

ATTACHMENT A

SCHEDULE 1 RISK BASED CAPITAL REQUIREMENTS

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S1.1

S1.1.1 Definitions and Interpretation

In Rule S1, unless the context otherwise requires:

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“**Liquid**” means realisable or otherwise convertible to cash within ~~3031~~ days, or prescribed as liquid by ASX Clear.

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S1.2 OBLIGATIONS OF PARTICIPANTS

S1.2.1 Core Capital, Liquid Capital and Total Risk Requirement

(i) Unless a Participant obtains a prior waiver from ASX Clear under Rule 1.6, it must ensure that its:

- (a) Liquid Capital is at all times greater than its Total Risk Requirement; and
- (b) Core Capital is at all times not less than the amount specified in the following tables:

Direct Participants – Minimum Core Capital	
	\$5,000,000

General Participants – Minimum Core Capital		
Tier 1	\$5,000,000	Clearing for itself <u>or</u> up to one External.
Tier 2	\$10,000,000	Clearing for: <ul style="list-style-type: none">• itself and one External, or• two Externals.
Tier 3	\$15,000,000	Clearing for: <ul style="list-style-type: none">• itself and two Externals, or• three Externals.

Tier 4	\$20,000,000	Clearing for: <ul style="list-style-type: none"> • itself and three or more Externals, or • four or more Externals.
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In this table "External" means another Participant or a Market Participant.

Provided that in satisfying the requirements in Rule S1.2.1(1)(b) a Participant may satisfy an approved portion of the requirement in accordance with, and subject to, ~~Rule S1.2.4(8),~~ Rule S1.2.11 and Rule S1.2.12.

Introduced 11/03/04 Amended 01/01/09, 01/01/10, 01/01/12, 01/08/14

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S1.2.4 Approved Subordinated Debt

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(7) ASX Clear will not withhold its approval under Rule S1.2.4(6) if, in the opinion of ASX Clear,

~~(a) the Participant's Liquid Capital divided by its Total Risk Requirement is capable of continuing to be greater than 1.2 on repayment,~~

~~;~~ and

...

~~(b) the Participant's Core Capital is capable of continuing to be equal to or greater than the amount required under Rule S1.2.1 when Approved Subordinated Debt is included under Rule S1.2.4(8).~~

~~(8) If a Participant does not hold sufficient Core Capital under Rule S1.2.1(1)(b), then it may with the prior approval of ASX Clear and subject to such conditions and limitations as ASX Clear may specify, include Approved Subordinated Debt to satisfy an approved portion of its Core Capital requirement commencing on the date that the Participant first does not hold sufficient Core Capital.~~

Introduced 11/03/04 Amended 01/01/10, 15/06/15

S1.2.12 Core Capital – Further Requirements Upper Limit

For the purpose of complying with Rule S1.2.1(1)(b), any ~~Approved Subordinated Debt or~~ cash under Rules ~~S1.2.4(8) and~~ S1.2.11 must not in total exceed 50% of the minimum Core Capital amount required by Rule S1.2.1(1)(b).