

1.22.4 No other right to inspect ASX Clear records

Except as expressly provided in these Rules, no Regulated Person has any right of access to, or right to inspect, ASX Clear's Records.

Introduced 11/03/04 Origin SCH 17.8.5

1.22.5 Regulated Person to accept review by auditor

Each Regulated Person must accept and treat a review conducted by ASX Clear's auditor under this Section as if that review were conducted by that Regulated Person's own auditor.

Introduced 11/03/04 Origin SCH 17.8.6

1.2~~2~~2.6 Recovery Rules

The Recovery Rules supplement and form part of these Rules. Unless expressed to the contrary, the Recovery Rules prevail over these Rules to the extent of any inconsistency between them.

Introduced xx/xx/xx

[Explanatory comment: clarifies the hierarchy of documentation between the Recovery Rules and these Rules]

End of Document

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SECTION 8 CLEARING FUND CONTRIBUTIONS AND PRIORITY OF APPLICATION OF CLEARING ASSETS

This Section enables ASX Clear to seek Contributions from Participants.

Any Contribution received by ASX Clear is to be held by ASX Clear as its absolute legal and beneficial property. ASX Clear is obliged to pay interest to Participants in accordance with the Procedures in respect of Contributions.

This Sections also sets out:

- (a) the form in which a Contribution is to be made;
- (b) how the amount of the Contribution is to be calculated and reviewed;
- (c) the consequences if a Participant does not provide a Contribution;
- (d) the circumstances in which a Participant's Contribution may be used; and
- (e) the priority in which various assets may be used if the Participant defaults.

Note: the previous Section 8 introduced on 11 March 2004 entitled "Clearing Fund Contributions and Priority of Application of Clearing Assets" has been deleted and replaced with this Section 8. Origin references to former ACH Rules are references to the Section 8 Rules in force prior to 31 March 2005.

8.1.4 Form and value of Contribution

A Contribution must be in a form acceptable to ASX Clear in its absolute discretion. ASX Clear may prescribe limits on the securities or collateral which may be provided.

ASX Clear may in its absolute discretion determine the value of any Contribution provided otherwise than in cash or irrevocable commitment to provide cash for the purpose of determining whether a Participant has provided a Contribution of an amount which satisfies the provisions of the Rules.

Introduced 31/03/05 Origin OCH S3.2.2, S3.2.3 and former ACH 8.2.1 and 8.2.2; amended XX/XX/XX

[Explanatory Note: these amendments clarify that the value and form of Contribution will be determined by ASX Clear]

8.1.5 ASX Clear may direct a change in Contribution

ASX Clear may direct a Participant who has provided a non-cash Contribution to change the form of the Contribution and the Participant must effect the alteration by such time as ASX Clear requires. If the Participant does not comply with the direction, then ASX Clear may convert into cash some or all of any non-cash Contribution and hold the cash as the Participant's Contribution. If, for any reason, ASX Clear is unable or unwilling to do so, the Participant is to be deemed not to have provided a Contribution as required.

Introduced 31/03/05 Origin OCH S3.2.4 and former ACH 8.2.3; amended XX/XX/XX

[Explanatory Note: ASX Clear may require that the Participant provide substitute or alternate non-cash collateral in order to satisfy the Participant's obligations to provide sufficient Contribution in a form meeting ASX Clear's requirements]

8.1.6 Contributions – ASX Clear's absolute legal and beneficial property

Any Contribution received by ASX Clear is ASX Clear's absolute legal and beneficial property.

Introduced 31/03/05 Origin OCH S3.2.5 and former ACH 8.2.4

8.1.7 Interest and accommodation fee

ASX Clear may in its absolute discretion pay each Participant an accommodation fee in respect of its Contribution in recognition of and to compensate for the assumption of risk by the Participant. Such fee shall be as determined from time to time by the board of ASX Clear with due regard for the risk, exposure and amount of the Contribution of a Participant and may be, set on different bases for different categories of Participants.

ASX Clear will pay a Participant interest on a Contribution provided in cash at the rate determined by ASX Clear from time to time, provided that ASX Clear may withhold any interest where in the opinion of the board withholding such interest is necessary to ensure that the Participant is in compliance with Rule 8.1.1 and in such case such interest may be used by the board as part of the Participant's Contribution.

~~Subject to ASX Clear's right to charge an administration fee in accordance with the Procedures, ASX Clear must pay interest to a Participant in accordance with the Procedures in respect of any Contribution provided in the form of cash.~~

Introduced 31/03/05 Origin OCH S3.2.6 and former ACH 8.2.5; amended XX/XX/XX

[Explanatory Note: Provisions have been aligned with those in ASX Clear (Futures)]

8.1.8 Consequences of not providing Contribution

Failure to provide a Contribution is a contravention of the Rules and constitutes an event of default under the Rules.

Amended XX/XX/XX

[Explanatory Note: this amendment provides that a failure to provide a Contribution is an event of default under the Rules.]

8.1.9 Transitional arrangements for the introduction of margining of Cash CCP Transactions

Any Contribution held by ASX Clear under the Contributions Determination dated 8 March 2007 on the Implementation Date will be taken for all purposes under these Rules, on and from that date, to have been provided by the Participant instead as additional Cover called by ASX Clear under Rule 14.6.1.

For the purpose of this Rule 8.1.9, the Implementation Date means the date for commencement of margining of Cash CCP Transactions as determined by ASX Clear and notified to Participants as the Implementation Date.

Introduced 07/06/13

8.1.10 Nature of Contribution

A Contribution is a debt due and payable to ASX Clear.

A Participant that fails to pay ASX Clear a Contribution when due for payment must pay interest to ASX Clear on the unpaid amount. Interest is to be calculated according to the formula set out in the Procedures.

Introduced XX/XX/XX

[Explanatory Note: this amendment sets out the nature of the Contribution payable to ASX Clear and provides that interest will accrue on any amount of Contribution owing but unpaid to ASX Clear by a Participant.]

8.2 NOT USED

Removed XX/XX/XX

[Explanatory Note: the Emergency Assessment provisions have been deleted. Instead the ASX has Recovery Powers set out in the Recovery Rules which may be exercised in certain circumstances]

with the following effect, subject to these Rules:

- (c) the obligations owed by a Seller to a Buyer are replaced by obligations in the same terms owed by the Seller to ASX Clear, and by obligations owed by ASX Clear to the Buyer;
- (d) the obligations owed by a Buyer to a Seller are replaced by obligations in the same terms owed by the Buyer to ASX Clear, and by obligations owed by ASX Clear to the Seller.

ASX Clear and each Participant acknowledge that:

- (e) Cash CCP Transactions (excluding Cash CCP Transactions which are removed from novation pursuant to Rule 12.7.1 or 12.7.2 and not reinstated pursuant to Rule 12.7.5); and

- (f) Derivatives CCP Contracts,

are market netting contracts (as defined in the Payment Systems and Netting Act 1998) the terms of which incorporate any and all Rules which provide for or relate to the exercise of default rights, the netting, set-off or termination of obligations, the calculation or payment of termination values or net amounts and obligations to pay deposits or margin calls, or which otherwise affect the rights and obligations of the parties to the contracts, including, without limitation [the Recovery Rules and](#):

- (g) in respect of Cash CCP Transactions, Rules 12.4.1, 12.6.1, and 15; and
- (h) in respect of Derivatives CCP Contracts, Rules 12.16, 12.17, 13.2, 14 and 15.

Introduced 11/03/04 Origin OCH 5.4.4, SCH 7.8.1 Amended 18/12/06, 13/07/09, 19/08/09

12.2.2A Cash CCP Transactions that are transactions under Offsetting Transaction Arrangement

ASX Clear and each Participant acknowledge that notwithstanding that a Cash CCP Transaction that arises under an Offsetting Transaction Arrangement does not arise from a novation of a Cash Market Transaction under Rule 12.2.1 but rather from the entry into of an Offsetting Transaction Arrangement directly between ASX Clear and the Participant, such Cash CCP Transaction will be treated in the same way as other Cash CCP Transactions (as appropriate), including:

- (a) being market netting contracts (as defined in the Payment Systems and Netting Act 1998) the terms of which incorporate any and all Rules which provide for or relate to the exercise of default rights, the netting, set-off or termination of obligations, the calculation or payment of termination values or net amounts and obligations to pay deposits or margin calls, or which otherwise affect the rights and obligations of the parties to the contracts, including, without limitation Rules 12.4.1, 12.6.1 and 15; and
- (b) being subject to the provisions in this Section 12 of these Rules that relate to Cash CCP Transactions (as appropriate), including, without limitation, Rules

that Derivatives CCP Contracts in that Series or Delivery Month be terminated, ASX Clear will terminate those Derivatives CCP Contracts in accordance with ~~the Rules~~[Rule 17](#).

Introduced 11/03/04 Origin OCH 5.6.2 Amended 27/06/11

~~[Explanatory Note: Rule 17 has been removed from the Rules. Instead provisions relating to the termination of Derivatives CCP Contracts are contained in the Recovery Rules.]~~

13.4.3 Time adjustment becomes effective

The time an adjustment under Rule 13.4.1 becomes effective will be determined by ASX Clear having regard to the time the adjustment to the Series or Delivery Month by the Approved Listing Market Operator becomes effective.

Introduced 11/03/04 Origin OCH 5.6.3 Amended 27/06/11

13.4.4 Adjustments – OTC Options Market Transactions

Rules 13.4.4 and 13.4.5 apply to Derivatives CCP Contracts which result from the registration of OTC Options Market Transactions.

ASX Clear may make an adjustment to the terms of Derivatives CCP Contracts. The circumstances in which adjustments will generally apply are set out in the Procedures. The time an adjustment becomes effective will be determined by ASX Clear.

Introduced 28/05/12

13.4.5 Termination in some cases – OTC Options Market Transactions

If an event specified in the Procedures occurs, instead of making an adjustment to the terms of the Derivatives CCP Contracts, ASX Clear will terminate those Derivatives CCP Contracts in accordance with ~~the Rules~~[Rule 17](#).

Introduced 28/05/12

~~[Explanatory Note: Rule 17 has been removed from the Rules. Instead provisions relating to the termination of Derivatives CCP Contracts are contained in the Recovery Rules.]~~

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SECTION 17 ASX CLEAR TERMINATION OF DERIVATIVES CCP CONTRACTS

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SECTION 17 ASX CLEAR TERMINATION OF DERIVATIVES CCP CONTRACTS

This Section only deals with the termination of a Derivatives CCP Contract in accordance with Rules 13.4.2, 13.4.5 and Rule 16 and sets out:

- (a) the circumstances in which ASX Clear may terminate a Derivatives CCP Contract;
- (b) the time the termination becomes effective; and
- (c) the process by which the termination is to occur including the determination of a Termination Price and the payment of a Termination Amount.

17.1 GENERAL

17.1.1 Application of Rule

This Rule applies to the termination of Derivatives CCP Contracts in accordance with Rules 13.4.2, 13.4.5 and Rule 16 only.

Introduced 11/03/04 Origin OCH 14.1.1

17.1.2 Termination

The termination of a Derivatives CCP Contract under this Rule 17 will be effective from the time registration of the Derivatives CCP Contract is cancelled, or from the time notified by ASX Clear to the relevant Participant.

Introduced 11/03/04 Origin OCH 14.1.2

17.1.3 Role of Approved Listing Market Operator in setting termination price

Rules 17.1.3 to 17.1.7 (inclusive) apply to Derivatives CCP Contracts other than those resulting from the registration of OTC Options Market Transactions.

Before terminating a Derivatives CCP Contract under this Rule 17, ASX Clear will request the Approved Listing Market Operator:

- (a) to determine whether a market is available in the relevant Series or Delivery Month; or
- (b) if the Approved Listing Market Operator determines that a market is not available, to determine a price at which the Derivatives CCP Contract will be terminated ("Termination Price").

and to notify ASX Clear of its determination.

Introduced 11/03/04 Origin OCH 14.2.1 Amended 27/06/11, 28/05/12

17.1.4 Meaning of 'available market'

ASX Clear and Participants acknowledge that the Approved Listing Market Operator will, in determining whether a market is available for the purpose of this Rule 17 consider whether it is possible, practicable or desirable to enter into a transaction on the Approved Listing Market Operator, having regard to all relevant circumstances, including without limitation, the size of the transaction, the liquidity of the relevant market conducted by the Approved Listing Market Operator for the relevant transaction, the potential delay in effecting the transaction, and the potential effects of the transaction on the relevant market conducted by the Approved Listing Market Operator or any Underlying Market.

Introduced 11/03/04 Origin OCH 14.2.2 Amended 27/06/11

17.1.5 Available market determination

If, pursuant to a request under Rule 17.1.3, the Approved Listing Market Operator determines and notifies ASX Clear that there is an available market:

- (a) ASX Clear will instruct a Participant to enter into a Derivatives Market Contract with another Market Participant, in the relevant Series or Delivery Month but in the opposite position to the position which had been held under the terminated Derivatives CCP Contract; and
- (b) if a Derivatives Market Contract is entered into, the price of that Derivatives Market Contract will be the Termination Price for the terminated Derivatives CCP Contract.

Introduced 11/03/04 Origin OCH 14.2.3 Amended 27/06/11

17.1.6 No available market determination

If the Approved Listing Market Operator determines and notifies ASX Clear that there is no available market for the purposes of this Rule 17.1 and notifies ASX Clear of a Termination Price for the Derivatives CCP Contract, that price will be the Termination Price for the terminated Derivatives CCP Contract.

Introduced 11/03/04 Origin OCH 14.2.4 Amended 27/06/11

17.1.7 Failure to obtain Termination Price

If, within a reasonable time following a request under Rule 17.1.3:

- (a) the Approved Listing Market Operator has not notified ASX Clear that there is an available market for the purposes of this Rule 17.1;
- (b) the Approved Listing Market Operator has notified ASX Clear that there is an available market for the purposes of this Rule 17.1, but the Participant instructed by ASX Clear under Rule 17.1.5 to enter into a Derivatives Market Contract in the relevant Series or Delivery Month has failed to enter into a Derivatives Market Contract in that Series or Delivery Month; or
- (c) the Approved Listing Market Operator has not notified ASX Clear of a Termination Price as requested under Rule 17.1.3(b).

ASX Clear may determine a Termination Price, which it considers fair and reasonable in the circumstances. The determination as to whether a reasonable time in the circumstances has elapsed following a request to the Approved Listing Market Operator is at the absolute discretion of ASX Clear.

Introduced 11/03/04 Origin OCH 14.2.5 Amended 27/06/11

~~Not used~~
~~*Explanatory Note: the provisions for determining the termination value*~~
~~*17.1.7A*~~
~~*Termination of Derivatives CCP Contracts following the default of a Participant*~~
~~*are now contained in the Recovery Rules*~~
OTC Options Market Transactions

For a Derivatives CCP Contract resulting from the registration of an OTC Options Market Transaction, ASX Clear will determine a price at which the Derivatives CCP Contract will be terminated ("Termination Price") in accordance with the Procedures.

Introduced 28/05/12

17.1.8 Determination final and binding

Any determination by the Approved Listing Market Operator or, if applicable, by ASX Clear under this Rule 17.1 as to:

- (a) whether there is an available market; or
- (b) the Termination Price,

is final and binding on ASX Clear, Participants and any other person affected by the determination.

Introduced 11/03/04 Origin OCH 14.2.6 Amended 27/06/11

17.1.9 Termination Price may be zero

For the purpose of this Rule 17.1, the Participant and ASX Clear acknowledge that the Termination Price may be zero (except in the case of Rule 17.1.5(b)).

Introduced 11/03/04 Origin OCH 14.2.7

17.2 TERMINATION PROCESS

17.2.1 Where Termination Price is obtained through a Derivatives Market Contract under Rule 17.1.5(b)

Despite Rules 12.2.1 and 12.2.2, immediately upon registration of a Derivatives Market Contract entered into under Rule 17.1.5(b), the Derivatives Market Contract is discharged and replaced by novation with only one Derivatives CCP Contract on the same terms, subject to the Rules, as the Derivatives Market Contract. In particular, no Derivatives CCP Contract arises between ASX Clear and the Participant which ASX Clear instructed to enter into the Derivatives Market Contract under Rule 17.1.5(b).

Introduced 11/03/04 Origin OCH 14.3.1 Amended 04/06/10

17.2.2 Where Termination Price is determined in another way

Unless the Termination Price of a Derivatives CCP Contract is determined under Rule 17.1.5(b), ASX Clear must terminate and cancel the registration of another Derivatives CCP Contract in the same Series or Delivery Month as the first Derivatives CCP Contract

but in the opposite position to the position held under the first Derivatives CCP Contract. That Derivatives CCP Contract must be a Derivatives CCP Contract registered in the Account of another Participant selected by ASX Clear in its discretion. That Derivatives CCP Contract will be terminated at the Termination Price determined in respect of the first Derivatives CCP Contract under Rule 17.1.

Introduced 11/03/04 Origin OCH 14.3.2

17.2.3 Selection final and binding

In exercising its discretion to select a Participant under Rule 17.2.2, ASX Clear will have regard, as far as practicable, to the total number of Derivatives CCP Contracts in the opposite position then held by all other Participants. That selection is final and binding on the Participant selected and any other person affected by that selection.

Introduced 11/03/04 Origin OCH 14.3.3

17.3 NO LIABILITY OF ASX CLEAR

17.3.1 ASX Clear not liable to Participants

Without limiting Rule 1.10, none of ASX Clear its officers, agents, contractors or persons acting for or on behalf of ASX Clear are liable to a Participant or to any other person for any loss, liability, damage, cost or expense arising in any way from the actions or determinations of ASX Clear under this Rule 17.

Introduced 11/03/04 Origin OCH 14.4

17.4 TERMINATION AMOUNT AND ACCOUNTING FOR TERMINATION

17.4.1 Payment of Termination Amount

If ASX Clear terminates a Derivatives CCP Contract under this Rule 17:

- (a) the Participant whose Derivatives CCP Contract has been terminated must pay ASX Clear an amount by way of liquidated damages equal to the amount which would have been payable by the Participant to ASX Clear; and
- (b) ASX Clear must pay to the Participant whose Derivatives CCP Contract has been terminated an amount by way of liquidated damages equal to the amount which would have been payable by ASX Clear to the Participant.

if the terminated Derivatives CCP Contract had been closed out by an opposite Derivatives CCP Contract at the Termination Price under Rules 13.2.1 to 13.2.4. In these Rules, the amount payable under paragraph (a) or (b) of this Rule is referred to as the "Termination Amount".

Introduced 11/03/04 Origin OCH 14.5.1

17.4.2 Genuine pre-estimate

ASX Clear and any Participant whose Derivatives CCP Contract is terminated under this Rule 17 acknowledge that the Termination Amount determined under Rule 17.4.1 fairly represents and is a genuine pre-estimate of the loss or damages which the Participant or

ASX Clear will suffer from the termination of a Derivatives CCP Contract under this Rule 17.

Introduced 11/03/04 Origin OCH 14.5.2

17.4.3 Accounting

ASX Clear will account for the termination of a Derivatives CCP Contract under this Rule 17 by debiting or crediting the Participant's relevant Account with the Termination Amount in accordance with the Procedures.

Introduced 11/03/04 Origin OCH 14.5.3

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