



SFE NOTICE NO.

026/08

Date of Issue: 21 February 2008

Effective Date: 21 February 2008

Reminder: DPM Adjustment process for CFD Equity contracts

The CFD market is currently experiencing an increased number of DPM Adjustments due to the half yearly and preliminary final Reporting Period.

Participants are reminded of their obligations in facilitating the mandatory closeout of DPM positions on behalf of their Equity DPM customers.

Participants are to ensure allocations are complete by 4.45pm on the day prior to ex-dividend date.

SFE will confirm to the Clearing Participant by 5pm the details of the adjustments that have been made to the DPM accounts and the subsequent CHES transactions in cum-dividend stock the Participants are to undertake on ex-dividend date.

It is the Clearing Participants responsibility to perform the transaction of physical stock, follow up non-delivery and to report to SFE any non-compliance in writing.

Rule 6.82 of the SFE Operating Rules states the following:

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 CHES to exchange cum-dividend shares to offset the reduced positions in SECUR.

SFE will:

- (a) inform Clearing Participant of their delivery obligations to each other once the DPM CFD positions have been adjusted as described above, and
- (b) 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.

Should you have any queries please contact SFE Service Desk on 9256 0677 or service.desk@asx.com.au.

A handwritten signature in black ink that reads 'Suzanne Munro'.

Suzanne Munro
Manager, Clearing & Settlement Operations

ASX Limited
20 Bridge Street
Sydney NSW 2000
Australia