

DEFINITIONS

In these Rules, unless the contrary intention appears:

- (a) where a provision of these Rules refers to or has effect for the purposes of a particular provision of the Corporations Act - the word or expression has in that provision of these Rules the same meaning as it has in that provision of the Act; and
- (b) in any other case - the word or expression has the same meaning in these Rules as it has in the Corporations Act.

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“Bid Class” means in relation to a Takeover Bid, the Class of securities included in the Bid Class of securities under the Corporations Act.

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“Bidder” means:

- (a) in relation to an Off-Market Bid or Market Bid, a bidder within the meaning of the Corporations Act and, in respect of an Issuer incorporated or established outside Australia, the equivalent entity; and
- (b) in relation to a Scheme, the entity or entities, which in the opinion of the Exchange, is in a similar position to a bidder.

...

“company” means a company registered, or taken to be registered, under the Corporations Act or any body corporate established under the laws of any State or Territory of Australia.

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“Controller” means:

- (a) a person holding 20% of the total votes attached to voting shares of an applicant or a Participating Organisation or a person who, together with Related Parties, holds 20% of such votes; or
- (b) a person who has the power to control the Participating Organisation or applicant Participating Organisation, whether that power is direct or indirect or is, or can be, exercised as a result of, by means of, in breach of, or by revocation of, trusts, relevant agreements and practices, or any of them, and whether or not they are enforceable.

...

“Corporations Act” means the Corporations Act as amended from time to time and has the additional meaning given by Sections 8 and 8A of the Corporations Act.

...

“Market Bid” means a market bid within the meaning of the Corporations Act and, in respect of an Issuer incorporated or established outside Australia, any similar form of bid.

...

“Off-Market Bid” means an Off-Market Bid within the meaning of the Corporations Act and in respect of an Issuer incorporated or established outside Australia, any similar form of bid.

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“On-market” in relation to a transaction for the purpose of Chapter 6 of the Corporations Act means a transaction by a Trading Participant for the acquisition of Securities during an Official Meeting which is:

...

“Recognised Overseas Stock Exchange” means a Recognised Stock Exchange whose principal place of business is located outside Australia.

...

“Related Party” means:

- (a) in relation to a body corporate:
- (i) the meaning in section 228 of the Corporations Act; or
 - (ii) a Substantial holder of the body corporate;
- (b) in relation to a trust, which is not a registered management investment scheme the management company, trustee and their related parties within the meaning of section 228 of the Corporations Act;
- (c) in relation to a trust which is a registered managed investment scheme, the responsible entity and a related party of the responsible entity under section 228 of the Corporations Act, as modified by section 601LA of the Corporations Act,
- (d) in relation to a person:
- (i) his or her spouse, de facto spouse, parent, son, or daughter, or a spouse or de facto spouse of that person;
 - (ii) an entity over which one or more of the persons referred to in paragraph (i) has control;
 - (iii) an entity that he or she controls, or its holding company or which is controlled by the holding company;
 - (iv) a person who acts, or proposes to act, in concert with anyone referred to above;
 - (v) a person who was a related party in the previous 6 months, or who would be a related party in the future, under the tests in section 228 of the Corporations Act (applied with any necessary adaptation).

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“**SCH**” means the securities clearing house approved under Section 779B of the Corporations Act to operate CHESSE.

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“**Scheme**” means a compromise or arrangement within the meaning of section 411 of the Corporations Act (and, in respect of an Issuer incorporated or established outside Australia, any similar form of compromise or arrangement under the law of the jurisdiction of incorporation or establishment) which has, in the opinion of the Exchange, a similar result to an Off-Market Bid or Market Bid.

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“**Securities**” has the same meaning as in sub-section 92(1) of the Corporations Act as amended from time to time and in addition, includes:

- (a) Equity Securities and Loan Securities;
- (b) options over unissued securities; and
- (c) renounceable and non-renounceable rights to subscribe for Securities, Equity Securities and Loan Securities.

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“**Service Provider**” means a person who provides Trading Participants with access to SEATS or DTF via a Gateway (or Gateways) located on their premises or in their possession.

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“**Substantial holder**”:

- (a) for the purposes of Rules 1A, 3.1 and 5.8, when used to refer to a Substantial holder in a corporation, means a person who is or would be a Substantial holder if Part 6C of the Corporations Act applied to that corporation; and
- (b) for the purposes of any other Rule includes a reference to:

- (i) a person who has a relevant interest in not less than 5% of a class of non voting shares of the relevant company or its holding company; and
- (ii) each person who has a relevant interest in voting shares and non voting shares of the relevant company or its holding company and whose aggregate holdings exceed 5% in number of the voting shares on issue of the relevant company or its holding company.

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“Takeover Offer” means:

- (a) a takeover offer within the meaning of the Corporations Act and in respect of an Issuer incorporated or established outside Australia, any similar form of offer; and
- (b) a Scheme.

...

“Target” means:

- (a) in relation to an Off-Market Bid or Market Bid, a target within the meaning of the Corporations Act and, in respect of an Issuer incorporated or established outside Australia, the equivalent entity; and
- (b) in relation to a Scheme, the entity or entities, which in the opinion of the Exchange, is in a similar position to a target.

...

“Trading Messages” means those messages relating to trading functions submitted into SEATS by means of a Gateway, such as Bids or Offers, amendment or cancellation of prior Bids or Offers and the reporting or cancellation of trades on SEATS.

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“Transition Time” means the beginning of the day notified in accordance with subsection 766C(1) of the Corporations Act.

INTERPRETATION

1. Division 10 of Part 1.2 of the Corporations Act applies in relation to these Rules as if they were an instrument under the Act.
2. For the purposes of the Rules a person shall be regarded as having a relevant interest in Securities if the person would have such a relevant interest within the meaning of Part 6.1 of the Corporations Act if that Act applied to the issuer of those Securities.

Note: Section 608 of Part 6.1 describes what is a relevant interest and section 609 describes situations not giving rise to relevant interests. Section 610 describes how voting power is calculated for the purpose of determining relevant interests.

3. For the purposes of the Corporations Act a Participating Organisation being a partnership shall be deemed to be recognised by the Exchange as a Participating Organisation.

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“**Price Step**” means the minimum bid increment that can be entered on SEATS as set out in Rule 2.2.8.

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1. ACCOUNTS, AUDIT AND SURVEILLANCE

1.2 ACCOUNTS AND RECORDS

1.2.1 RECORDS

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1.2.1.4 Records to be maintained for 3 years

A Participating Organisation must maintain records referred to in Rule 1.2.1.2 for a period of 3 years or a longer period if the Corporations Act requires.

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1.2.2 TRUST ACCOUNT

(1) A Participating Organisation shall open and maintain at least one trust account:

- (a) for clients who reside in Australia, with an ADI in Australia, which has been rated by an Approved Ratings Agency as being at least short term investment grade; or
- (b) for clients who reside outside Australia, either with an ADI as described in paragraph (a) above, or with an ADI in a jurisdiction which are both approved by the Exchange.

If an ADI with which a trust account has been opened no longer has that rating or approval, the Participating Organisation must transfer all money from that trust account:

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(4) All monies received by a Participating Organisation for or on account of any client and are required by Rule 1.2.2(2) to be paid into a trust account shall be retained in the trust account until:

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- (iv) paid to the Exchange in accordance with the provisions of the Corporations Act;

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1.2.3 TRIAL BALANCES

Every Participating Organisation shall ensure not later than the tenth Business Day of every month, that the books of account are in balance as at the end of the immediate preceding month, and a record of the monthly trial balances shall be retained by the Participating Organisation until such time as each succeeding audit under the Corporations Act shall have been completed.

1.3 ANNUAL ACCOUNTS AND AUDIT

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(3) A Participating Organisation shall furnish or cause to be furnished to the Exchange Examining Accountant the accounts referred to in Rule 1.3(1), and such accounts shall be furnished not later than two months after the end of the Participating Organisation's financial year in each year, provided that when the Exchange is satisfied that circumstances warrant an extension of time to furnish such accounts it may grant an extension for a period of not more than one month for the lodgement of the accounts.

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- (6) A Participating Organisation shall furnish or cause to be furnished to the Exchange Examining Accountant an auditor's report for each financial year and such report shall be furnished not later than two months after the end of the Participating Organisation's financial year, provided that when the Exchange is satisfied that circumstances warrant an extension of time to furnish such report, it may grant an extension for a period of not more than one month for the lodgement of the report. A copy of the auditor's report shall be forwarded to the Exchange Examining Accountant at the same time the Participating Organisation furnishes its accounts pursuant to Rule 1.3(3).

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1A CAPITAL LIQUIDITY REQUIREMENTS

1A.1 DEFINITIONS AND INTERPRETATION

1A.1.1 DEFINITIONS

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“Approved Subordinated Loan Deed” means, in respect of a subordination arrangement, a deed which:

- (a) is executed:
 - (i) by the lender and the Exchange under seal or by such equivalent method expressly recognised under the Corporations Act (or in the case of the Exchange, on behalf of the Exchange by its attorney, delegate or sub-delegate);
 - (ii) in the case of a Participating Organisation which is a company, by the Participating Organisation under seal or by such equivalent method expressly recognised under the Corporations Act; and

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“Bankruptcy” means in respect of an entity:

- (a) the entity becomes an externally administered body-corporate within the meaning of the Corporations Act;
- (b) the entity becomes an individual who is an insolvent under administration within the meaning of the Corporations Act;

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2. DEALING

2.1 DEFINITIONS

In Section 2 of the Rules, unless the context otherwise requires:

“Adjust Phase” means a period of time prescribed by the Exchange during which:

- (a) an existing Bid or Offer may be cancelled, or may be adjusted so as to either decrease the price of the Bid or increase the price of the Offer, or to decrease the quantity of Securities the subject of the Bid or Offer;
- (b) no new Bids, except Bids by a Trading Participant which has made an announcement pursuant to Section 674(1) of the Corporations Act, or Offers may be entered; and
- (c) no transactions apart from Special Crossings may be effected.

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“Approved Security” means a Security which is from time to time declared by the Exchange to be included in a class of Securities to which Section 846(3)(e) of the Corporations Act applies. A list of Approved Securities is contained in Appendix 6.6 of the Rules.

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“Condition” means each of the conditions to which sales on a Conditional Market are subject.

“Conditional Market” means a market declared by the Exchange to be a conditional market under Rule 2.12.2.

“Conditional Sale” means a sale which is conditional on fulfilment of Conditions and made on a Conditional Market.

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“SCH” means ASX Settlement and Transfer Corporation Pty Ltd (ABN 49 008 504 532) as approved as the Securities Clearing House under the Corporations Act and where the case requires includes an agent appointed by SCH in accordance with SCH Business Rule 1.4.

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“Special Crossing” means a special crossing made in accordance with Rule 2.8. For the purposes of the Corporations Act, such special crossings are described as, or are to be described as “special” when reported to the Exchange.

...

“Trading Messages” means those messages relating to trading functions submitted into SEATS by means of a Gateway, such as Bids or Offers, amendment or cancellation of prior Bids or Offers and the reporting or cancellation of trades on SEATS.

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Deleted Definitions

“ASXO”

“Family Company”

“Family Trust”

“OCH”

“Rules”

2.2 TRADING OBLIGATIONS OF TRADING PARTICIPANT

2.2.1 RESPONSIBILITY OF TRADING PARTICIPANTS

(1) A Trading Participant is responsible for the accuracy of details, the integrity, and bona fides of, all Trading Messages containing their unique identifier that are submitted into SEATS, regardless of whether a Designated Trading Representative of the Trading Participant was involved in their submission.

(2) For the avoidance of doubt, a Trading Participant's unique identifier embedded in a Trading Message is conclusive proof (for the purposes of these Rules) that the particular Trading Message was submitted into SEATS by or with the knowledge of the Trading Participant.

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(7) A Trading Participant must maintain and enforce at all times appropriate security procedures which are designed to prevent unauthorised entry of Trading Messages into SEATS.

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2.2.7 RECORDS AND IDENTIFICATION OF ORDER SOURCE

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(2) A Trading Participant must fill the transaction origin identifier field for every Trading Message submitted into SEATS otherwise than by means of a Trader Workstation with details of the unique identifier allocated pursuant to Rule 2.3.4(1)(b) or Rule 2.3.4(2)(b), as the case may require, to enable the identification of the originator of a Trading Message submitted into SEATS by means of a Gateway.

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2.3 FUNCTIONS, POWERS AND LIABILITY OF THE EXCHANGE

2.3.1 EXCHANGE FUNCTIONS

(1) The functions of the Exchange include the following:

(a) to provide facilities for fair, efficient and informed trading of Securities, and any other investment products traded under the Rules, including the provision of:

(i) facilities for the recording and registration of dealings in Securities and any other investment products traded under the Rules;

(ii) information in relation to those dealings,

in accordance with the Corporations Act, the Rules and the terms of contractual agreements entered into with Participating Organisations and others;

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2.6 DEALING ON SEATS

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2.6.5 PROHIBITIONS IN PERIOD PRIOR TO COMMENCEMENT OF NORMAL TRADING

- (1) A Trading Participant dealing as Principal must not Bid or Offer Securities to any client resident in Australia prior to the commencement of Normal Trading on any Trading Day. This prohibition does not apply to Special Crossings.
- (2) A Trading Participant acting on behalf of a member of a Recognised Overseas Stock Exchange must not Bid for or Offer Securities to any client resident in Australia prior to commencement of Normal Trading on any Trading Day. This prohibition does not apply to Bids or Offers entered during or existing from the previous Trading Day.
- (3) Unless Rule 2.6.5A(4) applies, a Trading Participant acting on behalf of an overseas resident client must not Bid firm or Offer firm Securities to any client resident in Australia prior to the commencement of Normal Trading on any Trading Day.

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2.11 SHORT SELLING

2.11.1 General Rule

- (1) A Trading Participant is only permitted to effect a Short Sale in accordance with the Corporations Act and this Rule 2.11.
- (2) Rule 2.11.2 complements the requirements of Section 846(3)(b) of the Corporations Act and must be observed when a Trading Participant wants to effect a Short Sale as part of an arbitrage transaction.
- (3) Subject to Rule 2.11.3(4), Rules 2.11.3 to 2.11.5 contain requirements which must be observed when a Trading Participant wants to effect a Short Sale in accordance with Section 846(3)(e) of the Corporations Act.
- (4) Rule 2.11.3(4)(b) refers to reporting requirements which must be observed when a Trading Participant wishes to effect a Short Sale in accordance with Section 846(3)(d) of the Corporations Act.

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2.12.2 WHEN THE EXCHANGE MAY DECLARE A CONDITIONAL MARKET

- (1) The Exchange may declare a market to be a Conditional Market if:
 - (a) an Issuer or vendor of Securities the subject of an offering has:
 - (i) requested the Exchange in writing to provide a Conditional Market;
 - (ii) specified at least one condition which satisfies Rule 2.12.2(2)(b);
 - (iii) specified the date by which each Condition is required to be satisfied; and
 - (iv) undertaken to notify the Exchange immediately of the fulfilment or non-fulfilment of each Condition;
 - (b) the offering of the Securities:

- (i) has a total value of at least the value prescribed by the Exchange and not objected to by the Commission; or
 - (ii) anticipates pre-allotment or pre-transfer trading on an overseas market;
 - (c) the offer document for the Securities:
 - (i) states that it is the responsibility of an applicant for Securities under that offering to verify their holding and sets out procedures to do this; and
 - (ii) describes the basis of pre-allotment or pre-transfer trading in a manner which clearly describes the underlying contingent nature of the issue or sale of Securities ;
 - (d) the Issuer or vendor agrees with the Exchange to observe a Dispatch Date stipulated by the Exchange, being a date no later than 5 Business Days after the date of satisfaction of all the Conditions;
 - (e) an announcement of the basis of quotation as being conditional has been made on SEATS and over the National Voiceline System; and
 - (f) the Issuer or vendor provides a market announcement of the Conditions for the Conditional Market and any other information required by Listing Rule 3.1 for release to the market.
- (2) A Conditional Market will be subject to the following Conditions:
- (a) the allotment or transfer of the Securities to successful applicants under the offer; and
 - (b) each condition which is specified by the Issuer or vendor of the Securities under Rule 2.12.2(1)(a)(ii) and which is:
 - (i) (in the case of a condition specified by an Issuer) a prerequisite to the Issuer allotting Securities to applicants under the offer;
 - (ii) (in the case of a condition specified by a vendor) a prerequisite to the vendor transferring Securities to applicants under the offer; and
 - (iii) (in any case) a condition the satisfaction of which cannot be influenced by those who will buy and sell the Securities on the Conditional Market.
- (3) The Exchange will make any declaration under Rule 2.12.2 in writing.

2.12.3 CONDITIONAL MARKET OPERATION

- (1) A Conditional Market will only be permitted to operate:
- (a) if prior to the commencement of the Conditional Market:
 - (i) the issue or sale price of the Securities the subject of the offering has been determined; and
 - (ii) the Issuer or vendor has made arrangements satisfactory to the Exchange to enable applicants for Securities the subject of the offering to determine their entitlements; and
 - (b) for such period of time as is agreed by the Exchange.
- (2) Trading of Securities on a Conditional Market will be on a deferred settlement basis.

2.12.4 FULFILMENT OR NON-FULFILMENT OF CONDITION

- (1) If the Issuer or vendor does not notify the Exchange of the fulfilment or non-fulfilment of a Condition on the date by which that Condition was required to be satisfied the Condition will be deemed not to have been fulfilled.
- (2) If the Issuer or the vendor does notify the Exchange of the fulfilment or non-fulfilment of a Condition, the Exchange and the parties to a Conditional Sale are entitled to rely on this advice as conclusive evidence of that circumstance.
- (3) Immediately on receipt of advice by the Exchange of fulfilment of all Conditions:
 - (a) all sales that were conditional become unconditional;
 - (b) the Exchange will announce that Conditional Sales have become unconditional; and
 - (c) subject to Rule 2.12.4(4), the Settlement Day of all such contracts will be the date determined and announced by the Exchange. The Settlement Day will usually be the fourth Business Day after the Dispatch Date stipulated by the Exchange under Rule 2.12.2(1)(e).
- (4) Notwithstanding any provision of these Rules to the contrary, parties to a Conditional Sale may:
 - (a) agree to a particular settlement date which is a date other than the Settlement Day so determined and announced by the Exchange; or
 - (b) effect delivery obligations other than on that Settlement Day,

provided that the particular settlement date or the date of effecting delivery obligations is not before the date the Exchange announces under Rule 2.12.4(3) that Conditional Sales have become unconditional.

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Deleted Rule 2.15.17

2.15 REPORTING

2.15.17 ASX MATCH REPORTING - DELETED

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2.20 TAKEOVER BIDS

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2.20.2 MARKET BID - ANNOUNCEMENT BY TRADING PARTICIPANT

- (1) A Trading Participant acting on behalf of a Bidder in relation to a Market Bid must announce the bid to the Exchange. The announcement must include the following information :
 - (a) a description of the Bid Class of Securities in the Target and the total number of Securities in that Bid Class;
 - (b) the price offered for Securities in the Bid Class;
 - (c) the date of the commencement and conclusion of the Offer Period;
 - (d) the number of Securities in the Bid Class that the Bidder had a relevant interest in immediately prior to the announcement (expressed as a percentage of the total number of Securities in the Bid Class);

- (e) a statement:
 - (i) as to whether the Bidder will buy Securities in the Bid Class On-market before the Offer Period commences and, if so, the maximum number of those Securities to be bought and the price that will be paid;
 - (ii) that the Market Bid is an offer to buy all the Securities in the Bid Class that exist or will exist at any time during the Offer Period for the price offered;
 - (iii) that the Offer Period may be extended and the offer price may be increased in accordance with the Corporations Act.
- (2) A Trading Participant acting on behalf of a Bidder in relation to a Market Bid must announce to the Exchange in writing of:
 - (a) an increase to the offer price;
 - (b) an extension to the Offer Period;
 - (c) a withdrawal of the Market Bid;
 - (d) any other variation to the Market Bid in accordance with the Corporations Act; or
 - (e) if it ceases to act on behalf of the Bidder.

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2.7 CROSSINGS

2.7.1 Crossings Permitted During Normal Trading

- (1) Crossings during Normal Trading may be effected only in one of the following ways.
 - (a) A Crossing can be made by matching in SEATS a Bid or Offer entered or amended using Automated Order Processing with a pre-existing or simultaneously entered or amended Bid or Offer of the Trading Participant, if:
 - (i) the Trading Participant has made the disclosure required under Rule 3.3;
 - (ii) the Trading Participant has not pre-arranged the entry of the Bids or Offers; and
 - (iii) the same Authorised Person did not enter both sides of the Crossing.
 - (b) A Crossing can be made by matching in SEATS a Bid or Offer with a pre-existing Bid or Offer of the Trading Participant if:
 - (i) the Trading Participant has not pre-arranged the entry of the Bids or Offers; and
 - (ii) the second Bid or Offer was entered or amended at least 10 seconds after the first Bid or Offer was entered or amended,SEATS carries out Crossings under this Rule 2.7.1(1)(b) according to price and time priority.
 - (c) A priority Crossing can be made in SEATS by using parameter X if:
 - (i) the Trading Participant has an Order in SEATS at the price at which the Trading Participant wants to Cross (i.e. the Trading Participant appears in the market).
 - (ii) the highest Bid price and lowest Offer price are not more than one Price Step apart (ie. there is a Crossing market); and
 - (iii) the Crossing market has existed for at least 10 seconds before the Crossing is executed.
- (2) SEATS carries out priority Crossings as follows:
 - (a) before the priority Crossing Order can be executed at the Crossing price, all Bids and Offers in SEATS at better prices are satisfied, as far as possible. SEATS does not satisfy Bids and Offers at the same price, even if they would otherwise have time priority; and
 - (b) any remaining part of the Crossing order is then Crossed at the Crossing price.

3. CLIENT RELATIONS

3.1 ACTING AS A PRINCIPAL - DISCLOSURE

(1) DEFINITIONS

For the purposes of this Rule:

- (a) “**Dealer**” has the meaning assigned to it in Section 9 of the Corporations Act.

...

- (4) Except as permitted by the Corporations Act or these Rules, a Trading Participant which as principal enters into a transaction of sale or purchase of Securities with a person who is not a Dealer must not charge that person brokerage, commission or any other fee in respect of the transaction. However, this Rule 3.1(4) does not apply if the Trading Participant is dealing or entering into a transaction on behalf of a person associated with it.

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3.2 DEALING TO ASSIST AN ISSUER TO AGGREGATE SMALL HOLDINGS

- (1) A Trading Participant may assist an issuer of Equity Securities granted official quotation to attempt to aggregate small holdings on that issuer’s register by supplying and/or accepting (whether as principal or on behalf of a client) parcels of those Equity Securities which, as at the date of sending the letter referred to in Rule 3.2(2)(a):

- (a) constitute less than a Marketable Parcel; or
- (b) have an aggregate market price of less than \$1,000 or such other amount as may be approved by the Exchange,

(“Small Parcels”) on the conditions set out in Rule 3.2(2) and if applicable, Rule 3.2(3).

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3.8A CONTRACT NOTES - ACCUMULATION AND PRICE AVERAGING

- (1) A Trading Participant need not immediately despatch a contract note in respect of a purchase or sale of Securities which completes only part of an order for a single class of Securities placed by a client who is a Professional Investor if:

- (a) the client has authorised accumulation and price averaging for the client under Rule 3.8A(1) and:
 - (i) at the time the order is placed the client has not withdrawn that authorisation; and
 - (ii) the client’s settlement obligations have been agreed;
- (b) the Trading Participant despatches a contract note not more than three Business Days after the initial purchase or sale of Securities or if the order is completed before this time, immediately on completion;
- (c) the contract note despatched under paragraph (b):

- (i) includes all purchases or sales of Securities entered into by the Trading Participant pursuant to the order which have not previously been included in a contract note;
- (ii) specifies the average price of the Securities the subject of the purchases or sales;
- (iii) is dated the day on which the contract note is produced; and
- (iv) subject to this Rule 3.8A, contains the information required under Rule 3.8 and complies with the Corporations Act.

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3.14 TAKEOVERS - ACTING FOR BIDDER: ON-MARKET BUY-BACKS

Where a Trading Participant:

- (1) has an order from the Bidder in relation to an Off-Market Bid; or
- (2) has made an announcement on behalf of a Bidder at an Official meeting of the Exchange to acquire shares in a Target under a Market Bid; or
- (3) acts for a company involved in an on-market buy-back under the Corporations Act Chapter 2J,

the Trading Participant shall not accept, or transact, an order to sell Securities in the Bid Class referred to in Rule 3.14(1) or subject to the announcement referred to in Rule 3.14(2) or subject to the on-market buy-back referred to in Rule 3.14(3) unless the Trading Participant:

- (a) advises the seller that it is acting for the Bidder or that it is acting for the company involved in the on-market buy-back and is thus unable to give the seller advice in respect of the proposed sale; and
- (b) does not give the seller any advice in respect of the proposed sale.

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3.16 NATIONAL GUARANTEE FUND - LOANS AND PROVISION OF PROPERTY TO PARTICIPATING ORGANISATION

- (1) For the purposes of this Rule, property includes money, Securities and documents of title to and instruments of transfer relating to Securities.

Where a person:

- (a) lends money to a Participating Organisation or entities which are managed or controlled by a Participating Organisation, or
- (b) provides property to a Participating Organisation to entities which are managed or controlled by the Participating Organisation, other than in the course of, or in connection with the Participating Organisation's or entity's business of dealing in Securities,

the Participating Organisation shall give written notification to each such person that the general protection of the National Guarantee Fund provisions of Part 7.10 of the Corporations Act shall not apply to the money lent or the property provided, or any income which may have been derived from property which had been provided by the person to the Participating Organisation to be managed on trust by the Participating Organisation. A copy of the written notification shall be retained by the Participating Organisation until such money or property has been returned to the person.

- (2) Where a person who is an excluded person in accordance with the Corporations Act as defined at Section 921, the Participating Organisation shall give written notification to each such person that the general protection of the National Guarantee Fund provisions of Part 7.10 of the Corporations Act shall not apply to the money lent or the property provided, or any income which may have been derived from property which had been provided by the person to the Participating Organisation to be managed on trust by the Participating Organisation. A copy of the written notification shall be retained by the Participating Organisation until such money or property has been returned to the person.

3. CLIENT RELATIONS

3.1 ACTING AS A PRINCIPAL - DISCLOSURE

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- (2) A Trading Participant shall not, as principal, deal in any Securities with a person not a Trading Participant or a member of a Recognised Stock Exchange unless it first informs the person with whom it is dealing that it is acting in the transaction as principal and not as agent, or in relation to Crossings under Rule 2.7.1(1)(a), it has made disclosure to the person under Rule 3.3(b)(ii).

3.3 ALLOCATION POLICY AND AUTOMATED CLIENT ORDER PROCESSING CROSSINGS

A Trading Participant may, and shall when requested to do so by a client, advise the client of each of the following:

- (a) the policy it adopts in the allocation of the Securities to buys and sells to fulfil orders placed with it; and
- (b) in relation to Crossings under Rule 2.7.1(1)(a):
 - (i) that the client's orders may match opposite orders in SEATS by the same Trading Participant (ie. effectively crossing the stock and entitling the Trading Participant to commission from both sides of the transaction); and
 - (ii) if the Trading Participant deals as principal, that the client's orders may match opposite orders in SEATS on behalf of the same Trading Participant as principal.

The Trading Participant must keep a record of disclosure made under this Rule.

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4. DELIVERY AND SETTLEMENT

4.1 INTERPRETATION

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4.14A FACSIMILE TRANSMISSION OF NON-FAST DELIVERIES

For the purpose of this Rule 4.14A:

- (1)
 - (a) **“Delivering Broker”** means the Broker which transmits by facsimile transmission details of Securities in fulfilment of a selling obligation.
 - (b) **“Receiving Broker”** means the Broker which receives by facsimile transmission details of Securities in fulfilment of a purchase obligation.
- (2) Where details of Securities are transmitted by facsimile transmission in accordance with Rule 4.14A(3) the selling or Delivering Broker warrants that it holds a Split Transfer or Renunciation and Split Transfer referred to in Rule 4.14A(3)(b) duly completed by the selling or Delivering Broker and to which the selling or Delivering Broker's stamp in ink has been affixed in accordance with section 1098(1)(b) of the Corporations Act.

...

4.31 SETTLEMENT OF SECURITIES TRANSACTIONS - THE SUBJECT OF TAKEOVER BIDS

If Securities in a Bid Class become subject to compulsory acquisition by a Bidder under the Corporations Act, and a selling Broker is thereby unable to deliver the Securities, the selling Broker must give the buying Broker consideration in lieu of the Securities, equivalent to the consideration provided by the Bidder in relation to the acquisition.

...

4.33 SETTLEMENT OF TRANSACTIONS

- (1) Except in the case of sales of Securities:
 - (a) for Forward Delivery Transactions as defined in Rule 2.13; or
 - (b) when by mutual consent the parties agree to a particular settlement date no more than 30 days after the date of the transaction; or
 - (c) classified by the Exchange as deferred delivery; or
 - (d) (Deleted);
 - (e) classified by the Exchange as deferred settlement,

settlement of sales shall be on the third Business Day after the date that the transaction was created on or reported to SEATS.

(2A) Subject to Rule 2.12.4(3) and 2.12.4(4), the Settlement Day of a sale of Securities referred to in Rule 4.33(1)(e) shall be the fourth Business Day after the Despatch Date for those Securities.

(2B) If the Exchange publishes a Despatch Date that has been varied a Broker may vary the date by which settlement with a client is required notwithstanding previous notification to the client of a date for settlement in accordance with Rule 3.8(2)(a).

...

4.43 SECURITIES LENDING SERVICE

(1) Deleted.

(1B) A loan of Securities under the Securities Lending Service shall be made in accordance with the SCH Business Rules.

(1C) The contract between the Exchange and a Broker in respect of a loan of Securities under the Securities Lending Service arises under these Rules, but is to be performed in accordance with the SCH Business Rules.

(2) SECURITIES LOANS - GUARANTEES

For the purposes of Section 954B(1)(d) of the Corporations Act, a Loan of Securities made in accordance with Rule 4.43 is to be guaranteed under Division 6A, Part 7.10 of the Corporations Act.

...

4.51 SETTLEMENT AGENTS

(1) A Clearing Participant which does not settle ASX Transactions of another Participating Organisation may upon giving prior written notice to the Exchange appoint a Settlement Agent.

(2) OBLIGATIONS OF A PARTICIPATING BROKER IN RELATION TO A SETTLEMENT AGENT

A Participating Broker shall ensure that a Settlement Agent appointed by the Participating Broker:

(a) complies with the Business Rules, the SCH Business Rules and the Corporations Act, in so far as they relate to the settlement of Securities transactions on behalf of the Participating Broker, and without limiting the generality of the foregoing facilitates investigations and disciplinary proceedings conducted by the Exchange pursuant to the Rules set out in Section 13 of the Rules;

...

(e) co-operates in the external audit of the Participating Broker required by the Business Rules, the SCH Business Rules and the Corporations Act;

...

(h) If the Participating Broker authorises the Settlement Agent to deposit monies into and withdraw monies from a trust account maintained by the Participating Broker pursuant to the Business Rules, the Corporations Act or

both, ensures that all monies received by the Settlement Agent on account of the Participating Broker and any persons contemplated by Rule 1.2.2(2) are paid into the Participating Broker's trust account within the time prescribed by Rule 1.2.2(2) and (3);

...

(3) LIABILITY OF PARTICIPATING BROKER FOR ACTS AND OMISSIONS OF A SETTLEMENT AGENT

If a Settlement Agent does any act or refrains from doing an act which if done or not done (as the case may be) by a Broker would constitute a breach of the Business Rules, the SCH Business Rules or the Corporations Act, such act or omission shall be deemed for the purposes of these Rules to be the act or omission of the Participating Broker which appointed the Settlement Agent to perform or exercise on behalf of that Participating Broker the obligations or rights of the Participating Broker from which such breach arises.

...

(6) The obligations of a Participating Broker which are imposed upon Brokers by the Business Rules, the SCH Business Rules or the Corporations Act shall not be qualified or removed by the Participating Broker using the services offered by a Settlement Agent.

...

SECTION 5: BUSINESS OF PARTICIPATING ORGANISATIONS

...

5.2 PARTICIPATING ORGANISATIONS - COMPANIES

Rule 5.2.3 replaced

...

5.2.3 COMMON OWNERSHIP – DELETED

5.2.3 BUSINESS CONNECTIONS BETWEEN PARTICIPATING ORGANISATIONS

- (1) A Participating Organisation must not, without the prior written consent of the Exchange:
 - (a) be a related body corporate (as that term is defined in the Corporations Act) of another Participating Organisation;
 - (b) allow a Controller or Employee to be a Controller of another Participating Organisation (except that a person may hold, directly or indirectly, up to 10% of shares in a Participating Organisation which is listed on a stock exchange without requiring consent under this paragraph);
 - (c) have an Employee who is an Employee of another Participating Organisation or a related body corporate of another Participating Organisation; or
 - (d) share common computer facilities with, or allow its computer facilities to be linked with, another Participating Organisation; or
 - (e) share common premises with, or allow its premises to be accessed by another Participating Organisation or its Employees.
- (2) Without limiting the Exchange's discretion under Rule 5.2.3.(1), when giving any consent under Rule 5.2.3.(1), the Exchange may impose on one or both of the Participating Organisations involved conditions concerning access by common Controllers or Employees to records of those Participating Organisations including, without limitation, the records of orders received by the Participating Organisations.
- (3) The Exchange may require a Participating Organisation to give an undertaking to the Exchange that:
 - (a) the Participating Organisation does not breach this Rule 5.2.3; and
 - (b) the Participating Organisation will not allow any person who is not an Employee of the Participating Organisation to have access to the Participating Organisation's order book or clients' records, other than as required by law or by the Exchange.

5.3 PARTICIPATING ORGANISATION - PARTNERSHIPS

- (1) Except with the approval of the Exchange, an officer or employee of a Participating Organisation which is a company or of its ultimate holding company or a person who is a Substantial holder within the meaning of Part 6.7 of the Corporations Act of a Participating Organisation which is a company or of its ultimate holding company shall not be a partner in another Participating Organisation.

...

5.4 PROVISION OF INFORMATION TO EXCHANGE

...

- (2) Affiliates, Responsible Executives and Participating Organisations shall advise the Exchange in writing by no later than the next Business Day after which they have been advised by the Australian Securities and Investments Commission or its delegates or any other person who may be authorised pursuant to the Corporations Act, of any action which may be taken against them or the Participating Organisation with which they are associated by the Australian Securities and Investments Commission, its delegates or an authorised person under the Corporations Act.
- (3) Participating Organisations shall lodge with the Exchange copies of the dealers licences they or persons who are partners of the Participating Organisation hold pursuant to the Corporations Act. Any alteration or variation of the conditions of the dealers licences lodged with the Exchange pursuant to this Rule shall be lodged with the Exchange within 2 Business Days of the Participating Organisation receiving written notification of such alteration or variation.

...

5.7 ENGAGING IN CONDUCT AS A SECURITIES REPRESENTATIVE

- (1) The term “**securities representative**” shall for the purpose of this Rule bear the meaning given to that term by section 94 of the Corporations Act as further clarified by Practice Note 17/91 issued by the Australian Securities and Investments Commission.

...

New Rule

5.18 INACTIVE PARTICIPATING ORGANISATIONS

5.18.1 EXCHANGE MAY GIVE NOTICE

Where the Exchange considers that a Participating Organisation recognised in a category of participation referred to in Rule 5A.2A has not entered into or cleared any transactions under these Rules or the rules of any related body corporate of the Exchange applicable to that category, for a continuous period of 6 months, the Exchange may notify the Participating Organisation that it intends to terminate the Participating Organisation's recognition.

5.18.2 PARTICIPATING ORGANISATION MAY MAKE SUBMISSIONS

On receipt of a notice given under Rule 5.18.1, the Participating Organisation may make written submissions to the Exchange explaining why, in its view, the Participating Organisation's recognition in the relevant category should not be terminated. Any written submission must be received by the Exchange within 10 Business Days following receipt of the notice from the Exchange, unless the Exchange grants an extension.

5.18.3 TERMINATION OF RECOGNITION IF NO SUBMISSION RECEIVED

Where no submission is received by the Exchange under Rule 5.18.2, the Exchange may terminate the Participating Organisation's recognition in the relevant category following the end of the 10 Business Day period referred to in that Rule.

5.18.4 TERMINATION OF RECOGNITION IF SUBMISSION RECEIVED

Where a submission is received by the Exchange under Rule 5.18.2, the Exchange may terminate the Participating Organisation's recognition in the relevant category if the Exchange is not satisfied that the Participating Organisation will enter into, or clear, any transactions under these Rules or the rules of any related body corporate of the Exchange applicable to that category, within a further 20 Business Days following the receipt of the submission. If the Participating Organisation fails to enter into or clear such a transaction in that period, the Exchange may terminate the Participating Organisation's recognition in the relevant category following the end of that further period. For the avoidance of doubt, a Participating Organisation who is no longer recognised in any category has ceased to be a Participating Organisation.

5A AFFILIATES AND PARTICIPATING ORGANISATIONS

5A.1 AFFILIATES

5A.1.1 RECOGNITION

- (1) Subject to Rule 5A.1.2 and to payment of any fee prescribed by the Exchange, the Exchange shall recognise a natural person as an Affiliate provided the requirements specified in Rule 5A.1.1(2) are satisfied and provided the applicant:

...

- (c) is not an insolvent under administration within the meaning of that expression in the Corporations Act;

...

- (4) For the purposes of this Rule 5A.1.1 but without limiting the discretion of the Exchange, a person will be deemed to be not of good fame and character if, at the time of application, he is disqualified from managing a corporation under the Corporations Act or under the law of another country.

...

5A.1.2 APPLICATION PROCEDURE

...

- (3) If in the opinion of the Exchange an Affiliate will act as a dealer or investment adviser admission as an Affiliate shall be conditional upon the applicant obtaining, within 3 months after recognition, a dealers licence or such other licence or authorisation, under the Corporations Act or other relevant legislation which entitles the applicant to engage in the business of stockbroking.

5A.2 PARTICIPATING ORGANISATIONS

5A.2.1 RECOGNITION

...

- (2) The Exchange shall recognise a company as a Participating Organisation where the applicant meets the requirements specified in Rule 5A.2.1(1)(A) or in Rules 5A.2.1(1)(A)(c) and (d) and 5A.2.2A(1) if the Exchange:

- (a) is satisfied that:

- (i) each director of the applicant who is not recognised as an Affiliate;

- (ii) each person who is or would be a Substantial holder within the meaning of Part 6C.1 of the Corporations Act of the applicant or its holding company (if that Part applied to the applicant or its holding company); and

...

- (d) is satisfied that the constitution of the applicant contains provisions which require continued compliance by the applicant with the requirements of these Rules, and contain provisions authorising the applicant, on its own initiative or at the request of the Exchange, to obtain from its members any information which could be obtained if Part 6C.2 of the Corporations Act, applied to the applicant.

...

- (9) For the purposes of Rules 5A.2.1(1)(B) and 5A.2.1(2), but without limiting the discretion of the Exchange, a person will be deemed not of good fame and character for the purposes of the Rules if at any time he or she is prohibited under the Corporations Act from being a director or promoter of, or being in any way concerned in or taking part in the management of, a corporation.

...

5A.2.2 APPLICATION PROCEDURE

...

- (3) Recognition as a Participating Organisation shall be conditional upon the applicant, and on any person proposed to act as a Responsible Executive for the applicant, obtaining within 3 months:
 - (a) in the case of a Participating Organisation, after the Participating Organisation's admission; or
 - (b) in the case of a Responsible Executive, after the Exchange has accepted the person as a Responsible Executive for the purpose of the Participating Organisation's recognition or continued recognition,

a dealers licence or such other licence, or authorisation, under the Corporations Act or other relevant legislation which entitles the applicant to engage in the business of stockbroking.

...

5A.3 APPROVED REPRESENTATIVE

...

- (3) The Exchange shall enter the name and current residential address of a candidate and the name of the applicant Participating Organisation in a Register of Approved Representatives maintained by the Exchange, provided the candidate:
 - (i) has been engaged by a Participating Organisation(s) for a period of not less than 12 months or if the candidate has been engaged by a Participating Organisation(s) for a period of less than 12 months and has previously been engaged by an entity or entities referred to in Rule 5A.1.1(1)(a)(ii) and (iii), the candidate must complete at least 2 weeks engagement in the principal office of the Participating Organisation prior to the date of registration,

and the Exchange:

- (ii) has been satisfied by examination set by the Exchange as to the candidate's knowledge of the Corporations Act, the Rules and Regulations of the Exchange and the usages of the business of a stock and sharebroker; and

...

SECTION 7: OPTIONS MARKET

7.3 THE PARTICIPANT/CLIENT RELATIONSHIP

7.3.2.7 Records to be maintained for 3 years

A Participant must retain the records referred to in Rule 7.3.2.5 for a period of 3 years or a longer period if the Corporations Act requires.

7.3.3.2 Contract Notes

Subject to Rule 7.3.3.2B, a Trading Participant must despatch immediately to each client a contract note (in writing or in another form permitted by the Exchange) of each Option Transaction entered into on the client's instructions or on the client's Discretionary Account, which includes:

...

- (k) if the Trading Participant enters into the Option Transaction as principal (within the meaning of section 842(5) of the Act) with a person who is not the holder of a dealers licence - that the Trading Participant is dealing as principal;

...

- (m) any other information required to be included in the contract note by the Corporations Act;

...

7.3.3.2B Contract notes - accumulation and price averaging

A Trading Participant need not immediately despatch a contract note in respect of an Option Transaction which completes only part of an order placed by a client if:

...

- (c) the contract note despatched under paragraph (b):
 - (i) includes all Option Transactions entered into pursuant to the order which have not previously been included in a contract note;
 - (ii) specifies the volume weighted average price for the Option Transactions;
 - (iii) is dated the date on which the contract note is produced; and
 - (iv) subject to this Rule, contains the information required under Rule 7.3.3.2 and complies with the Corporations Act.

...

7.4 GENERAL CONTRACT SPECIFICATIONS

7.4.1 UNDERLYING SECURITIES AND UNDERLYING INDICES

7.4.1.1 Approval by Exchange

The Exchange may approve:

- (a) Securities as Underlying Securities if they meet the criteria set out in Rule 7.4.1.2; and
 - (b) the All Ordinaries Index or an index prescribed for the purposes of the definition of “option contract” in section 9 of the Corporations Act as an Underlying Index.
- ...

7.4.1A EXCHANGE TRADED OPTIONS

For the purposes of the Corporations Act, an exchange traded option is:

- (a) any Series of Options opened for trading; and
 - (b) any other derivative product declared by the Exchange and set out in the Procedures to be an exchange traded option.
- ...

7.5 OPTIONS TRADING – GENERAL

7.5.2 TRADING OBLIGATIONS OF TRADING PARTICIPANTS

7.5.2.1 Responsibility of Trading Participant

A Trading Participant is responsible for the accuracy of details, the integrity and bona fides, of all Trading Messages containing their unique identifier that is submitted into the Derivatives Trading Facility, regardless of whether a Designated Trading Representative of the Trading Participant was involved in their submission.

7.5.2.2 Knowledge of Trading Participant

For the avoidance of doubt, a Trading Participant’s unique identifier embedded in a Trading Message is conclusive proof (for the purposes of these Rules) that the particular Trading Message was submitted into the Derivatives Trading Facility by or with the knowledge of the Trading Participant.

...

7.5.2.8 Security arrangements

A Trading Participant must maintain and enforce at all times appropriate security arrangements which are designed to prevent unauthorised entry of Trading Messages into the Derivatives Trading Facility.

...

7.9 MARKET SUSPENSIONS, TECHNICAL FAILURE AND OTHER ORDERLY MARKET POWERS

7.9.2 TECHNICAL FAILURE

7.9.2.4 Notification of Trading Participant connection failure

In circumstances where the Exchange has not suspended trading in the Market, a Trading Participant must notify the Exchange as soon as practicable if it is unable to transmit or receive Trading Messages because of a systems or communications failure.

7.9.2.5 Application of Rules 7.9.2.6 and 7.9.2.7

Rules 7.9.2.6 and 7.9.2.7 apply when:

- (a) the Derivatives Trading Facility registers that a Trading Participant is no longer able to transmit Trading Messages because of a systems or communications failure; or

- (b) a Trading Participant has notified the Exchange under Rule 7.9.2.4,
whichever occurs earlier.

7.13 REGISTERED INDEPENDENT OPTIONS TRADERS

7.13.1 APPLICATIONS FOR REGISTRATION AS A RIOT

...

7.13.1.5 Request for Dealers Licence

Registration as a RIOT under Rule 7.2.4 is conditional upon the applicant obtaining, within 3 months after registration, any necessary dealers licence under the Corporations Act under which the applicant is entitled to engage in the business of a RIOT.

7.13.1.6 Criteria for registration - natural persons

Subject to Rule 7.13.1.5 and to payment of any fee prescribed by the Exchange, the Exchange must register a natural person as a RIOT provided:

...

- (d) the applicant is not an insolvent under administration within the meaning of that expression in the Corporations Act;

...

7.13.1.8 Criteria for registration - corporates

Subject to Rule 7.13.1.5 and to payment of any fee prescribed by the Exchange, the Exchange must register a body corporate as a RIOT provided:

...

- (d) the Exchange is satisfied that:

- (i) each director of the applicant who is not an Affiliate or RIOT;
- (ii) each person who is or would be a Substantial holder under section 671B of the Corporations Act of the applicant or its holding company (if that section applied to the applicant or its holding company); and
- (iii) each person who has a relevant interest in not less than 10% of the non-voting shares of the applicant or its holding company,

is of good fame and character and high business integrity and has undertaken to the Exchange and to the applicant to comply with and be bound by the Rules, the Procedures and practices of the Exchange to the extent necessary in connection with the business to be conducted as a RIOT by the applicant;

- (e) the Exchange is satisfied that all necessary approvals have been obtained under the Foreign Acquisitions and Takeovers Act 1975 or the foreign investment policy of the Commonwealth Government, whether in respect of the holding of interests in the applicant or otherwise;
- (f) the Exchange is satisfied that the constitution of the applicant contain provisions which require continued compliance by the applicant with the requirements of the Rules, the Procedures and practices of the Exchange and the Clearing House and contain provisions authorising the applicant, on their own initiative or at the request of the Exchange, to obtain from their members any information which could be obtained if Part 6C.2 of the Corporations Act applied to the applicant;

...

7.13.1.9 Good fame and character

For the purposes of Rules 7.13.1.6, 7.13.1.8 and 7.13.1.8A, but without limiting the discretion of the Exchange:

- (a) a person will be taken to be not of good fame and character if, at the time of application, they are disqualified from managing a corporation under the Corporations Act; and

...

7.13.4.1 INVESTIGATIONS AND COMPLIANCE

...

7.13.4.5 Exchange may request RIOT to show cause

The Exchange may request a RIOT which it has reason to think does not hold any necessary licence pursuant to the Corporations Act to show cause by appearing before the National Adjudicatory Tribunal or otherwise why their registration as a RIOT should not be withdrawn.

7.13.4.6 National Adjudicatory Tribunal may cancel registration

If, after considering the representations of the RIOT, the National Adjudicatory Tribunal determines that the RIOT does not hold any necessary licence pursuant to the Corporations Act and should therefore cease to be a RIOT, then subject to Rule 7.13.4.11, the RIOT's registration will be withdrawn from the time specified in the determination.

8. WARRANT RULES

8.1 DEFINITIONS

In these Warrant Rules unless the contrary intention appears:

...

“**Corporations Act**” means the Corporations Act as amended from time to time and has the additional meaning given by sections 8 and 8A of the Corporations Act.

“**Cover Arrangement**” means, in respect of a Fully Covered Warrant:

- (a) a trust, the trustee of which is either an authorised trustee corporation (as that term is defined in the Corporations Act) or which meets the criteria for approval as a trustee for the purposes of Part 2L.1 of the Corporations Act; or

...

8.4 ISSUE LIMITS AND SPREAD OF WARRANT-HOLDERS

...

- 8.4.4 Rule 8.4.3 only applies where the Underlying Financial Instrument the subject of the issue is a security which is in a class of securities that is the subject of a declaration under Section 846(3)(e)(i) of the Corporations Act.

...

8.18 TRANSFERS AND REGISTERS

- 8.18.1 The transfer of a Warrant must comply with Division 3 of Part 7.13 of the Corporations Act and:

- (a) (Deleted)
- (b) if the Warrant is a CHESSE Approved Security, be effected in accordance with the SCH Business Rules.

...

- 8.18.2 The Warrant-Issuer shall arrange for the establishment and maintenance of a Register of Warrant-Holders which complies with the Corporations Act as if the Warrants were shares in a company.

...

9 SHARE RATIO RULES

9.3 APPROVAL OF CALCULATED RATIOS & RATIO CONTRACTS FOR TRADING

...

9.3.2 CRITERIA FOR APPROVAL

The Calculated Ratio for each Class must meet the following criteria:

- (a) the Numerator is the price of a Security which meets the eligibility criteria for an Underlying Security in respect of a LEPO under Rule 7.4.1.3; and
- (b) the Denominator is the level of the Exchange's All Ordinaries Share Price Index or an index compiled and disseminated by ASX and prescribed in Regulation 1.2.01 of the Corporations Act.

...

9.10 CONFIRMATION TO CLIENTS - CONTRACT NOTES

9.10.1 APPLICATION OF SECTION 1206 OF CORPORATIONS ACT

Every Clearing Member shall comply with section 1206 of the Act.

...

9.14 TRANSMISSION OF INSTRUCTIONS IN SEQUENCE OF RECEIPT

...

9.14.2 CLIENT'S INSTRUCTIONS TO TAKE PRIORITY

Where a Clearing Member proposes:

- (a) to deal in a Series of Ratio Contracts on its own account as defined by section 29 of the Corporations Act; and

...

9.14.3 INSTRUCTIONS NOT TO BE DISCLOSED

A Clearing Member, or a director, officer or employee of a Clearing Member, shall not, except:

- (a) to the extent necessary to execute the instructions concerned;
- (b) as required by the Act or any other law;

...

9.15 SEQUENCE OF TRANSMISSION AND EXECUTION

9.15.4 RECORDS TO BE MAINTAINED FOR SEVEN YEARS

A Clearing Member shall retain those records referred to in Rules 9.15.2(a) - (f) serially numbered, for a period of seven years or a longer period if the Act requires.

SECTION 10: DERIVATIVES CLEARING RULES

...

10.2A DERIVATIVES CLEARING SYSTEM

10.2A.1 CLEARING PARTICIPANT OBLIGATIONS

10.2A.1.2 Knowledge of Clearing Participant

For the avoidance of doubt, a Clearing Participant's unique identifier embedded in a Clearing Message is conclusive proof (for the purposes of these Rules) that the particular Clearing Message was submitted into the Derivatives Clearing System by or with the knowledge of the Clearing Participant.

...

10.2A.3 EMERGENCY ASSISTANCE

10.2A.3.1 Clearing House emergency assistance

If, after the DCS Live Date, a Clearing Participant advises the Clearing House that it is no longer able to transmit Clearing Messages using a DCS Gateway, the Clearing Participant may request the Clearing House on a best endeavours basis to:

- (a) act as the Clearing Participant's agent to send and receive Clearing Messages on the Clearing Participant's behalf in communicating with the Derivatives Clearing System; or
- (b) make available other emergency facilities in accordance with the Procedures.

...

10.3 ACCOUNTS

...

10.3.2.5 Failure by Clearing Participant to make net payment

If a Clearing Participant fails to pay a net amount as required by Rule 10.3.2.3(a):

- (a) that failure is an event of default under Rule 10.10.1; and
- (b) section 954N of the Corporations Act applies in respect of that failure.

10.3.2.6 Failure by Clearing House to make net payment

If the Clearing House fails to pay a net amount as required by Rule 10.3.2.3 (b), section 954N of the Corporations Act applies in respect of that failure.

...

10.10 DEFAULT

10.10.1 EVENTS OF DEFAULT

Each of the following events is an event of default by a Clearing Participant:

...

- (g) the Clearing Participant becomes, or the Clearing Participant or any other person takes any step towards the Clearing Participant becoming, an externally-administered body corporate as defined in section 9 of the Corporations Act;
- (h) if the Clearing Participant is a partnership:
 - (i) the partnership becomes bankrupt or a trustee, receiver or receiver and manager of any property of the partnership is appointed, or the partnership or any other person takes any step towards any of those events occurring; or
 - (ii) a partner in the partnership becomes, or the partner or any other person takes any step towards the partner becoming, an insolvent under administration as defined in section 9 of the Corporations Act;

...

11. DERIVATIVES GENERAL RULES

...

11.10 DISCLOSURE OF INFORMATION

11.10.1 Exchange may disclose information

The Exchange may disclose information provided to the Exchange by or on behalf of a Participant or in relation to a Participant's trading activities to:

- (a) the Clearing House, for the purpose of enabling the Clearing House to:
 - (i) undertake risk assessment of Open Contracts registered in an Account in the name of a Clearing Participant; or
 - (ii) assess whether a Clearing Participant is complying or has complied with the Rules or the Procedures;
- (b) SCH in accordance with Rule 1.4.2, for the purpose of enabling SCH to assess whether the Participant is complying with the SCH Business Rules (if applicable); or
- (c) Securities Exchanges Guarantee Corporation Limited, for the purpose of enabling Securities Exchanges Guarantee Corporation Limited to undertake the assessment of risk to the National Guarantee Fund from derivatives trading activities generally or to assess any claim made in relation to the Participant under Part 7.10 of the Corporations Act.

11.10.2 Clearing House may disclose information

The Clearing House may disclose information provided to the Clearing House by or on behalf of a Participant or in relation to a Participant's clearing activities to:

- (a) the Exchange, for the purpose of enabling the Exchange to assess whether the Participant is complying or has complied with the Rules or the Procedures;
- (b) SCH, for the purpose of enabling SCH to assess whether the Participant is complying or has complied with the SCH Business Rules (if applicable); or
- (c) Securities Exchanges Guarantee Corporation Limited, for the purpose of enabling Securities Exchanges Guarantee Corporation Limited to undertake the assessment of risk to the National Guarantee Fund from derivatives clearing activities generally or to assess any claim made in relation to the Participant under Part 7.10 of the Corporations Act.

...

SECTION 12: DERIVATIVES INTERPRETATION

12.1 DEFINITIONS

“**Trading Messages**” means those messages submitted into the Derivatives Trading Facility by means of a DTF Gateway, relating to trading functions, such as orders, amendment or cancellation of orders and the reporting or cancellation of Option Transactions on the Derivatives Trading Facility.

...

12.2 GENERAL INTERPRETATION

12.2.3 Corporations Act

Unless the contrary intention appears, words that are not specifically defined in this Rule 12 but are given a particular meaning in the Corporations Act, have the same meaning in sections 7, 9, 10,11 and in this section 12 of the Rules.

...

13. SUPERVISION

...

13.4 ACTION CONCERNING DEFAULTERS

...

- (4) At any time after the defaulter is declared as a defaulter the Exchange may appoint a person who is a registered liquidator pursuant to the Corporations Act to be a receiver or receiver and manager (hereinafter called "the receiver") of the defaulter's business and may remove such receiver and appoint another receiver in his place and may fix the remuneration of any such receiver and such remuneration shall be paid by the defaulter or subject to the Act may be retained by the receiver from the proceeds of realisation of the defaulter's assets.
- (5) Every such receiver shall be the agent of the defaulter and the defaulter alone shall be responsible for his acts and defaults and such receiver so appointed shall without any consent on the part of the defaulter have power to do all things necessary or convenient to be done for or in connection with, or as incidental to, the conduct of the business and management, and realization of the assets, of the defaulter in such manner as the receiver thinks fit, and the receiver may exercise all the powers conferred, or which would have been conferred if the defaulter was a corporation, under the Corporations Act.

...

13.6 CANCELLATION OF RECOGNITION: FAILURE TO FULFIL REQUIREMENTS FOR RECOGNITION

13.6.1 CANCELLATION OF RECOGNITION OF AFFILIATE

- (1) The Exchange may request any Affiliate who in the opinion of the Exchange:
- (a) is no longer devoting the substantial part of the working week to the business of a Participating Organisation as a partner, officer, employee or securities representative; or
 - (b) does not hold any necessary licence pursuant to the Corporations Act or proper authority from a licensee; or
 - (c) made a wilful omission or mis-statement upon a material point prior to recognition or in connection with the application for recognition,
- to show cause by appearing before the National Adjudicatory Tribunal or otherwise why he or she should not cease to be an Affiliate.
- (2) If, after considering the representations of the Affiliate, the National Adjudicatory Tribunal resolves that the Affiliate in the opinion of the National Adjudicatory Tribunal:

- (a) is no longer devoting the substantial part of the working week to the business of a Participating Organisation as a partner, officer, employee or securities representative; or
- (b) does not hold any necessary licence under the Corporations Act or proper authority from a licensee; or

...

14. SUPERVISORY BODIES

...

14.3 INDEMNIFICATION OF TRIBUNAL MEMBERS AND EXCHANGE OFFICERS

...

- (2) Notwithstanding anything contained in Rule 14.3(1) each member of the National Adjudicatory Tribunal and Appeal Tribunal and each officer of the Exchange shall stand indemnified by the Exchange against any liability incurred by the member or officer in defending any proceedings, whether civil or criminal, in which judgment is given in favour of the member or officer or in which the member or officer is acquitted or in connection with any application in relation to any such proceedings in which relief is under the Corporations Act granted to the member or officer by any court of competent jurisdiction.