March 2002 9.5% August 2003 9.0% September 2004
49	<u>Cash Settlement Month - June 2000</u>	9.75% March 2002 9.5% August 2003 9.0% September 2004 7.5% July 2005	50	<u>Cash Settlement Month - September 2000</u>	10.0% October 2002 9.5% August 2003 9.0% September 2004 7.5% July 2005
51	<u>Cash Settlement Month - December 2000</u>	10.0% October 2002 9.5% August 2003 9.0% September 2004 7.5% July 2005	52	<u>Cash Settlement Month - March 2001</u>	10.0% October 2002 9.5% August 2003 9.0% September 2004 7.5% July 2005
53	<u>Cash Settlement Month - June 2001</u>	9.5% August 2003 9.0% September 2004 7.5% July 2005	54	<u>Cash Settlement Month - September 2001</u>	9.5% August 2003 9.0% September 2004 7.5% July 2005
55	<u>Cash Settlement Month - December 2001</u>	9.5% August 2003 9.0% September 2004 7.5% July 2005 6.75% November 2006	56	<u>Cash Settlement Month - March 2002</u>	9.0% September 2004 7.5% July 2005 6.75 November 2006

57	<u>Cash Settlement Month – June 2002</u> 9.0% September 2004 7.5% July 2005 6.75% November 2006	58	<u>Cash Settlement Month – September 2002</u> 9.0% September 2004 7.5% July 2005 6.75% November 2006
59	<u>Cash Settlement Month – December 2002</u> 9.0% September 2004 7.5% July 2005 6.75% November 2006	60	<u>Cash Settlement Month – March 2003</u> 7.5% July 2005 6.75% November 2006 8.75% August 2008
61	<u>Cash Settlement Month – June 2003</u> 7.5% July 2005 6.75% November 2006 8.75% August 2008	62	<u>Cash Settlement Month – September 2003</u> 7.5% July 2005 6.75% November 2006 8.75% August 2008
63	<u>Cash Settlement Month – December 2003</u> 7.5% July 2005 6.75% November 2006 8.75% August 2008	64	<u>Cash Settlement Month – March 2004</u> 6.75% November 2006 10.00% October 2006 8.75% August 2008
65	<u>Cash Settlement Month – June 2004</u> 6.75% November 2006 8.75% August 2008 7.5% September 2009	66	<u>Cash Settlement Month – September 2004</u> 6.75% November 2006 8.75% August 2008 7.5% September 2009
67	<u>Cash Settlement Month – December 2004</u> 6.75% November 2006 8.75% August 2008 7.5% September 2009	68	<u>Cash Settlement Month – March 2005</u> 6.75% November 2006 8.75% August 2008 7.5% September 2009
69	<u>Cash Settlement Month – June 2005</u> 8.75% August 2008 7.5% September 2009 TBD August 2010	70	<u>Cash Settlement Month – September 2005</u> 8.75% August 2008 7.5% September 2009 5.25% August 2010
71	<u>Cash Settlement Month – December 2005</u> 8.75% August 2008 7.5% September 2009 5.25% August 2010	72	<u>Cash Settlement Month – March 2006</u> 8.75% August 2008 7.5% September 2009 5.25% August 2010
73	<u>Cash Settlement Month – June 2006</u> 8.75% August 2008 7.5% September 2009 5.25% August 2010	74	<u>Cash Settlement Month – September 2006</u> 8.75% August 2008 7.5% September 2009 5.25% August 2010
75	<u>Cash Settlement Month – December 2006</u> 7.5% September 2009 5.25% August 2010 5.75% June 2011	76	<u>Cash Settlement Month – March 2007</u> 7.5% September 2009 5.25% August 2010 5.75% June 2011
77	<u>Cash Settlement Month – June 2007</u> 7.5% September 2009 5.25% August 2010 5.75% June 2011	78	<u>Cash Settlement Month – September 2007</u> 7.5% September 2009 5.25% August 2010 5.75% June 2011
79	<u>Cash Settlement Month – December 2007</u> 7.5% September 2009 5.25% August 2010 5.75% June 2011 5.75% April 2012	80	<u>Cash Settlement Month – March 2008</u> 5.25% August 2010 5.75% June 2011 5.75% April 2012

81	<u>Cash Settlement Month – June 2008</u>	82	<u>Cash Settlement Month – September 2008</u>
	5.25% August 2010		5.25% August 2010
	5.75% June 2011		5.75% June 2011
	5.75% April 2012		5.75% April 2012
83	<u>Cash Settlement Month – December 2008</u>	84	<u>Cash Settlement Month – March 2009</u>
	5.25% August 2010		5.75% June 2011
	5.75% June 2011		5.75% April 2012
	5.75% April 2012		6.50% May 2013
	6.50% May 2013		
85	<u>Cash Settlement Month – June 2009</u>	86	<u>Cash Settlement Month – September 2009</u>
	5.75% June 2011		5.75% June 2011
	5.75% April 2012		5.75% April 2012
	6.50% May 2013		6.50% May 2013
87	<u>Cash Settlement Month – December 2009</u>	88	<u>Cash Settlement Month – March 2010</u>
	5.75% June 2011		5.75% April 2012
	5.75% April 2012		6.50% May 2013
	6.50% May 2013		6.25% June 2014
	6.25% June 2014		
89	<u>Cash Settlement Month – June 2010</u>	90	<u>Cash Settlement Month – September 2010</u>
	5.75% April 2012		4.75% November 2012
	6.50% May 2013		6.50% May 2013
	6.25% June 2014		6.25% June 2014
	6.25% April 2015		6.25% April 2015
91	<u>Cash Settlement Month – December 2010</u>		
	4.75% November 2012		
	6.50% May 2013		
	6.25% June 2014		
	6.25% April 2015		

Last updated: 16/06/10

Rule 6.21.2 Ordinary Options Over Three Year Commonwealth Treasury Bond Futures Contracts

Ref Rule	Subject	Determinations
6.3.6	Manner of quoting Contract Premium	Yield per cent per annum. For quotation purposes the Contract Premium shall be multiplied by 100.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium	Multiples of 0.005 per cent.
6.3.6	Manner of quoting Exercise Price of Options	Yield per cent per annum. For quotation purposes the Exercise Price shall be deducted from 100.00.
6.3.6	Minimum fluctuations to be used in quoting Exercise Price of Options	Multiples of 0.10 per cent
6.21.2 Item 2	Calculation of Contract Premium	In calculating the Contract Premium: <ul style="list-style-type: none"> ▪ the calculations within the brackets shall be carried out to eight decimal places; and ▪ the value of the Contract Premium shall be rounded to the nearest cent, 0.500 cents being rounded up
6.3.8	Creation of new Exercise Prices	New Exercise Prices are created as the underlying futures contract price moves, at intervals of 0.10 per cent per annum.
6.3.6	Final time for lodgement of Exercise Request or Deny Automatic Request	Up to close of trading on the Declaration Date Up to 20 minutes after close of trading on any day other than the Declaration Date.
6.3.6	Time Sellers are notified of Assignment of Exercise Request	For Requests lodged on the Declaration Day: <ul style="list-style-type: none"> ▪ by no later than 3.30 pm on the Declaration Date. For Requests lodged on a day other than the Declaration Date: <ul style="list-style-type: none"> ▪ by no later than 45 minutes prior to the commencement of trading on the next Business Day on which clearing occurs following the day on which the Request is lodged
6.1.4	Trading hours	5.10pm - 7.00am and 8.30am - 4.30pm (US daylight saving time) 5.10pm - 7.30am and 8.30am - 4.30pm (US non daylight saving time)
6.3.6	Declaration Date:	The Business Day prior to the Last Trading Day in the underlying futures contract
6.3.6	Time at which trading ceases on the Declaration Date	12.30pm
6.3.6	Expiry Months	March/July/September/December, up to two Quarter Months ahead.

Rule 6.21.3 Serial Options Over Three Year Commonwealth Treasury Bond Futures Contracts

Ref Rule	Subject	Determinations
6.3.6	Manner of quoting Contract Premium	Yield per cent per annum. For quotation purposes the Contract Premium shall be multiplied by 100.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium	Multiples of 0.005 per cent.
6.3.6	Manner of quoting Exercise Price of Options	Yield per cent per annum. For quotation purposes the Exercise Price shall be deducted from 100.00.
6.3.6	Minimum fluctuations to be used in quoting Exercise Price of Options	Multiples of 0.10 per cent.
6.21.3 Item 2	Calculation of Contract Premium	In calculating the Contract Premium: <ul style="list-style-type: none"> ▪ the calculations within the brackets shall be carried out to eight decimal places; and ▪ the value of the Contract Premium shall be rounded to the nearest cent, 0.500 cents being rounded up
6.3.8	Creation of new Exercise Prices	New Exercise Prices are created as the underlying futures contract price moves, at intervals of 0.10 per cent per annum.
6.21.3 Item 3	Final time for entering position close outs	No later than 2.00 pm on the settlement day
6.3.6	Final time for lodgement of Exercise Request or Deny Automatic Request	Up to close of trading on the Declaration Date Up to 20 minutes after close of trading on any day other than the Declaration Date.
6.3.6	Time Sellers are notified of Assignment of Exercise Request	For Requests lodged on the Declaration Day: <ul style="list-style-type: none"> ▪ by no later than 3.30 pm on the Declaration Date. For Requests lodged on a day other than the Declaration Date: <ul style="list-style-type: none"> ▪ by no later than 45 minutes prior to the commencement of trading on the next Business Day on which clearing occurs following the day on which the Request is lodged
6.1.4	Trading hours	5.10pm - 7.00am and 8.30am - 4.30pm (US daylight saving time) 5.10pm - 7.30am and 8.30am - 4.30pm (US non daylight saving time)
6.3.6	Declaration Date:	The fifteenth day of the Settlement Month, or if that day is not a Business Day, then the Business Day immediately following the fifteenth day
6.3.6	Time at which trading ceases	12.30 pm on the Declaration Date
6.3.6	Expiry Months	January/February/April/May/July/August/October/ November with two Expiry Months listed at all times

Rule 6.21.4 Intraday Options Over Three Year Commonwealth Treasury Bond Futures Contracts

Ref Rule	Subject	Determinations
6.3.6	Manner of quoting Contract Premium	Yield per cent per annum. For quotation purposes the Contract Premium shall be multiplied by 100.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium	Multiples of 0.005 per cent.
6.3.6	Manner of quoting Exercise Price of Options	Yield per cent per annum. For quotation purposes the Exercise Price shall be deducted from 100.00.
6.3.6	Minimum fluctuations to be used in quoting Exercise Price of Options	Multiples of 0.01 per cent.
6.21.4 Item 2	Calculation of Contract Premium	In calculating the Contract Premium: <ul style="list-style-type: none"> ▪ the calculations within the brackets shall be carried out to eight decimal places; and ▪ the value of the Contract Premium shall be rounded to the nearest cent, 0.500 cents being rounded up
6.21.4 Item 3(b)	Calculation of Intra-Day Option Futures Price *	Where the underlying futures contract minimum price increment is set to 0.005 per cent, the weighted average of trade prices shall be calculated to 4 decimal places and rounded to the nearest multiple of 0.005; if the 3 rd and 4 th decimal places are 2 and 5 or 7 and 5 respectively, the weighted average shall be rounded to the next highest multiple of 0.005. Where the underlying futures contract minimum price increment is set to 0.01 per cent, the weighted average of trade prices shall be calculated to 3 decimal places and rounded 2 decimal places; if the third decimal place is 5 the weighted average shall be rounded to the next highest second decimal place.
6.21.4 Item 3(d)	Price sampling period	4.15pm - 4.25 pm
6.3.8	Creation of new Exercise Prices	New Exercise Prices are created as the underlying Futures Contract price moves, at intervals of 0.01 per cent per annum.
6.21.4 Item 4	Time of declaration of Intraday Option Futures Price	By 4.30 pm on each relevant day
6.1.4	Trading hours	8.30am – 4.10pm
6.3.6	Declaration Date:	Within the Trading Period during which the contract was first listed for trading.
6.3.6	Time at which trading ceases	4.10pm on the Declaration Date
6.3.6	Expiry Months	Intraday Options shall be available for futures contracts for the nearest Quarter Month ahead.

Amended 11/05/09

* **Explanatory Note:**

The Intra-Day Option Futures Price referred to in Item 3(b) is the weighted average of trade prices executed in the underlying futures contract between 4.15pm and 4.25pm, excluding any Exchange for Physical, Custom market and Intra- and Inter-Commodity spread trades.

Rule 6.21.5 Overnight Options Over Three Year Commonwealth Treasury Bond Futures Contracts

Ref Rule	Subject	Determinations
6.3.6	Manner of quoting Contract Premium	Yield per cent per annum. For quotation purposes the Contract Premium shall be multiplied by 100.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium	Multiples of 0.005 per cent.
6.3.6	Manner of quoting Exercise Price of Options	Yield per cent per annum. For quotation purposes the Exercise Price shall be deducted from 100.00.
6.3.6	Minimum fluctuations to be used in quoting Exercise Price of Options	Multiples of 0.01 per cent
6.21.5 Item 2	Calculation of Contract Premium	In calculating the Contract Premium: <ul style="list-style-type: none"> ▪ the calculations within the brackets shall be carried out to eight decimal places; and ▪ the value of the Contract Premium shall be rounded to the nearest cent, 0.500 cents being rounded up
6.21.5 Item 3(b)	Calculation of Overnight Option Futures Price *	Where the underlying futures contract minimum price increment is set to 0.005 per cent, the weighted average of trade prices shall be calculated to 4 decimal places and rounded to the nearest multiple of 0.005; if the 3 rd and 4 th decimal places are 2 and 5 or 7 and 5 respectively, the weighted average shall be rounded to the next highest multiple of 0.005. Where the underlying futures contract minimum price increment is set to 0.01 per cent, the weighted average of trade prices shall be calculated to 3 decimal places and rounded 2 decimal places; if the third decimal place is 5 the weighted average shall be rounded to the next highest second decimal place.
6.21.5 Item 3(d)	Price sampling periods	8.30 am – 8.40 am
6.3.8	Creation of new Exercise Prices	New Exercise Prices are created as the underlying futures contract price moves, at intervals of 0.01 per cent per annum..
6.21.5 Item 4	Time of declaration of Overnight Option prices	The Overnight Options Futures Prices will be declared by 8.45 am on each relevant day
6.1.4	Trading hours	5.10 pm – 7.00 am (US daylight saving time) 5.10pm - 7.30am (US non daylight saving time)
6.3.6	Declaration Date:	Within the Trading Period during which the contract was first listed for trading.
6.3.6	Time at which trading ceases	At the cessation of each Trading Period
6.3.6	Expiry Months	Overnight Options shall be available for futures contracts for the nearest Quarter Month ahead.

Amended 11/05/09

* **Explanatory Note:**

The Overnight Option Futures Price referred to in Item 3(b) is the weighted average of trade prices executed in the underlying futures contract between 8.30am and 8.40am, excluding any Exchange for Physical, Custom market and Intra- and Inter-Commodity spread trades and any trades that occur during the Levelling Phase.

Rule 6.22.1 90 Day Bank Accepted Bill Futures Contracts

Ref Rule	Subject	Determinations
6.22.1 Item 3	Approved Banks	<p>Approved Bank must meet the following criteria:</p> <ul style="list-style-type: none"> - Hold AFMA Prime Bank status for minimum of 6 months - Have a minimum average of AUD10 billion on issue in the domestic market <p>In the event an Approved Bank no longer meets the above criteria, the Approved Bank will be removed from the list with immediate effect for all 90 Day Bank Bill Futures contracts available for acquisition or disposal on a trading facility operated by the Exchange.</p> <p>The Approved Bank list will be published in a market notification.</p>
6.2.3	Manner of quoting Futures Prices	Yield per cent per annum. For quotation purposes the Futures Price shall be deducted from 100.00.
6.2.3	Minimum fluctuations for quoting Futures Prices	Multiples of 0.01 per cent.
6.22.1 Item 5	Final time for Seller or its Agent to give SFE Clearing details of tender	5.00 pm on the Final Trading Day.
6.22.1 Item 5	Tendering Procedures	<p>Details of tender which are required:</p> <p>In the case of bills:</p> <ul style="list-style-type: none"> (i) Name of the Participant of Austraclear Limited. (ii) Face Value. (iii) Drawer. (iv) Acceptor. (v) Place of Payment - Bank/Branch. (vi) Maturity Date. (vii) Tendering Clearing Participant. (viii) Maximum Parcel Size \$100 million. <p>In the case of ECD's:</p> <ul style="list-style-type: none"> (i) Name of the Participant of Austraclear Limited. (ii) Face Value. (iii) Issuing Bank. (iv) Place of Payment - Bank/Branch. (v) Maturity Date. (vi) Tendering Clearing Participant (vii) Maximum Parcel Size \$100 million.
6.22.1 Item 6.2	Calculation of Settlement Value	The Settlement Value is to be rounded to the nearest cent, 0.500 cents being rounded up
6.22.1 Item.6.3(a) 6.22.1 Item.6.3(b)	Time by which SFE Clearing will advise settlement details: To Seller: To Buyer:	7.00 am on Settlement Day 7.00 am on Settlement Day
6.22.1 Item 7.1(a)(i)	Final time for Seller or its Agent to deposit bills or ECD's	5.00 pm on the Final Trading Day.
6.22.1 Item 7.1(a)(ii)	Final time for Seller or its Agent to transfer bills or ECDs	10.00 am on the Settlement Day.

Ref Rule	Subject	Determinations
6.22.1 Item 7.1(a)(ii)	Final time for Seller or its Agent to transfer bills or ECDs if initial transfer was incorrect and Buyer had not accepted bills or ECDs	11.20 am on the Settlement Day.
6.22.1 Item 7.1(a)(ii)	Final time for Seller or its Agent to transfer bills or ECDs if initial transfer was incorrect and Buyer had accepted bills or ECDs.	11.45 am on the Settlement Day.
6.22.1 Item 7.1(b)	Final time for Seller or its Agent to notify SFE Clearing payment is not received	3.00 pm on the Settlement Day.
6.22.1 Item 7.2(a)	Final time for Buyer or its Agent to make payment to the Seller or its Agent:	The Buyer or its Agent must release funds for immediate settlement by 3.00 pm on the Settlement Day.
6.22.1 Item 7.2(c)	Final time for Buyer or its Agent to confirm bills or ECDs for immediate settlement:	11.00 am on the Settlement Day.
6.22.1 Item 7.2(c)	Final time for Buyer or its Agent to confirm Bills or ECDs to the Seller or its Agent if initial transfer was incorrect and initial recipient had not accepted Bills or ECDs	11.30 am on the Settlement Day.
6.22.1 Item 7.2(c)	Final time for Buyer or its Agent to confirm Bills or ECDs to the Seller or its Agent if initial transfer was incorrect and initial recipient had accepted Bills or ECDs	12.00 pm on the Settlement Day.
6.22.1 Item 7.2(d)	Final time for Buyer or its Agent to advise SFE Clearing bills or ECDs do not conform with tender details	11.00 am on the Settlement Day.
6.22.1 Item 10(a)	Final time by which Clearing Participant whose client is in default may deposit bills or ECDs	10.30 am on the Settlement Day.
6.22.1 Item 10(b)	Final time by which Clearing Participant whose client is in default may take delivery of bills or ECD's	Final time by which clearing Participant whose client is in default may take delivery of the Bills or ECDs by paying clearing funds to the Seller is 4.25 pm on the Settlement Day.
6.2.3	Trading Months	March, June, September and December in any 60 month period.
6.1.4	Trading Hours	5.08 pm - 7.00 am and 8.28 am - 4.30 pm (US daylight saving time) ² 5.08 pm - 7.30 am and 8.28 am - 4.30 pm (US non daylight saving time)
6.2.3	Final Trading Day	The Business Day immediately prior to the Settlement Day
6.2.3	Time trading ceases on the Final Trading Day	12.00 noon.
6.2.3	Settlement Day:	The second Friday of the Settlement Month

Amended 16/03/09, 08/05/09

Rule 6.22.2 Ordinary Options Over 90 Day Bank Accepted Bill Futures Contracts

Ref Rule	Subject	Determinations
6.3.6	Manner of quoting Contract Premium	Yield per cent per annum. For quotation purposes the Contract Premium shall be multiplied by 100.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium	Multiples of 0.005 per cent.
6.3.6	Manner of quoting Exercise Price of Options	Yield per cent per annum. For quotation purposes the Exercise Price shall be deducted from 100.00.
6.3.6	Minimum fluctuations to be used in quoting Exercise Price of Options	Multiples of 0.125 per cent
6.22.1 Item 2	Calculation of Contract Premium	In calculating the Contract Premium: <ul style="list-style-type: none"> ▪ the calculations within the brackets shall be carried out to eight decimal places; and ▪ the value of the Contract Premium shall be rounded to the nearest cent, 0.500 cents being rounded up
6.3.8	Creation of new Exercise Prices	New Exercise Prices are created as the underlying futures contract price moves, at intervals of 0.125 per cent per annum.
6.3.6	Final time for lodgement of Exercise Request or Deny Automatic Request	On the Declaration Date: up to close of trading On any day other than the Declaration Date: up to 20 minutes after close of trading
6.3.6	Time by which Seller is notified of Assignment of Exercise Request	For Requests lodged on the Declaration Day: <ul style="list-style-type: none"> ▪ by no later than 3.30 pm on the Declaration Date. For Requests lodged on a day other than the Declaration Date: <ul style="list-style-type: none"> ▪ by no later than 45 minutes prior to the commencement of trading on the next Business Day on which clearing occurs following the day on which the Request is lodged
6.1.4	Trading Hours	5.08pm - 7.00am and 8.28am - 4.30pm (US daylight saving time) 5.08pm - 7.30am and 8.28am - 4.30pm (US non daylight saving time)
6.3.6	Declaration Date	The Friday immediately prior to the settlement of the corresponding 90 Day Bank Accepted Bill Futures Contract delivery month or, if that day is not a Business Day, then the Business Day immediately preceding that day.
6.3.6	Time trading ceases on Declaration Date	12.30 pm on the Declaration Date
6.3.6	Expiry Months	March/June/September/December up 18 months ahead.

Rule 6.22.3 Serial Options Over 90 Day Bank Accepted Bill Futures Contracts

Ref Rule	Subject	Determinations
6.3.6	Manner of quoting Contract Premium	Yield per cent per annum. For quotation purposes the Contract Premium shall be multiplied by 100.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium	Multiples of 0.005 per cent.
6.3.6	Manner of quoting Exercise Price of Options	Yield per cent per annum. For quotation purposes the Exercise Price shall be deducted from 100.00.
6.3.6	Minimum fluctuations to be used in quoting Exercise Price of Options	Multiples of 0.125 per cent
6.22.3 Item 2	Calculation of Contract Premium	In calculating the Contract Premium: <ul style="list-style-type: none"> ▪ the calculations within the brackets shall be carried out to eight decimal places; and ▪ the value of the Contract Premium shall be rounded to the nearest cent, 0.500 cents being rounded up
6.3.8	Creation of new Exercise Prices	New Exercise Prices are created as the underlying futures contract price moves, at intervals of 0.125 per cent per annum
6.3.6	Final time for lodgement of Exercise Request or Deny Automatic Request	Up to close of trading on the Declaration Date Up to 20 minutes after close of trading on any day other than the Declaration Date.
6.3.6	Time by which Seller is notified of Assignment of Exercise Request	For Requests lodged on the Declaration Day: <ul style="list-style-type: none"> ▪ by no later than 3.30 pm on the Declaration Date For Requests lodged on a day other than the Declaration Date: <ul style="list-style-type: none"> ▪ by no later than 45 minutes prior to the commencement of trading on the next Business Day on which clearing occurs following the day on which the Request is lodged
6.1.4	Trading Hours	5.08pm - 7.00am and 8.28am - 4.30pm (US daylight saving time) 5.08pm - 7.30am and 8.28am - 4.30pm (US non daylight saving time)
6.3.6	Declaration Date	The first Friday of the Serial Option Month, or if that day is not a Business Day, then the Business Day immediately preceding that day.
6.3.6	Time trading ceases on Declaration Date	12.30 pm on the Declaration Date
6.3.6	Expiry Months	January/February/April/May/July/August/October/ November with two Expiry Months listed at all times

Rule 6.23 Ten Year Interest Rate Swap Futures Contracts

Ref Rule	Subject	Determinations
6.23 Item 1(iii)	Coupon Rate	6.5 per cent
6.2.3	Manner of quoting Futures Price	Yield per cent per annum. For quotation purposes the Futures Price shall be deducted from 100.00.
6.2.3	Minimum fluctuations for quoting Futures Price	Multiples to be of 0.005 per cent.
6.23 Item 2	Calculation of Contract Value	The calculation within the brackets in the formula shall be carried out to eight decimal places and rounded to the nearest cent, 0.500 cents being rounded up).
6.2.3	Time Settlement Price is declared	SFE Clearing will normally declare the Settlement Price by 10.30 am on the Final Trading Day
6.1.4	Trading Hours	5.14pm-7.00am & 8.34am-4.30pm (US daylight saving time) 5.14pm-7.30am & 8.34am-4.30pm (US non daylight saving time)
6.2.3	Settlement Months	March, June, September and December up to two Quarter Months ahead
6.2.3	Final Trading Day	The Business Day immediately prior to the Settlement Day.
6.2.3	Trading ceases on final trading day	At 12.00 noon.
6.2.3	Settlement Day	The second Friday of the Settlement Month.
6.2.3	Final time by which Seller's obligations must be satisfied	12.00 noon on the Settlement Day
6.2.3	Final time by which Buyer' obligations must be satisfied	10.30 am on the Settlement Day

Last updated: 01/08/08

Rule 6.24 Three Year Interest Rate Swap Futures Contracts

Ref Rule	Subject	Determinations
6.24.1 Item 1(iii)	Coupon Rate	6.5 per cent
6.2.3	Manner of quoting Futures Price	Yield per cent per annum. For quotation purposes the Futures Price shall be deducted from 100.00.
6.2.3	Minimum fluctuations for quoting Futures Price	Multiples to be of 0.005 per cent.
6.24 Item 2	Calculation of Contract Value	The calculation within the brackets in the formula shall be carried out to eight decimal places and rounded to the nearest cent, 0.500 cents being rounded up).
6.2.3	Time Settlement Price is declared	SFE Clearing will normally declare the Settlement Price by 10.30 am on the Final Trading Day
6.1.4	Trading Hours	5.14pm-7.00am & 8.34am-4.30pm (US daylight saving time) 5.14pm-7.30am & 8.34am-4.30pm (US non daylight saving time)
6.2.3	Settlement Months	March, June, September and December up to two Quarter Months ahead
6.2.3	Final Trading Day	The Business Day immediately prior to the Settlement Day.
6.2.3	Trading ceases on Final Trading Day	At 12.00 noon.
6.2.3	Settlement Day	The second Friday of the Settlement Month.
6.2.3	Final time by which Seller's obligations must be satisfied	12.00 noon on the Settlement Day
6.2.3	Final time by which Buyer' obligations must be satisfied	10.30 am on the Settlement Day

Last updated: 01/08/08

Rule 6.25.1 30 Day Interbank Cash Rate Futures Contracts

Ref rule	Subject	Determinations
6.2.3	Manner of quoting Futures Price	Yield per cent per annum. For quotation purposes the price shall be deducted from 100.00.
6.2.3	Minimum fluctuations for quoting Futures Price	Multiples of 0.005 per cent.
6.25.1 Item 2	Calculation of Contract Value	The contract value is to be rounded to the nearest cent (0.500 cents being rounded up).
6.25.1 Item 5	Calculation of Cash Settlement Rate	The Cash Settlement Rate is to be rounded to the nearest 0.001 per cent (0.0005 per cent rounded up)
6.2.3	Time Settlement Price is declared	SFE Clearing will normally declare the Settlement Price by 12.00 noon on the first Business Day following the Final Trading Day.
6.1.4	Trading hours	5.14pm-7.00am & 8.34am-4.30pm (US daylight saving time) 5.14pm-7.30am & 8.34am-4.30pm (US non daylight saving time)
6.2.3	Settlement Months	Monthly up to 18 months ahead
6.2.3	Final Trading Day	The last Business Day of the Settlement Month
6.2.3	Time at which trading ceases on Final Trading Day	At 4.30pm.
6.2.3	Settlement Day	The second Business Day after the Final Trading Day.
6.2.3	Final time by which Seller's obligations must be satisfied	12.00 noon on the Settlement Day
6.2.3	Final time by which Buyer' obligations must be satisfied	10.30 am on the Settlement Day

Last updated: 14/10/08

Rule 6.25.2 Options on 30 Day Interbank Cash Rate Futures

Item	Heading	Individual contract specifications
6.3.6	Manner of quoting Contract Premium	Yield per cent per annum. For quotation purposes the Contract Premium shall be multiplied by 100.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium	Multiples of 0.005 per cent.
6.3.6	Manner of quoting Exercise Price of Options	Yield per cent per annum. For quotation purposes the Exercise Price shall be deducted from 100.00.
6.3.6	Minimum fluctuations to be used in quoting Exercise Price of Options	Multiples of 0.125 per cent.
6.3.8	Creation of new exercise prices	New Exercise Prices are created as the underlying futures contract price moves, at intervals of 0.125 per cent per annum.
6.3.6	Final time for lodgement of Exercise Request or Deny Automatic Request	On the Declaration Date: up to close of trading. On any day other than the Declaration Date: up to 20 minutes after close of trading.
6.3.6	Time by which Seller is notified of Exercise Request	For Requests lodged on the Declaration Day: • by no later than 2.15 pm on the Declaration Date. For Requests lodged on a day other than the Declaration Date: • by no later than 45 minutes prior to the commencement of trading on the next Business Day on which clearing occurs following the day on which the Request is lodged.
6.1.4	Trading Hours	5.14pm-7.00am & 8.34am-4.30pm (US daylight saving time) 5.14pm-7.30am & 8.34am-4.30pm (US non daylight saving time)
6.3.6	Declaration Date	The Business Day prior to the Last Trading Day in the underlying futures contract.
6.3.6	Time Trading Ceases on Declaration Date	12.30pm on the Declaration Date
6.3.6	Expiry Months	Monthly up to four months ahead.

Introduced 14/10/08

Rule 6.26.1 New Zealand 90 Day Bank Bill Futures Contract

Ref Rule	Subject	Determinations
6.26.1 Items 2 & 4	Manner of calculating Contract Value and Settlement Value	In each case: <ul style="list-style-type: none"> ▪ the calculation within the brackets shall be carried out to 8 decimal places, ▪ the values shall be rounded to the nearest cent with 0.5 of a cent being rounded up.
6.2.3	Manner of quoting Futures Price	Yield per cent per annum. For quotation purposes the Futures Price shall be deducted from 100
6.2.3	Minimum fluctuations for quoting Futures Price	Multiples of 0.01 per cent.
<i>Manner of determination of Settlement Price using quotations from participants in the underlying market pursuant to Rule 6.26.1 Item 5L</i>		
6.2.6	Settlement List	To be determined by the Exchange at the relevant time
6.26.1 Item 5.2(a)	Number of decimal places in which quotations are to be expressed	Two
6.26.1 Item 5.2(c)	Quotations which are to be discarded	Quotations with spreads greater than 0.1 per cent per annum
6.26.1 Item 5.2(c)	Number of decimal places and rounding for calculation of yield	Yield to be expressed to the nearest second decimal place, with 0.005 to be rounded up
6.26.5(e)	Number of decimal places and rounding for calculation of average yield	Average to be calculated to 3 decimal places and rounded to 2 decimal places with 0.005 being rounded up
6.2.3	Time Settlement Price is declared	SFE Clearing will normally declare the Settlement Price by 1.30 pm on the Final Trading Day
6.27.5(b)	Time of obtaining quotations for the purpose of calculating the Settlement Price	Quotations are to be obtained between 11.00 am and 11.30 am for quotations as at 10.30 am on the Final Trading Day.
6.1.4	Trading Hours	5.40pm - 7.00am and 8.30am - 4.30pm
6.2.3	Settlement Months	March, June, September and December up to 36 months ahead
6.2.3	Final Trading Day	The first Wednesday after the ninth day of the Settlement Month
6.2.3	Time at which trading ceases on Final Trading Day	12.00 noon.
6.2.3	Settlement Day	The Business Day following the Final Trading Day
6.2.3	Final time by which Seller's obligations must be satisfied	2.00 pm on the Settlement Day
6.2.3	Final time by which Buyer' obligations must be satisfied	2.00 pm on the Settlement Day

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Rule 6.26.2 Ordinary Options over New Zealand 90 Day Bank Bill Futures Contracts

Ref Rule	Subject	Determinations
6.3.6	Manner of quoting Contract Premium	Yield per cent per annum. For quotation purposes the Contract Premium shall be multiplied by 100
6.3.6	Minimum fluctuations to be used in quoting Contract Premium	Multiples of 0.01 per cent.
6.3.6	Manner of quoting Exercise Price of Options	Yield per cent per annum. For quotation purposes the Exercise Price shall be deducted from 100.00.
6.3.6	Minimum fluctuations to be used in quoting Exercise Price for Options	Multiples of 0.10 per cent.
6.3.8	Creation of new Exercise Prices	New Exercise Prices are created as the underlying futures contract price moves, at intervals of 0.10 per cent per annum.
6.26.2 Item 2	Calculation of Contract Premium	The calculation within the square brackets shall be carried out to 2 decimal places and all other calculations shall be carried to 8 decimal places with 0.5 of a cent being rounded up
6.3.6	Final time for Lodgement of Exercise Request or Deny Automatic Request	Up to close of trading on Declaration Date. Up to 20 minutes after close of trading on any day other than the Declaration Date.
6.3.6	Time Sellers are notified of Assignment of Exercise Request	<ul style="list-style-type: none"> ▪ For options exercised prior to expiry: no later than 45 minutes prior to commencement of trading on the next Business Day on which clearing occurs ▪ For options exercised at expiry: no later than 9.00 am on the Business Day following the Declaration Date
6.1.4	Trading Hours	5.40pm - 7.00am and 8.30am - 4.30pm
6.3.6	Declaration Date:	The first Wednesday after the ninth day of the Settlement Month.
6.3.6	Time at which trading ceases on the Declaration Date	12.00 noon
6.3.6	Expiry Months	March, June, September and December up to 12 months ahead.

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Rule 6.27.1 Ten Year New Zealand Government Stock Futures Contract

Ref Rule	Subject	Determinations		
6.27.1 Item 1.1(c)	Coupon Rate	8 per cent		
6.27.1 Items 2 & 4	Manner of calculating Contract Value and Settlement Value	In each case, the calculation within the brackets shall be carried out to 8 decimal places, the values shall be rounded to the nearest cent and 0.5 of a cent shall be rounded up.		
6.27.1 Item 5(a)	Treasury Bond Series	<i>Contract Settlement Month</i>	<i>Short Dated Stock</i>	<i>Far Dated Stock</i>
		December 2003	04/13	04/15
		March 2004	04/13	04/15
		June 2004	04/13	04/15
		September 2004	04/13	04/15
		December 2004	04/13	04/15
		March 2005	6.5% Apr 2013	6% Apr 2015
		June 2005	6.5% Apr 2013	6% Apr 2015
		September 2005	6.5% Apr 2013	6% Apr 2015
		December 2005	6.5% Apr 2013	6% Apr 2015
		March 2006	6.5% Apr 2013	6% Apr 2015
		June 2006	6.5% Apr 2013	6% Apr 2015
		Sept 2006	6% Apr 2015	6% Dec 2017
		December 2006	6% Apr 2015	6% Dec 2017
		March 2007	6% Apr 2015	6% Dec 2017
		June 2007	6% Apr 2015	6% Dec 2017
		September 2007	6% Apr 2015	6% Dec 2017
		December 2007	6% Apr 2015	6% Dec 2017
		March 2008	6% Apr 2015	6% Dec 2017
		June 2008	6% Apr 2015	6% Dec 2017
		September 2008	6% Apr 2015	6% Dec 2017
		December 2008	6% Apr 2015	6% Dec 2017
		March 2009	6% Apr 2015	6% Dec 2017
		June 2009	6% Apr 2015	6% Dec 2017
		September 2009	6% Apr 2015	6% Dec 2017
		December 2009	6% Apr 2015	6% Dec 2017
		March 2010	6% Dec 2017	6% May 2021
		June 2010	6% Dec 2017	6% May 2021
		September 2010	6% Dec 2017	6% May 2021
		December 2010	6% Dec 2017	6% May 2021
6.2.3	Manner of quoting Futures Price	Yield per cent per annum. For quotation purposes the Futures Price shall be deducted from 100.00.		
6.2.3	Minimum fluctuations for quoting Futures Price	Multiples of 0.005 per cent in respect of Block Trading.* Multiples of 0.01 per cent. for all other trading		

*** Explanatory Note for Block Trading**

Block Trades may be executed at a 0.005 tick by splitting the allocation price of the Block Trade between the two consecutive 0.01 ticks that average to the 0.005 execution price. For example a Dealer registers a BTF for 100 contracts at 94.465 then during allocation 50 lots will be registered at 94.46 and 50 lots at 94.47. Only an even number of lots can be registered at half ticks.
The two registered prices that constitute the average price trade of the Block Trade must be allocated to the same account.

Ref Rule	Subject	Determinations
6.2.6	Settlement List	ANZ National Bank Limited ASB Bank Limited Bank of New Zealand Limited Citigroup Global Markets Australia Pty Ltd Deutsche Bank AG Westpac Banking Corporation
6.27.1 Item 5(b)	Multiples in which quotations are to be obtained	Yield per cent per annum expressed to two decimal places
6.27.1 Item 5(c)	Quotations which are to be discarded	Quotations with spreads greater than 0.05 per cent per annum
6.27.1 Item 5(d)	Number of decimal places and rounding for calculation of yield	Yield to be expressed to the nearest second decimal place, and 0.005 to be rounded up
6.27.1 Item 5(e)	Number of decimal places and rounding for calculation of average yield	Average yield to be expressed to the nearest second decimal place and 0.005 to be rounded up
6.2.3	Time Settlement Price is declared	SFE Clearing will normally declare the Settlement Price by 3.00 pm on the Final Trading Day
6.27.1 Item 5(b)	Times for obtaining quotations for the purpose of calculating the Settlement Price	9.00 am, 9.30 am and 10.00 am on the Final Trading Day.
6.1.4	Trading Hours	5.40 pm – 7.00 am and 8.30 am – 4.30 pm.
6.2.3	Settlement Months	March, June, September and December up to two Quarter Months ahead
6.2.3	Final Trading Day	The first Wednesday after the ninth day of the Settlement Month
6.2.3	Time at which trading ceases on Final Trading Day	12.00 noon.
6.2.3	Settlement Day	The Business Day following the Final Trading Day
6.2.3	Final time by which Seller's obligations must be satisfied	2.00 pm on the Settlement Day
6.2.3	Final time by which Buyer' obligations must be satisfied	2.00 pm on the Settlement Day

Last updated: 16/06/10

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Rule 6.27.2 Ordinary Options over Ten Year New Zealand Government Stock Options Futures Contracts

Ref Rule	Subject	Determinations
6.3.6	Manner of quoting Contract Premium	Yield per cent per annum. For quotation purposes the Contract Premium shall be multiplied by 100.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium	Multiples of 0.01 per cent.
6.3.6	Manner of quoting Exercise Price for Options	Yield per cent per annum. For quotation purposes the Futures Price shall be deducted from 100.00.
6.3.6	Minimum fluctuations to be used in quoting Exercise Price for Options	Multiples of 0.25 per cent.
6.3.8	Creation of new Exercise Prices	New Exercise Prices are created as the underlying futures contract price moves, at intervals of 0.25 per cent.
6.27.2 Item 2	Calculation of Contract Premium	Calculations shall be carried out to 8 decimal places and values shall be rounded to the nearest cent with 0.5 of a cent being rounded up.
6.3.6	Final time for Lodgement of Exercise Request or Deny Automatic Request	Up to close of trading on Declaration Date. Up to 20 minutes after close of trading on any day other than the Declaration Date.
6.3.6	Time Sellers are notified of Assignment of Exercise Request	<ul style="list-style-type: none"> ▪ For options exercised prior to expiry: no later than 45 minutes prior to commencement of trading on the next Business Day on which clearing occurs ▪ For options exercised at expiry: no later than 9.00 am on the Business Day following the Declaration Date
6.1.4	Trading Hours	5.40pm - 7.00am and 8.30am - 4.30pm
6.3.6	Declaration Date:	The first Wednesday after the ninth day of the Settlement Month.
6.3.6	Time at which trading ceases on the Declaration Date	12.00 noon
6.3.6	Expiry Months	March, June, September and December up to 2 Quarter Months ahead.

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Rule 6.28.1 Three Year New Zealand Government Stock Futures Contract

Ref Rule	Subject	Determinations		
6.28.1 Item 1.1(c)	Coupon Rate	8 per cent		
6.28.1 Items 2 & 4	Manner of calculating Contract Value and Settlement Value	In each case, the calculation within the brackets shall be carried out to 8 decimal places, the values shall be rounded to the nearest cent and 0.5 of a cent shall be rounded up.		
6.28.1 Item 5(a)	Treasury Bond Series	<i>Contract Settlement Month</i>	<i>Short Dated Stock</i>	<i>Far Dated Stock</i>
		December 2003	11/06	07/09
		March 2004	11/06	07/09
		June 2004	11/06	07/09
		September 2004	11/06	07/09
		December 2004	11/06	07/09
		March 2005	8% Nov 2006	7% July 2009
		June 2005	8% Nov 2006	7% July 2009
		September 2005	6% July 2008	7% July 2009
		December 2005	6% July 2008	7% July 2009
		March 2006	6.5% July 2008	7% July 2009
		June 2006	6% July 2008	7% July 2009
		Sept 2006	7% July 2009	6% Nov 2011
		December 2006	7% July 2009	6% Nov 2011
		March 2007	7% July 2009	6% Nov 2011
		June 2007	7% July 2009	6% Nov 2011
		September 2007	7% July 2009	6% Nov 2011
		December 2007	7% July 2009	6% Nov 2011
		March 2008	7% July 2009	6% Nov 2011
		June 2008	7% July 2009	6% Nov 2011
		September 2008	6% Nov 2011	6.5% Apr 2013
		December 2008	6% Nov 2011	6.5% Apr 2013
		March 2009	6% Nov 2011	6.5% Apr 2013
		June 2009	6% Nov 2011	6.5% Apr 2013
		September 2009	6% Nov 2011	6.5% Apr 2013
		December 2009	6% Nov 2011	6.5% Apr 2013
		March 2010	6% Nov 2011	6.5% Apr 2013
		June 2010	6.5% Apr 2013	6% Apr 2015
		September 2010	6.5% Apr 2013	6% Apr 2015
		December 2010	6.5% Apr 2013	6% Apr 2015
6.2.3	Manner of quoting Futures Price	Yield per cent per annum. For quotation purposes the futures Price shall be deducted from 100.00.		
6.2.3	Minimum fluctuations for quoting Futures Price	Multiples of 0.005 per cent in respect of Block Trading [#] Multiples of 0.01 per cent. for all other trading		

Explanatory Note for Block Trading

Block Trades may be executed at a 0.005 tick by splitting the allocation price of the Block Trade between the two consecutive 0.01 ticks that average to the 0.005 execution price. For example a Dealer registers a BTF for 100 contracts at 94.465 then during allocation 50 lots will be registered at 94.46 and 50 lots at 94.47. Only an even number of lots can be registered at half ticks.
The two registered prices that constitute the average price trade of the Block Trade must be allocated to the same account.

Ref Rule	Subject	Determinations
6.28.1 Item 5	Settlement List	ANZ National Bank Limited ASB Bank Limited Bank of New Zealand Limited Citigroup Global Markets Australia Pty Ltd Deutsche Bank AG Westpac Banking Corporation
6.28.1 Item 5(b)	Multiples in which quotations are to be obtained	Yield per cent per annum expressed to two decimal places
6.28.1 Item 5(c)	Quotations which are to be discarded	Quotes with spreads greater than 0.05 per cent per annum
6.28.1 Item 5(d)	Number of decimal places and rounding for calculation of yield	Yield to be expressed to the nearest second decimal place 0.005 to be rounded up
6.28.1 Item 5(e)	Number of decimal places and rounding for calculation of average yield	Average yield to be expressed to the nearest second decimal place 0.005 to be rounded up
6.2.3	Time Settlement Price is declared	SFE Clearing will normally declare the Settlement Price by 3.00 pm on the Final Trading Day
6.28.1 Item 5(b)	Times for obtaining quotations for the purpose of calculating the Settlement Price	9.00 am, 9.30 am and 10.00 am on the Final Trading Day.
6.1.4	Trading Hours	5.40 pm – 7.00 am and 8.30 am – 4.30 pm.
6.2.3	Settlement Months	March, June, September and December up to two Quarter Months ahead
6.2.3	Final Trading Day	The first Wednesday after the ninth day of the Settlement Month
6.2.3	Time at which trading ceases on Final Trading Day	12.00 noon.
6.2.3	Settlement Day	The Business Day following the Final Trading Day
6.2.3	Final time by which Seller's obligations must be satisfied	2.00 pm on the Settlement Day
6.2.3	Final time by which Buyer's obligations must be satisfied	2.00 pm on the Settlement Day

Last updated: 16/06/10

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Rule 6.28.2 Ordinary Options over Three Year New Zealand Government Stock Options Futures Contracts

Ref Rule	Subject	Determinations
6.3.6	Manner of quoting Contract Premium	Yield per cent per annum. For quotation purposes the Contract Premium shall be multiplied by 100
6.3.6	Minimum fluctuations to be used in quoting Contract Premium	Multiples of 0.01 per cent.
6.3.6	Manner of quoting Exercise Price for Options	Yield per cent per annum. For quotation purposes the Exercise Price shall be deducted from 100.00.
6.3.6	Minimum fluctuations to be used in quoting Exercise Price for Options	Multiples of 0.25 per cent.
6.3.8	Creation of new Exercise Prices	New Prices are created as the underlying futures contract price moves, at intervals of 0.25 per cent.
6.28.2 Item 2	Calculation of Contract Premium	Calculations shall be carried out to 8 decimal places and values shall be rounded to the nearest cent with 0.5 of a cent being rounded up
6.3.6	Final time for Lodgement of Exercise Request or Deny Automatic Request	Up to close of trading on Declaration Date. Up to 20 minutes after close of trading on any day other than the Declaration Date.
6.3.6	Time Sellers are notified of Assignment of Exercise Request	<ul style="list-style-type: none"> ▪ For options exercised prior to expiry: no later than 45 minutes prior to commencement of trading on the next Business Day on which clearing occurs ▪ For options exercised at expiry: no later than 9.00 am on the Business Day following the Declaration Date
6.1.4	Trading Hours	5.40pm - 7.00am and 8.30am - 4.30pm
6.3.6	Declaration Date:	The first Wednesday after the ninth day of the Settlement Month.
6.3.6	Time at which trading ceases on the Declaration Date	12.00 noon
6.3.6	Expiry Months	March, June, September and December up to 2 Quarter Months ahead.

All currency is in NZ\$. All times are New Zealand times.

Rule 6.29.1 New Zealand / Australia Three Year Bond Spread Futures Contracts**THIS CONTRACT WAS DELISTED ON 9 FEBRUARY 2006**

Ref Rule	Subject of Determination	Determinations
6.29.1 Item 1.2(a)	Pre-determined 3 Year New Zealand Government Stock	As recorded in the second column of the Schedule to these Determinations
6.29.1 Item 1.2(b)	Pre-determined 3 Year Commonwealth Treasury Bond Futures Contract	As recorded in the third column of the Schedule to these Determinations
6.29.1 Item 4(b)	Time at which Settlement Price is declared	SFE Clearing will normally declare the Settlement Price at 12.30 pm on the Final Trading Day
6.29.1 Items 6.1(b)(i) & (ii)	Calculation of Settlement Price.	To be calculated to 2 decimal places and rounded to the nearest 0.5, 0.25 and 0.75 being rounded up.
6.29.1 Item 6.2(a)(i)	Calculation of yield on 3 Year New Zealand Government Stock	To be calculated to 8 decimal places
6.29.1 Item 6.2.(a)(ii)	Quotation times for calculation of yield of New Zealand Government Stock	11.00 am, 11.30 am and 12.00 noon NZ time, on Final Trading Day where the difference between New Zealand time and Sydney time on that day is 1 or 2 hours. *
6.2.6(b)(i)	Settlement List for calculation of yield	AMP Henderson Global Investors (New Zealand) Limited ANZ Banking Group Limited Bank of New Zealand Limited Citigroup Global Markets Australia Pty Ltd Deutsche Bank AG National Bank of New Zealand Limited Westpac Banking Corporation
6.29.1 Item 6.2(b)	Maximum spread for quotations	0.05%
6.29.1 Item 6.2(c)	Arithmetical mean:	To be calculated to 8 decimal places. No rounding necessary
6.29.1 Item 6.3	Quotation times for the purpose of calculating the yield	11.00 am, 11.30 am and 12.00 noon NZ time, on Final Trading Day where the difference between New Zealand time and Sydney time on that day is 1 or 2 hours.
6.29.1 Item 6.2(a)(ii) and Item 6.3	Quotation times for obtaining yield of Exchange futures contract and 3 Year New Zealand Government Stock	1.15 pm, 1.45 pm and 2.15 pm NZ time on the Final Trading Day where the difference between New Zealand time and Sydney time on that day is 3 hours. *
	Yield on 3 Year Commonwealth Treasury Bond Futures Contract	To be calculated to 8 decimal places
6.2.3	Manner of quoting futures price	1000 + the amount of the difference in the yield described in Item 1.1 expressed in points terms.
6..2. 3	Minimum fluctuations for quoting	Multiples of 0.5

* **Explanatory Note:** The times are different to take into account the fact that daylight saving begins and ends at different times in New Zealand and in Sydney, such that the time difference is currently 3 hours for about three weeks in October and 1 hour for about a week in March. At other times the difference is normally 2 hours.

Ref Rule	Subject of Determination	Determinations
	Futures Price	
6.1.4	Trading Hours	5.14 pm - 7.00 am and 8.34 am - 4.30 pm (US daylight saving time) 5.14 pm – 7:30 am and 8:34 am – 4:30 pm (US non daylight saving time))
6.2.3	Settlement Months	Monthly, with two Settlement Months listed
6.2.3	Final Trading Day	The eleventh day of the Settlement Month, or if that day is not a Business Day in Sydney or Auckland, then the next day which is a Business Day in both Sydney and Auckland.
6.2.3	Time at which trading ceases on Final Trading Day	12.00 noon
6.2.3	Settlement Day	The Business Day following the Final Trading Day
6.2.3	Final time by which Seller's Obligations must be settled	12.00 noon on the Settlement Day
6.2.3	Final time by which Buyer's Obligations must be Settled	11.00 am on the Settlement Day

Schedule to Determinations made pursuant to Items 1.2(a) and 1.2(b) of Rule 6.29.1 (New Zealand/Australia 3 Year Bond Spread Futures Contract)

Settlement Month for New Zealand/Australia 3 Year Bond Spread Futures Contract	Predetermined 3 Year New Zealand Government Stock	Predetermined SFE 3 Year Commonwealth Treasury Bond Futures Contract
August 2004	3 Year New Zealand Government Stock with a coupon rate of 8% which matures in November 2006	SFE 3 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of September 2004
September 2004	3 Year New Zealand Government Stock with a coupon rate of 8% which matures in November 2006	SFE 3 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of September 2004
October 2004	3 Year New Zealand Government Stock with a coupon rate of 8% which matures in November 2006	SFE 3 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of December 2004
November 2004	3 Year New Zealand Government Stock with a coupon rate of 8% which matures in November 2006	SFE 3 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of December 2004
December 2004	3 Year New Zealand Government Stock with a coupon rate of 8% which matures in November 2006	SFE 3 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of December 2004
January 2005	3 Year New Zealand Government Stock with a coupon rate of 8% which matures in November 2006	SFE 3 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of March 2005
February 2005	3 Year New Zealand Government Stock with a coupon rate of 8% which matures in November 2006	SFE 3 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of March 2005
March 2005	3 Year New Zealand Government Stock with a coupon rate of 8% which matures in November 2006	SFE 3 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of March 2005
April 2005	3 Year New Zealand Government Stock with a coupon rate of 7% which matures in July 2009	SFE 3 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of June 2005
May 2005	3 Year New Zealand Government Stock with a coupon rate of 7% which matures in July 2009	SFE 3 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of June 2005
June 2005	3 Year New Zealand Government Stock with a coupon rate of 7% which matures in July 2009	SFE 3 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of June 2005
July 2005	3 Year New Zealand Government Stock with a coupon rate of 7% which matures in July 2009	SFE 3 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of September 2005
August 2005	3 Year New Zealand Government Stock with a coupon rate of 7% which matures in July 2009	SFE 3 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of September 2005
September 2005	3 Year New Zealand Government Stock with a coupon rate of 7% which matures in July 2009	SFE 3 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of September 2005

Settlement Month for New Zealand/Australia 3 Year Bond Spread Futures Contract	Predetermined 3 Year New Zealand Government Stock	Predetermined SFE 3 Year Commonwealth Treasury Bond Futures Contract
November 2005	3 Year New Zealand Government Stock with a coupon rate of 7% which matures in July 2009	SFE 3 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of December 2005
December 2005	3 Year New Zealand Government Stock with a coupon rate of 7% which matures in July 2009	SFE 3 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of December 2005
January 2006	3 Year New Zealand Government Stock with a coupon rate of 7% which matures in July 2009	SFE 3 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of March 2006
February 2006	3 Year New Zealand Government Stock with a coupon rate of 7% which matures in July 2009	SFE 3 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of March 2006
March 2006	3 Year New Zealand Government Stock with a coupon rate of 7% which matures in July 2009	SFE 3 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of March 2006

Rule 6.30.1 New Zealand / Australia Ten Year Bond Spread Futures Contracts**THIS CONTRACT WAS DELISTED ON 9 FEBRUARY 2006**

Ref Rule	Subject of Determination	Determinations
6.30.1 Item 1.2(a)	Pre-determined 10 Year New Zealand Government Stock	As recorded in the second column of the Schedule to these Determinations
6.30.1 Item 1.2(b)	Pre-determined 10 Year Commonwealth Treasury Bond Futures Contract	As recorded in the third column of the Schedule to these Determinations
6.30.1 Item 4(b)	Time at which Settlement Price is declared	SFE Clearing will normally declare the Settlement Price at 12.30 pm on the Final Trading Day
6.30.1 Items 6.1(b)(i) & (ii)	Calculation of Settlement Price.	To be calculated to 2 decimal places and rounded to the nearest 0.5, 0.25 and 0.75 being rounded up.
6.30.1 Item 6.2(a)(i)	Calculation of yield on 3 Year New Zealand Government Stock	To be calculated to 8 decimal places
6.30.1 Item 6.2.(a)(ii)	Quotation times for calculation of yield	11.00 am, 11.30 am and 12.00 noon NZ time, on Final Trading Day where the difference between New Zealand time and Sydney time on that day is 1 or 2 hours. *
6.2.6(b)(i)	Settlement List for calculation of yield	AMP Henderson Global Investors (New Zealand) Limited ANZ Banking Group Limited Bank of New Zealand Limited Citigroup Global Markets Australia Pty Ltd Deutsche Bank AG National Bank of New Zealand Limited Westpac Banking Corporation
6.30.1 Item 6.2(b)	Maximum spread for quotations	0.05%
6.30.1 Item 6.2(c)	Arithmetical mean:	To be calculated to 8 decimal places. No rounding necessary
6.30.1 Item 6.3	Quotation times for the purpose of calculating the yield	11.00 am, 11.30 am and 12.00 noon NZ time, on Final Trading Day where the difference between New Zealand time and Sydney time on that day is 1 or 2 hours.
6.30.1 Item 6.2(a)(ii) and Item 6.3	Quotation times for obtaining yield of Exchange futures contract and 10 Year New Zealand Government Stock	1.15 pm, 1.45 pm and 2.15 pm NZ time on the Final Trading Day where the difference between New Zealand time and Sydney time on that day is 3 hours. *
	Yield on 10 Year Commonwealth Treasury Bond Futures Contract	To be calculated to 8 decimal places
6.2.3	Manner of quoting futures price	1000 + the amount of the difference in the yield described in Item 1.1 expressed in points terms.
6..2. 3	Minimum fluctuations for quoting	Multiples of 0.5

* **Explanatory Note:** The times are different to take into account the fact that daylight saving begins and ends at different times in New Zealand and in Sydney, such that the time difference is currently 3 hours for about three weeks in October and 1 hour for about a week in March. At other times the difference is normally 2 hours.

Ref Rule	Subject of Determination	Determinations
	Futures Price	
6.1.4	Trading Hours	5.14 pm - 7.00 am and 8.34 am - 4.30 pm (US daylight saving time) 5.14 pm – 7:30 am and 8:34 am – 4:30 pm (US non daylight saving time))
6.2.3	Settlement Months	Monthly, with two Settlement Months listed
6.2.3	Final Trading Day	The eleventh day of the Settlement Month, or if that day is not a Business Day in Sydney or Auckland, then the next day which is a Business Day in both Sydney and Auckland.
6.2.3	Time at which trading ceases on Final Trading Day	12.00 noon
6.2.3	Settlement Day	The Business Day following the Final Trading Day
6.2.3	Final time by which Seller's Obligations must be settled	12.00 noon on the Settlement Day
6.2.3	Final time by which Buyer's Obligations must be Settled	11.00 am on the Settlement Day

Schedule to Determinations made pursuant to Items 1.2(a) and 1.2(b) of Rule 6.30.1 (New Zealand/Australia 10 Year Bond Spread Futures Contract)

Settlement Month for New Zealand/Australia 10 Year Bond Spread Futures Contract	Predetermined 10 Year New Zealand Government Stock	Predetermined SFE 10 Year Commonwealth Treasury Bond Futures Contract
August 2004	10 Year New Zealand Government Stock with a coupon rate of 6%, which matures in April 2015	SFE 10 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of September 2004
September 2004	10 Year New Zealand Government Stock with a coupon rate of 6% which matures in April 2015	SFE 10 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of September 2004
October 2004	10 Year New Zealand Government Stock with a coupon rate of 6% which matures in April 2015	SFE 10 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of December 2004
November 2004	10 Year New Zealand Government Stock with a coupon rate of 6% which matures in April 2015	SFE 10 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of December 2004
December 2004	10 Year New Zealand Government Stock with a coupon rate of 6% which matures in April 2015	SFE 10 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of December 2004
January 2005	10 Year New Zealand Government Stock with a coupon rate of 6% which matures in April 2015	SFE 10 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of March 2005
February 2005	10 Year New Zealand Government Stock with a coupon rate of 6% which matures in April 2015	SFE 10 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of March 2005
March 2005	10 Year New Zealand Government Stock with a coupon rate of 6% which matures in April 2015	SFE 10 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of March 2005
April 2005	10 Year New Zealand Government Stock with a coupon rate of 6% which matures in April 2015	SFE 10 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of June 2005
May 2005	10 Year New Zealand Government Stock with a coupon rate of 6% which matures in April 2015	SFE 10 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of June 2005
June 2005	10 Year New Zealand Government Stock with a coupon rate of 6% which matures in April 2015	SFE 10 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of June 2005
July 2005	10 Year New Zealand Government Stock with a coupon rate of 6% which matures in April 2015	SFE 10 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of September 2005
August 2005	10 Year New Zealand Government Stock with a coupon rate of 6% which matures in April 2015	SFE 10 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of September 2005

Settlement Month for New Zealand/Australia 10 Year Bond Spread Futures Contract	Predetermined 10 Year New Zealand Government Stock	Predetermined SFE 10 Year Commonwealth Treasury Bond Futures Contract
September 2005	10 Year New Zealand Government Stock with a coupon rate of 6% which matures in April 2015	SFE 10 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of September 2005
November 2005	10 Year New Zealand Government Stock with a coupon rate of 6% which matures in April 2015	SFE 10 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of December 2005
December 2005	10 Year New Zealand Government Stock with a coupon rate of 6% which matures in April 2015	SFE 10 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of December 2005
January 2006	10 Year New Zealand Government Stock with a coupon rate of 6% which matures in April 2015	SFE 10 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of March 2006
February 2006	10 Year New Zealand Government Stock with a coupon rate of 6% which matures in April 2015	SFE 10 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of March 2006
March 2006	10 Year New Zealand Government Stock with a coupon rate of 6% which matures in April 2015	SFE 10 Year Commonwealth Treasury Bond Futures Contract with a Settlement Month of March 2006

Rule 6.31.1 Australia / US Ten Year Bond Spread Futures Contracts

Ref Rule	Subject	Determination
6.31.1	Pre-determined SFE 10 Year Commonwealth Treasury Bond Futures Contract:	The spot month SFE 10 Year Treasury Bond Futures contract at the time of expiry of the relevant Australia / US Ten Year Bond Spread Futures contract
6.31.1	Pre-determined US 10 Year Treasury Note:	The ‘On-The-Run’ US 10 Year Treasury Note*, at the time of expiry of the relevant Australia / US Ten Year Bond Spread Futures contract
6.31.1 Item 4(b)	Time at which Settlement Price is declared	SFE Clearing will normally declare the Settlement Price at 5.00 pm on the Final Trading Day
6.31.1 Item 6.1(a)	Multiples in which Settlement Price is calculated	Multiples of 0.5
6.31.1 Items 6.1(b)(i) & (ii))	Calculation of Settlement Price	To be calculated to 2 decimal places and rounded to the nearest 0.5, 0.25 and 0.75 being rounded up.
6.31.1 Items 6.2(ii) & (iii)	Calculation of weighted average of trade prices in 10 Year Commonwealth Treasury Bond Futures Contract shall be carried out to the number of decimal places determined by the Exchange and rounded in the manner determined by the Exchange.	To be calculated and rounded up to 8 decimal places.
6.31.1 Item 6.2(iv)	Price sampling period	3.30 pm – 4.30 pm
6.31.1 Item 6.3(a).	Period during which average weighted price is calculated	3.30 pm – 4.30 pm.
6.31.1 Item 6.3(b)	Time at which eSpeed provides average weighted price	4.55 pm
6.2.3	Manner of quoting futures price	1000 + the amount of the difference in the yield described in Item 1.1, expressed in points.
6.2.3	Minimum fluctuations for quoting Futures Price	Multiples of 0.5
6.1.4	Trading Hours	5.14 pm - 7.00 am and 8.34 am - 4.30 pm (US daylight saving time) 5:14 pm – 7:30 am and 8:34 am – 4:30 pm (US non daylight saving time)
6.2.3	Settlement Months	Monthly, with 2 settlement months listed
6.2.3	Final Trading Day	The eleventh day of the Settlement Month or if that day is not a Business Day in Sydney, New York, London or Tokyo, then the next day which is a Business Day in Sydney, New York, London and Tokyo.
6.2.3	Time at which trading ceases on Final	4.30 pm

* **Explanatory Note:** An ‘On-The-Run US Treasury 10 Year Note’ is the most recently issued US Treasury Note of 10 year maturity, details of which, when they are available, may be obtained from the US Treasury website and from price providers and which will be published in the Schedule to these Determinations.

Ref Rule	Subject	Determination
	Trading Day	
6.2.3	Settlement Day	The Business Day following the Final Trading Day
6.2.3	Final time by which Seller's Obligations must be settled	12.00 noon on the Settlement Day
6.2.3	Final time by which Buyer's Obligations must be Settled	11.00 am on the Settlement Day

Amended 30/12/09

Rule 6.32.1 One Session Options over US Ten Year Treasury Note Contracts

This Contract was Delisted on 1 August 2006.

Schedule to Determinations made pursuant to Item 1.2 of Rule 6.32.1 (One Session Option over US 10 Year Treasury Note Contract)

Settlement Month for One Session Option over US Ten Year Treasury Note Contract	Predetermined One Session Option over US 10 Year Treasury Note Contract
April 2005	On-The-Run US 10 Year Treasury Note.

Rule 6.33.1 Bond Index Futures Contracts**This Contract will commence on 7 December 2005.**

Ref Rule	Subject	Determinations
6.2.3	Manner of quoting Futures Price	Fractions of index points
6.2.3	Minimum fluctuations for quoting Futures Price	Multiples of 0.5 of an index point
6.2.3	Time at which Settlement Price is declared	SFE Clearing will normally declare the Settlement Price by 12.00 noon on the Business Day following the Final Trading Day
6.1.4	Trading Hours	5:14pm - 7:00am and 8:34am - 4:30pm (US daylight saving time) 5:14pm - 7:30am and 8:34am - 4:30pm (US non-daylight saving time)
6.2.3	Settlement Months	March, June, September, December, up to 2 Quarter Months ahead
6.2.3	Final Trading Day	The third Thursday of the Settlement Month
6.2.3	Time at which trading ceases on Final Trading Day	4.30pm
6.2.3	Settlement Day	The first Business Day following the Final Trading Day in a Settlement Month
6.2.3	Final time by which Seller's obligations must be satisfied	12 noon on the Settlement Day
6.2.3	Final time by which Buyer's obligations must be satisfied	10:30am on the Settlement Day
6.33.1 Item 3	Time at which value of the Index is determined	4.30 pm on the Final Trading Day

Rule 6.34.1 New Zealand 30 Day Official Cash Rate Futures Contract

This Contract will commence on 26 September 2006.

Ref Rule	Subject	Determinations
6.2.3	Manner of quoting Futures Price	Yield per cent per annum. For quotation purposes the price shall be deducted from 100.00.
6.2.3	Minimum fluctuations for quoting Futures Price	Multiples of 0.005 per cent.
6.34.1 Item 2	Calculation of Contract Value	The contract value is to be rounded to the nearest cent (0.500 cents being rounded up).
6.2.3	Time Settlement Price is declared	SFE Clearing will normally declare the Settlement Price by 12.00 noon on the Business Day after the Final Trading Day.
6.34.1 Item 5	Calculation of Cash settlement Rate	The Cash Settlement rate is to be rounded to the nearest 0.001 per cent (0.0005 per cent rounded up)
6.1.4	Trading hours	5.40pm-7.00am & 8.30am-4.30pm
6.2.3	Settlement Months	Monthly up to 12 months ahead
6.2.3	Final Trading Day	The last Business Day of the Settlement Month
6.2.3	Time at which trading ceases on Final Trading Day	At 4.30pm.
6.2.3	Settlement Day	The second Business Day after the Final Trading Day.

All currency is in NZ\$. All times are New Zealand times.

Rule 6.40.1 SFE SPI 200 Index Futures Contracts

Ref Rule	Subject	Determinations
6.2.3	Manner of quoting Futures Price	Whole or fractions of index points
6.2.3	Minimum fluctuations for quoting Futures Price	<ul style="list-style-type: none"> • Whole index points • Multiples of 0.1 of an index point for Block Trading
6.2.3	Time at which Settlement Price is declared	SFE Clearing will normally declare the Settlement Price by 12.00 noon on the Business Day following the Final Trading Day
6.1.4	Trading Hours	<p>5.10pm – 7.00am and 9.50am – 4.30pm (during US daylight saving time)</p> <p>5:10pm – 8.00am and 9:50am – 4.30pm (during US non daylight saving time)</p> <p>For the day session on Thursday 24 March 2005, trading will cease at 2.30 pm</p>
6.2.3	Settlement Months	March, June, September, December, up to 6 Quarter Months ahead and the nearest two non-quarterly expiry months.
6.2.3	Final Trading Day	The third Thursday of the Settlement Month
6.2.3	Time at which trading ceases on Final Trading Day	12.00 noon
6.2.3	Settlement Day	The second Business Day following the Final Trading Day in a Settlement Month
6.2.3	Final time by which Seller's obligations must be satisfied	12.00 noon on the Settlement Day
6.2.3	Final time by which Buyer's obligations must be satisfied	10.30 am on the Settlement Day

Amended 24/05/10

Rule 6.40.2 Ordinary Options Over SFE SPI 200 Index Futures Contracts

Rule Ref	Subject	Determinations
6.3.6	Manner of quoting Contract Premium	Whole or fractions of index points.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium	Multiples of 0.5 of an index point.
6.3.6	Manner of quoting Exercise Price of Options	Whole or fractions of index points.
6.3.6	Minimum fluctuations to be used in quoting Exercise Prices of Options	25 index points
6.3.8	Creation of new Exercise Prices	New Exercise Prices are created as the underlying futures contract price moves, at intervals of 25 points.
6.3.6	Final time for lodgement of an Exercise Request or a Deny Automatic Exercise Request	Up to close of trading on Declaration Date. Up to 20 minutes after close of trading on any day other than the Declaration Date.
6.3.6	Notification of Assignment of Exercise Request	For Requests lodged on the Declaration Date: <ul style="list-style-type: none"> ▪ no later than 9.00 am on the Business Day following the Declaration Date. For Requests lodged on a day other than the Declaration Date, <ul style="list-style-type: none"> ▪ no later than 45 minutes prior to the commencement of trading on the next Business Day on which clearing occurs following the day on which the Request is lodged
6.3.6	Declaration Date	The Final Trading Day in the corresponding SFE SPI 200 Index Futures Contract Settlement month.
6.3.6	Time at which trading ceases on the Declaration Date	At the time of cessation of SFE SPI 200 Index Futures Contract trading
6.3.6	Expiry Months	March, June, September, December, up to 4 Quarter Months ahead.
6.1.4	Trading Hours:	5.10pm–7.00am and 9.50am–4.30pm (during US daylight saving time) 5:10pm– 8.00am and 9:50am–4.30pm (during US non daylight saving time) For the day session on Thursday 24 March 2005, trading will cease at 2.30 pm.

Amended 24/05/10

Rule 6.40.3 Serial Options Over SFE SPI 200 Index Futures Contracts

Effective 1 September 2006 these Determinations are no longer in use. Please refer to Determinations relating to Rule 6.40.2 (“Ordinary Options Over SFE SPI 200 Index Futures Contracts”)

Ref Rule	Subject	Determinations
6.3.6	Manner of quoting Contract Premium	Whole or fractions of index points.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium	0.5 of an index point
6.3.6	Manner of quoting Exercise Price of Options	Whole or fractions of index points.
6.3.6	Minimum fluctuations to be used in quoting Exercise Price of Options	25 index points
6.3.8	Creation of new Exercise Prices	New Exercise Prices are created as the underlying futures contract price moves, at intervals of 25 points.
6.3.6	Final time for lodgement of an Exercise Request or a Deny Automatic Exercise Request	Up to close of trading on Declaration Date. Up to 20 minutes after close of trading on any day other than the Declaration Date.
6.3.6	Notification of Assignment of Exercise Request	For Requests lodged on the Declaration Date: ▪ no later than 3.30 pm on the Declaration Date. For Requests lodged on a day other than the Declaration Date, ▪ no later than 45 minutes prior to the commencement of trading on the next Business Day on which clearing occurs following the day on which the Request is lodged
6.3.6	Declaration Date	The last day of a Settlement Month or, where that day is not a Business Day, the Business Day immediately preceding the last day of the Settlement Month.
6.3.6	Time at which trading ceases on the Declaration Date	12.30 pm on the Declaration Date
6.3.6	Expiry Months	January/February/April/May/July/August/October/November with two Settlement Months listed at all times.
6.1.4	Trading Hours:	5.10pm–7.00am and 9.50am– 4.30pm (during US daylight saving time) 5:10pm– 8.00am and 9:50am–4.30pm (during US non daylight saving time) For the day session on Thursday 24 March 2005, trading will cease at 2.30 pm.

Rule 6.40.5 Cash Settled Intraday Options over SFE SPI 200 Index Futures Contracts**This Contract will commence on 19 October 2004.**

Ref Rule	Subject	Options contract determinations
6.3.6	Manner of quoting Contract Premium	Whole or fractions of index points
6.3.6	Minimum fluctuations to be used in quoting Contract Premium	Multiples of 0.5 of an index point
6.3.6	Manner of quoting Exercise Price of Options	Whole or fractions of index points
6.3.6	Minimum fluctuations to be used in quoting Exercise Price of Options	5 index points
6.3.8	Creation of new Exercise Prices	New Exercise Prices are created as the underlying Futures Contract price moves, at intervals of 5 index points.
6.1.4	Trading hours	9:50 am – 4:20 pm.
6.3.6	Declaration Date	Within the Trading Period during which the contract was first listed for trading.
6.3	Time at which trading ceases on the Declaration Date	4.20 pm
6.3	Expiry months	Intra-Day Options shall be available for futures contracts for the nearest Quarter Month ahead other than on the day of expiry of the underlying Futures Contract when the Intra-Day Option will be available for the second quarter month ahead.
6.40.5 (item 2(b))	Calculation of Settlement Price	The weighted average of trade prices shall be carried out to 8 decimal places and rounded to the nearest multiple 0.5.
6.40.5 (item 2(d))	Price sampling period	4:15 pm – 4:20 pm
6.40.5 (item 3)	Time of Declaration of Settlement Price	By 4:25 pm on each relevant day.

Rule 6.40.6 SFE CBOT® Mini-Sized Dowsm 1-Day Option

Effective 28 December 2007, this contract will be delisted. No new SFE CBOT Mini-Sized Dow 1-Day Option contracts will be listed on the SYCOM platform after that date.

Ref Rule	Subject	Options contract determinations
6.3.6	Manner of quoting Contract Premium	Whole or fractions of index points
6.3.6	Minimum fluctuations to be used in quoting Contract Premium	Multiples of 0.5 of an index point
6.3.6	Manner of quoting Exercise Price of Options	Whole index points
6.3.6	Minimum fluctuations to be used in quoting Exercise Price of Options	20 index points
6.3.8	Creation of new Exercise Prices	New Exercise Prices are created as the underlying CBOT® mini-sized Dow Jones SM futures contract price moves, at intervals of 20 index points.
6.1.4	Trading hours AEDT = Australian Eastern Daylight Saving Time AEST = Australian Eastern Standard Time	<i>Australian Summer Time (last Sunday in October to last Sunday in March)</i> 3:00pm until 8:15am the next day (17:15 hours continuous trading) AEST (10:00pm till 3:15pm the next day, Chicago time). <i>Australian Summer/Winter Transition (last Sunday in March to first Sunday in April)</i> 3:00pm until 7:15am the next day (16:15 hours continuous trading) AEST (11:00pm till 3:15pm the next day, Chicago time). <i>Australian Winter Time (first Sunday in April to last Sunday in October)</i> 3:00pm until 6:15am the next day (15:15 hours continuous trading) AEST (12:00am till 3:15pm the next day, Chicago time).
6.3.6	Declaration Date	Within the Trading Period during which the contract was first listed for trading.
6.3	Time at which trading ceases on the Declaration Date	8:15am AEST (during US non-daylight saving time). 7:15am AEST (during the last Sunday in March to the first Sunday in April). 6:15am AEST (during US daylight saving time).
6.3	Expiry months	The Option shall be available for the CBOT® mini-sized Dow Jones SM futures contract for the nearest quarter month ahead until five days (ie the Friday) prior to expiry of the underlying CBOT® mini-sized Dow Jones SM futures contract when the Option will be available for the second quarter month ahead.
6.40.6 (item 2)	Calculation of Settlement Price	The daily settlement price for the CBOT® mini-sized Dow Jones SM futures contract, ie 3:15pm (Chicago time).
6.40.6 (item 3)	Time of Declaration of Settlement Price	As soon as possible after receipt of the daily settlement price of the CBOT® mini-sized Dow Jones SM futures contract.

Rule 6.41 Deliverable Individual Share Futures Contract

Ref Rule	Subject	Determinations
6.41 Item 1.1	Number and class of securities relating to same securities and having same settlement month	As set out in the Schedule to these Determinations.
6.41 Item 1.2(b)	Companies whose securities have been selected to be the underlying securities	As set out in the Schedule to these Determinations.
6.2.3	Manner of quoting Futures Price	Cents per unit of the security underlying the Contract
6.2.3	Minimum fluctuations for quoting Futures Price	Whole cents per unit of the security underlying the Contract
6.1.4	Hours of Trading	9.50 am – 4.00 pm For the day session on Thursday 24 March 2005, trading will cease at 2.00 pm.
6.2.3	Settlement Months	As set out in the Schedule to these Determinations
6.2.3	Final Trading Day	As set out in the Schedule to these Determinations
6.2.3	Time at which trading ceases on Final Trading Day	4.00 pm
6.2.3	Settlement Day	The first Business Day after the Final Trading Day
6.41 Item 4.2	Time for lodgement of document authorising CHESS agent	5.30 pm on the Final Trading Day
6.41 Item 5	Time for lodgement of tenders	5.30 pm on the Final Trading Day
6.41 Item 6.2	Time for payment of Settlement Value	10.30 am on Settlement Day
6.41 Item 6.3	Time by which SFE Clearing gives transfer authorisation	11.00 am on Settlement Day
6.41 Item 6.4	Time by which transfers to be effected on CHESS	3.00 pm on Settlement Day
6.41 Item 6.5(a)	Time by which Transfer Status Report must be lodged with SFE Clearing	3.15 pm on Settlement Day
6.41 Item 6.5(b)	Form of Delivery Status Report	As set out on the next page.
6.41 Item 6.6	Time by which SFE Clearing releases settlement funds	3.30 pm on Final Trading Day

SFE CLEARING CORPORATION PTY LTD



**Deliverable ISF® Futures
Delivery Status Report
[Refer Rule 6.41 Item 6.5(b)]**

TO:	SFE CLEARING		FAX NO: (612) 9256 0426
FROM: Contact Name			DATE:
Mnemonic		House / Client	Expiring Contract:

Securities Properly Transferred Complete Section A below

Securities Not Properly Transferred Complete Section B below

Section A

In conformity with By-Law DSF 14(d), we confirm that securities listed below have been transferred to our nominated CHESS Participant(s) and conform with details advised to us by SFE Clearing in the relevant Buyers Summary in terms of By-Law DSF 13(iii)

CHESS Participant Name	Number of Underlying Securities
TOTAL	

Section B

In conformity with By-Law DSF 14(d) we advise that the securities listed below have **not** been transferred to us by 3:00pm or that details of shares transferred do **not** conform with the relevant Buyers Summary in terms of DSF 13(iii).

Particulars of incomplete or incorrect securities to be set out below including CHESS Participants and the reason for delay if known.

- Notes:**
1. Separate Delivery Status Reports must be lodged for House and Client Accounts and for EACH expiring contract.
 2. Delivery Status Report must be lodged with SFE Clearing by no later than 3:15pm on the settlement day.

AUTHORISED SIGNATORY

AUTHORISED SIGNATORY

NAME AND TITLE

NAME AND TITLE

Schedule of Deliverable Individual Share Futures – refer to Rule 6.41, Items 1.1, 1.2(b) and Rule 6.2.3.

Companies whose securities have been selected to be the underlying securities	Settlement months	No Securities per contract unit	Retained or Delisted
Alumina Ltd			Delisted
Amcor Ltd			Delisted
AMP Limited			Delisted
Ansell Limited			Delisted
Australia & New Zealand Banking Group Limited	January/April/July/October four quarter months ahead:	1000	<i>Retained</i>
AXA Asia Pacific Holdings			Delisted
BHP Billiton Ltd	March/June/September /December, four quarter months ahead:	1000	<i>Retained</i>
BlueScope Steel Ltd	March/June/September /December, four quarter months ahead:	1000	<i>Retained</i>
Boral Ltd	February/May/August/November, four quarter months ahead	1000	<i>Retained</i>
Brambles Industries Ltd			Delisted
Coca-Cola Amatil			Delisted
Coles Group Limited	February/May/August/November, four quarter months ahead	1000	<i>Retained</i>
Commonwealth Bank of Australia	January/April/July/October four quarter months ahead:	1000	<i>Retained</i>
Foster's Group Limited			Delisted
Insurance Australia Group Ltd			Delisted
John Fairfax Holdings Ltd			Delisted
Lend Lease Corp Ltd			Delisted
Lihir Gold Ltd	February/May/August/November, four quarter months ahead	1000	<i>Retained</i>
Mayne Group			Delisted
Mayne Pharma			Delisted
National Australia Bank Limited	January/April/July/October four quarter months ahead:	1000	<i>Retained</i>
Newcrest Mining Ltd			Delisted
Publishing & Broadcasting Ltd			Delisted
Qantas Airways Limited			Delisted
QBE Insurance Group Ltd			Delisted
Rinker Group Ltd			Delisted
Rio Tinto Limited	March/June/September /December, four quarter months ahead:	1000	<i>Retained</i>
St George Bank Limited			Delisted
Suncorp-Metway Ltd			Delisted
Tabcorp Holdings Ltd			Delisted
Telstra Corporation Limited	March/June/September /December, four quarter months ahead:	1000	<i>Retained</i>
Wesfarmers Limited			Delisted
Westfield Holdings Ltd			Delisted
Westpac Banking Corporation Limited	January/April/July/October four quarter months ahead:	1000	<i>Retained</i>
Woodside Petroleum Limited			Delisted
Woolworths Limited			Delisted

Schedule of Expiry Dates for Deliverable Individual Share Futures

Individual Share Futures Expiring in January / April / July / October four quarter months ahead	Individual Share Futures expiring in February / May / August / November four quarter months ahead	Individual Share Futures expiring in March / June / September / December four quarter months ahead
28 July 2005	25 August 2005	29 September 2005
27 October 2005	24 November 2005	22 December 2005
24 January 2006	23 February 2006	30 March 2006
27 April 2006	25 May 2006	29 June 2006
27 July 2006	24 August 2006	28 September 2006
26 October 2006	23 November 2006	21 December 2006
24 January 2007	22 February 2007	29 March 2007
26 April 2007	24 May 2007	28 June 2007
26 July 2007	30 August 2007	27 September 2007
25 October 2007	29 November 2007	20 December 2007

Rule 6.42 Individual Share Futures Contracts (Cash Settled)

Ref Rule	Subject	Determinations
6.42 Item 1.1	Number and class of securities relating to same securities and having same settlement month	Set out in Schedule below.
6.42 Item 1.2(b)	Companies whose securities have been selected to be the underlying securities	Set out in Schedule below.
6.2.3	Manner of quoting Futures Price:	Cents per unit of the security underlying the Contract
6.2.3	Minimum fluctuations for quoting Futures Price	Whole cents per unit of the security underlying the Contract
6.2.3	Time Settlement Price is announced	SFE Clearing will normally declare the Settlement Price as soon as possible after 4.15 pm on the final Trading Day.
6.1.4	Trading Hours	9.50 am – 4.00 pm For the day session on Thursday 24 March 2005, trading will cease at 2.00 pm.
6.2.3	Settlement Months	See Schedule below
6.2.3	Final Trading Day	As set out in the Schedule to these Determinations
6.2.3	Time at which trading ceases on final trading day	4.00 pm
6.2.3	Settlement Day	The Business Day following the Final Trading Day
6.2.3	Final time by which Seller's obligations must be satisfied	3.30 pm on the Settlement Day
6.2.3	Final time by which Buyer' obligations must be satisfied	10.30 am on the Settlement Day

Schedule (refer Rule 6.42.1 and Rule 6.2.3)

Companies whose securities have been selected to be the underlying securities	Settlement months	No Securities per contract unit	Retained or Delisted
Commonwealth Banking Corporation Ltd			Delisted
Telstra Corporation Ltd			Delisted
Westpac Banking Corporation Limited			Delisted

Schedule of Expiry Dates for cash settled Individual Share Futures

Cash Settled Individual Share Futures Contracts Expiry Dates
28 July 2005 *
25 August 2005
29 September 2005
27 October 2005 *
24 November 2005
22 December 2005
24 January 2006 *
23 February 2006
30 March 2006
27 April 2006 *
25 May 2006
29 June 2006
27 July 2006 *
24 August 2006
28 September 2006
26 October 2006 *
23 November 2006
21 December 2006
24 January 2007 *
22 February 2007
29 March 2007
26 April 2007 *
24 May 2007
28 June 2007
26 July 2007 *
30 August 2007
27 September 2007
25 October 2007 *
29 November 2007
20 December 2007

* Westpac Banking Corporation Limited cash settled Individual Share Futures contract

Rule 6.43 SFE Listed Property Trust Futures Contract

This Contract Will Commence on 21 June 2005.

Ref Rule	Subject	Determinations
6.2.3	Manner of quoting Futures Price	Whole or fractions of index points
6.2.3	Minimum fluctuations for quoting Futures Price	Whole index points
6.2.3	Time at which Settlement Price is declared	SFE Clearing will normally declare the Settlement Price by 12.00 noon on the Business Day following the Final Trading Day
6.1.4	Trading Hours	5.10pm – 7.00am and 9.50am – 4.30pm (during US daylight saving time) 5:10pm – 8.00am and 9:50am – 4.30pm (during US non daylight saving time)
6.2.3	Settlement Months	March, June, September, December, up to 2 Quarter Months ahead
6.2.3	Final Trading Day	The third Thursday of the Settlement Month
6.2.3	Time at which trading ceases on Final Trading Day	12.00 noon
6.2.3	Settlement Day	The second Business Day following the Final Trading Day in a Settlement Month

The SFE Listed Property Trust Futures Contracts based on the Index are not sponsored, endorsed, sold or promoted by Dow Jones, and Dow Jones makes no representation regarding the advisability of investing in such product(s). The further terms of this disclaimer can be found in the Determinations at www.sfe.com.au

"Dow Jones" and "Dow Jones Australia Listed Property Trust IndexSM" are service marks of Dow Jones & Company, Inc. Dow Jones has no relationship to the Sydney Futures Exchange Limited other than the licensing of the Dow Jones Australia Listed Property Trust Index and its service marks for use in connection with the SFE Listed Property Trust Futures Contract. The further terms of this disclaimer can be found in the Determinations at www.sfe.com.au

Dow Jones does not:

- Sponsor, endorse, sell or promote the SFE Listed Property Trust Futures Contract.
- Recommend that any person invest in the SFE Listed Property Trust Futures Contract.
- Have any responsibility or liability for or make any decisions about the timing, amount or pricing of the SFE Listed Property Trust Futures Contract.
- Have any responsibility or liability for the administration, management or marketing of the SFE Listed Property Trust Futures Contract.
- Consider the needs of the owners of the SFE Listed Property Trust Futures Contract in determining, composing or calculating the Dow Jones Australia Listed Property Trust IndexSM or have any obligation to do so.

Rule 6.44 NZSX 15 Index Futures Contracts (“the ZIF”)**THIS CONTRACT WAS DELISTED ON 31 MARCH 2009**

Ref Rule	Subject	Determinations
6.44 Item 3(c)	Rounding to be used in calculation of Settlement Price	0.5 to be rounded up
6.44 Item 3(e)	Time by which the average value of the NZSX 15 Index as specified in Item 3(a) of Rule 6.44 is to be provided	No later than 5.30 pm on the Final Trading Day.
6.2.3	Time at which Settlement Price is declared	SFE Clearing will normally declare the Settlement Price by 5.30 pm on the Final Trading Day
6.2.3	Manner of quoting Futures Price	Whole index points
6.2.3	Minimum fluctuations for quoting Futures Price	Whole index points
6.1.4	Trading Hours	9.45 am – 5.15 pm
6.2.3	Settlement Months	March, June, September, December, up to 2 Quarter Months ahead
6.2.3	Final Trading Day	The third Thursday of the Settlement Month or if that day is not a Business Day, the Business Day next following that day.
6.2.3	Time at which trading ceases on Final Trading Day	5.15 pm
6.2.3	Settlement Day	The Second Business Day following the Final Trading Day in a Settlement Month
6.2.3	Final time by which Seller’s obligations must be satisfied	2.00 pm on the Settlement Day
6.2.3	Final time by which Buyer’s obligations must be satisfied	1.00 pm on the Settlement Day

NB All times are New Zealand times

Rule 6.45 NZFOX Equity Options Contract

THIS CONTRACT WAS DELISTED ON 31 MARCH 2009

Ref Rule	Subject	Determinations
6.45 Item 1.1	Number and class of securities and companies issuing securities	<p><i>Class of securities and company issuing securities</i></p> <p>Ordinary shares in Contact Energy Limited 1000</p> <p>Ordinary shares in Fletcher Building Limited 1000</p> <p>Ordinary shares in Telecom Corporation of New Zealand Limited 1000</p> <p>Ordinary shares in The Warehouse Limited 1000</p>
6.45 Item 3(b)	Time by which last traded price of securities underlying NZFOX Option Contract is to be provided	Prior to 5.30 pm on the final Trading Day
6.45 Item 4.1(a)	Settlement Facility	The New Zealand Exchange Limited's Fully Automated Screen Trading and Electronic Registration (FASTER) facility
6.45 Item 4.2(a)(ii)	Time by which SFE Clearing will notify Sellers that an Option has been exercised	No later than 7.00 am on the Business Day following the day on which an Option is exercised
6.45 Item 4.2(b)(ii)	Time by which SFE Clearing will notify Buyers and Sellers of details of Options which have been exercised	No later than 9.00 am on the second Business Day following the day on which an Option is exercised.
6.45 Item 4.3(a)(i)	Prescribed form of Notice of Intention to give or take delivery	Form 1, attached.
6.45 Item 4.3(a)(ii)	Time by which notice of Intention to give or take delivery must be given	12 noon pm on the Business Day following the day on which the Option was exercised.
6.45 Item 4.4(a)(i)	Manner in which payment must be made to SFE Clearing	Via the NZ Austraclear facility
6.45 Item 4.4(a)(ii)	Time by which payment must be made to SFE Clearing	By 1.00 pm on the Settlement Day
6.45 Item 4.4(b)	Prescribed Transfer Authorisation form Time by which authorisation is given	Form 2 attached As soon as practicable after payment has been made
6.45 Item 4.4(c)	Time by which transfer of securities to be effected	3.00 pm on the Settlement Day
6.45 Item 4.4(d)(i)	Prescribed form showing delivery states	Form 3 attached

Ref Rule	Subject	Determinations	
	Time by which Form 3 must be lodged	3.15 pm on the Settlement Day	
6.45 Item 4.4(e)	Time by which SFE Clearing will release settlement funds	As soon as practicable after 3.15 on the Settlement Day after lodgement of Form 3	
6.45 Item 8	Position Limits	The number of Equity Options whose Contract Units represent in the aggregate 5% of the issued ordinary shares of each relevant company	
6.3.6	Manner of quoting Contract Premium	Dollars and Cents per share	
6.3.6	Minimum fluctuations to be used in quoting Contract Premium	\$0.005 per share	
6.3.6	Manner of quoting Exercise Price of Options	Dollars and Cents per share	
6.3.6	Minimum fluctuations to be used in quoting Exercise Price of Options	Carter Holt Harvey Limited Contact Energy Limited Fletcher Building Limited Telecom Corporation of New Zealand Limited The Warehouse Limited	\$0.10 per share \$0.25 per share \$0.25 per share \$0.25 per share \$0.25 per share
6.6	Time by which Settlement Price will be declared	As soon as is practicable and not later than 5.30 pm on the Final Trading Day	
6.3.8	Creation of new Exercise Prices	New Exercise Prices are created as the price of the underlying security moves at intervals of: \$0.10 in respect of Carter Holt Harvey Limited \$0.25 in respect of Contact Energy Limited \$0.25 in respect of Fletcher Building Limited \$0.25 in respect of Telecom Corporation of New Zealand Limited \$0.25 in respect of The Warehouse Limited	
6.3.6	Final time for lodgement of Exercise Request or Deny Exercise Request	No later than 5.30 pm on the Final Trading Day	
6.3.6	Time of notification of assignment of Exercise Request	For Requests lodged on the Declaration Day: <ul style="list-style-type: none"> • by no later than 12.00 pm on the Business Day following the Declaration Date; and For Requests lodged on a day other than the Declaration Date: <ul style="list-style-type: none"> • by no later than 45 minutes prior to the commencement of trading on the next Business Day on which clearing occurs following the day on which the Request is lodged. 	
6.1.4	Trading Hours	9.45 am – 4.55 pm	
6.3.6	Expiry Months	March/June/September/December, up to four Quarter Months ahead	

Ref Rule	Subject	Determinations
6.3.6	Settlement Day	The third Business Day following the Declaration Date
6.3.6	Declaration Date:	The Thursday before the last Friday of the Expiry Month or if that day is not a Business Day, the Business Day immediately prior to that day.
6.3.6	Time at which trading ceases on the Declaration Date	4.55 pm
1.9.2(a)(ii)	Time at which price of securities is to be taken into account for Daily Settlement Price	Close of trading on NZX

NB all times are New Zealand times

Sydney Futures Exchange Limited – NZFOX Equity Option Contract



Notice of Intention to Deliver
Operating Rule 6.45 Item 4.3(a)(i)

Form 1

TO:	SFE CLEARING		FAX NO: (612) 9256 0426
FROM: Contact Name			DATE:
Mnemonic	House / Client		Expiring Contract: Strike (P/C):

The information contained below is correct and in accordance with the Individual Contract Specifications for the NZFOX Equity Option contract.

In conformity with the above-mentioned Individual Contract Specifications, we confirm our intention to

- deliver shares against sold call / bought put contracts listed below and/or
 - take delivery of shares in satisfaction of bought calls / sold put contracts listed below
- through the Fully Automated Screen Trading and Electronic Registration administration system (FASTER) and have authorised the FASTER Participant(s) listed below to act on our behalf.

We accept that we are fully responsible for our agent's actions and failures to act in respect of these deliveries.

Bought/Sold Put / Call	Number of Option Contracts	Number of Underlying Securities	FASTER Participant Name	FASTER Identification Number (FIN)	CSN [Customer Security Number]
Total Bought					
Total Sold					

Notes: 1. Separate Intention to Deliver documents must be lodged for House and Client Accounts and for EACH expiring contract.
2. Intention to Deliver documents must be lodged with SFE Clearing by 12.00pm (NZ time) on the day after the exercise day.

AUTHORISED SIGNATORY

AUTHORISED SIGNATORY

NAME AND TITLE

NAME AND TITLE

Sydney Futures Exchange Limited – NZFOX Equity Option Contract



Transfer Authorisation
Operating Rule 6.45, Item 4.4(b)

Form 2

TO:	DATE:
Contact Name	
Mnemonic	

In accordance with Operating Rule 6.45, Item 4.4(b) you are now authorised to transfer shares via FASTER in relation to

..... deliveries as notified in your Intention to Deliver.
Name of NZFOX Equity Option Contract

- Notes:
- 1 Participants should notify their nominated FASTER participant(s) of this authority as soon as possible.
 - 2 The Selling Clearing Participant (or their nominated FASTER Participant(s) must enter the relevant transfer messages into FASTER to effect transfer of securities.

SFE CLEARING CORPORATION PTY LTD

Sydney Futures Exchange Limited – NZFOX Equity Option Contract



Delivery Status Report
Operating Rule 6.45 Item 4.4(d)(i)

Form 3

TO:	SFE CLEARING		FAX NO: (612) 9256 0426
FROM: Contact Name			DATE:
Mnemonic	House / Client		Expiring option:

We confirm that securities listed below have been transferred to our nominated FASTER Participant(s) and conform with details advised to us by SFE Clearing in the relevant Buyer's Summary.

FASTER Participant Name	Number of Underlying Securities
TOTAL	

Notes: 1. Separate Delivery Status Reports must be lodged for House and Client Accounts and for EACH expiring contract.
 2. Delivery Status Report must be lodged with SFE Clearing by no later than 3:15pm (NZ time) on the settlement day.

AUTHORISED SIGNATORY

AUTHORISED SIGNATORY

NAME AND TITLE

NAME AND TITLE

Rule 6.50 Australian Dollar/United States Dollar Futures Contract

This Contract will be Delisted on 19 December 2006

Ref Rule	Heading	Determinations
6.2.3	Manner of quoting Futures Price	US dollars per Australian dollar
6.2.3	Minimum fluctuation for quoting Futures Price	multiples of 0.0001 United States dollars per one Australian dollar.
6.50 Item 4	Rate at which Settlement Price is quoted	The rate quoted by SFE Clearing for settlement shall be calculated to the nearest 0.0001 United States dollars per Australian dollar.
6.50 Item 5.1(b)	Quotation times	Quotation times are at 10.00 am, 10.15 am and 10.30 am on the final trading day. Each quotation period shall be open for 5 minutes
6.2.3	Time Settlement Price is declared	11.30 am on the Final Trading Day
6.50 Item 6.1	Designated Banks	Commonwealth Bank of Australian Limited National Bank of Australia Limited Westpac Banking Corporation Bank of New York
6.1.4	Trading Hours	<p>During US daylight saving time:¹¹</p> <ul style="list-style-type: none"> ▪ Mon: 6:00am-2:30pm and 3:00pm-2.30pm ▪ Tues – Fri: 3.00pm-2:30pm ▪ Fri – Sat: 3.00pm-7.00am¹² <p>During US non daylight saving time:¹</p> <ul style="list-style-type: none"> ▪ Mon: 6:00am-2.30pm and 3.00pm-2:30pm ▪ Tues – Fri: 3.00am-2.30pm ▪ Fri – Sat: 3.00pm-7:30am¹
6.2.3	Settlement Months	March, June, September and December up to twelve (12) months ahead.
6.2.3	Final Trading Day	The Business Day prior to the third Wednesday of the Settlement Month
6.2.3	Time at which trading ceases on Final Trading Day	11.00 am
6.2.3	Settlement Day	The third Wednesday of the Settlement Month
6.50 Item 10.1	Final time for lodgement of End Position Confirmation Forms	12 noon on the Final Trading Day.
6.50 Item 10.2	Time of providing Delivery Notification Advice	1.00 pm on the Final Trading Day.
6.50 Item 11.2	Final time for Buyer or its agent to lodge US Dollars	<u>Australian Domiciled PPS Accounts</u> 10.30 am on Settlement Day <u>Non-Australian Domiciled PPS Accounts</u> Prior to completion of Same Day Value for US Dollar on Final Trading Day (subject to Designated Bank Cut Off Times).
6.50 Item 11.2	Final time for Seller or its agent to lodge Australian Dollars	10.30 am on Settlement Day

¹¹ US daylight saving begins first Sunday in April and ends last Sunday in October.

¹² Unless otherwise indicated, all times are Sydney times.

SFE announced on 13 September 2006 that the Australian Dollar Futures Contract is to be delisted by 19 December 2006 as follows:

Contract Month	Date of Delisting
September 2006	19 September 2006
December 2006	earlier of 19 December 2006 and date on which no open positions exist
March and June 2007	18 September 2006.

Rule 6.60.1 New South Wales Base Load Electricity Futures Contract

Ref Rule	Subject	Determinations
6.2.3	Manner of quoting Futures Price	Australian Dollars per Megawatt hour.
6.2.3	Minimum fluctuations for quoting Futures Price	\$0.05 per Megawatt hour
6.60.1 Item 3	Time at which Provisional Settlement Price is declared	3.30 pm on the first Business Day following the Final Trading Day
6.60.1 Item 3	Time at which Final Settlement Price is declared	11.00 am on the third Business Day following the Final Trading Day.
6.60.1 Items 2 & 4	Calculation of Contract Value and Settlement Value	Calculations shall be carried out to 2 decimal places
6.60.1 Item 5	Calculation of Average Quoted Price	The sum referred to in "A" shall be rounded to two decimal places The average quoted price shall be rounded to the nearest cent per Megawatt hour
6.1.4	Trading Hours	9.00 am – 4.00 pm during US daylight and non-daylight saving time
6.2.3	Settlement Months	March/June/September/December, such that sufficient Quarter Months are always available for market participants to trade the next four Calendar years and three Financial Years, three Calendar Years and four Financial Years.
6.2.3	Final Trading Day	The last Business Day of the Settlement Quarter.
6.2.3	Time at which trading ceases on Final Trading Day	4.00 pm
6.2.3	Settlement Day	The fourth Business Day following the Final Trading Day
6.2.3	Final time by which Seller's obligations must be satisfied	12.00 noon on the Settlement Day
6.2.3	Final time by which Buyer' obligations must be satisfied	10.30 am on the Settlement Day

Amended 05/11/09

Rule 6.60.2 Ordinary Options over NSW Base Load Electricity Futures Contracts

THIS CONTRACT WAS DELISTED ON 29 JULY 2004.

Rule 6.60.3 Strip Options over New South Wales Base Load Electricity Futures contracts

This Contract commenced on 5 November 2004

Ref Rule	Subject	Options contract determinations
Item 1	Pre-determined contracts.	A strip comprising March/June/September/December contracts such that sufficient contracts are always available for market participants to trade three calendar years. ¹
Item 4.1(b)	Time and intervals at which the mid-point of the bid and offer in the underlying Strip market is taken.	11.45am, 11.50am, 11.55am and 12pm.
6.3.6	Manner of quoting Contract Premiums.	Australian dollars per Megawatt Hour.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium.	\$0.01 per Megawatt Hour.
6.3.6	Manner of quoting Exercise Prices of Options.	Australian dollars per Megawatt Hour.
6.3.6	Minimum fluctuations to be used in quoting Exercise Prices of Options.	\$1.00 per Megawatt Hour.
6.3.6	Expiry months.	November, with a contract code of December, delivering into March, June, September and December.
6.3.6	Declaration Date.	The day 6 weeks prior to the day immediately preceding the commencement of the calendar year for the underlying four quarterly futures contracts. If this day is not a Business Day or is recognized in NSW, QLD, VIC or SA as a Public Holiday then the following Business Day will be the expiry day.
6.3.6	Time at which trading ceases on Declaration Date.	12.00 noon on the Declaration Date.
6.3.8	Creation of New Exercise Prices.	New Exercise Prices are created as the underlying futures contracts in the Strip Trading market moves.
6.1.4	Trading hours.	9.00 am – 4.00 pm.
6.3.6	Time for lodgment of an Exercise Request.	Up to 1.30 pm on any Trading Day, including the Final Trading Day. Options not subject to Exercise Request will expire.
6.3.13	Notification of Assignment of Exercise Request.	For Requests lodged on any Trading Day including the Declaration Day by no later than 3.00 pm.

Amended 05/11/09

¹Explanatory Note – Item 1

As at the date of listing this contract the predetermined contracts are:

Strip Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4
December 2006 ¹	March 2006	June 2006	September 2006	December 2006
December 2007 ²	March 2007	June 2007	September 2007	December 2007
December 2008 ³	March 2008	June 2008	September 2008	December 2008

¹These contracts are comprised in Strip Code HNZ6

²These contracts are comprised in Strip Code HNZ7

³ These contracts are comprised in Strip Code HNZ8

Rule 6.60.4 New South Wales Base Load Electricity Cap Futures Contract

This Contract commenced on 3 November 2004

Ref Rule	Subject	Options contract determinations
Items 2 & 4	Calculation of Contract Value and Settlement Value.	Calculations shall be carried out to 2 decimal places.
Item 3	Time at which Provisional Settlement Price is declared.	11.00 am on the first Business Day following the Final Trading Day.
Item 4	Time at which Final Settlement Price is declared.	11.00 am on the third Business Day following the Final Trading Day.
6.2.3	Manner of quoting Futures Price.	Australian dollars per Megawatt Hour.
6.2.3	Minimum fluctuations to be used in quoting Futures Price.	\$0.01 per Megawatt Hour.
6.2.3	Final Trading Day.	The last Business Day of the Calendar Quarter.
6.2.3	Settlement Months.	March/June/September/December, such that sufficient Quarter Months are always available for market participants to trade the next two Calendar years.
6.2.3	Time at which trading ceases on Final Trading Day.	4.00 pm.
6.2.3	Settlement Day.	The fourth Business Day after the Final Trading Day.
6.2.3	Final time by which Seller's obligations must be satisfied.	12.00 noon.
6.2.3	Final time by which Buyer's obligations must be satisfied.	10.30 am.

Amended 05/11/09

Rule 6.61.1 New South Wales Peak Period Electricity Futures Contract

Ref rule	Subject	Determinations
6.2.3	Manner of quoting Futures Price	Australian Dollars per Megawatt hour.
6.2.3	Minimum fluctuations for quoting Futures Price	\$0.05 per Megawatt hour
6.61.1 Item 1.3(b)	Public Holidays	New Years' Day, Australia Day, Anzac Day, Good Friday, Easter Monday, Queen's Birthday Holiday, Christmas Day, Boxing Day.
6.61.1 Item 3	Time at which Provisional Settlement Price is declared	3.30 pm on the first Business Day following the Final Trading Day
6.61.1 Item 3	Time at which Final Settlement Price is declared	11.00 am on the third Business Day following the Final Trading Day.
6.61.1 Items 2 & 4	Calculation of Contract Value and Settlement Value	Calculations shall be carried out to 2 decimal places
6.61.1 Item 5	Calculation of Average Quoted Price	The sum referred to in "A" shall be rounded to two decimal places The average quoted price shall be rounded to the nearest cent per Megawatt hour
6.1.4	Trading Hours	9.00 am – 4.00 pm during US daylight and non-daylight saving time
6.2.3	Settlement Months	March/June/September/December, such that sufficient Quarter Months are always available for market participants to trade the next four Calendar years and three Financial Years, three Calendar Years and four Financial Years.
6.2.3	Final Trading Day	The last Business Day of the Settlement Quarter.
6.2.3	Time at which trading ceases on Final Trading Day	4.00 pm
6.2.3	Settlement Day	The fourth Business Day following the Final Trading Day
6.2.3	Final time by which Seller's obligations must be satisfied	12.00 noon on the Settlement Day
6.2.3	Final time by which Buyer's obligations must be satisfied	10.30 am on the Settlement Day

Amended 05/11/09

Rule 6.61.2 Ordinary Options Over NSW Peak Period Electricity Futures Contract

Rule Ref	Subject	Determinations
6.3.6	Manner of quoting Contract Premium	Australian Dollars per Megawatt hour.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium	\$0.01 per Megawatt hour
6.3.6	Manner of quoting Exercise Price of Options	Australian Dollars per Megawatt hour
6.3.6	Minimum fluctuations to be used in quoting Exercise Price of Options	\$5.00 per Megawatt hour
6.3.8	Creation of new exercise prices	New Exercise Prices are created as the underlying futures contract price moves, at intervals of \$5.00 per Megawatt hour
6.3.6	Final time for lodgement of Exercise Request	Up to 1.30 pm on the Final Trading Day Option not subject to Exercise Request will expire.
6.3.6	Time Sellers are notified of Assignment of Exercise Request	For Requests lodged on the Declaration Day: ■ by no later than 3.00 pm on the Declaration Date. For Requests lodged on a day other than the Declaration Date: ■ by no later than 45 minutes prior to the commencement of trading on the next Business Day on which clearing occurs following the day on which the Request is lodged
6.1.4	Trading Hours	9.00 am – 4.00 pm during US daylight and non-daylight saving time
6.3.6	Declaration Date:	The day six weeks prior to the day immediately preceding the commencement of the calendar quarter for the underlying futures contract or, if that day is not a Business Day or is recognised in New South Wales, Queensland, Victoria or South Australia as a public holiday, then the Business Day following that day or that public holiday as the case may be.
6.3.6	Time at which trading ceases	12.00 noon on the Declaration Date
6.3.6	Expiry Months	The March quarter up to 4 years ahead.

Amended 05/11/09

Rule 6.62.1 Victoria Base Load Electricity Futures Contract

Ref Rule	Subject	Determinations
6.2.3	Manner of quoting Futures Price	Australian Dollars per Megawatt hour.
60.2.3	Minimum fluctuations for quoting Futures Price	\$0.05 per Megawatt hour
6.62.1 Item 3	Time at which Provisional Settlement Price is declared	3.30 pm on the first Business Day following the Final Trading Day
6.62.1 Item 3	Time at which Final Settlement Price is declared	11.00 am on the third Business Day following the Final Trading Day.
6.62.1 Items 2 & 4	Calculation of Contract Value and Settlement Value	Calculations shall be carried out to 2 decimal places
6.62.1 Item 5	Calculation of Average Quoted Price	The sum referred to in "A" shall be rounded to two decimal places The average quoted price shall be rounded to the nearest cent per Megawatt hour
6.1.4	Trading Hours	9.00 am – 4.00 pm during US daylight and non-daylight saving time
6.2.3	Settlement Months	March/June/September/December, such that sufficient Quarter Months are always available for market participants to trade the next four Calendar years and three Financial Years, three Calendar Years and four Financial Years.
6.2.3	Final Trading Day	The last Business Day of the Settlement Quarter.
6.2.3	Time at which trading ceases on Final Trading Day	4.00 pm
6.2.3	Settlement Day	The fourth Business Day following the Final Trading Day
6.2.3	Final time by which Seller's obligations must be satisfied	12.00 noon on the Settlement Day
6.2.3	Final time by which Buyer's obligations must be satisfied	10.30 am on the Settlement Day

Amended 05/11/09

Rule 6.62.2 Ordinary Options Over Victoria Base Load Electricity Futures Contracts

THIS CONTRACT WAS DELISTED ON 29 JULY 2004.

Rule 6.62.3 Strip Options over Victoria Base Load Electricity Futures contracts**This Contract commenced on 5 November 2004**

Ref Rule	Subject	Options contract determinations
Item 1	Pre-determined contracts.	A strip comprising March/June/September/December contracts such that sufficient contracts are always available for market participants to trade three calendar years. ¹
Item 4.1(b)	Time and intervals at which the mid-point of the bid and offer in the underlying Strip market is taken.	11.45am, 11.50am, 11.55am and 12pm.
6.3.6	Manner of quoting Contract Premiums.	Australian dollars per Megawatt Hour.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium.	\$0.01 per Megawatt Hour.
6.3.6	Manner of quoting Exercise Prices of Options.	Australian dollars per Megawatt Hour.
6.3.6	Minimum fluctuations to be used in quoting Exercise Prices of Options.	\$1.00 per Megawatt Hour.
6.3.6	Expiry months.	November, with a contract code of December, delivering into March, June, September and December.
6.3.6	Declaration Date.	The day 6 weeks prior to the day immediately preceding the commencement of the calendar year for the underlying four quarterly futures contracts. If this day is not a Business Day or is recognized in NSW, QLD, VIC or SA as a Public Holiday then the following Business Day will be the expiry day.
6.3.6	Time at which trading ceases on Declaration Date.	12.00 noon on the Declaration Date.
6.3.8	Creation of New Exercise Prices.	New Exercise Prices are created as the underlying futures contracts in the Strip Trading market moves.
6.1.4	Trading hours.	9.00 am – 4.00 pm.
6.3.6	Time for lodgment of an Exercise Request.	Up to 1.30 pm on any Trading Day, including the Final Trading Day. Options not subject to Exercise Request will expire.
6.3.13	Notification of Assignment of Exercise Request.	For Requests lodged on any Trading Day including the Declaration Day by no later than 3.00 pm.

Amended 05/11/09

¹Explanatory Note – Item 1

As at the date of listing this contract the predetermined contracts are:

Strip Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4
December 2006 ¹	March 2006	June 2006	September 2006	December 2006
December 2007 ²	March 2007	June 2007	September 2007	December 2007
December 2008 ³	March 2008	June 2008	September 2008	December 2008

¹These contracts are comprised in Strip Code HVZ6

²These contracts are comprised in Strip Code HVZ7

³ These contracts are comprised in Strip Code HVZ8

Rule 6.62.4 Victoria Electricity Base Load Electricity Cap Futures Contract

This Contract commenced on 3 November 2004

Ref Rule	Subject	Options contract determinations
Items 2 & 4	Calculation of Contract Value and Settlement Value.	Calculations shall be carried out to 2 decimal places.
Item 3	Time at which Provisional Settlement Price is declared.	11.00 am on the first Business Day following the Final Trading Day.
Item 4	Time at which Final Settlement Price is declared.	11.00 am on the third Business Day following the Final Trading Day.
6.2.3	Manner of quoting Futures Price.	Australian dollars per Megawatt Hour.
6.2.3	Minimum fluctuations to be used in quoting Futures Price.	\$0.01 per Megawatt Hour.
6.2.3	Final Trading Day.	The last Business Day of the Calendar Quarter.
6.2.3	Settlement Months.	March/June/September/December, such that sufficient Quarter Months are always available for market participants to trade the next two Calendar years.
6.2.3	Time at which trading ceases on Final Trading Day.	4.00 pm.
6.2.3	Settlement Day.	The fourth Business Day after the Final Trading Day.
6.2.3	Final time by which Seller's obligations must be satisfied.	12.00 noon.
6.2.3	Final time by which Buyer's obligations must be satisfied.	10.30 am.

Amended 05/11/09

Rule 6.63.1 Victoria Peak Period Electricity Futures Contract

Ref Rule	Subject	Determinations
6.2.3	Manner of quoting Futures Price	Australian Dollars per Megawatt hour.
62.3	Minimum fluctuations for quoting Futures Price	\$0.05 per Megawatt hour
6.63.1 Item 1.3(b)	Public Holidays	New Year's Day, Australia Day, Anzac Day, Good Friday, Easter Monday, Queen's Birthday Holiday, Christmas Day Boxing Day
6.63.1 Item 3	Time at which Provisional Settlement Price is declared	3.30 pm on the first Business Day following the Final Trading Day
6.63.1 Item 3	Time at which Final Settlement Price is declared	11.00 am on the third Business Day following the Final Trading Day.
6.63.1 Items 2 & 4	Calculation of Contract Value and Settlement Value	Calculations shall be carried out to 2 decimal places
6.60.1 Item 5	Calculation of Average Quoted Price	The sum referred to in "A" shall be rounded to two decimal places The average quoted price shall be rounded to the nearest cent per Megawatt hour
6.1.4	Trading Hours	9.00 am – 4.00 pm during US daylight and non-daylight saving time
6.2.3	Settlement Months	March/June/September/December, such that sufficient Quarter Months are always available for market participants to trade the next four Calendar years and three Financial Years, three Calendar Years and four Financial Years.
6.2.3	Final Trading Day	The last Business Day of the Settlement Quarter.
6.2.3	Time at which trading ceases on Final Trading Day	4.00 pm
6.2.3	Settlement Day	The fourth Business Day following the Final Trading Day
6.2.3	Final time by which Seller's obligations must be satisfied	12.00 noon on the Settlement Day
6.2.3	Final time by which Buyer's obligations must be satisfied	10.30 am on the Settlement Day

Amended 05/11/09

Rule 6.63.2 Ordinary Options Over Victoria Peak Period Electricity Futures Contracts

Ref Rule	Subject	Determinations
6.3.6	Manner of quoting Contract Premium	Australian Dollars per Megawatt hour.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium	\$0.01 per Megawatt hour.
6.3.6	Manner of quoting Exercise Price of Options	Australian Dollars per Megawatt hour.
6.3.6	Minimum fluctuations to be used in quoting Exercise Price of Options	\$5.00 per Megawatt hour.
6.3.8	Creation of new exercise prices	New Exercise Prices are created as the underlying futures contract price moves, at intervals of \$5.00 per Megawatt hour
6.3.6	Final time for lodgement of Exercise Request	Up to 1.30 pm on the Final Trading Day Options not subject of Exercise Request will expire.
6.3.6	Time Sellers are notified of Assignment of Exercise Request	For Requests lodged on the Declaration Day: ■ by no later than 3.00 pm on the Declaration Date. For Requests lodged on a day other than the Declaration Date: ■ by no later than 45 minutes prior to the commencement of trading on the next Business Day on which clearing occurs following the day on which the Request is lodged
6.1.4	Trading Hours	9.00 am – 4.00 pm during US daylight and non-daylight saving time
6.3.6	Declaration Date:	The day six weeks prior to the day immediately preceding the commencement of the calendar quarter for the underlying futures contract or, if that day is not a Business Day or is recognised in New South Wales, Queensland, Victoria or South Australia as a public holiday, then the Business Day following that day or that public holiday as the case may be.
6.3.6	Time at which trading ceases	12.00 noon on the Declaration Date
6.3.6	Expiry Months	The March quarter up to 4 years ahead.

Amended 05/11/09

Rule 6.64.1 Queensland Base Load Electricity Futures Contract

Ref Rule	Subject	Determinations
6.2.3	Manner of quoting Futures Price	Australian Dollars per Megawatt hour.
6.2.3	Minimum fluctuations for quoting Futures Price	\$0.05 per Megawatt hour
6.64.1 Item 3	Time at which Provisional Settlement Price is declared	3.30 pm on the first Business Day following the Final Trading Day
6.64.1 Item 3	Time at which Final Settlement Price is declared	11.00 am on the third Business Day following the Final Trading Day.
6.64.1 Items 2 & 4	Calculation of Contract Value and Settlement Value	Calculations shall be carried out to 2 decimal places
6.64.1 Item 5	Calculation of Average Quoted Price	The sum referred to in "A" shall be rounded to two decimal places The average quoted price shall be rounded to the nearest cent per Megawatt hour
6.1.4	Trading Hours	9.00 am – 4.00 pm during US daylight and non-daylight saving time
6.2.3	Settlement Months	March/June/September/December, such that sufficient Quarter Months are always available for market participants to trade the next four Calendar years and three Financial Years, three Calendar Years and four Financial Years.
6.2.3	Final Trading Day	The last Business Day of the Settlement Quarter.
6.2.3	Time at which trading ceases on Final Trading Day	4.00 pm
6.2.3	Settlement Day	The fourth Business Day following the Final Trading Day
6.2.3	Final time by which Seller's obligations must be satisfied	12.00 noon on the Settlement Day
6.2.3	Final time by which Buyer' obligations must be satisfied	10.30 am on the Settlement Day

Amended 05/11/09

Rule 6.64.2 Ordinary Options Over Qld Base Load Electricity Futures Contracts

THIS CONTRACT WAS DELISTED ON 29 JULY 2004.

Rule 6.64.3 Strip Options over Queensland Base Load Electricity Futures contracts

This Contract commenced on 5 November 2004

Ref Rule	Subject	Options contract determinations
Item 1	Pre-determined contracts.	A strip comprising March/June/September/December contracts such that sufficient contracts are always available for market participants to trade three calendar years. ¹
Item 4.1(b)	Time and intervals at which the mid-point of the bid and offer in the underlying Strip market is taken.	11.45am, 11.50am, 11.55am and 12pm.
6.3.6	Manner of quoting Contract Premiums.	Australian dollars per Megawatt Hour.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium.	\$0.01 per Megawatt Hour.
6.3.6	Manner of quoting Exercise Prices of Options.	Australian dollars per Megawatt Hour.
6.3.6	Minimum fluctuations to be used in quoting Exercise Prices of Options.	\$1.00 per Megawatt Hour.
6.3.6	Expiry months.	November, with a contract code of December, delivering into March, June, September and December.
6.3.6	Declaration Date.	The day 6 weeks prior to the day immediately preceding the commencement of the calendar year for the underlying four quarterly futures contracts. If this day is not a Business Day or is recognized in NSW, QLD, VIC or SA as a Public Holiday then the following Business Day will be the expiry day.
6.3.6	Time at which trading ceases on Declaration Date.	12.00 noon on the Declaration Date.
6.3.8	Creation of New Exercise Prices.	New Exercise Prices are created as the underlying futures contracts in the Strip Trading market moves.
6.1.4	Trading hours.	9.00 am – 4.00 pm.
6.3.6	Time for lodgment of an Exercise Request.	Up to 1.30 pm on any Trading Day, including the Final Trading Day. Options not subject to Exercise Request will expire.
6.3.13	Notification of Assignment of Exercise Request.	For Requests lodged on any Trading Day including the Declaration Day by no later than 3.00 pm.

Amended 05/11/09

¹Explanatory Note – Item 1

As at the date of listing this contract the predetermined contracts are:

Strip Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4
December 2006 ¹	March 2006	June 2006	September 2006	December 2006
December 2007 ²	March 2007	June 2007	September 2007	December 2007
December 2008 ³	March 2008	June 2008	September 2008	December 2008

¹These contracts are comprised in Strip Code HQZ6

²These contracts are comprised in Strip Code HQZ7

³ These contracts are comprised in Strip Code HQZ8

Rule 6.64.4 Queensland Base Load Electricity Cap Futures Contract

This Contract commenced on 3 November 2004

Ref Rule	Subject	Options contract determinations
Items 2 & 4	Calculation of Contract Value and Settlement Value.	Calculations shall be carried out to 2 decimal places.
Item 3	Time at which Provisional Settlement Price is declared.	11.00 am on the first Business Day following the Final Trading Day.
Item 4	Time at which Final Settlement Price is declared.	11.00 am on the third Business Day following the Final Trading Day.
6.2.3	Manner of quoting Futures Price.	Australian dollars per Megawatt Hour.
6.2.3	Minimum fluctuations to be used in quoting Futures Price.	\$0.01 per Megawatt Hour.
6.2.3	Final Trading Day.	The last Business Day of the Calendar Quarter.
6.2.3	Settlement Months.	March/June/September/December, such that sufficient Quarter Months are always available for market participants to trade the next two Calendar years.
6.2.3	Time at which trading ceases on Final Trading Day.	4.00 pm.
6.2.3	Settlement Day.	The fourth Business Day after the Final Trading Day.
6.2.3	Final time by which Seller's obligations must be satisfied.	12.00 noon.
6.2.3	Final time by which Buyer's obligations must be satisfied.	10.30 am.

Amended 05/11/09

Rule 6.65.1 Queensland Peak Period Electricity Futures Contract

Ref Rule	Subject	Determinations
6.2.4	Manner of quoting Futures Price	Australian Dollars per Megawatt hour.
6.2.4	Minimum fluctuations for quoting Futures Prices	\$0.05 per Megawatt hour
6.65.1 Item 1.3(b)	Public Holidays	New Year's Day, Australia Day, Anzac Day, Good Friday, Easter Monday, Queen's Birthday Holiday, Christmas Day, Boxing Day,
6.65.1 Item 3	Time at which Provisional Settlement Price is declared	3.30 pm on the first Business Day following the Final Trading Day
6.65.1 Item 3	Time at which Final Settlement Price is declared	11.00 am on the third Business Day following the Final Trading Day.
6.65.1 Items 2 & 4	Calculation of Contract Value and Settlement Value	Calculations shall be carried out to 2 decimal places
6.65.1 Item 5	Calculation of Average Quoted Price	The sum referred to in "A" shall be rounded to two decimal places The average quoted price shall be rounded to the nearest cent per Megawatt hour
6.1.4	Trading Hours	9.00 am – 4.00 pm during US daylight and non-daylight saving time
6.2.3	Settlement Months	March/June/September/December, such that sufficient Quarter Months are always available for market participants to trade the next four Calendar years and three Financial Years, three Calendar Years and four Financial Years.
6.2.3	Final Trading Day	The last Business Day of the Settlement Quarter.
6.2.3	Time at which trading ceases on Final Trading Day	4.00 pm
6.2.3	Settlement Day	The fourth Business Day following the Final Trading Day
6.2.3	Final time by which Seller's obligations must be satisfied	12.00 noon on the Settlement Day
6.2.3	Final time by which Buyer's obligations must be satisfied	10.30 am on the Settlement Day

Amended 05/11/09

Rule 6.65.2 Ordinary Options Over Qld Peak Period Electricity Futures Contracts

Ref Rule	Subject	Determinations
6.3.6	Manner of quoting Contract Premium	Australian Dollars per Megawatt hour.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium	\$0.01 per Megawatt hour.
6.3.6	Manner of quoting Exercise Prices	Australian Dollars per Megawatt hour.
6.3.6	Minimum fluctuations to be used in quoting Exercise Price	\$5.00 per Megawatt hour.
6.3.8	Creation of new Exercise Prices	New Exercise Prices are created as the underlying futures contract price moves, at intervals of \$5.00 per Megawatt hour.
6.3.6	Final time for lodgement of Exercise Request	Up to 1.30 pm on the Final Trading Day Options not subject to Exercise Request will expire.
6.3.6	Time Sellers are notified of Assignment of Exercise Request	For Requests lodged on the Declaration Day: ■ by no later than 3.00 pm on the Declaration Date. For Requests lodged on a day other than the Declaration Date: ■ by no later than 45 minutes prior to the commencement of trading on the next Business Day on which clearing occurs following the day on which the Request is lodged
6.1.4	Trading Hours	9.00 am – 4.00 pm during US daylight and non-daylight saving time
6.3.6	Declaration Date:	The day six weeks prior to the day immediately preceding the commencement of the calendar quarter for the underlying futures contract or, if that day is not a Business Day or is recognised in New South Wales, Queensland, Victoria or South Australia as a public holiday, then the Business Day following that day or that public holiday as the case may be.
6.3.6	Time at which trading ceases	12.00 noon on the Declaration Date
6.3.6	Expiry Months	The March quarter up to 4 years ahead.

Amended 05/11/09

Rule 6.66.1 South Australia Base Load Electricity Futures Contract

Ref Rule	Subject	Determinations
6.2.3	Manner of quoting Futures Price	Australian Dollars per Megawatt hour.
6.2.3	Minimum fluctuations for quoting Futures Price	\$0.05 per Megawatt hour
6.66.1 Item 3	Time at which Provisional Settlement Price is declared	3.30 pm on the first Business Day following the Final Trading Day
6.66.1 Item 3	Time at which Final Settlement Price is declared	11.00 am on the third Business Day following the Final Trading Day.
6.66.1 Items 2 & 4	Calculation of Contract Value and Settlement Value	Calculations shall be carried out to 2 decimal places
6.66.1 Item 5	Calculation of Average Quoted Price	The sum referred to in "A" shall be rounded to two decimal places The average quoted price shall be rounded to the nearest cent per Megawatt hour
6.1.4	Trading Hours	9.00 am – 4.00 pm during US daylight and non-daylight saving time
6.2.3	Settlement Months	March/June/September/December, such that sufficient Quarter Months are always available for market participants to trade the next four Calendar years and three Financial Years, three Calendar Years and four Financial Years.
6.2.3	Final Trading Day	The last Business Day of the Settlement Quarter.
6.2.3	Time at which trading ceases on Final Trading Day	4.00 pm
6.2.3	Settlement Day	The fourth Business Day following the Final Trading Day
6.2.3	Final time by which Seller's obligations must be satisfied	12.00 noon on the Settlement Day
6.2.3	Final time by which Buyer's obligations must be satisfied	10.30 am on the Settlement Day

Amended 05/11/09

Rule 6.66.2 Ordinary Options over South Australia Base Load Electricity Futures Contracts

THIS CONTRACT WAS DELISTED ON 29 JULY 2004.

Rule 6.66.3 Strip Options over South Australia Base Load Electricity Futures contracts**This Contract commenced on 5 November 2004**

Ref Rule	Subject	Options contract determinations
Item 1	Pre-determined contracts.	A strip comprising March/June/September/December contracts such that sufficient contracts are always available for market participants to trade three calendar years. ¹
Item 4.1(b)	Time and intervals at which the mid-point of the bid and offer in the underlying Strip market is taken.	11.45am, 11.50am, 11.55am and 12pm
6.3.6	Manner of quoting Contract Premiums.	Australian dollars per Megawatt Hour.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium.	\$0.01 per Megawatt Hour.
6.3.6	Manner of quoting Exercise Prices of Options.	Australian dollars per Megawatt Hour.
6.3.6	Minimum fluctuations to be used in quoting Exercise Prices of Options.	\$1.00 per Megawatt Hour
6.3.6	Expiry months.	November, with a contract code of December, delivering into March, June, September and December
6.3.6	Declaration Date:	The day 6 weeks prior to the day immediately preceding the commencement of the calendar year for the underlying four quarterly futures contracts. If this day is not a Business Day or is recognized in NSW, QLD, VIC or SA as a Public Holiday then the following Business Day will be the expiry day.
6.3.6	Time at which trading ceases on Declaration Date.	12.00 noon on the Declaration Date.
6.3.8	Creation of New Exercise Prices.	New Exercise Prices are created as the underlying futures contracts in the Strip Trading market moves.
6.1.4	Trading hours.	9.00 am – 4.00 pm.
6.3.6	Time for lodgment of an Exercise Request.	Up to 1.30 pm on any Trading Day, including the Final Trading Day. Options not subject to Exercise Request will expire.
6.3.13	Notification of Assignment of Exercise Request.	For Requests lodged on any Trading Day including the Declaration Day by no later than 3.00 pm.

Amended 05/11/09

¹Explanatory Note – Item 1

As at the date of listing this contract the predetermined contracts are:

Strip Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4
December 2006 ¹	March 2006	June 2006	September 2006	December 2006
December 2007 ²	March 2007	June 2007	September 2007	December 2007
December 2008 ³	March 2008	June 2008	September 2008	December 2008

¹These contracts are comprised in Strip Code HSZ6

²These contracts are comprised in Strip Code HSZ7

³ These contracts are comprised in Strip Code HSZ8

Rule 6.66.4 South Australia Base Load Electricity Cap Futures Contract

This Contract commenced on 3 November 2004

Ref Rule	Subject	Options contract determinations
Items 2 & 4	Calculation of Contract Value and Settlement Value.	Calculations shall be carried out to 2 decimal places.
Item 3	Time at which Provisional Settlement Price is declared.	11.00 am on the first Business Day following the Final Trading Day.
Item 4	Time at which Final Settlement Price is declared.	11.00 am on the third Business Day following the Final Trading Day.
6.2.3	Manner of quoting Futures Price.	Australian dollars per Megawatt Hour.
6.2.3	Minimum fluctuations to be used in quoting Futures Price.	\$0.01 per Megawatt Hour.
6.2.3	Final Trading Day.	The last Business Day of the Calendar Quarter.
6.2.3	Settlement Months.	March/June/September/December, such that sufficient Quarter Months are always available for market participants to trade the next two Calendar years.
6.2.3	Time at which trading ceases on Final Trading Day.	4.00 pm.
6.2.3	Settlement Day.	The fourth Business Day after the Final Trading Day.
6.2.3	Final time by which Seller's obligations must be satisfied.	12.00 noon.
6.2.3	Final time by which Buyer's obligations must be satisfied.	10.30 am.

Amended 05/11/09

Rule 6.67.1 South Australia Peak Period Electricity Futures Contract

Ref Rule	Subject	Determinations
6.2.3	Manner of quoting Futures Price	Australian Dollars per Megawatt hour.
6.2.3	Minimum fluctuations for quoting Futures Price	\$0.05 per Megawatt hour
6.67.1 Item 1.3(b)	Public Holidays	New Year's Day, Australia Day, Anzac Day, Good Friday, Easter Monday, Queen's Birthday Holiday Christmas Day, Boxing Day.
6.67.1 Item 3	Time at which Provisional Settlement Price is declared	3.30 pm on the first Business Day following the Final Trading Day
6.67.1 Item 3	Time at which Final Settlement Price is declared	11.00 am on the third Business Day following the Final Trading Day.
6.67.1 Items 2 & 4	Calculation of Contract Value and Settlement Value	Calculations shall be carried out to 2 decimal places
6.67.1 Item 5	Calculation of Average Quoted Price	The sum referred to in "A" shall be rounded to two decimal places The average quoted price shall be rounded to the nearest cent per Megawatt hour
6.1.4	Trading Hours	9.00 am – 4.00 pm during US daylight and non-daylight saving time
6.2.3	Settlement Months	March/June/September/December, such that sufficient Quarter Months are always available for market participants to trade the next four Calendar years and three Financial Years, three Calendar Years and four Financial Years.
6.2.3	Final Trading Day	The last Business Day of the Settlement Quarter.
6.2.3	Time at which trading ceases on Final Trading Day	4.00 pm
6.2.3	Settlement Day	The fourth Business Day following the Final Trading Day
6.2.3	Final time by which Seller's obligations must be satisfied	12.00 noon on the Settlement Day
6.2.3	Final time by which Buyer's obligations must be satisfied	10.30 am on the Settlement Day

Amended 05/11/09

Rule 6.67.2 Ordinary Options Over South Australia Peak Period Electricity Futures Contracts

Ref Rule	Subject	Determinations
6.3.6	Manner of quoting Contract Premium	Australian Dollars per Megawatt hour.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium	\$0.01 per Megawatt hour.
6.3.6	Manner of quoting Exercise Price of Options	Australian Dollars per Megawatt hour.
6.3.6	Minimum fluctuations to be used in quoting Exercise Price of Options	\$5.00 per Megawatt hour.
6.3.8	Creation of new Exercise Prices	New Exercise Prices are created as the underlying futures contract price moves, at intervals of \$5.00 per Megawatt hour.
6.3.6	Final time for lodgement of Exercise Request	Up to 1.30 pm on the Final Trading Day Options not subject to Exercise Request will expire.
6.3.6	Time Sellers are notified of Assignment of Exercise Request	For Requests lodged on the Declaration Day: ■ by no later than 3.00 pm on the Declaration Date. For Requests lodged on a day other than the Declaration Date: ■ by no later than 45 minutes prior to the commencement of trading on the next Business Day on which clearing occurs following the day on which the Request is lodged
6.1.4	Trading hours	9.00 am – 4.00 pm during US daylight and non-daylight saving time
6.3.6	Declaration Date:	The day six weeks prior to the day immediately preceding the commencement of the calendar quarter for the underlying futures contract or, if that day is not a Business Day or is recognised in New South Wales, Queensland, Victoria or South Australia as a public holiday, then the Business Day following that day or that public holiday as the case may be.
6.3.6	Time at which trading ceases	12.00 noon on the Declaration Date
6.3.6	Expiry Months	The March quarter up to 4 years ahead.

Amended 05/11/09

Rule 6.68.1 New Zealand Base Load Electricity Futures Contract

Ref Rule	Subject	Determinations
6.2.3	Manner of quoting Futures Price	New Zealand Dollars (NZD) per Megawatt hour
6.2.3	Minimum fluctuations for quoting Futures Price	0.05 NZD per Megawatt hour
6.68.1 Items 1 & 5	Grid reference point(s)	Benmore grid reference point; and Otahuhu grid reference point
6.68.1 Item 1.2	New Zealand time	New Zealand time means New Zealand Standard Time as defined in the Time Act 1974 (New Zealand) subject to New Zealand daylight time during the period beginning on the last Sunday in September of a year and ending on the first Sunday in April of the following year, or otherwise as prescribed from time to time in the Order in Council made pursuant to the Time Act 1974 (New Zealand).
6.68.1 Item 3	Time at which Provisional Settlement Price is declared	3.30 pm New Zealand time on the first business day in New Zealand following the Final Trading Day
6.68.1 Item 3	Time at which Final Settlement Price is declared	11.00 am New Zealand time on the third business day in New Zealand following the Final Trading Day
6.68.1 Items 2 & 4	Calculation of Contract Value and Settlement Value	Calculations shall be carried out to 2 decimal places
6.68.1 Item 5	Calculation of Average Quoted Price	The sum referred to in "A" shall be rounded to two decimal places The average quoted price shall be rounded to the nearest cent per Megawatt hour
6.1.4	Trading Hours	10.30 am New Zealand time to 4.00 pm New Zealand time during US daylight and non-daylight saving time. New Zealand time means New Zealand Standard Time as defined in the Time Act 1974 (New Zealand) subject to New Zealand daylight time during the period beginning on the last Sunday in September of a year and ending on the first Sunday in April of the following year, or otherwise as prescribed from time to time in the Order in Council made pursuant to the Time Act 1974 (New Zealand).
6.2.3	Settlement Months	March/June/September/December, such that sufficient Quarter Months are always available for market participants to trade strip options over three Calendar Years. At any point in time there will be between 13 and 17 Quarter Months listed.
6.2.3	Final Trading Day	The last business day in New Zealand of the Settlement Quarter.
6.2.3	Time at which trading ceases on Final Trading Day	4.00 pm New Zealand time
6.2.3	Settlement Day	The fourth business day in New Zealand following the Final Trading Day
6.2.3	Final time by which Seller's obligations must be satisfied	In accordance with Daily Settlement Process
6.2.3	Final time by which Buyer' obligations must be satisfied	In accordance with Daily Settlement Process

Amended 09/12/09

Rule 6.68.2 Strip Options over New Zealand Base Load Electricity Futures contracts

Ref Rule	Subject	Options contract determinations
6.3.6	Manner of quoting Contract Premiums.	New Zealand dollars (NZD) per Megawatt Hour.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium.	0.01 NZD per Megawatt Hour.
6.3.6	Manner of quoting Exercise Prices of Options.	NZD per Megawatt Hour.
6.3.6	Minimum fluctuations to be used in quoting Exercise Prices of Options.	2.50 NZD per Megawatt Hour.
6.3.6	Expiry months.	November, such that sufficient Annual Months are always available for market participants to trade the next three Calendar years. ¹
6.3.6	Declaration Date.	The day which is 6 weeks prior to the day immediately preceding the commencement of the calendar year for the underlying annual futures contracts. If this day is not a NZ Business Day then the following NZ Business Day will be the expiry day.
6.3.6	Time at which trading ceases on Declaration Date.	12.00 noon New Zealand time on the Declaration Date.
6.3.8	Creation of New Exercise Prices.	New Exercise Prices are created as the underlying futures contracts in the Strip Trading market moves.
6.1.4	Trading hours.	10.30am New Zealand time to 4.00pm New Zealand time
6.3.6	Time for lodgment of an Exercise Request.	On any Trading Day up to 1.30pm New Zealand time. Options not subject to Exercise Request will expire.
6.3.13	Notification of Assignment of Exercise Request.	For Requests lodged on any Trading Day including the Declaration Day by no later than 1.45 pm New Zealand time. To clarify, notification in this section relates to the assignment of the option and not to the resultant futures legs.

Amended 09/12/09

¹Explanatory Note

As at the date of listing this contract the predetermined contracts are:

Option Expiry Month	Display Expiry Month	Strip Year
November 2009	December 2010	2010
November 2010	December 2011	2011
November 2011	December 2012	2012

Rule 6.69.1 Victorian Wholesale Gas Futures Contract

Ref Rule	Subject	Determinations
6.2.3	Manner of quoting Futures Price	Australian Dollars per GJ of natural gas per day
6.2.3	Minimum fluctuations for quoting Futures Price	\$0.01 per GJ of natural gas per day
6.69.1 Item 3	Time at which Provisional Settlement Price is declared	3.30 pm on the first Business Day following the Final Trading Day
6.69.1 Item 3	Time at which Final Settlement Price is declared	11.00 am on the third Business Day following the Final Trading Day
6.69.1 Items 2 & 4	Calculation of Contract Value and Settlement Value	Calculations shall be carried out to 2 decimal places
6.69.1 Item 5	Calculation of Average Quoted Price	The sum referred to in "A" shall be rounded to two decimal places The average quoted price shall be rounded to the nearest cent per GJ of natural gas per day
6.1.4	Trading Hours	8:30 am – 4.00 pm during US daylight and non-daylight saving time
6.2.3	Settlement Months	March/June/September/December, such that sufficient Quarter Months are always available for market participants to trade the next two Calendar years and two Financial Years. At any point in time there will be between 10 and 11 Quarter Months listed.
6.2.3	Final Trading Day	The last Business Day of the Calender Quarter
6.2.3	Time at which trading ceases on Final Trading Day	4.00 pm
6.2.3	Settlement Day	The fourth Business Day following the Final Trading Day
6.2.3	Final time by which Seller's obligations must be satisfied	In accordance with Daily Settlement Process
6.2.3	Final time by which Buyer's obligations must be satisfied	In accordance with Daily Settlement Process

Amended 05/11/09

Rule 6.69.2

Strip Options over Victorian Wholesale Gas Futures Contract

Ref Rule	Subject	Options contract determinations
6.3.6	Manner of quoting Contract Premiums.	Australian dollars per GJ of natural gas per day.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium.	\$0.01 per GJ of natural gas per day.
6.3.6	Manner of quoting Exercise Prices of Options.	Australian dollars per GJ of natural gas per day.
6.3.6	Minimum fluctuations to be used in quoting Exercise Prices of Options.	\$0.25 per GJ of natural gas per day.
6.3.6	Expiry months.	November, such that sufficient Annual Months are always available for market participants to trade the next two Calendar years. ¹
6.3.6	Declaration Date.	The day which is 6 weeks prior to the day immediately preceding the commencement of the calendar year for the underlying Strip Futures product. If this day is not a Business Day, or is recognized in NSW or VIC as a Public Holiday, then the following Business Day will be the expiry day.
6.3.6	Time at which trading ceases on Declaration Date.	12 noon on the Declaration Date.
6.3.8	Creation of New Exercise Prices.	New Exercise Prices are created as the underlying futures contracts in the Strip Trading market moves.
6.1.4	Trading hours.	8.30am to 4.00pm.
6.3.6	Time for lodgment of an Exercise Request.	On any Trading Day up to 1.30 pm. Options not subject to Exercise Request will expire.
6.3.13	Notification of Assignment of Exercise Request.	For Requests lodged on any Trading Day including the Declaration Day by no later than 1.45 pm. To clarify, notification in this section relates to the assignment of the option and not to the resultant futures legs.

Amended 05/11/09

¹Explanatory Note – Item 1

As at the date of listing this contract the predetermined contracts are:

Option Expiry Month	Display Expiry Month	Strip Year
November 2009	December 2010	2010
November 2010	December 2011	2011
November 2011	December 2012	2012
November 2012	December 2013	2013

Rule 6.70.1 Greasy Wool Futures Contract

Ref Rule	Determinations	
6.70.1 Item 2	Approved Warehouses	
New South Wales		
Company Name		Locations
AWH Pty Ltd		Bathurst Cooma Goulburn Newcastle Wagga Wagga Yennora
Australian Wool & Pastoral Agency Limited		Inverell
B A Moses Pty Ltd		Condobolin Temora Wagga Wagga West Wyalong
Beecher Enterprises Pty Ltd		Cowra
Gordon Litchfield Wool Pty Limited		Cooma Yass
Jemalong Wool Pty Ltd		Cooma Forbes Tamworth
Lanoc Wool Pty Limited		Dubbo
Ostini Wool Pty Limited		Parkes
Queensland Cotton Corporation Pty Ltd		Parkes
Riverina Wool (Aust) Pty Ltd		Moama
Jonenderbee Investments Pty Ltd trading as Wool Auctions of Australia		Yennora
Victoria		
Company Name		Location
AWH Pty Ltd		Brooklyn Lara North Geelong Portland Yarrawonga
Lempriere Fox & Lillie Pty Ltd		Melton
Quality Wool Pty Ltd		North Geelong
Southern Wool Warehouse Pty Ltd		Ararat Laverton North

Ref Rule	Determinations	
	Techwool Trading Pty Ltd	Laverton North
	Queensland	
	Company Name	Location
	AWH Pty Ltd	Rocklea
	South Australia	
	Company Name	Location
	AWH Pty Ltd	Gillman
	Quality Wool Pty Ltd	Port Adelaide
	Western Australia	
	Company Name	Location
6.70.1 Item 3	AWH Pty Ltd	Spearwood
	Primaries of WA Pty Ltd	Spearwood
Ref Rule	Subject	Determination
6.70.1 Item 3	Approved Testing Organisation	The Australian Wool Testing Authority (“AWTA”)
6.70.1 Item 4	Approved Appraisal Body	The Australian Wool Exchange
6.70.1 Item 5	Warehouse Receipts	<ul style="list-style-type: none"> • The documents in the form approved by the Exchange are available for completion on request at Approved Wool Warehouses.
6.70.1 Item 6.1(e)	Tender Documentation	<ul style="list-style-type: none"> • Documentation may be lodged with SFE Clearing independently of tender documentation on any Business Day. • On receipt of satisfactory documentation by SFE Clearing the Exchange will admit the wool represented by the documentation to deliverable stock. • The documentation may be withdrawn at 24 hours notice on any Business Day.
6.70.1 Item 6.2(b)	Certificates	<ul style="list-style-type: none"> • Where the deliverable wool is made up of more than one wool lot, an Australian Wool Testing Authority (“AWTA”) Combined Certificate, AWTB Individual Test Certificates which form the basis of the AWTB Combined Certificate and Combined Staple Certificate are all required to be tendered to SFE Clearing. • When the deliverable wool is made up of one single wool lot then an AWTB Individual Test Certificate and a Staple Test Certificate must be tendered to SFE Clearing.
6.70.1 Item 6.4	Deliverable Tolerances	<ul style="list-style-type: none"> • Each wool lot shall have a mean fibre diameter greater than or equal to 19.6 microns and less than or equal to 22.5 microns. • Deliverable wool shall have a maximum variation of 1.0 microns of mean fibre diameter between wool lots. • Each wool lot shall have an IWTO Schlumberger Dry Top and Noil Yield of greater than or equal to 62.1 per cent. • Each wool lot shall have mean staple strength greater than or equal to 31 newtons per kilotex. • Each wool lot which has a mean staple strength less than or equal to 35 newtons per kilotex shall have greater than or equal to 40 per cent of the position of break (“POB”) at the tip and base combined and less than or equal to 60 per cent POB at the

Ref Rule	Determinations					
		<p>middle.</p> <ul style="list-style-type: none"> • Each wool lot shall have mean staple length greater than or equal to 80 mm and less than or equal to 100 mm. • Each wool lot shall have less than or equal to 1.0 per cent seed and shive and less than or equal to 2.0 per cent of total vegetable matter. 				
6.70.1 Item 6.5(e)	Certificate for Individual Wool Lots	An AWTA "P" certificate shall be issued for and showing with respect to each individual wool lot and a "J" certificate for each combined lot.				
6.70.1 Item 9(b)	Tender Documentation	<p>Tender documentation comprises the following documentation, which must be provided by the Seller to SFE Clearing:</p> <ul style="list-style-type: none"> (i) measurement certificate as required by Item 6.2(b) of Rule 6.70.1; (ii) appraisal certificate as required by Item 6.3(b) of Rule 6.70.1; (iii) Warehouse Receipt as required by Item 5 of Rule 6.70.1; (iv) tender information summary; (v) delivery notification; or (vi) where documentation referred to in (i) to (iv) above is held for safe accommodation, a safe accommodation receipt evidencing such documentation must be submitted to SFE Clearing including the completed Delivery Notification of Wool Documentation. <p><i>Note – All tender documentation is available from SFE Clearing</i></p>				
6.70.1 Item 9(b)	Position Documentation	<p>Position documentation comprises that documentation as approved by the Board from time to time and must be provided to SFE Clearing by the Seller and Buyer as follows:</p> <ul style="list-style-type: none"> (i) Ending Position Confirmation <p><i>Note – All position documentation is available from SFE Clearing</i></p>				
6.70.1 Item 9(c)(iv)	Other certificates	No determination has been made.				
6.70.1 Item 10.4	Document Lodgement Schedule	<p>Tender Documentation is to be lodged, on other than Final Trading Day, by 12.30 pm.</p> <p>Position Documentation is to be lodged, on other than Final Trading Day, by 5.00 pm.</p> <p>Tender Documentation is to be lodged, on Final Trading Day, by 3.00 pm.</p> <p>Position Documentation is to be lodged, on Final Trading Day, by 1.00 pm</p>				
6.70.1 Item 11.1	Determination and Publication of Premium and Discount Schedule	The Premium and Discount schedule shall be published on the Friday prior to the Final Trading Day.				
6.70.1 Item 16.2	Delivery Documents	<p>Delivery Documents comprise:</p> <table border="0" data-bbox="695 1821 1303 1888"> <tr> <td data-bbox="695 1821 1029 1855">(i) Seller Summary</td> <td data-bbox="1029 1821 1303 1855">(ii) Seller Advice</td> </tr> <tr> <td data-bbox="695 1855 1029 1888">(iii) Buyer Summary</td> <td data-bbox="1029 1855 1303 1888">(iv) Buyer Advice</td> </tr> </table>	(i) Seller Summary	(ii) Seller Advice	(iii) Buyer Summary	(iv) Buyer Advice
(i) Seller Summary	(ii) Seller Advice					
(iii) Buyer Summary	(iv) Buyer Advice					
6.2.3	Final Trading Day	The third Thursday of each Settlement Month, or if that day is not a Business Day then the Business Day immediately preceding the third Thursday of the Settlement Month.				
6.2.3	Time at which trading is to cease on Final Trading Day	12.00 noon.				

Ref Rule	Determinations
6.70.1 Item 14.3	Delivery Period The Delivery Period begins on the Friday prior to the third Thursday of the Settlement Month, unless that Friday is not a Business Day, in which case it begins on the Business Day immediately preceding that Friday, and ends with the Close of Trade on the final day of trading in the Settlement Month.
6.2.3	Settlement Day The Business Day following the day tender documentation has been accepted by SFE Clearing and the day on which settlement funds are required to be paid to and remitted by SFE Clearing and documentation pursuant to GW.14 is required to be transferred to the Buyer
6.2.3	Time by which payment must be made on Settlement Day Payment of the Tax Adjusted Settlement Value is to be paid by the Buyer to SFE Clearing by 10.30 am on the Settlement Day. Payment of the Tax Adjusted Settlement Value is to be paid by SFE Clearing to the Seller by 12.00 noon on the Settlement Day
6.1.4	Trading Hours 5.10pm – 7.00am & 10.30 am – 4.00 pm (US daylight saving time) 5.10pm – 7.30am & 10.30 am – 4.00 pm (US non daylight saving time)
6.2.3	Settlement Months February, April, June, August, October and December, to eighteen (18) months ahead.
6.2.3	Manner of quoting Futures Price Multiples of one cent of Australian currency per kilogram net clean weight
6.2.3	Minimum fluctuations for quoting Futures Price Whole cents

Amended 13/07/10

Rule 6.70.2 Ordinary Options Over The Greasy Wool Futures Contract

Ref Rule	Subject	Determination
6.3.6	Manner of Quoting Contract Premium	Cents per kilogram clean weight.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium	Multiples of one tenth of a cent.
6.3.6	Manner of Quoting Exercise Price	Cents per kilogram clean weight.
6.3.6	Minimum fluctuations to be used in quoting Exercise Price	Multiples of 25 cents.
6.3.8	Creation of new Exercise Prices	New Exercise Prices are created as the underlying futures contract price moves, at 25 cent intervals
6.3.6	Final time for lodgement of Request or Deny Automatic Exercise Request	Up to close of trading on Declaration Date. Up to 20 minutes after close of trading or any day other than the Declaration Date.
6.3.6	Time Sellers are notified of Assignment of Exercise Request	For Requests lodged on the Declaration Day: <ul style="list-style-type: none">• by no later than 9.00 am on the Business Day following the Declaration Date. For Requests lodged on a day other than the Declaration Date: <ul style="list-style-type: none">• by no later than 45 minutes prior to the commencement of trading on the next Business Day on which clearing occurs following the day on which the Request is lodged
6.1.4	Trading Hours	5.10pm - 7.00am & 10.30 am – 4.00 pm (US daylight saving time) 5.10pm - 7.30am & 10.30 am – 4.00 pm (US non daylight saving time)
6.3.6	Declaration Date	The Friday preceding the commencement of the delivery period for the Settlement Month of the Greasy Wool Futures Class of Contracts (or if that day is not a Business Day, the Business Day immediately prior to that day).
6.3.6	Time at which trading ceases on Declaration Date	4.00 pm
6.3.6	Expiry Months	February, April, June, August, October, December, to 18 months ahead

Rule 6.71 Fine Wool (Cash Settled) Futures Contract

Ref rule	Subject	Determinations
6.2.3	Manner of quoting Futures Price	Per kilogram clean, in Australian currency
6.2.3	Minimum fluctuations for quoting Futures Price	Whole cents
6.2.3	Time of declaration of Settlement Price	SFE Clearing will normally declare the Settlement Price at 12.15pm on the final trading day.
6.1.4	Trading Hours	5.10pm-7.00am & 10.30 am – 4.00 pm (US daylight saving time) 5.10pm-7.30am & 10.30 am – 4.00 pm (US non daylight saving time)
6.2.3	Settlement Months	February/April/June/August/October/December up to 18 months ahead.
6.2.3	Final Trading Day	The day the SFE 19.0 micron clean wool price indicator is published by AWEX
6.2.3	Time trading ceases on the Final Trading Day	12.00 noon.
6.2.3	Settlement Day	The first Business Day following the Final Trading Day.
6.2.3	Final time by which Seller's obligations must be satisfied	12.00 noon on the Settlement Day
6.2.3	Final time by which Buyer' obligations must be satisfied	10.30 am on the Settlement Day

Rule 6.72 Broad Wool (Cash Settled) Futures Contract

Ref Rule	Subject	Determinations
6.2.3	Manner of quoting Futures Price	Per kilogram clean, in Australian currency
6.2.3	Minimum fluctuations for quoting Futures Price	Whole cents
6.72 Item 4	Time of declaration of Settlement Price	SFE Clearing will normally declare the Settlement Price at 12.15pm on the final trading day.
6.1.4	Trading Hours	5.10pm-7.00am & 10.30 am – 4.00 pm (US daylight saving time) 5.10pm-7.30am & 10.30 am – 4.00 pm (US non daylight saving time)
6.2.3	Settlement Months	February/April/June/August/October/December up to 18 months ahead.
6.2.3	Final Trading Day	The day the SFE 23 micron clean wool price indicator is published by AWEX
6.2.3	Time trading ceases on the Final Trading Day	12.00 noon.
6.2.3	Settlement Day	The first Business Day following the Final Trading Day.
6.2.3	Final time by which Seller's obligations must be satisfied	12.00 noon on the Settlement Day
6.2.3	Final time by which Buyer' obligations must be satisfied	10.30 am on the Settlement Day

Rule 6.73 MLA/ SFE Cattle Futures Contract

THIS CONTRACT WAS DELISTED ON 21 AUGUST 2009

Rule 6.74 New Zealand Broad Wool (Cash Settled) Futures Contract

THIS CONTRACT WAS DELISTED ON 25 FEBRUARY 2005

Rule 6.75.1 Thermal Coal Futures Contract

Ref Rule	Subject	Determination																										
6.75.1 Item 4	Grade and Quality Specifications	<p>The minimum grade and quality specifications are as set out in the table below:</p> <table border="1" data-bbox="700 354 1414 923"> <thead> <tr> <th data-bbox="700 354 986 390">Specification</th><th data-bbox="986 354 1414 390">Acceptable Range</th></tr> </thead> <tbody> <tr> <td data-bbox="700 390 986 426">Net Calorific Value</td><td data-bbox="986 390 1414 426">Minimum 5,650 kcal/kg</td></tr> <tr> <td data-bbox="700 426 986 462">Total Moisture</td><td data-bbox="986 426 1414 462">Maximum 15.0% (as received basis)</td></tr> <tr> <td data-bbox="700 462 986 530">Volatile Matter</td><td data-bbox="986 462 1414 530">Minimum 27.0% and maximum 35.0% (as received basis)</td></tr> <tr> <td data-bbox="700 530 986 565">Ash</td><td data-bbox="986 530 1414 565">Maximum 17.0% (as received basis)</td></tr> <tr> <td data-bbox="700 565 986 601">Sulphur</td><td data-bbox="986 565 1414 601">Maximum 1.0% (as received basis)</td></tr> <tr> <td data-bbox="700 601 986 637">Selenium</td><td data-bbox="986 601 1414 637">Maximum 2 ppm (dry basis)</td></tr> <tr> <td data-bbox="700 637 986 673">Boron</td><td data-bbox="986 637 1414 673">60 ppm (dry basis)</td></tr> <tr> <td data-bbox="700 673 986 709">Calcium Oxide in Ash</td><td data-bbox="986 673 1414 709">Maximum 7% (dry basis)</td></tr> <tr> <td data-bbox="700 709 986 777">Hardgrove Grindability Index</td><td data-bbox="986 709 1414 777">45 (min) – 70 (max)</td></tr> <tr> <td data-bbox="700 777 986 813">Nominal Topsize</td><td data-bbox="986 777 1414 813">50mm</td></tr> <tr> <td data-bbox="700 813 986 857">Sizing</td><td data-bbox="986 813 1414 857">Fines <2mm not to be more than 30%</td></tr> <tr> <td data-bbox="700 857 986 923">Ash Fusion Temperature (Reducing)</td><td data-bbox="986 857 1414 923">1250 degrees C (min) Initial Deformation</td></tr> </tbody> </table> <p>All grade and quality specifications must be reported in accordance with the International Standards Organisation (ISO) standards (as amended from time to time).</p>	Specification	Acceptable Range	Net Calorific Value	Minimum 5,650 kcal/kg	Total Moisture	Maximum 15.0% (as received basis)	Volatile Matter	Minimum 27.0% and maximum 35.0% (as received basis)	Ash	Maximum 17.0% (as received basis)	Sulphur	Maximum 1.0% (as received basis)	Selenium	Maximum 2 ppm (dry basis)	Boron	60 ppm (dry basis)	Calcium Oxide in Ash	Maximum 7% (dry basis)	Hardgrove Grindability Index	45 (min) – 70 (max)	Nominal Topsize	50mm	Sizing	Fines <2mm not to be more than 30%	Ash Fusion Temperature (Reducing)	1250 degrees C (min) Initial Deformation
Specification	Acceptable Range																											
Net Calorific Value	Minimum 5,650 kcal/kg																											
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Calcium Oxide in Ash	Maximum 7% (dry basis)																											
Hardgrove Grindability Index	45 (min) – 70 (max)																											
Nominal Topsize	50mm																											
Sizing	Fines <2mm not to be more than 30%																											
Ash Fusion Temperature (Reducing)	1250 degrees C (min) Initial Deformation																											
6.75.1 Item 5 and 6.2.3	Final Trading Day	The first Business Day of the month preceding the Delivery Month.																										
6.2.3	Time at which trading is to cease on Final Trading Day	4:30pm																										
6.75.1 Item 6	Delivery port	<p>Coal may be delivered to the Buyer's vessel at any of the following Coal terminals operated by Port Waratah Coal Services Limited (PWCS), ACN 001 363 828:</p> <ul style="list-style-type: none"> • Carrington; and/or • Kooragang, <p>located adjacent on the Hunter River, NSW, Australia.</p>																										
6.75.1 Item 7	Deliverable Range	In circumstances where all coal delivered to a Buyer's vessel relates to the Buyer's futures contracts, a loading tolerance of 10% above or below 1,000 metric tonnes of thermal coal per contract is permitted at the Buyer's discretion.																										
6.75.1 Item 8	Nomination Procedures	Nomination Forms are to be submitted to SFE Clearing by the Buyer and the Seller by 12noon on the first Business Day after the Final Trading Day.																										
6.75.1 Item 10	Delivery	Buyer and Seller may by mutual written consent agree to different details than those set out in the previously lodged Nomination Forms.																										
6.75.1 Item 11	Inability to Deliver	If SFE Clearing cancels the delivery process the contracts of the Buyer and Seller will be cash settled at the Daily Settlement Price from the Final Trading Day.																										
6.75.1 Item 12	Lodgement of Delivery Documentation	(a) The following Delivery Documentation (or copies thereof) must be lodged for thermal coal delivered pursuant to a futures contract:																										

Ref Rule	Subject	Determination
		<p>(i) A Statement of Facts (1 original and 1 copy), supported by a Statement of Laytime (documenting laytime used), which contains details of all actions (including at who's request such actions were carried out) and timeframes that took place during the delivery of the coal from when NOR is tendered through to and including the completion of loading, and includes the dead weight tonnage of the vessel. The Statement of Facts must be signed on behalf of the Buyer by the Buyers agent, Vessel's master and/or charterers and on behalf of the Seller by the Sellers agent or Sellers client.</p> <p>(ii) A Bill of Lading (3 originals and 3 non-negotiable copies) signed by the captain, agent, or owner of the vessel onto which the thermal coal is loaded.</p> <p>1 original and 1 copy of the following Delivery Documentation must also be lodged in the following circumstances:</p> <p>Scenario 1 – In circumstances where all coal delivered to a Buyer's vessel relates to the Buyer's futures contracts, and delivery is made by one Seller only:</p> <p>(iii) Outbound Certificate of Sampling and Analysis issued by one of the independent testing agencies referred to in (b) below which states all of the Specifications of the thermal coal set out in the Grade and Quality Specifications.</p> <p>(iv) Certificate of Weight issued by one of the independent testing agencies referred to in (b) below which sets out the total weight in Metric Tonnes of the thermal coal as determined by a Marine Draft Surveyor.</p> <p>Scenario 2 – In circumstances where all coal delivered to a Buyer's vessel relates to the Buyer's futures contract, and delivery is made by more than one Seller (see (v) and (vi) below if supplying additional coal from another stockpile):</p> <p>(iii)</p> <p>(I) Inbound Rail Certificates of Sampling and Analysis of each Seller's inbound coal, determined with reference to the relevant PWCS rail sample station; and</p> <p>(II) An Outbound Certificate of Sampling and Analysis;</p> <p>both issued by one of the independent testing agencies referred to in (b) below which states all of the Specifications of the thermal coal set out in the Grade and Quality Specifications.</p> <p>(iv)</p> <p>(I) Inbound Rail Certificates of Weight of each Seller's inbound coal, determined with reference to the relevant PWCS belt weightometer; and</p> <p>(II) A Certificate of Weight of the outbound coal;</p>

Ref Rule	Subject	Determination
		<p>both issued by one of the independent testing agencies referred to in (b) below which sets out the total weight in Metric Tonnes of the thermal coal. In the case of the Certificate of Weight of the outbound coal, the total weight is as determined by a Marine Draft Surveyor.</p> <p>Scenario 3 – In circumstances where not all coal delivered to a Buyer's vessel relates to the Buyer's futures contracts (see (v) and (vi) below if supplying additional coal from another stockpile):</p> <ul style="list-style-type: none"> (iii) Inbound Rail Certificates of Sampling and Analysis of each Seller's inbound coal, determined with reference to the relevant PWCS rail sample station and issued by one of the independent testing agencies referred to in (b) below which states all of the Specifications of the thermal coal set out in the Grade and Quality Specifications. (iv) Inbound Rail Certificates of Weight of each Seller's inbound coal, determined with reference to the relevant PWCS belt weightometer and issued by one of the independent testing agencies referred to in (b) below which sets out the total weight in Metric Tonnes of the thermal coal. <p>In Scenarios 2 and 3 above, if a Seller obtains 'additional' coal from another stockpile the following Delivery Documentation is to be provided instead of the Delivery Documentation set out in Scenario's 2 & 3 above:</p> <ul style="list-style-type: none"> (v) A single Certificate of Sampling and Analysis that includes the Inbound Rail analysis and the analysis for the Seller's 'additional' coal obtained from another stockpile, issued by one of the independent testing agencies referred to in (b) below which states the Specifications of the thermal coal set out in the Grade and Quality Specifications. (vi) A single Certificate of Weight that includes the Inbound Rail weight and the weight of the Seller's 'additional' coal obtained from another stockpile, issued by one of the independent testing agencies referred to in (b) below which sets out the total weight in Metric Tonnes of the thermal coal with reference to the relevant PWCS belt weightometer. (b) All Certificates of Sampling and Analysis and Certificates of Weight must be issued by either: <ul style="list-style-type: none"> (i) ALS Laboratory Group/ACTest; (ii) CCI Australia; or (iii) SGS Australia Pty Ltd. (c) Delivery Documentation must be lodged with SFE Clearing within 5 business days after the Delivery Day.
6.75.1 Item 15	Adjustment Factors	The adjustment factors determined by SFE to reflect the ash and sulphur content and the net calorific value of the thermal coal are set out in Annexure A.

Ref Rule	Subject	Determination
		The ash and sulphur content and the net calorific value are determined by reference to the relevant test certificate(s) which forms part of the Delivery Documentation.
6.75.1 Item 16	Final Settlement Tonnage	<p>The appropriate Certificate of Weight for each Scenario as set out in Item 12 above is as follows.</p> <ul style="list-style-type: none"> (a) Scenario 1 – In circumstances where all coal delivered to a Buyer’s vessel relates to the Buyer’s futures contracts, and delivery is made by one Seller only: <ul style="list-style-type: none"> • Certificate of Weight as determined by a Marine Draft Surveyor (b) Scenario 2 – In circumstances where all coal delivered to a Buyer’s vessel relates to the Buyer’s futures contract, and delivery is made by more than one Seller (see final paragraph of this Item 16 if supplying additional coal from another stockpile): <ul style="list-style-type: none"> • Certificate of Weight as determined by a Marine Draft Surveyor pro-rated with reference to the Inbound Rail Certificates of Weight. (c) Scenario 3 – In circumstances where not all coal delivered to a Buyer’s vessel relates to the Buyer’s futures contracts (see final paragraph of this Item 16 if supplying additional coal from another stockpile): <ul style="list-style-type: none"> • Inbound Rail Certificates of Weight. <p>In Scenarios 2 and 3, if a Seller obtains ‘additional’ coal from another stockpile:</p> <ul style="list-style-type: none"> • A single Certificate of Weight that includes the Inbound Rail weight and the weight of the Seller’s ‘additional’ coal obtained from another stockpile.
6.75.1 Item 17	Adjusted Settlement Value	<p>Adjusted Settlement Value – Buyers & Sellers</p> <p>Adjusted Settlement Value Formula = Adjusted Settlement Price * Final Settlement Tonnage</p> <p>Adjusted Settlement Value – Scenario 1</p> <ul style="list-style-type: none"> A) Adjusted Settlement Value for the Buyer is calculated using the “Outbound Delivery Documentation” identified in Item 12, using the Adjusted Settlement Value Formula (above). B) Adjusted Settlement Value for the Seller is the Final Settlement Value Paid by the Buyer. <p>Adjusted Settlement Value – Scenario 2</p> <ul style="list-style-type: none"> A) Adjusted Settlement Value for the Buyer is calculated using the “Outbound Delivery Documentation” identified in Item 12, using the Adjusted Settlement Value Formula (above). B) Adjusted Settlement Value for the Sellers’ is the Final Settlement Value Paid by the Buyer, prorated on the basis of

Ref Rule	Subject	Determination
		<p>Adjustment Factors and Final Settlement Tonnage of the Coal portions delivered under the ASX Delivery, using the “Inbound Rail (including stockpile sampling and analysis and weight if supplying additional coal from another stockpile) and Outbound Delivery Documentation” identified in Item 12.</p> <p>Adjusted Settlement Value – Scenario 3</p> <p>A) Adjusted Settlement Value for the Buyer is the SUM of the Adjusted Settlement Value(s) for all Seller’s under the ASX Delivery.</p> <p>B) Adjusted Settlement Value for the Seller(s) is calculated on the basis of Adjustment Factors and Final Settlement Tonnage of the Coal portions delivered under the ASX Delivery, using the “Inbound Rail (including stockpile sampling and analysis and weight if supplying additional coal from another stockpile) Delivery Documentation” identified in Item 12, using the Adjusted Settlement Value Formula (above).</p> <p>Note: No pro-rating occurs, as the Seller(s) are paid on the basis of their “Inbound Rail (including stockpile sampling and analysis and weight if supplying additional coal from another stockpile) Delivery Documentation” only.</p>
6.75.1 Item 18	Final Settlement Value	<p>See Annexures A & B for information on Demurrage and Despatch and how these will be charged and calculated.</p> <p>Final Settlement Value Buyers & Sellers</p> <p>Final Settlement Value Paid by the Buyer in all cases is calculated using the following formula:</p> $\text{Adjusted Settlement Value} - \text{Demurrage} + \text{Despatch}$ <p>Where Demurrage or Despatch is calculated as per Annexure B</p> <p>Final Settlement Value Received by a Single Seller in all cases is calculated as above.</p> <p>Final Settlement Value Received by Multiple Sellers’ in all cases is calculated as above, with an additional step that:</p> <p>A) An amount of Demurrage is deducted from the amount to be paid to each Seller, pro-rated on the basis of the amount of coal each Seller delivered. Note: where a single Seller or Sellers are solely responsible for a delay, that single Seller or Sellers shall be liable for the Demurrage charge associated with such delay; or</p> <p>B) An amount of Despatch is added to the amount to be paid to each Seller;</p> <p>on the basis of the Final Settlement Tonnage delivered by each Seller.</p> <p>Where Total Demurrage or Despatch is calculated as per Annexure</p>

Ref Rule	Subject	Determination
		B.
6.75.1 Item 19	Settlement Day	The Settlement Day will be 7 th Business Day after delivery has occurred. Money moves in accordance with the Daily Settlement Process.
6.2.3	Time by which Sellers obligations must be satisfied	As per Daily Settlement Process.
6.2.3	Time by which Buyers obligations must be satisfied	As per Daily Settlement Process.
6.1.4	Trading Hours	Australian Eastern Summer Time: 5.14pm – 7.00am 8.34am – 4.30pm Australian Eastern Winter Time: 5.14pm – 7.00am 8.34am – 4.30pm
6.2.3	Settlement Months	Monthly, such that sufficient contracts are always available for Market Participant's to trade 4 full calendar quarters ahead. At any point in time there will be between 12 and 14 monthly contracts listed. Note that the Delivery Month for Thermal Coal is the month in which delivery occurs. The Settlement Day (on which the Final Settlement Value is paid to the Seller) is 7 days after delivery occurs (which in some cases may be in the month after the Delivery Month).
6.2.3	Manner of quoting Futures Price	US dollars per metric tonne.
6.2.3	Minimum fluctuations for quoting Futures Prices	\$0.05 (US)

Annexure A – Adjustment Factors

Calculation process for determining whether or not an adjustment applies for Ash or Sulphur, and Net Calorific Value (Calculation of Adjusted Settlement Price)

Step 1 – NCV (energy content of the coal), Ash Content, and Sulphur Content are identified from the relevant certificate(s) of sampling and analysis.

Step 2 – The Ash and Sulphur adjustment tables are used to identify whether a discount is applicable (the tables below identify the applicable adjustments to apply regarding Ash content and Sulphur content. The Cells at the far right hand side of the table identify coal specifications that cannot be delivered).

Ash adjustment table						
Ash	$\leq 13\%$	$\leq 14\%$	$\leq 15\%$	$\leq 16\%$	$\leq 17\%$	$> 17\%$
% Discount	None	1%	2%	3%	4%	Undeliverable

Sulphur adjustment table						
Sulphur	$\leq 0.60\%$	$\leq 0.7\%$	$\leq 0.8\%$	$\leq 0.9\%$	$\leq 1.00\%$	$> 1.00\%$
% Discount	none	0.5%	1.0%	1.5%	2.0%	Undeliverable

Step 3 – The Net Calorific Value Content Multiplier is determined by dividing the Net Calorific Value of the Coal by 6000 (ie. NCVCM = NCV kcal/kg / 6000).

Step 4 – The formula below is then used to determine the Adjusted Settlement Price.

$$\text{ASP} = \text{NCVCM} * \text{FSP} - (\text{AshD\%} * \text{FSP}) - (\text{SulphD\%} * \text{FSP})$$

ASP = Adjusted Settlement Price

NCVCM = Net Calorific Value Content Multiplier (rounded up to whole numbers as per ISO standards)

FSP = Final Settlement Price (being the Daily Settlement Price on the Final Trading Day)

AshD% = The Discount % applied, based on the delivered ash content compared with the Ash adjustment table (rounded to one (1) decimal place as per ISO standards)

SulphD% = The Discount % applied, based on the delivered sulphur content compared with the Sulphur adjustment table (rounded to two (2) decimal places as per ISO standards).

At the end of the calculation process set out in this Annexure A, the Adjusted Settlement Price will be rounded to the nearest \$0.01 (US).

Annexure B – Demurrage and Despatch

Calculation process for determining whether Demurrage or Despatch applies

Step 1 – Determine when Laytime begins

- (i) If the Vessel tenders a Notice of Readiness (NOR) during the delivery date agreed between the Buyer and Seller that loading of the coal onto the Buyer's vessel will commence (Laycan), Laytime begins at either:
 - (a) expiry of the amount of time (12 Hours) provided to the Seller to begin loading the vessel (Turntime); or
 - (b) the actual commencement of loading of the vessel;

whichever is the earliest.

If (b) above, until expiry of Turntime, only time actually spent loading shall count toward Laytime;

- (ii) If the Vessel tenders a NOR before Laycan, Laytime begins at either:
 - (a) 0001AM on the first day of Laycan; or
 - (b) the actual commencement of loading of the vessel;

whichever is earliest.

If (b) above, prior to 0001AM local time on the first day of Laycan, only time actually spent loading the Vessel shall count towards Laytime.

- (iii) If the Vessel tenders the NOR after Laycan, the Seller may;
 - (a) load the Vessel;
 - (b) reject the shipment, at which point the transaction will fall under Item 11, Inability to Deliver; or
 - (c) agree a new Laycan.

If (a) above, Laytime begins at the actual commencement of loading of the vessel.

Step 2 – Determine Laytime Allowed

The Loading Rate is determined by selecting the appropriate scenario below:

Scenario A) If the amount of coal in metric tonnes to be delivered is over **80%** of the total size of the vessel in Dead Weight Tonnage (DWT), then the Size in DWT of the vessel (as indicated on the Draft Surveyor's report) shall be used to determine the Loading Rate; or

Scenario B) If the amount of coal to be delivered in metric tonnes is less than **80%** of the total size of the vessel in DWT (DWT is as indicated on the Draft Surveyor's report), then the Total Amount of Coal to be delivered in Metric Tonnes shall be used to determine the Loading Rate;

and applying this to the Newcastle Port Loading Rate table below.

Newcastle Port Loading Rate Table

Tonnes	Metric Tonnes per WWD – (Weather Working Day)
Up to 45,000	10,000 Tonnes per WWD
45,001-60,000	20,000 Tonnes per WWD
60,001-75,000	25,000 Tonnes per WWD
75,001-100,000	30,000 Tonnes per WWD
100,001-125,000	35,000 Tonnes per WWD
125,001-150,000	45,000 Tonnes per WWD
150,001 and Over	55,000 Tonnes per WWD

Laytime Allowed is then determined by calculating the Metric Tonnes to be delivered and dividing this by the relevant Loading Rate, with reference to the appropriate Scenario above (eg Metric Tonnes / Loading Rate = Laytime Allowed).

Step 3 – Determine the amount of Laytime used

The following **shall not** count toward Laytime used:

- Time spent or lost relating to an Inability to Deliver (unless the Vessel is on Demurrage), provided that either the Seller gives notice of such Inability to Deliver or where cumulative interruptions do not exceed 24 hours, the Seller submits to the Buyer a Statement of Facts signed by the Vessel's master or agent describing the causes and the periods of such loading interruptions.

If the Seller fails to provide the required notice and/or Statement of Facts, the time lost shall instead count as Laytime

- Where requested by Buyer, actual time taken in making further interim draft surveys.

The following **shall** count toward Laytime used:

- The Seller must not deduct any individual period of time lost of less than fifteen (15) minutes duration, howsoever caused.
- Operational delays exceeding twenty-four (24) hours, including but not limited to time for reclamer movement and changing hatches.
- Where loading is interrupted by an interim draft survey, up to fifteen (15) minutes shall count as Laytime used.
- Where requested by Seller, actual time taken in making further interim draft surveys.
- warping and/or shifting of the Vessel alongside the wharf after the Vessel has berthed. Note: all associated expenses of warping and/or shifting are the responsibility of the Seller unless such warping and/or shifting is requested by Buyer, in which case the Buyer bears responsibility for such expense.

Note: where a vessel is delayed due to a single Seller or Sellers, that single Seller or Sellers shall be solely liable for such delay.

Demurrage

Once a Vessel is on Demurrage, all time lost (including time lost by reason of Inability to Deliver) shall count as Demurrage, except for loading stoppages due to the Vessel or its requirements, including but not limited to the following:

- moving from anchorage to berth;
- de-ballasting;
- opening and closing hatches;
- awaiting vessel master's instructions;
- bunkering and provisioning;

- delays in entering the port or loading Coal due to the vessel master's decision with respect to weather conditions; and
- obtaining Free Pratique after berthing.

Despatch

In a Despatch situation, certain loading interruption(s) of less than twenty-four (24) running hours, shall not count as Laytime, these include:

- waiting at Port for another shipper's coal to be delivered 'on the same Vessel as Seller's coal.
- no labour available at port.
- preference of loading is given to another Vessel that is nearer to completion.
- loading is ordered to stop to allow another Vessel to negotiate the Steelworks Channel.
- a shiploader, conveyor or reclaimer suffers a mechanical and/or electrical breakdown forcing loading to stop.

Overtime

Unless ordered by the Buyer, any overtime at port and related extra expenses shall be the Seller's responsibility. However, the Buyer shall be responsible for any overtime of Vessel's officers and crew.

Vessel's Obligations

The Vessel shall:

- open and/or close hatch covers at its own cost; and
- provide adequate lighting suitable for night work to be carried out on board the Vessel.

Buyer and Seller must make all reasonable efforts to remedy any stoppages causing a delay of six (6) consecutive days from when the Vessel is ready to load.

To ensure an accurate record of the foregoing is captured, the Statement of Facts must contain details of all actions (including at who's request such actions were carried out) and timeframes that took place during the delivery of the coal from when NOR is tendered through to and including the completion of loading. In addition, any individual party solely responsible for a delay must be reported in the Statement of Facts.

Step 4 – Calculation of Demurrage or Despatch based on Laytime Allowed and Laytime Used.

Demurrage

If Laytime Used was greater than Laytime Allowed then a Demurrage charge applies to the Seller (**Demurrage is calculated as \$1 USD, per metric tonne of Coal to be delivered, per day of delay (Time Lost)**).

Demurrage = (Laytime Used – Laytime Allowed) * Demurrage Rate * Delivered metric tonnes.

Note however, a Demurrage charge relating to a delay caused solely by a single Seller or Sellers will be applied solely to that single Seller or Sellers.

Despatch

If Laytime Used is less than Laytime Allowed then a Despatch incentive payment applies for the Seller (**Despatch is calculated as \$0.50 USD, per metric tonne of Coal to be delivered, per day of gain (Time Gained)**).

Despatch = (Laytime Allowed – Laytime Used) * Despatch Rate * Delivered metric tonnes.

All calculations set out in this Annexure B will be rounded to two (2) decimal places at every step in the calculation process. At the end of the calculation process set out in this Annexure B, the Final Settlement Value will be rounded to the nearest \$0.01 (US).

Rule 6.75.2 Ordinary Options over Thermal Coal Futures Contracts

Ref Rule	Subject	Options contract determinations
6.3.6	Manner of quoting Contract Premiums.	\$US per tonne.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium.	\$0.01 (US)
6.3.6	Manner of quoting Exercise Prices of Options.	\$US per tonne.
6.3.6	Minimum fluctuations to be used in quoting Exercise Prices of Options.	\$2.50 (US)
6.3.6	Expiry months.	Monthly, such that Market Participant's always have options on 6 months.
6.3.6	Declaration Date.	The Last Trading Day of the underlying contract month.
6.3.6	Time at which trading ceases on Declaration Date.	4.30pm on the Declaration Date.
6.3.8	Creation of New Exercise Prices.	New Exercise Prices are created as the underlying futures contracts move.
6.1.4	Trading hours.	Australian Eastern Summer Time 5.14pm to 7.00am 8.34am to 4.30pm Australian Eastern Winter Time 5.14pm to 7.00am 8.34am to 4.30pm
6.3.6	Time for lodgment of an Exercise Request.	On any Trading Day up to 5.30 pm. Options not subject to Exercise Request will expire.
6.3.13	Notification of Assignment of Exercise Request.	For Requests lodged on any Trading Day including the Declaration Day by no later than 5.45 pm. To clarify, notification in this section relates to the assignment of the option and not to the resultant futures legs.

Rule 6.75.3**Quarterly Strip Options over Thermal Coal Futures Contracts**

Ref Rule	Subject	Options contract determinations
Item 3	Value of the Contract Premium in dollars and cents.	Price quoted in \$US to two (2) decimal places.
Item 4.1	Determination of Option Settlement Price.	In accordance with Daily Settlement Process at 4.30pm each Trading Day.
Item 5	Exercise Price.	The Exchange shall create Exercise Prices from time to time having regard to the average price of the 3 futures contracts determined in Item 1.
6.3.6	Manner of quoting Contract Premiums.	\$US per tonne.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium.	\$0.01 (US)
6.3.6	Manner of quoting Exercise Prices of Options.	\$US per tonne.
6.3.6	Minimum fluctuations to be used in quoting Exercise Prices of Options.	\$2.50 (US)
6.3.6	Expiry months.	3 Quarterly strip options delivering 3 corresponding monthly futures contracts.
6.3.6	Declaration Date.	The day which is 6 weeks prior to the day immediately preceding the commencement of the Quarter for the underlying Strip Futures product. If this day is not a Business Day, or is recognized in NSW as a Public Holiday then the following Business Day will be the expiry day.
6.3.6	Time at which trading ceases on Declaration Date.	4.30pm on the Declaration Date.
6.3.8	Creation of New Exercise Prices.	New Exercise Prices are created as the underlying futures contracts in the Strip Trading market moves.
6.1.4	Trading hours.	Australian Eastern Summer Time 5.14pm to 7.00am 8.34am to 4.30pm Australian Eastern Winter Time 5.14pm to 7.00am 8.34am to 4.30pm
6.3.6	Time for lodgment of an Exercise Request.	On any Trading Day up to 5.30 pm. Options not subject to Exercise Request will expire.
6.3.13	Notification of Assignment of Exercise Request.	For Requests lodged on any Trading Day including the Declaration Day by no later than 5.45 pm. To clarify, notification in this section relates to the assignment of the option and not to the resultant futures legs.

Rule 6.75.4 Calendar Year Thermal Coal Futures Contract

Ref Rule	Subject	Determinations
6.2.3	Manner of quoting Futures Price.	US Dollars
6.2.3	Minimum fluctuations for quoting Futures Price.	\$0.01 (US)
6.2.3	Settlement Price.	As per Daily Settlement Price on the Final Trading Day.
6.2.3	Time at which Final Settlement Price is declared.	No later than 5pm AEST on the Final Trading Day.
6.75.5 Item 3	Settlement Value.	Number of individual contracts (12) x underlying contract size (1,000) x settlement price.
6.75.5 Item 4	Delivery.	1 calendar year delivered into 12 underlying legs of the Thermal Coal Futures Contract set out in Rule 6.75.1.
6.75.5 Item 5	Payment of the Settlement Value.	In accordance with Daily Settlement Process.
6.1.4	Trading Hours.	Australian Eastern Summer Time: 5.14pm – 7.00am 8.34am – 4.30pm Australian Eastern Winter Time: 5.14pm – 7.00am 8.34am – 4.30pm
6.2.3	Settlement Months.	Annually such that market participants are at all times able to trade the four (4) Calendar year products.
6.2.3	Final Trading Day.	Six (6) weeks prior to the day immediately preceding commencement of the contract year. If this day is not a trading day for the contract or is recognised in NSW as a Public Holiday then the following trading day will be the expiry day.
6.2.3	Time at which trading ceases on Final Trading Day.	4.30 pm
6.2.3	Settlement Day.	The next Business Day following the Final Trading Day.
6.2.3	Final time by which Seller's obligations must be satisfied.	In accordance with Daily Settlement Process.
6.2.3	Final time by which Buyer' obligations must be satisfied.	In accordance with Daily Settlement Process.

Rule 6.75.5**Ordinary Options over Calendar Year Thermal Coal Futures Contracts**

Ref Rule	Subject	Options contract determinations
6.3.6	Manner of quoting Contract Premiums.	\$US per tonne.
6.3.6	Minimum fluctuations to be used in quoting Contract Premium.	\$0.01 (US)
6.3.6	Manner of quoting Exercise Prices of Options.	\$US per tonne.
6.3.6	Minimum fluctuations to be used in quoting Exercise Prices of Options.	\$2.50 (US)
6.3.6	Expiry months.	Annual
6.3.6	Declaration Date.	The day which is 6 weeks and one Business Day prior to the day immediately preceding the commencement of the contract year for the underlying Futures product. If this day is not a Trading Day for the contract, or is recognised in NSW as a Public Holiday then the following Trading Day will be the expiry day.
6.3.6	Time at which trading ceases on Declaration Date.	4.30pm on the Declaration Date.
6.3.8	Creation of New Exercise Prices.	New Exercise Prices are created as the underlying futures contracts in the Trading market moves.
6.1.4	Trading hours.	Australian Eastern Summer Time 5.14pm to 7.00am 8.34am to 4.30pm Australian Eastern Winter Time 5.14pm to 7.00am 8.34am to 4.30pm
6.3.6	Time for lodgment of an Exercise Request.	On any Trading Day up to 5.30 pm. Options not subject to Exercise Request will expire.
6.3.13	Notification of Assignment of Exercise Request.	For Requests lodged on any Trading Day including the Declaration Day by no later than 5.45 pm. To clarify, notification in this section relates to the assignment of the option and not to the resultant futures legs.

Amended 01/09/09

Rule 6.76.1 Renewable Energy Certificate Futures Contract (Deliverable)

Ref Rule	Subject	Determinations
Item 1.3	Underlying RECs	<p>Renewable Energy Certificates (RECs) from any renewable energy generation source as defined in the Renewable Energy (Electricity) Act 2000 (Cth) except for RECs generated from wood waste sources as defined in the Renewable Energy (Electricity) Regulations 2001 and as indicated on the REC registry.</p> <p>RECs eligible for delivery will have a ‘Creation Period’ as defined in the Renewable Energy (Electricity) Act 2000 (Cth) (see Rule 7.2.6) being any period up to 31 December in the calendar year preceding the Settlement Day.</p>
Item 1.4	Designated Registry	Renewable Energy Certificate registry operated by Office of the Renewable Energy Regulator (as replaced or re-named from time to time).
Item 3	Settlement Value	Settlement value adjusted for applicable GST.
Item 3 and 6.2.3	Settlement Month	January with 5 settlement months listed.
Item 3 and 6.2.3	Final Trading Day	Three (3) Business Days prior to Settlement Day.
6.2.3	Manner of quoting Futures Price	Dollars and cents per unit of the RECs underlying the Contract.
6.2.3	Minimum fluctuations for quoting Futures Price	Five (5) whole cents per unit of the RECs underlying the Contract.
6.1.4	Hours of Trading	<p>Australian Summer Time 9.00 am – 4.00 pm</p> <p>Australian Winter Time 9.00 am – 4.00 pm</p>
6.2.3	Time at which trading ceases on Final Trading Day	4:00pm
6.2.3	Settlement Day	15 th day of Settlement Month or next Business Day if the 15 th is not a Business Day.
6.2.3	Final time by which Seller’s and Buyer’s obligations, respectively must be satisfied	<p>Buyer must pay funds to SFE Clearing by 11am (Sydney time) on Settlement Day.</p> <p>Seller must transfer RECs to Buyer following direction from SFE Clearing on Settlement Day from 11am, and before 2pm (Sydney time).</p> <p>Buyer must submit form confirming receipt of RECs by 3pm (Sydney time).</p> <p>SFE Clearing will pay funds to Seller following receipt of confirmation from Buyer and prior to end of day in settlement system.</p>
6.2.3	Time of declaration of Settlement Price	As per daily settlement process.
Item 4	Time for providing Ending Position Advice	By 10am on the first Business Day following Final Trading Day.

Item 5.1(b)	SFE to advise Buyer	By 2pm on the Business Day following Final Trading Day.
Item 5.1(c)	SFE to advise Seller	By 2pm on the Business Day following Final Trading Day.
Item 5.2(a)	Time for payment of Settlement Value by Buyer	By 11am on Settlement Day.
Item 5.2(b)	Method of payment of Settlement Value	Payment shall be made via the Austraclear system.
Item 5.4	Time of Transfer of RECs	Following direction from SFE Clearing on Settlement Day from 11am, and before 2pm (Sydney time).
Item 5.5	Time Buyer to lodge report on Settlement Day	By 3pm on Settlement Day.
Item 5.6	Payment Mechanism	<p>Payment shall be made via the Austraclear system.</p> <p>Settlement funds released following receipt of confirmation from Buyer that the RECs have been received and prior to end of day in settlement system.</p>

Introduced 07/10/09

Rule 6.76.2 Ordinary Options Over Renewable Energy Certificate Futures Contract

Ref Rule	Subject	Options contract determinations
6.3.6	Manner of quoting Contract Premiums	Australian Dollars per Renewable Energy Certificate (REC).
6.3.6	Minimum fluctuations to be used in quoting Contract Premium	Prices are quoted in dollars and cents per REC. The minimum fluctuation of \$0.01.
6.3.6	Manner of quoting Exercise Prices of Options	Australian Dollars per REC.
6.3.6	Minimum fluctuations to be used in quoting Exercise Prices of Options	\$2.50
6.3.6	Expiry months	December with 5 Expiry Months listed.
6.3.6	Declaration Date	15th day of Expiry Month or next Business Day if the 15 th is not a Business Day.
6.3.6	Time at which trading ceases on Declaration Date	12.00 pm on the Declaration Date.
6.3.8	Creation of New Exercise Prices	New Exercise Prices are created as the underlying futures contracts in the Trading market moves. Exercise prices will be created in increments of \$2.50.
6.1.4	Trading hours	Australian Summer Time 9.00 am – 4.00 pm Australian Winter Time 9.00 am – 4.00 pm
6.3.3	Automatic Exercise	SFE Clearing will automatically exercise all In-the-Money Option Contracts on the Declaration Date. The Buyer cannot exercise the Option prior to the automatic exercise or lodge a Deny Automatic Exercise Request.

Introduced 07/10/09

Rule 6.81.1 S&P/ASX 200 CFD

This contract will commence on a date to be notified on www.asx.com.au/cfd.

Ref Rule	Subject	Determinations	
6.81 (item 1)	Index the subject of the CFD	S&P/ASX 200 Index	
6.2.1(d)	Currency	Australian dollars	
6.2.3	Manner of quoting CFD Price	Whole or fractions of index points	
6.2.3	Minimum fluctuations for quoting CFD Price	Multiples of 0.1 of an index point	
6.2.1(d)	Currency of Buyer's CFD Daily Adjustments obligations	The Buyer shall pay the Contract Interest (with the Contract Interest Base Rate being the Target Cash Rate published by the Reserve Bank of Australia) and Open Interest Charge in Australian dollars. The Buyer receives the Index Dividend Yield in Australian Dollars.	
6.2.1(d)	Currency of Seller's CFD Daily Adjustments obligations	The Seller shall pay the Index Dividend Yield and Open Interest Charge in Australian dollars. The Seller receives the Contract Interest in Australian Dollars.	
6.1.4	Trading Hours	Australian daylight saving/US non-daylight saving	
		Day Session	Night Session
		9:50am - 4:00pm	1:30am – 5.00am Sydney
		Australian daylight saving/US daylight saving	
		Day Session	Night Session
		9:50am- 4:00pm	12:30am – 4.00am Sydney
		Australian non-daylight saving/US daylight saving	
		Day Session	Night Session
		9:50am - 4:00pm	11:30pm – 3.00am Sydney
6.2.3	Settlement Day	The sixth day of October 2036, or if that day is not a Business Day, then the Business Day immediately following the sixth day.	

Amended 30/11/09

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Rule 6.81.2 FTSE CFD

This contract will commence on a date to be notified on www.asx.com.au/cfd.

Ref Rule	Subject	Determinations
6.81 (item 1)	Index the subject of the CFD	FTSE 100 Index
6.2.1(d)	Currency	Great British Pounds
6.2.3	Manner of quoting CFD Price	Whole or fractions of index points
6.2.3	Minimum fluctuations for quoting CFD Price	Multiples of 0.1 of an index point
6.2.1(d)	Currency of Buyer's CFD Daily Adjustments obligations	The Buyer shall pay the Contract Interest (with the Contract Interest Base Rate being the Sterling Overnight Index Average as published daily by the British Wholesale Market Brokers' Association) and Open Interest Charge in Great British Pounds. The Buyer receives the Index Dividend Yield in Great British Pounds.
6.2.1(d)	Currency of Seller's CFD Daily Adjustments obligations	The Seller shall pay the Index Dividend Yield and Open Interest Charge in Great British Pounds. The Seller receives Contract Interest in Great British Pounds
6.1.4	Trading Hours	Australian daylight saving/CET non-daylight saving 7:00pm -3:30am Australian non-daylight saving/CET daylight saving 5:00pm – 1:30am
6.2.3	Settlement Day	The sixth day of October 2036, or if that day is not a Business Day, then the Business Day immediately following the sixth day.

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Rule 6.81.3 FTSE Japan CFD

This contract will commence on a date to be notified on www.asx.com.au/cfd.

Ref Rule	Subject	Determinations
6.81 (item 1)	Index the subject of the CFD	FTSE Japan Index
6.2.1(d)	Currency	Japanese Yen
6.2.3	Manner of quoting CFD Price	Whole or fractions of index points
6.2.3	Minimum fluctuations for quoting CFD Price	Multiples of 0.1 of an index point
6.2.1(d)	Currency of Buyer's CFD Daily Adjustments obligations	The Buyer shall pay the Contract Interest (with the Contract Interest Base Rate being the Overnight Call Rate as published by the Bank of Japan) and Open Interest Charge in Japanese Yen. The Buyer receives Index Dividend Yield in Japanese Yen.
6.2.1(d)	Currency of Seller's CFD Daily Adjustments obligations	The Seller shall pay the Index Dividend Yield and Open Interest Charge in Japanese Yen. The Seller receives Contract Interest in Japanese Yen.
6.1.4	Trading Hours	Australian daylight saving 1 st session – 11.00am – 1.00pm 2 nd session – 2.30pm – 5.00pm Australian non-daylight saving 1 st session – 10.00am – 12.00pm 2 nd session – 1.30pm – 4.00pm
6.2.3	Settlement Day	The sixth day of October 2036, or if that day is not a Business Day, then the Business Day immediately following the sixth day.

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Rule 6.81.4 DAX® CFD

This contract will commence on a date to be notified on www.asx.com.au/cfd.

Ref Rule	Subject	Determinations
6.81 (item 1)	Index the subject of the CFD	DAX® Index
6.2.1(d)	Currency	Euro
6.2.3	Manner of quoting CFD Price	Whole or fractions of index points
6.2.3	Minimum fluctuations for quoting CFD Price	Multiples of 0.1 of an index point
6.2.1 (d)	Currency of Buyer's CFD Daily Adjustments obligations	The Buyer shall pay the Contract Interest (with the Contract Interest Base Rate being the Euro Overnight Index Average as published daily by Reuters) and Open Interest Charge in Euros.
6.2.1(d)	Currency of Seller's CFD Daily Adjustments obligations	The Seller shall pay the Open Interest Charge in Euros The Seller receives Contract Interest in Euros. Explanatory Note: The DAX® Index is a Total Return Index so there is no Index Dividend Yield adjustment.
6.1.4	Trading Hours	Australian daylight saving/CET non-daylight saving 7:00pm -3:30am Australian non-daylight saving/CET daylight saving 5:00pm – 1:30am
6.2.3	Settlement Day	The sixth day of October 2036, or if that day is not a Business Day, then the Business Day immediately following the sixth day.

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Rule 6.81.5 Dow Jones Industrial Average CFD

This contract will commence on a date to be notified on www.asx.com.au/cfd.

Ref Rule	Subject	Determinations
6.81 (item 1)	Index the subject of the CFD	Dow Jones Industrial Average Index
6.2.1(d)	Currency	United States dollars
6.2.3	Manner of quoting CFD Price	Whole or fractions of index points
6.2.3	Minimum fluctuations for quoting CFD Price	Multiples of 0.1 of an index point
6.2.1(d)	Currency of Buyer's CFD Daily Adjustments obligations	The Buyer shall pay the Contract Interest (with the Contract Interest Base Rate being the Federal Funds Rate as published daily by the Federal Reserve Bank of New York) and Open Interest Charge in United States dollars. The Buyer receives Index Dividend Yield in United States dollars.
6.2.1(d)	Currency of Seller's CFD Daily Adjustments obligations	The Seller shall pay the Index Dividend Yield and Open Interest Charge in United States dollars. The Seller receives Contract Interest in United States dollars.
6.1.4	Trading Hours	Australian daylight saving/US non-daylight saving 1.30am – 8.00am Australian daylight saving/US daylight saving 12.30am – 7.00am Australian non-daylight saving/US daylight saving 11.30pm – 6.00am
6.2.3	Settlement Day	The sixth day of October 2036, or if that day is not a Business Day, then the Business Day immediately following the sixth day.

Amended 30/11/09

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- The accuracy or completeness of the Dow Jones Industrial Average IndexSM and its related data;
- The merchantability and the fitness for a particular purpose or use of the Dow Jones Industrial Average IndexSM and its related data;
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Rule 6.81.6 Dow Jones EURO STOXX 50® CFD

This contract will commence on a date to be notified on www.asx.com.au/cfd.

Ref Rule	Subject	Determinations
6.81 (item 1)	Index the subject of the CFD	Dow Jones Eurostoxx 50® Index
6.2.1(d)	Currency	Euro
6.2.3	Manner of quoting CFD Price	Whole or fractions of index points
6.2.3	Minimum fluctuations for quoting CFD Price	Multiples of 0.1 of an index point
6.2.1(d)	Currency of Buyer's CFD Daily Adjustments obligations	The Buyer shall pay the Contract Interest (with the Contract Interest Base Rate being the Euro Overnight Index Average as published daily by Reuters) and Open Interest Charge in Euros. The Buyer receives Index Dividend Yield in Euros.
6.2.1(d)	Currency of Seller's CFD Daily Adjustments obligations	The Seller shall pay the Index Dividend Yield and the Open Interest Charge in Euros. The Seller receives Contract Interest in Euros.
6.1.4	Trading Hours	Australian daylight saving/CET non-daylight saving 7:00pm -3:30am Australian non-daylight saving/CET daylight saving 5:00pm – 1:30am
6.2.3	Settlement Day	The sixth day of October 2036, or if that day is not a Business Day, then the Business Day immediately following the sixth day.

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Rule 6.81.7 NASDAQ CFD

This contract will commence on a date to be notified on www.asx.com.au/cfd.

Ref Rule	Subject	Determinations
6.81 (item 1)	Index the subject of the CFD	Nasdaq-100 Index
6.2.1(d)	Currency	United States dollars
6.2.3	Manner of quoting CFD Price	Whole or fractions of index points
6.2.3	Minimum fluctuations for quoting CFD Price	Multiples of 0.1 of an index point
6.2.1(d)	Currency of Buyer's CFD Daily Adjustments obligations	The Buyer shall pay the Contract Interest (with the Contract Interest Base Rate being the Federal Funds Rate as published daily by the Federal Reserve Bank of New York) and Open Interest Charge in United States dollars. The Buyer receives Index Dividend Yield in United States dollars.
6.2.1(d)	Currency of Seller's CFD Daily Adjustments obligations	The Seller shall pay the Index Dividend Yield and Open Interest Charge in United States dollars. The Seller receives Contract Interest in United States dollars.
6.1.4	Trading Hours	Australian daylight saving/US non-daylight saving 1.30am – 8.00am Australian daylight saving/US daylight saving 12.30am – 7.00am Australian non-daylight saving/US daylight saving 11.30pm – 6.00am

Amended 30/11/09

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Rule 6.82 CFDs - Equities

This contract will commence on a date to be notified on www.asx.com.au/cfd.

Ref Rule	Subject	Determinations
6.81 (item 1)	Securities the subject of the CFD	See attached list
6.2.1(d)	Currency	Australian dollars
6.2.3	Manner of quoting CFD Price	Cents per unit of the security underlying the CFD
6.2.3	Minimum fluctuations for quoting CFD Price	Increments of \$0.01
6.2.1(d)	Currency of Buyer's CFD Daily Adjustments obligations	The Buyer shall pay the Contract Interest (with the Contract Interest Base Rate being the Target Cash Rate as published by the Reserve Bank of Australia) and the Open Interest Charge in Australian dollars. The Buyer shall receive the Dividend Yield and Long Franking Credit Cashflow in Australian dollars.
6.2.1(d)	Currency of Seller's CFD Daily Adjustments obligations	The Seller shall pay the Dividend Yield, Short Franking Credit Cashflow and Open Interest Charge in Australian dollars. The Seller receives Contract Interest in Australian dollars.
6.1.4	Trading Hours	10:00am – 4:00pm
6.2.3	Settlement Day	The sixth day of May 2036, or if that day is not a Business Day, then the Business Day immediately following the sixth day.
6.82 (item 10)	Designated price maker mandatory close out	Designated price makers must allocate their positions by 4:45pm.

For the purposes of Rule 6.82, Item 10 SFE Clearing determines that the mandatory close out of DPM positions will occur in accordance with the following process:

On the evening of T-1:

- The trading day for all Equity CFDs will finish at 4pm.
- By 4:15pm daily settlement prices will be established by SFE.
- By 4:45pm clearing/allocation in relation to all DPM accounts will be completed for any CFD contracts whose underlying is to become ex-dividend on the next trading day.
- By 5:00pm SFE will calculate the adjustments required to effect there being only be a DPM open position on one side of the market - either long or short. These adjustments will result in:
 - Equal reductions to selected long and short DPM positions in SECUR;
 - SFE informing the Clearing Participants acting on behalf of each DPM of what adjustments SFE will be applying to their DPM accounts; and
 - SFE informing the Clearing Participants acting on behalf of each DPM to exchange cum-dividend shares to offset the reduced positions in SECUR.
- After 5:00pm (but before clearing completes in SECUR) SFE will adjust DPM positions in SECUR.

On the morning of T:

- By 9:30am the Clearing Participant for each DPM must enter and match transactions in CHESS to exchange cum-dividend shares to offset the reduced positions in SECUR.

SFE will:

- inform Clearing Participants of their delivery obligations to each other once the DPM CFD positions have been adjusted as described above, and
- rely on Clearing Participants to report their adherence to these obligations.

Clearing Participants are responsible for following up any non-delivery of shares between themselves and must report any non-compliance to SFE in writing.

Clearing participants are responsible for reporting or ensuring the reporting of the exchange of shares in accordance with the ASX Market Rules.

Note: SFE may vary the times above at which the processes can be executed.

Alumina Limited
Amcor Limited
AMP Limited
ANZ Banking Group Limited
Asciano Group
AXA Asia Pacific Holdings Limited
BHP Billiton Limited
Bluescope Steel Limited
Boral Limited
Brambles
CFS Retail Property
Coca-Cola Amatil Limited
Cochlear Limited
Commonwealth Bank of Australia
Computershare Limited
Crown Limited
CSL Limited
CSR Limited
Dexus Property Group
Fairfax Media Limited
Fortescue Metals Group Limited
Foster's Group Limited
General Property Trust
Goodman Group
Harvey Norman Holdings Limited
Incitec Pivot Limited
Insurance Australia Group
Intoll Group
James Hardie Industries N.V.
JB Hi-Fi Limited
Lihir Gold Limited
Macarthur Coal Limited
Macquarie Bank Limited
Metcash Limited
Mirvac Group
Myer Holdings Limited
National Australia Bank Limited
Newcrest Mining Limited
News Corporation

Nufarm Limited
Oil Search Limited
Onesteel Limited
Orica Limited
Origin Energy Limited
Oxiana Limited
Paladin Resources Limited
Qantas
QBE Insurance Group Limited
Rio Tinto Limited
Santos Limited
Sims Metal Management Limited
Sonic Healthcare Limited
Stockland
Suncorp-Metway Limited
Tabcorp Holdings Limited
Tattersell's Limited
Telecom Corporation of NZ Limited
Telstra Corporation Limited
Toll Holdings Limited
Transurban Group Limited
Wesfarmers Limited
Westfield Group
Westpac Banking Corporation
Woodside Petroleum
Woolworths Limited
WorleyParsons Limited

Last updated: 29/06/10

Rule 6.83.1 Crude Oil CFD – [Deleted]

Rule 6.83.2 Gold CFD

This contract will commence on a date to be notified on www.asx.com.au/cfd.

Ref Rule	Subject	Determinations
6.83 (item 1)	Commodity the subject of the CFD	1 ounce of Gold
6.2.1(d)	Currency	United States dollars
6.2.3	Manner of quoting CFD Price	Cents per unit of the underlying commodity
6.2.3	Minimum fluctuations for quoting CFD Price	Increments of \$0.01
6.2.1(d)	Currency of Buyer's CFD Daily Adjustments obligations	The Buyer shall pay the Contract Interest (with the Contract Interest Base Rate being the Federal Funds Rate as published daily by the Federal Reserve Bank of New York) and Open Interest Charge in United States dollars
6.2.1(d)	Currency of Seller's CFD Daily Adjustments obligations	The Seller shall pay the Open Interest Charge in United States dollars
6.1.4	Trading Hours	1st session 5:00pm – 8:00pm 2 nd session 10:00am – 4:00 pm
6.2.3	Settlement Day	The sixth day of November 2036, or if that day is not a Business Day, then the Business Day immediately following the sixth day.

Amended 13/07/10

Rule 6.84.1 AUD/USD CFD

This contract will commence on a date to be notified on www.asx.com.au/cfd.

Ref Rule	Subject	Determinations
6.84 (item 1)	Foreign exchange spot the subject of the CFD	AUD/USD foreign exchange spot
6.2.1(d)	Currency	Contract currency is United States dollars Opposing currency is Australian dollars
6.2.3	Manner of quoting CFD Price	United States dollars equivalent to Australian dollars
6.2.3	Minimum fluctuations for quoting CFD Price	Increments of US \$0.01
6.2.1(d)	Currency of Buyer's CFD Daily Adjustments obligations	The Buyer shall pay the Contract Interest (with the Contract Interest Base Rate being the Federal Funds Rate as published daily by the Federal Reserve Bank of New York) and Open Interest Charge in United States dollars. The Buyer receives the Yield in Australian dollars.
6.2.1(d)	Currency of Seller's CFD Daily Adjustments obligations	The Seller shall pay the Open Interest Charge in United States dollars The Seller shall pay the Yield in Australian dollars. The Yield Base Rate is the Target Cash Rate published by the Reserve Bank of Australia. The Seller receives Contract Interest in United States dollars.
6.1.4	Trading Hours	1st session 5:00pm – 7:00am 2 nd session 9:00am – 4:00 pm
6.2.3	Settlement Day	The sixth day of November 2036, or if that day is not a Business Day, then the Business Day immediately following the sixth day.

Rule 6.84.2 AUD/NZD CFD

This contract will commence on a date to be notified on www.asx.com.au/cfd.

Ref Rule	Subject	Determinations
6.84 (item 1)	Foreign exchange spot the subject of the CFD	AUD/NZD foreign exchange spot
6.2.1(d)	Currency	Contract currency is New Zealand dollars Opposing currency is Australian dollars
6.2.3	Manner of quoting CFD Price	New Zealand dollars equivalent to Australian dollars
6.2.3	Minimum fluctuations for quoting CFD Price	Increments of NZ \$0.01
6.2.1(d)	Currency of Buyer's CFD Daily Adjustment obligations	The Buyer shall pay the Contract Interest (with the Contract Interest Base Rate being the Official Overnight Cash Rate as published by the Reserve Bank of New Zealand) and Open Interest Charge in New Zealand dollars. The Buyer receives the Yield in Australian dollars.
6.2.1(d)	Currency of Seller's CFD Daily Adjustment obligations	The Seller shall pay the Open Interest Charge in New Zealand dollars The Seller shall pay the Yield in Australian Dollars. The Yield Base Rate is the Target Cash Rate published by the Reserve Bank of Australia. The Seller receives the Contract Interest in New Zealand dollars.
6.1.4	Trading Hours	1st session 5:00pm – 7:00am 2 nd session 9:00am – 4:00 pm
6.2.3	Settlement Day	The sixth day of November 2036, or if that day is not a Business Day, then the Business Day immediately following the sixth day.

Rule 6.84.3 AUD/EUR CFD

This contract will commence on a date to be notified on www.asx.com.au/cfd.

Ref Rule	Subject	Determinations
6.84 (item 1)	Foreign exchange spot the subject of the CFD	AUD/EUR foreign exchange spot
6.2.1(d)	Currency	Contract currency is Euros Opposing currency is Australian dollars
6.2.3	Manner of quoting CFD Price	Euro equivalent to Australian dollars
6.2.3	Minimum fluctuations for quoting CFD Price	Increments of EUR 0.01
6.2.1(d)	Currency of Buyer's CFD Daily Adjustment obligations	The Buyer shall pay the Contract Interest (with the Contract Interest Base Rate being the Euro Overnight Index Average (EONIA) as published by Reuters) and Open Interest Charge in Euros. The Buyer receives the Yield in Australian dollars.
6.2.1(d)	Currency of Seller's CFD Daily Adjustment obligations	The Seller shall pay the Open Interest Charge in Euros. The Seller shall pay the Yield in Australian Dollars. The Yield Base Rate is the Target Cash Rate published by the Reserve Bank of Australia. The Seller receives the Contract Interest in Euros.
6.1.4	Trading Hours	1st session 5:00pm – 7:00am 2 nd session 9:00am – 4:00 pm
6.2.3	Settlement Day	The sixth day of November 2036, or if that day is not a Business Day, then the Business Day immediately following the sixth day.

Rule 6.84.4 NZD/JPY CFD

This contract will commence on a date to be notified on www.asx.com.au/cfd.

Ref Rule	Subject	Determinations
6.84 (item 1)	Foreign exchange spot the subject of the CFD	NZD/JPY foreign exchange spot
6.2.1(d)	Currency	Contract currency is Japanese Yen Opposing currency is New Zealand dollars
6.2.3	Manner of quoting CFD Price	Japanese Yen equivalent to New Zealand dollars
6.2.3	Minimum fluctuations for quoting CFD Price	Increments of Japanese Yen 1
6.2.1(d)	Currency of Buyer's CFD Daily Adjustment obligations	The Buyer shall pay the Contract Interest (with the Contract Interest Base Rate being the Overnight Call Rate as published daily by the Bank of Japan) and Open Interest Charge in Japanese Yen. The Buyer receives the Yield in New Zealand dollars.
6.2.1(d)	Currency of Seller's CFD Daily Adjustment obligations	The Seller shall pay the Open Interest Charge in Japanese Yen. The Seller shall pay the Yield in New Zealand dollars. The Yield Base Rate is the Official Overnight Cash Rate (ONCR) published by the Reserve Bank of New Zealand. The Seller receives the Contract Interest in Japanese Yen.
6.1.4	Trading Hours	1st session 5:00pm – 7:00am 2 nd session 9:00am – 4:00 pm
6.2.3	Settlement Day	The sixth day of November 2036, or if that day is not a Business Day, then the Business Day immediately following the sixth day.

Rule 6.84.5 AUD/JPY CFD

This contract will commence on a date to be notified on www.asx.com.au/cfd.

Ref Rule	Subject	Determinations
6.84 (item 1)	Foreign exchange spot the subject of the CFD	AUD/JPY foreign exchange spot
6.2.1(d)	Currency	Contract currency is Japanese Yen Opposing currency is Australian dollars
6.2.3	Manner of quoting CFD Price	Japanese Yen equivalent to Australian dollars
6.2.3	Minimum fluctuations for quoting CFD Price	Increments of Japanese Yen 1
6.2.1(d)	Currency of Buyer's CFD Daily Adjustment obligations	The Buyer shall pay the Contract Interest (with the Contract Interest Base Rate being the Overnight Call Rate as published daily by the Bank of Japan) and Open Interest Charge in Japanese Yen. The Buyer receives the Yield in Australian dollars.
6.2.1(d)	Currency of Seller's CFD Daily Adjustment obligations	The Seller shall pay the Open Interest Charge in Japanese Yen. The Seller shall pay the Yield in Australian Dollars. The Yield Base Rate is the Target Cash Rate published by the Reserve Bank of Australia. The Seller receives the Contract Interest in Japanese Yen.
6.1.4	Trading Hours	1st session 5:00pm – 7:00am 2 nd session 9:00am – 4:00 pm
6.2.3	Settlement Day	The sixth day of November 2036, or if that day is not a Business Day, then the Business Day immediately following the sixth day.

Rule 6.84.6 EUR/USD CFD

This contract will commence on a date to be notified on www.asx.com.au/cfd.

Ref Rule	Subject	Determinations
6.84 (item 1)	Foreign exchange spot the subject of the CFD	EUR/USD foreign exchange spot
6.2.1(d)	Currency	Contract currency is United States dollars Opposing currency is Euros
6.2.3	Manner of quoting CFD Price	Euros equivalent to United States dollars
6.2.3	Minimum fluctuations for quoting CFD Price	Increments of United States \$0.01
6.2.1(d)	Currency of Buyer's CFD Daily Adjustment obligations	The Buyer shall pay the Contract Interest (with the Contract Interest Base Rate being the Euro Overnight Index Average (EONIA) as published by Reuters) and Open Interest Charge in Euros. The Buyer receives the Yield in United States dollars.
6.2.1(d)	Currency of Seller's CFD Daily Adjustment obligations	The Seller shall pay the Open Interest Charge in United States dollars. The Seller shall pay the Yield in United States dollars. The Yield Base Rate is the Federal Funds Rate published daily by the Federal Reserve Bank of New York. The Seller receives the Contract Interest in Euros.
6.1.4	Trading Hours	1st session 5:00pm – 7:00am 2 nd session 9:00am – 4:00 pm
6.2.3	Settlement Day	The sixth day of November 2036, or if that day is not a Business Day, then the Business Day immediately following the sixth day.

Rule 6.84.7 USD/JPY CFD

This contract will commence on a date to be notified on www.asx.com.au/cfd.

Ref Rule	Subject	Determinations
6.84 (item 1)	Foreign exchange spot the subject of the CFD	USD/JPY foreign exchange spot
6.2.1(d)	Currency	Contract currency is Japanese Yen Opposing currency is United States dollars
6.2.3	Manner of quoting CFD Price	Japanese Yen equivalent to United States dollars
6.2.3	Minimum fluctuations for quoting CFD Price	Increments of Japanese Yen 1
6.2.1(d)	Currency of Buyer's CFD Daily Adjustment obligations	The Buyer shall pay the Contract Interest (with the Contract Interest Base Rate being the Overnight Call Rate as published daily by the Bank of Japan) and Open Interest Charge in Japanese Yen. The Buyer receives the Yield in United States dollars.
6.2.1(d)	Currency of Seller's CFD Daily Adjustment obligations	The Seller shall pay the Open Interest Charge in Japanese Yen. The Seller shall pay the Yield in United States dollars. The Yield Base Rate is the Federal Funds Rate published daily by the Federal Reserve Bank of New York. The Seller receives the Contract Interest in Japanese Yen.
6.1.4	Trading Hours	1st session 5:00pm – 7:00am 2 nd session 9:00am – 4:00 pm
6.2.3	Settlement Day	The sixth day of November 2036, or if that day is not a Business Day, then the Business Day immediately following the sixth day.

Rule 6.84.8 NZD/USD CFD

This contract will commence on a date to be notified on www.asx.com.au/cfd.

Ref Rule	Subject	Determinations
6.84 (item 1)	Foreign exchange spot the subject of the CFD	NZD/USD foreign exchange spot
6.2.1(d)	Currency	Contract currency is United States dollars Opposing currency is New Zealand dollars
6.2.3	Manner of quoting CFD Price	United States dollars equivalent to New Zealand dollars
6.2.3	Minimum fluctuations for quoting CFD Price	Increments of US \$0.01
6.2.1(d)	Currency of Buyer's CFD Daily Adjustments obligations	The Buyer shall pay the Contract Interest (with the Contract Interest Base Rate being the Federal Funds Rate as published daily by the Federal Reserve Bank of New York) and Open Interest Charge in United States dollars. The Buyer receives the Yield in New Zealand dollars.
6.2.1(d)	Currency of Seller's CFD Daily Adjustments obligations	The Seller shall pay the Open Interest Charge in United States dollars The Seller shall pay the Yield in New Zealand dollars. The Yield Base Rate is the Official Overnight Cash Rate (ONCR) published by the Reserve Bank of New Zealand. The Seller receives Contract Interest in United States dollars.
6.1.4	Trading Hours	1st session 5:00pm – 7:00am 2 nd session 9:00am – 4:00 pm
6.2.3	Settlement Day	The sixth day of November 2036, or if that day is not a Business Day, then the Business Day immediately following the sixth day.

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