



## ASX RECOVERY RULES

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## SECTION 4 RESIGNATION

### 4.1 Resignation

This Rule 4 sets out the effect of resignation by a Participant on the Participant's obligations under the Recovery Powers.

This Rule 4 prevails over the other provisions of the ASX CCP Rules relating to the resignation of a Participant once a Default Period has commenced.

### 4.2 Resignation Notice

If, during a Default Period, a Participant wishes to resign as a Participant, the Participant must:

- (a) give written notice to the ASX CCP of its intention to resign and the proposed date of resignation (referred to as a **Resignation Notice**); and
- (b) satisfy the ASX CCP that it has taken, or will have taken before the proposed date of resignation, proper steps for the orderly winding down of its business in respect of the ASX CCP; and
- (c) confirm it is not the subject of any disciplinary proceedings or enforcement action within the jurisdiction of the ASX CCP; and
- (d) comply with any reasonable direction of the ASX CCP, if any, in relation to the orderly winding down of its business in respect of the ASX CCP.

A Participant may not provide a Resignation Notice under this Rule 4.2 at any time other than during a Default Period.

### 4.3 Acceptance of Resignation Notice

The ASX CCP will accept a notice of resignation given by a Participant in accordance with the ASX CCP Rules (including a Resignation Notice given under Rule 4.2 above) when the Participant has satisfied each of the following at least 5 Business Days before the end of the Default Period:

- (a) complied with Rule 4.2(b) to (d) (Resignation Notice);
- (b) has no outstanding Contracts or Market Contracts;
- (c) has no obligations (including but not limited to the payment of all fees and any obligations to pay money or deliver an asset) arising directly or indirectly from any Contract or Market Contract under the ASX CCP Rules;
- (d) satisfied all its obligations to the ASX CCP, including but not limited to, having paid all outstanding fees and amounts owing by the Participant under the ASX CCP Rules and all outstanding Recovery Assessments owing by the Participant under the Recovery Rules, and satisfied all technical and operational requirements; and
- (e) confirmed, and the ASX CCP agrees, that it is not the subject of any ongoing disciplinary proceedings or enforcement action within the jurisdiction of the ASX CCP.

Within one Business Day of a written request from a Participant, the ASX CCP will provide notice of acceptance of that Participant's notice of resignation, or reasons why such acceptance cannot be given.

If a Participant has not satisfied each of the requirements set out in this Rule 4.3 by 5 Business Days before the end of the Default Period, the Participant's resignation

will be governed, when there is no Default Period subsisting, by the other provisions of the ASX CCP Rules relating to the resignation of a Participant and not this Rule 4. The Participant's resignation will become effective in accordance with those provisions, subject to the operation of these provisions if another Default Period commences.

#### **4.4 Effectiveness of resignation**

A resignation which has not become effective before the commencement of a Default Period cannot become effective until the end of the Default Period and is subject to the Recovery Rules (including this Rule 4), even if the ASX CCP accepts a notice of resignation given by a Participant in accordance with the ASX CCP Rules (including a Resignation Notice) before, or during, the Default Period.

Upon acceptance of a Participant's notice of resignation in accordance with Rule 4.3, the Participant's resignation will become effective on the last day of the Default Period. The ASX CCP will notify the Participants when a Participant's resignation becomes effective.

#### **4.5 Certain obligations to continue**

Neither the acceptance by the ASX CCP of the Participant's Resignation Notice, nor the effectiveness of the Participant's resignation, affects any accrued rights which the ASX CCP, a Related Body Corporate of the ASX CCP, or other Participants have against the Participant or any accrued obligations which the Participant has to the ASX CCP, a Related Body Corporate of the ASX CCP or to other Participants.

Without limiting the previous paragraph, after a Participant's resignation becomes effective:

- (a) the ASX CCP Rules continue to apply and the ASX CCP will continue to have jurisdiction in respect of the Participant concerning any conduct or any failure to comply with the ASX CCP Rules which occurred before the resignation becomes effective, whether that conduct or failure was by the Participant or by any other person for whose conduct the Participant was responsible;
- (b) the Participant continues to be bound by any indemnity given by the Participant under the ASX CCP Rules; and
- (c) other ASX CCP Rules continue to apply in respect of the Participant to the extent required to give effect to Rules 4.5(a) and (b) above.

#### **4.6 Effect of resignation on Recovery Assessment**

The ASX CCP may not request a Recovery Assessment from an entity which has resigned from being a Participant after its resignation has taken effect.

If the ASX CCP reasonably believes that one or more Recovery Assessments may be made in respect of one or more Defaults in a Default Period then the ASX CCP may retain any amounts it determines to cover those Recovery Assessments from any amounts which would otherwise be payable by it to the resigning Participant. If the ASX CCP determines that these amounts are no longer needed, then it will pay them to the entity which resigned as a Participant (without being obliged to pay any additional amounts for the delay in payment of those amounts).

#### 4.7 Effect of resignation on ASX Payments Reduction

As resignation may only take effect once a Participant has no outstanding Contracts or Market Contracts, and the ASX Payments Reduction applies only to outstanding Contracts, a Participant whose resignation has taken effect is not subject to ASX Payments Reduction.

#### 4.8 Effect of resignation on Partial Termination

As resignation may only take effect once a Participant has no outstanding Contracts or Market Contracts, and the Partial Termination applies only to outstanding Contracts, a Participant whose resignation has taken effect is not subject to Partial Termination.

#### 4.9 Effect of resignation on Complete Termination

As resignation may only take effect once a Participant has no outstanding Contracts or Market Contracts, and Complete Termination applies only to outstanding Contracts, a Participant whose resignation has taken effect is not subject to Complete Termination.

#### 4.10 Effect of resignation on Replenishment

The ASX CCP may not request

- (a) an Interim Participant Replenishment Amount (as defined in Paragraph 4 (Allocation of interim commitments to Participants) of Schedule 5) from a Participant at any time after the Participant's resignation notice has been accepted by the ASX CCP in accordance with Rule 4.3 (Acceptance of Resignation Notice), even though the resignation of the Participant will not become effective until the end of the relevant Default Period in accordance with Rule 4.4 (Effectiveness of Resignation) (referred to as a **Resigning Participant**); and
- (b) a Participant Replenishment Amount from a Participant whose resignation was effective at the end of the Default Period which immediately preceded the call of the Participant Replenishment Amount.

Amended 01/06/16

**End of Section. Next page is no. 501.**