

## **SECTION 21 SETTLEMENT OF DELIVERABLE FUTURES CCP CONTRACTS OVER UNDERLYING COMMODITIES**

<b>PART A</b>	<b>UNDERLYING COMMODITY WHICH IS GRAIN</b> .....	<b>4</b>
<b>21.1</b>	<b>APPLICATION</b> .....	<b>4</b>
21.1.1	Application of Rules .....	4
<b>21.2</b>	<b>TENDER PROCESS</b> .....	<b>4</b>
21.2.1	Admission of Underlying Commodity to deliverable stock .....	4
21.2.2	Seller must have paid all taxes and levies .....	4
21.2.3	Seller may at any time transfer Interest .....	4
21.2.4	Election to tender by Seller .....	5
21.2.5	Acceptance of Tender Documentation .....	5
21.2.6	Tender Documentation may not be amended or withdrawn .....	5
21.2.7	ASX Clear to allocate tender.....	5
21.2.8	Procedures for allocation .....	6
21.2.9	ASX Clear to confirm acceptance of Tender Documentation and allocation .....	6
21.2.10	Tender Documentation and allocation restrictions.....	6
21.2.11	Instructions from clients .....	6
<b>21.3</b>	<b>SETTLEMENT</b> .....	<b>6</b>
21.3.1	Settlement process .....	6
21.3.2	Settlement with the Seller .....	6
21.3.3	Legal effect of process.....	7
21.3.4	Settlement with the Buyer.....	7
21.3.5	Legal effect of process.....	7
21.3.6	Settlement impossible or impracticable .....	7
21.3.7	Seller default.....	8
21.3.8	Buyer default .....	8
21.3.9	ASX Clear may retain Interest.....	8
21.3.10	Powers cumulative .....	8
<b>21.4</b>	<b>HOLDING THE INTEREST</b> .....	<b>8</b>
21.4.1	Transfer of Interest by Participant to ASX Clear .....	8
21.4.2	Holding of Interest for Buyer following settlement of Futures CCP Contract .....	8
21.4.3	Application of Bulk Handler Agreement .....	9
21.4.4	Co-mingling.....	9
21.4.5	ASX Clear rights to deal with the Interest.....	9
21.4.6	ASX Clear's right to convert old season grain .....	9
21.4.7	Interest held at location specified by ASX Clear.....	10
21.4.8	ASX Clear direction to take Interest or Underlying Commodity .....	10
21.4.9	Failure to comply with direction.....	10
21.4.10	Representations by Participant.....	10
21.4.11	Indemnity from Participants .....	11
21.4.12	Insurance .....	11

<b>21.5</b>	<b>RESPONSIBILITIES OF ASX CLEAR IN RESPECT OF THE UNDERLYING COMMODITY.....</b>	<b>11</b>
21.5.1	No warranties or representations concerning quality, suitability or description.....	11
21.5.2	International Sales of Goods Convention excluded .....	12
21.5.3	Title.....	12
21.5.4	No obligation to make enquiries concerning the Commodity.....	12
21.5.5	Forgery.....	12
<b>PART B</b>	<b>UNDERLYING COMMODITY WHICH IS WOOL.....</b>	<b>13</b>
<b>21.6</b>	<b>APPLICATION .....</b>	<b>13</b>
21.6.1	Application of Rules .....	13
<b>21.7</b>	<b>DELIVERABLE STOCK AND DOCUMENT SAFE KEEPING .....</b>	<b>13</b>
21.7.1	Admission Documents .....	13
21.7.2	Acceptance of Admission Documents.....	13
21.7.3	Stock Confirmation Form.....	13
21.7.4	Instructions from clients .....	14
21.7.5	Document Safe Keeping.....	14
21.7.6	Release of Admission Documents.....	14
21.7.7	Loss of Admission Documents held in safe keeping.....	14
<b>21.8</b>	<b>TENDER PROCESS.....</b>	<b>15</b>
21.8.1	Election to tender by Seller .....	15
21.8.2	Acceptance of Tender Documentation .....	15
21.8.3	Tender Documentation may not be amended or withdrawn .....	15
21.8.4	ASX Clear to allocate tender.....	15
21.8.5	Procedures for allocation .....	16
21.8.6	ASX Clear to confirm acceptance of Tender Documentation and allocation .....	16
21.8.7	Tender Documentation and allocation restrictions.....	16
21.8.8	Instructions from clients .....	16
<b>21.9</b>	<b>SETTLEMENT.....</b>	<b>16</b>
21.9.1	Settlement process .....	16
21.9.2	Settlement with the Seller .....	16
21.9.3	Legal effect of process.....	17
21.9.4	Settlement with the Buyer.....	17
21.9.5	Legal effect of process.....	17
21.9.6	Settlement impossible or impracticable .....	17
21.9.7	Seller default.....	18
21.9.8	Buyer default .....	18
21.9.9	Powers cumulative .....	18
<b>21.10</b>	<b>ASSIGNMENT AND DIRECTIONS BY ASX CLEAR.....</b>	<b>18</b>
21.10.1	Sellers and Buyers authorise ASX Clear to make all amendments to a record to effect the assignment of wool from the Seller to the Buyer .....	18
21.10.2	ASX Clear direction to accept delivery documentation .....	18
21.10.3	Failure to comply with direction.....	19
21.10.4	Representations by Participant.....	19
21.10.5	Indemnity from Participants .....	19

<b>21.11</b>	<b>RESPONSIBILITIES OF ASX CLEAR IN RESPECT OF THE UNDERLYING COMMODITY.....</b>	<b>19</b>
21.11.1	No warranties or representations concerning quality, suitability or description.....	19
21.11.2	International Sales of Goods Convention excluded .....	20
21.11.3	Sale of Goods .....	20
21.11.4	Liability for Wool Warehouse and Warehouse Receipts.....	20
21.11.5	Forgery, fraud and unauthorised conduct .....	21
21.11.6	Warehouse Receipt .....	21
21.11.7	Negotiability of Warehouse Receipt.....	21
21.11.8	No obligation to make enquiries concerning the Underlying Commodity.....	22
21.11.9	Disputes.....	22

## **SECTION 21 SETTLEMENT OF DELIVERABLE FUTURES CCP CONTRACTS OVER UNDERLYING COMMODITIES**

This Section only applies to the settlement of Deliverable Futures CCP Contracts over Underlying Commodities. It is divided into two parts. Part A deals with an Underlying Commodity which is grain; Part B deals with an Underlying Commodity which is wool.

### **PART A UNDERLYING COMMODITY WHICH IS GRAIN**

#### **21.1 APPLICATION**

##### **21.1.1 Application of Rules**

Rules 21.1 to 21.5 apply to Futures CCP Contracts which are Deliverable Futures CCP Contracts over an Underlying Commodity which is grain.

Introduced 11/03/04 Origin OCH S1.2.1

#### **21.2 TENDER PROCESS**

##### **21.2.1 Admission of Underlying Commodity to deliverable stock**

Prior to electing to tender in accordance with this Rule, the Seller must transfer or procure the transfer of a specified quantity of the Underlying Commodity to ASX Clear in the form and manner determined by ASX Clear in accordance with the Procedures. ASX Clear is not obligated to accept the quantity of the Underlying Commodity and will notify the Seller in accordance with the Procedures whether it has accepted or rejected the specified quantity of the Underlying Commodity. Upon acceptance of the transfer by ASX Clear, the specified quantity of the Underlying Commodity will be admitted to deliverable stock.

Introduced 11/03/04 Origin OCH S1.2.2.1

##### **21.2.2 Seller must have paid all taxes and levies**

Prior to the Underlying Commodity being admitted to deliverable stock the Seller must ensure that all taxes, government levies or industry levies applicable to the Underlying Commodity have been paid.

Introduced 11/03/04

##### **21.2.3 Seller may at any time transfer Interest**

A Seller may at any time before electing to tender direct ASX Clear to transfer the Interest to the Seller's account or to an account as directed by the Seller at the Bulk Handler.

Introduced 11/03/04 Origin OCH S1.2.2.1

#### **21.2.4 Election to tender by Seller**

Where the Seller in respect of a contract elects to effect delivery and settle its obligations during the Delivery Period, the Seller must lodge Tender Documentation with ASX Clear in the form and manner determined by ASX Clear in accordance with the Procedures. In any event, the Seller must lodge Tender Documentation on the Maturity Date by the time set out in the Procedures. Tender Documentation lodged after the time prescribed in the Procedures, other than on the Maturity Date, will be taken to have been lodged on the following Business Day.

At the time of lodging Tender Documentation the Seller must ensure that at least two Business Days prior to lodging such documentation, ASX Clear holds for the benefit of the Seller an Interest of at least the Specified Quantity for each contract in accordance with Rule 21.4.

Introduced 11/03/04 Origin OCH S1.2.2.1

#### **21.2.5 Acceptance of Tender Documentation**

ASX Clear is not obliged to accept any Tender Documentation and will notify the Seller, in accordance with Rule 21.2.9, when it has accepted Tender Documentation lodged by the Seller under Rule 21.2.4. Without limiting ASX Clear's discretion whether or not to accept Tender Documentation, ASX Clear may reject Tender Documentation where:

- (a) the Seller has failed to comply with Rule 21.2.1; or
- (b) ASX Clear is not satisfied that ASX Clear holds a sufficient portion of the Interest for the benefit of the Seller to enable the Seller to discharge its settlement obligations in respect of the contracts the subject of the Tender Documentation under Rule 21.3.2.

If ASX Clear rejects Tender Documentation, it will notify the Seller in accordance with the Procedures of that rejection, and the reasons for that rejection, as soon as practicable.

Introduced 11/03/04 Origin OCH S1.2.2.2

#### **21.2.6 Tender Documentation may not be amended or withdrawn**

A Seller may not amend or withdraw Tender Documentation lodged under Rule 21.2.4 without the prior written consent of ASX Clear.

Introduced 11/03/04 Origin OCH S1.2.2.3

#### **21.2.7 ASX Clear to allocate tender**

If Tender Documentation is accepted by ASX Clear in respect of one or more contracts under Rule 21.2.5 and the Tender Documentation is not withdrawn under Rule 21.2.6, ASX Clear will allocate for settlement a corresponding number of contracts in the same Series or Delivery Month registered in the name of one or more Buyers.

Introduced 11/03/04 Origin OCH S1.2.2.4

### **21.2.8 Procedures for allocation**

The allocation under Rule 21.2.7 will be on the basis of random selection or other process determined by ASX Clear from time to time and set out in the Procedures.

Introduced 11/03/04 Origin OCH S1.2.2.5

### **21.2.9 ASX Clear to confirm acceptance of Tender Documentation and allocation**

ASX Clear will, as soon as practicable and in accordance with the Procedures, notify the Seller of the acceptance of Tender Documentation under Rule 21.2.5 and notify the Buyer or Buyers of the allocation under Rule 21.2.7.

Introduced 11/03/04 Origin OCH S1.2.2.6

### **21.2.10 Tender Documentation and allocation restrictions**

ASX Clear may at any time impose a restriction on the acceptance of Tender Documentation or the allocation under Rule 21.2.7 if it determines the restriction is appropriate having regard to Rule 1.15. If ASX Clear imposes a restriction on one or more Participants, those Participants must comply with that restriction.

Introduced 11/03/04 Origin OCH S1.2.2.7

### **21.2.11 Instructions from clients**

A Participant must establish and notify Clients of procedures for Clients to give it instructions to lodge Tender Documentation under Rule 21.2.5 including, without limitation, the latest time at which the Participant will accept those instructions.

Introduced 11/03/04 Origin OCH S1.2.2.8

## **21.3 SETTLEMENT**

### **21.3.1 Settlement process**

The settlement of rights and obligations under the relevant Futures CCP Contracts following the allocation process in Rule 21.2.7 will be effected in accordance with this Rule 21.3.

Introduced 11/03/04 Origin OCH S1.2.3.1

### **21.3.2 Settlement with the Seller**

Subject to these Rules, where the Seller elects to effect delivery, it must, in respect of the Futures CCP Contract between the Seller and ASX Clear, have lodged Tender Documentation in accordance with the Procedures. ASX Clear must, in respect of the Futures CCP Contract between the Seller and ASX Clear, pay the Settlement Amount to the Seller at the Settlement Time. ASX Clear will amend its records at or as soon as practicable after the Settlement Time, to record that, effective at the Settlement Time, the proportion (by volume) of the Interest which ASX Clear holds for the benefit of the Seller falls by the Specified Quantity.

Introduced 11/03/04 Origin OCH S1.2.3.2

### 21.3.3 Legal effect of process

The amendment by ASX Clear of its records in relation to the Interest in the manner set out in Rule 21.3.2 constitutes a full and complete discharge of the following obligations under the Futures CCP Contract between the Seller and ASX Clear at the Settlement Time:

- (a) the obligation of the Seller to make delivery of the Specified Quantity of the Underlying Commodity to ASX Clear; and
- (b) the obligation of ASX Clear to take delivery of the Specified Quantity of the Underlying Commodity from the Seller.

Upon that amendment being made, the risk in respect of the Specified Quantity of the Underlying Commodity passes from the Seller to ASX Clear with effect from the Settlement Time.

Introduced 11/03/04 Origin OCH S1.2.3.3

### 21.3.4 Settlement with the Buyer

Subject to these Rules, the Buyer must, in respect of the Futures CCP Contract between the Buyer and ASX Clear, pay the Settlement Amount to ASX Clear by the Settlement Time. Subject to the Buyer paying that amount by that time, ASX Clear will amend its records at or as soon as practicable after that time to record that, effective from the Settlement Time, the proportion (by volume) of the Interest which ASX Clear holds for the benefit of the Buyer (which may, immediately before the Settlement Time, be zero) increases by the Specified Quantity.

Introduced 11/03/04 Origin OCH S1.2.3.4

### 21.3.5 Legal effect of process

The amendment by ASX Clear of its records in relation to the Interest in the manner set out in Rule 21.3.3 constitutes a full and complete discharge of the following obligations under the Futures CCP Contract between the Buyer and ASX Clear at the Settlement Time:

- (a) the obligation of the Buyer to take delivery of the Specified Quantity of the Underlying Commodity from ASX Clear; and
- (b) the obligation of ASX Clear to make delivery of the Specified Quantity of the Underlying Commodity to the Buyer.

Upon that amendment being made, the risk in respect of the Specified Quantity of the Underlying Commodity passes from ASX Clear to the Buyer with effect from the Settlement Time.

Introduced 11/03/04 Origin OCH S1.2.3.5

### 21.3.6 Settlement impossible or impracticable

ASX Clear may exercise its powers under Rule 16.5 where ASX Clear forms the opinion under that Rule that an event or series of events, whether related or not, has occurred

that makes the performance by the parties to Futures CCP Contracts of their obligations or the exercise of their rights impossible or impracticable.

Introduced 11/03/04 Origin OCH S1.2.3.6

#### **21.3.7 Seller default**

Any failure by a Seller to perform its settlement obligations on settlement of a Futures CCP Contract or to take all steps required to put itself in the position to comply with its settlement obligations is an event of default under Rule 15.1(e).

Introduced 11/03/04 Origin OCH S1.2.3.7

#### **21.3.8 Buyer default**

Any failure by the Buyer to pay the Settlement Amount in respect of a Futures CCP Contract by the Settlement Time under Rule 21.3.4 is an event of default under Rule 15.1(b),(c) or (d).

The Buyer acknowledges that ASX Clear may, under Rule 15.2.1 sell or otherwise deal with that portion of the Interest which ASX Clear would otherwise have held for the benefit of the Buyer had settlement occurred in accordance with Rule 21.3.4.

Introduced 11/03/04 Origin OCH S1.2.3.8

#### **21.3.9 ASX Clear may retain Interest**

ASX Clear may retain all or part of the Interest which ASX Clear holds for the benefit of the defaulting Buyer referred to in Rule 21.3.7 until all outstanding Payment Obligations of the Buyer are satisfied.

Introduced 11/03/04 Origin OCH S1.2.3.9

#### **21.3.10 Powers cumulative**

The rights and powers of ASX Clear under this 21.3 are cumulative and in addition to its other rights and powers including, without limitation, its rights and powers under Rules 15 and 16.

Introduced 11/03/04 Origin OCH S1.2.3.10

### **21.4 HOLDING THE INTEREST**

#### **21.4.1 Transfer of Interest by Participant to ASX Clear**

When a Participant transfers or procures the transfer of an Interest in a quantity of the Underlying Commodity to ASX Clear, ASX Clear will hold that Interest for the benefit of that Participant from the time at which the Bulk Handler records ASX Clear as the owner of that interest under the terms of the Bulk Handler Agreement.

Introduced 11/03/04 Origin OCH S1.2.4.1

#### **21.4.2 Holding of Interest for Buyer following settlement of Futures CCP Contract**

On the settlement of a Futures CCP Contract between ASX Clear and the Buyer under Rule 21.3.4, ASX Clear will, from the Settlement Time, hold the Interest referred to in Rule 21.3.2 for the benefit of the Buyer referred to in that Rule.



A Buyer may at any time thereafter direct ASX Clear to transfer the Interest to the Buyer's account or another account at the Bulk Handler in accordance with the Procedures.

Introduced 11/03/04 Origin OCH S1.2.4.2

#### **21.4.3 Application of Bulk Handler Agreement**

Each Participant for whom ASX Clear holds the Interest under these Rules acknowledges that the Bulk Handler will store the Underlying Commodity for a number of clients of the Bulk Handler and will recognise the interest of ASX Clear in the stored Underlying Commodity with other clients of the Bulk Handler (as owners in common). Those Participants acknowledge that the Bulk Handler will recognise ASX Clear as the owner of the Underlying Commodity and is not bound to recognise that ASX Clear holds any part of that interest for the benefit of one or more Participants.

Introduced 11/03/04 Origin OCH S1.2.4.3

#### **21.4.4 Co-mingling**

Each Participant for whom ASX Clear holds the Interest under these Rules also acknowledges the Interest which ASX Clear holds at any point in time may be held for the benefit of more than one Participant. The proportion of the Interest held for the benefit of each Participant will be determined by ASX Clear in accordance with its records, which will record that proportion as a volume of the Underlying Commodity.

Introduced 11/03/04 Origin OCH S1.2.4.4

#### **21.4.5 ASX Clear rights to deal with the Interest**

Each Participant for whom ASX Clear holds the Interest under these Rules authorises ASX Clear to deal with, and exercise all rights attached to, the Interest in accordance with these Rules and the Bulk Handler Agreement. ASX Clear is not obliged to comply with any direction by a Participant or any other person as to how it should deal with or exercise those rights other than a direction by a Participant to transfer to the Participant (or to another person at the direction of the Participant) the portion of the Interest held for the Participant's benefit in accordance with the terms of the Bulk Handler Agreement and the Procedures. The obligations of ASX Clear to comply with such a direction are subject to its rights under Rule 21.3.9.

Introduced 11/03/04 Origin OCH S1.2.4.5(a)

#### **21.4.6 ASX Clear's right to convert old season grain**

Each Participant acknowledges that the Bulk Handler Agreement may give ASX Clear, as the holder of the Interest the right to convert "old season grain" to "new season grain". ASX Clear intends, to the extent permitted under the Bulk Handler Agreement, to exercise that right.

Where ASX Clear cannot exercise that right, ASX Clear will notify Participants accordingly and will make a direction in accordance with Rule 21.4.8.

Introduced 11/03/04 Origin OCH S1.2.4.5(b)

#### **21.4.7 Interest held at location specified by ASX Clear**

Each Participant acknowledges that ASX Clear holds the portion of the Interest held for the Participant's benefit at the location specified by ASX Clear.

Without limiting Rule 21.4.11, any costs and expenses incurred by ASX Clear in respect of the conversion will be borne by the Participants for whom ASX Clear holds the Interest at the time of conversion.

Introduced 11/03/04 Origin OCH S1.2.4.5(c)

#### **21.4.8 ASX Clear direction to take Interest or Underlying Commodity**

ASX Clear may direct a Participant to:

- (a) accept a transfer from ASX Clear of all or part of the Interest which ASX Clear holds for its benefit; or
- (b) accept physical delivery from ASX Clear (or its agent) of all or part of the Underlying Commodity represented by the Interest which ASX Clear holds for its benefit.

The Participant must immediately comply with any direction given by ASX Clear under this Rule 21.4.8 and take all steps and execute all documents required to give effect to that direction.

Introduced 11/03/04 Origin OCH S1.2.4.6

#### **21.4.9 Failure to comply with direction**

If a Participant fails to comply with a direction under Rule 21.4.8, the Participant irrevocably authorises ASX Clear to take any action which ASX Clear considers appropriate to dispose of the relevant portion of the Interest including, without limitation:

- (a) sell the Underlying Commodity represented by that portion of the Interest and following such sale, account to the Participant for the proceeds of sale after deducting any costs, expenses, taxes or other amounts incurred by ASX Clear in connection with the sale;
- (b) out-turn from the Bulk Handler the Underlying Commodity represented by that portion of the Interest and deliver the Underlying Commodity to another location selected by ASX Clear in its discretion.

The Participant indemnifies ASX Clear in respect of all losses, damages, liabilities, claims, costs and expenses arising in connection with any failure by the Participant to comply with a direction under Rule 21.4.8 and any exercise by ASX Clear of its powers under this Rule 21.4.9.

Introduced 11/03/04 Origin OCH S1.2.4.7

#### **21.4.10 Representations by Participant**

Each Participant:

- (a) which transfers, or procures the transfer of an Interest to ASX Clear under Rule 21.4.1 or which requests the transfer or procures the transfer of an Interest from ASX Clear under this Rule 21.4:
  - (i) represents and warrants that it has and will continue to have for so long as it is the relevant Participant in respect of that Interest, the capacity and authority to do so; and
  - (ii) warrants to ASX Clear and to each other Participant that the Interest or any other interest in the Underlying Commodity is free from any encumbrance, lien, tax or levy;
- (b) for whom ASX Clear holds a portion of the Interest under Rule 21.4.2 represents and warrants that it has and will continue to have for so long as it is the relevant Participant in respect of that Interest, the capacity and authority to do so; and
- (c) indemnifies ASX Clear in respect of all losses, damages, liabilities, claims, costs and expenses arising from any representation or warranty by that Participant under paragraphs (a) or (b) of this Rule 21.4.10 being incorrect.

Introduced 11/03/04 Origin OCH S1.2.4.8

#### **21.4.11 Indemnity from Participants**

Each Participant for whom ASX Clear holds the Interest under these Rules indemnifies ASX Clear in respect of all losses, damages, liabilities, claims, costs and expenses arising in connection with the holding of that Interest. The apportionment of liability under this indemnity among Participants will be determined by ASX Clear acting reasonably and having regard to the proportion of the Interest which it holds for the benefit of each of the relevant Participants at the relevant times.

Introduced 11/03/04 Origin OCH S1.2.4.9

#### **21.4.12 Insurance**

ASX Clear has no obligation to insure any Interest or any Underlying Commodity represented by that Interest.

Introduced 11/03/04 Origin OCH S1.2.4.10

### **21.5 RESPONSIBILITIES OF ASX CLEAR IN RESPECT OF THE UNDERLYING COMMODITY**

#### **21.5.1 No warranties or representations concerning quality, suitability or description**

Without limiting the exclusion or limitation of liability under Rule 1.10, and without excluding any Non-Excludable Condition (as that term is defined under Rule 1.10.2), ASX Clear makes no representation or warranty concerning:

- (a) the quality or suitability for any purpose of any Underlying Commodity; or
- (b) the correspondence of any Underlying Commodity with any description or sample.

Introduced 11/03/04 Origin OCH S1.2.5.1

### **21.5.2 International Sales of Goods Convention excluded**

The application of the United Nations Convention on Contracts for the International Sale of Goods is excluded from any contract created or contemplated by these Rules.

Introduced 11/03/04 Origin OCH S1.2.5.2

### **21.5.3 Title**

Each Participant accepts that the Interest which ASX Clear has at any time in any Underlying Commodity stored with a Bulk Handler is set out in and governed by the terms of the relevant Bulk Handler Agreement. ASX Clear makes no representation or warranty:

- (a) that the Bulk Handler Agreement or any similar agreement between the Bulk Handler and any other person is valid or enforceable;
- (b) that the Interest conferred on ASX Clear under the Bulk Handler Agreement is a valid and enforceable Interest or that it confers on or through ASX Clear a proprietary interest in the relevant Underlying Commodity; or
- (c) concerning the suitability or financial viability of, or the services provided by, the Bulk Handler.

The Participant must make and rely on its own enquiries concerning these matters including, without limitation, the effect of the Bulk Handler Agreement on the Participant's legal rights.

Introduced 11/03/04 Origin OCH S1.2.5.3

### **21.5.4 No obligation to make enquiries concerning the Commodity**

ASX Clear has no obligation to check any Underlying Commodity or document received from a Participant or any Bulk Handler in connection with the Underlying Commodity.

Introduced 11/03/04 Origin OCH S1.2.5.4

### **21.5.5 Forgery**

ASX Clear is not liable to any Participant for any loss, damage or liability arising from any fraud, forgery or other illegal conduct committed by any person other than ASX Clear (or its officers, employees and agents) which affects the Interest or any other interest in the Underlying Commodity.

ASX Clear will not be liable to any Participant for any loss, damage or liability in relation to a Futures CCP Contract where the settlement obligations of the Seller and Buyer cannot be effected because of a fraud, forgery or other illegal conduct.

Introduced 11/03/04 Origin OCH S1.2.5.5

## **PART B UNDERLYING COMMODITY WHICH IS WOOL**

### **21.6 APPLICATION**

#### **21.6.1 Application of Rules**

Rules 21.6 to 21.11 apply to Futures CCP Contracts which are Deliverable Futures CCP Contracts over an Underlying Commodity which is wool.

Introduced 11/03/04 Origin OCH S1.3.1

### **21.7 DELIVERABLE STOCK AND DOCUMENT SAFE KEEPING**

#### **21.7.1 Admission Documents**

Prior to electing to tender in accordance with Rule 21.8, the Seller must lodge Admission Documents with ASX Clear in the form and manner determined by ASX Clear in accordance with the Procedures.

Wool will be admitted to deliverable stock by ASX Clear when the Admission Documents have been accepted by ASX Clear.

Introduced 11/03/04 Origin OCH S1.3.2.1

#### **21.7.2 Acceptance of Admission Documents**

ASX Clear is not obliged to accept Admission Documents and will notify the Seller, in accordance with Rule 21.7.3 when it has accepted Admission Documents lodged by the Seller.

Without limiting ASX Clear's discretion, whether or not to accept Admission Documents, ASX Clear may reject Admission Documents where the Seller has failed to comply with the requirements in Rule 21.7.1.

If ASX Clear rejects Admission Documents, it will notify the Seller of that rejection and the reasons for that rejection.

Introduced 11/03/04 Origin OCH S1.3.2.2

#### **21.7.3 Stock Confirmation Form**

Where wool is admitted to deliverable stock in accordance with Rule 21.7.2 ASX Clear will:

- (a) notify the Seller that the Admission Documents are held in accordance with Rule 21.7.5 and issue a stamped copy of the Stock Confirmation Form in accordance with the Procedures; and
- (b) retain the Admission Documents in accordance with Rule 21.7.5 until the Participant notifies ASX Clear in accordance with these Rules that the Admission Documents are to be removed from safe keeping.

Introduced 11/03/04 Origin OCH S1.3.2.3

#### **21.7.4 Instructions from clients**

A Participant must establish and notify Clients of procedures for Clients to give it instructions to lodge Admission Documents under Rule 21.7.1 including, without limitation, the latest time at which the Participant will accept those instructions.

Introduced 11/03/04 Origin OCH S1.3.2.4

#### **21.7.5 Document Safe Keeping**

Where Admission Documents are accepted by ASX Clear, ASX Clear will:

- (a) hold the Admission Documents as bailee for the Participant;
- (b) keep Admission Documents in a secure manner; and
- (c) record the Admission Documents in safe keeping as soon as reasonably practicable.

Introduced 11/03/04 Origin OCH S1.3.2.5

#### **21.7.6 Release of Admission Documents**

A Participant may in accordance with the Procedures request that ASX Clear release Admission Documents at any time where:

- (a) the Participant is recognised by ASX Clear as the Holder on the Stock Confirmation Form; and
- (b) the Participant has not already lodged Tender Documentation to effect a tender.

ASX Clear may at its discretion release Admission Documents from safe keeping.

Introduced 11/03/04 Origin OCH S1.3.2.6

#### **21.7.7 Loss of Admission Documents held in safe keeping**

If Admission Documents held by ASX Clear in safe keeping are lost, stolen, damaged or destroyed, the following obligations apply:

- (a) ASX Clear must as soon as it becomes aware of the lost, stolen, damaged or destroyed documents take all reasonable steps to replace the lost, stolen, damaged or destroyed documents; and
- (b) the Participant must do all things necessary to assist ASX Clear for the purpose of paragraph (a).

Where ASX Clear retains Admission Documents in its Document Management System in accordance with Rule 21.7.5, ASX Clear's liability to the Participant in relation to theft, damage, loss or destruction of documentation will, to the extent permitted by law, extend to the cost of replacing the Admission Documentation.

Documents replaced in accordance with Rule 21.7.7 (a) will be recognised by ASX Clear as if they were the original Admission Documents. The Participant acknowledges that

any documentation that is lost, stolen, damaged or destroyed cannot be subsequently lodged or presented to ASX Clear to effect a delivery.

Introduced 11/03/04 Origin OCH S1.3.2.7

## **21.8 TENDER PROCESS**

### **21.8.1 Election to tender by Seller**

Where the Seller in respect of a contract elects to effect delivery and settle its obligations during the Delivery Period, the Seller must lodge Tender Documentation with ASX Clear in the form and manner determined by ASX Clear and in accordance with the Procedures. In any event, the Seller must lodge Tender Documentation by the Maturity Date on or before the time set out in the Procedures. Tender Documentation lodged after the time prescribed in the Procedures, other than on the Maturity Date, will be taken to have been lodged on the following Business Day.

At the time of lodging Tender Documentation, the Seller must ensure:

- (a) the Stock Confirmation Form was issued to it by ASX Clear at least 2 Business Days prior to the Seller lodging the Tender Documentation; and
- (b) that Admission Documents held by ASX Clear in safe keeping continue to satisfy all requirements in relation to deliverable stock for the duration of the Delivery Period.

Introduced 11/03/04 Origin OCH S1.3.3.1

### **21.8.2 Acceptance of Tender Documentation**

ASX Clear is not obliged to accept any Tender Documentation and will notify the Seller, in accordance with Rule 21.8.6, when it has accepted Tender Documentation lodged by the Seller under Rule 21.8.1. Without limiting ASX Clear's discretion whether or not to accept Tender Documentation, ASX Clear may reject Tender Documentation where the Seller has failed to comply with Rule 21.8.1.

If ASX Clear rejects Tender Documentation, it will notify the Seller in accordance with Procedures of that rejection, and the reasons for that rejection, as soon as practicable.

Introduced 11/03/04 Origin OCH S1.3.3.2

### **21.8.3 Tender Documentation may not be amended or withdrawn**

A Seller may not amend or withdraw Tender Documentation lodged under Rule 21.8.1 without the prior written consent of ASX Clear.

Introduced 11/03/04 Origin OCH S1.3.3.3

### **21.8.4 ASX Clear to allocate tender**

If Tender Documentation is accepted by ASX Clear in respect of one or more contracts under Rule 21.8.2 and the Tender Documentation is not withdrawn under Rule 21.8.3, ASX Clear will allocate for settlement a corresponding number of contracts in the same Series or Delivery Month registered in the name of one or more Buyers.

Introduced 11/03/04 Origin OCH S1.3.3.4

### **21.8.5 Procedures for allocation**

The allocation under Rule 21.8.4 will be on the basis of random selection or other process determined by ASX Clear from time to time and set out in the Procedures.

Introduced 11/03/04 Origin OCH S1.3.3.5

### **21.8.6 ASX Clear to confirm acceptance of Tender Documentation and allocation**

ASX Clear will, as soon as practicable and in accordance with the Procedures, notify the Seller of the acceptance of Tender Documentation under Rule 21.8.2 and notify the Buyer or Buyers of the allocation under Rule 21.8.4.

Introduced 11/03/04 Origin OCH S1.3.3.6

### **21.8.7 Tender Documentation and allocation restrictions**

ASX Clear may at any time impose a restriction on the acceptance of Tender Documentation or the allocation under Rule 21.8.4 if it determines the restriction is appropriate having regard to Rule 1.15. If ASX Clear imposes a restriction on one or more Participants, those Participants must comply with that restriction.

Introduced 11/03/04 Origin OCH S1.3.3.7

### **21.8.8 Instructions from clients**

A Participant must establish and notify Clients of procedures for Clients to give it instructions to lodge Tender Documentation under Rule 21.8.2 including, without limitation, the latest time at which the Participant will accept those instructions.

Introduced 11/03/04 Origin OCH S1.3.3.8

## **21.9 SETTLEMENT**

### **21.9.1 Settlement process**

The settlement of rights and obligations under the relevant Futures CCP Contracts following the allocation process in Rule 21.8.4 will be effected in accordance with this Rule 21.9.

Introduced 11/03/04 Origin OCH S1.3.4.1

### **21.9.2 Settlement with the Seller**

Subject to these Rules, where the Seller elects to effect delivery, it must in respect of the Futures CCP Contract between the Seller and ASX Clear, have lodged Tender Documentation in accordance with the Procedures. ASX Clear must, in respect of the Futures CCP Contract between the Seller and ASX Clear, pay the Settlement Amount to the Seller at the Settlement Time. Following such payment title to the Warehouse Receipt and to the Underlying Commodity will pass from the Seller to ASX Clear.

Introduced 11/03/04 Origin OCH S1.3.4.2



### **21.9.3 Legal effect of process**

Payment of the Settlement Amount by ASX Clear in the manner set out in Rule 21.9.2 constitutes a full and complete discharge of the following obligations under the Futures CCP Contract between the Seller and ASX Clear at the Settlement Time:

- (a) the obligation of the Seller to make delivery of the Underlying Commodity to ASX Clear; and
- (b) the obligation of ASX Clear to take delivery of the Underlying Commodity from the Seller.

Upon ASX Clear paying the Settlement Amount, the risk in respect of the Underlying Commodity passes from the Seller to ASX Clear with effect from the Settlement Time.

Introduced 11/03/04 Origin OCH S1.3.4.3

### **21.9.4 Settlement with the Buyer**

Subject to these Rules, the Buyer must, in respect of the Futures CCP Contract between the Buyer and ASX Clear, pay the Settlement Amount to ASX Clear by the Settlement Time. Following such payment, title to the Warehouse Receipt and to the Underlying Commodity will pass from ASX Clear to the Buyer.

Introduced 11/03/04 Origin OCH S1.3.4.4

### **21.9.5 Legal effect of process**

The payment of the Settlement Amount in the manner set out in Rule 21.9.4 constitutes a full and complete discharge of the following obligations under the Futures CCP Contract between the Buyer and ASX Clear at the Settlement Time:

- (a) the obligation of the Buyer to take delivery of the Underlying Commodity from ASX Clear; and
- (b) the obligation of ASX Clear to make delivery of the Underlying Commodity to the Buyer.

Upon the Settlement Amount being paid:

- (a) the risk in respect of the Underlying Commodity passes from ASX Clear to the Buyer; and
- (b) the Buyer is obligated to pay all costs in relation to the storage and handling of the Underlying Commodity,

with effect from the Settlement Time.

Introduced 11/03/04 Origin OCH S1.3.4.5

### **21.9.6 Settlement impossible or impracticable**

ASX Clear may exercise its powers under Rule 16.5 where ASX Clear forms the opinion under that Rule that an event or series of events, whether related or not, has occurred

that makes the performance by the parties to Futures CCP Contracts of their obligations or the exercise of their rights impossible or impracticable.

Introduced 11/03/04 Origin OCH S1.3.4.6

#### **21.9.7 Seller default**

Any failure by a Seller to perform its settlement obligations on settlement of a Futures CCP Contract or to take all steps required to put itself in the position to comply with its settlement obligations is an event of default under Rule 15.1(e).

Introduced 11/03/04 Origin OCH S1.3.4.7

#### **21.9.8 Buyer default**

Any failure by the Buyer to pay the Settlement Amount in respect of a Futures CCP Contract by the Settlement Time under Rule 21.9.4 is an event of default under Rule 15.1.1(b) and/or (c).

The Buyer acknowledges that ASX Clear may, under Rule 15.2.1 sell or otherwise deal with the Underlying Commodity which ASX Clear would otherwise have held for the benefit of the Buyer had settlement occurred in accordance with Rule 21.9.4.

Introduced 11/03/04 Origin OCH S1.3.4.8 Amended 30/12/09

#### **21.9.9 Powers cumulative**

The rights and powers of ASX Clear under this Rule 21.9 are cumulative and in addition to its other rights and powers including, without limitation, its rights and powers under Rules 15 and 16.

Introduced 11/03/04 Origin OCH S1.3.4.9

### **21.10 ASSIGNMENT AND DIRECTIONS BY ASX CLEAR**

#### **21.10.1 Sellers and Buyers authorise ASX Clear to make all amendments to a record to effect the assignment of wool from the Seller to the Buyer**

Sellers and Buyers irrevocably appoint ASX Clear to do all acts and execute all documents on their behalf for the purpose of ensuring assignment of the Underlying Commodity.

Introduced 11/03/04 Origin OCH S1.3.5.1

#### **21.10.2 ASX Clear direction to accept delivery documentation**

ASX Clear may direct a Participant to do all things necessary to accept from ASX Clear (or its agent) all or part of the Admission Documents or other documents held in safe keeping.

The Participant must immediately comply with any direction given by ASX Clear under this Rule 21.10.2 and take all steps and execute all documents required to give effect to that direction.

Introduced 11/03/04 Origin OCH S1.3.5.2

### **21.10.3 Failure to comply with direction**

If a Participant fails to comply with a direction under Rule 21.10.2, the Participant irrevocably authorises ASX Clear to release Admission Documents and other documents relating to delivery. The Participant and ASX Clear agree that ASX Clear will:

- (a) release documentation to the Participant in accordance with the Procedures; and
- (b) all obligations owed by ASX Clear to the Participant under Rule 21.3.5 will be extinguished once ASX Clear has released the documents.

The Participant indemnifies ASX Clear in respect of all losses, damages, liabilities, claims, costs and expenses arising in connection with any failure by the Participant to comply with a direction under Rule 21.10.2 and any exercise by ASX Clear of its powers under this Rule 21.10.3.

Introduced 11/03/04 Origin OCH S1.3.5.3

### **21.10.4 Representations by Participant**

Each Participant that lodges Admission Documents and Tender Documentation with ASX Clear in accordance with Rules 21.7.1 and 21.8.1:

- (a) represents and warrants that it has, and will continue to have, for so long as it is the relevant Participant in respect of the Underlying Commodity, the capacity and authority to do so;
- (b) warrants to ASX Clear and to each other Participant that the Underlying Commodity that is the subject of the Admission Documents is free from any encumbrance or lien; and
- (c) indemnifies ASX Clear in respect of all losses, damages, liabilities, claims, costs and expenses arising from any representation or warranty by that Participant under paragraphs (a) or (b) of this Rule 21.10.4 being incorrect.

Introduced 11/03/04 Origin OCH S1.3.5.4

### **21.10.5 Indemnity from Participants**

Each Participant for whom ASX Clear effects delivery under these Rules indemnifies ASX Clear in respect of all losses, damages, liabilities, claims, costs and expenses arising in connection with the effecting of delivery.

Introduced 11/03/04 Origin OCH S1.3.5.5

## **21.11 RESPONSIBILITIES OF ASX CLEAR IN RESPECT OF THE UNDERLYING COMMODITY**

### **21.11.1 No warranties or representations concerning quality, suitability or description**

Without limiting the exclusion or limitation of liability under Rule 1.10, and without excluding any Non-Excludable Condition (as that term is defined under Rule 1.10.2), ASX Clear makes no representation or warranty concerning:

- (a) the quality or suitability for any purpose of any Underlying Commodity; or
- (b) the correspondence of any Underlying Commodity with any description or sample.

Any question as to quality or suitability for any purpose of the Underlying Commodity will be:

- (c) an issue between the Participant and the relevant Wool Warehouse where the Underlying Commodity is stored; or
- (d) an issue between the Participant and the relevant wool authority where the Underlying Commodity has been tested or appraised by the wool authority.

Introduced 11/03/04 Origin OCH S1.3.6.1

#### **21.11.2 International Sales of Goods Convention excluded**

The application of the United Nations Convention on Contracts for the International Sale of Goods is excluded from any contract created or contemplated by these Rules.

Introduced 11/03/04 Origin OCH S1.3.6.2

#### **21.11.3 Sale of Goods**

A Holder of the Warehouse Receipt is deemed to be in possession of the Wool from the time it takes delivery of the Warehouse Receipt endorsed by the seller, and shall be taken to remain in possession of the Underlying Commodity until it either endorses the Warehouse Receipt and delivers it to another person or presents it to the Wool Warehouse for the collection of the Underlying Commodity.

Introduced 11/03/04 Origin OCH S1.3.6.2A

#### **21.11.4 Liability for Wool Warehouse and Warehouse Receipts**

ASX Clear will not be liable in relation to:

- (a) the condition of a Wool Warehouse or the suitability of a Wool Warehouse for storage of the Underlying Commodity;
- (b) the performance of a Wool Warehouse of any obligations it may have to a Participant or a client of a Participant;
- (c) the validity of any endorsement on the Warehouse Receipt; or
- (d) the transfer of title or failure to transfer title in the Underlying Commodity by the Wool Warehouse in relation to a Warehouse Receipt.

Parties placing wool in a Wool Warehouse or taking delivery of wool from a Wool Warehouse in reliance on a Warehouse Receipt and other related documentation, will have no claim against ASX Clear for any loss or damage incurred, no matter how the loss or damage was caused.

Introduced 11/03/04 Origin OCH S1.3.6.3

### **21.11.5 Forgery, fraud and unauthorised conduct**

ASX Clear is not liable to any Participant for any loss, damage or liability arising from any fraud, forgery or other unauthorised conduct committed by the Participant or any person other than ASX Clear (or its officers, employees and agents) which affects the effective delivery of the Underlying Commodity in accordance with these Rules. ASX Clear will not be liable to any Participant for any loss, damage or liability in relation to a Futures CCP Contract where the settlement obligations of the Seller and Buyer cannot be effected because of a fraud, forgery or other unauthorised conduct.

Where delivery documentation has been forged, Participants acknowledge that the Participant receiving the delivery documentation may take action against the Participant who delivered or caused to be delivered the forged delivery documentation.

Introduced 11/03/04 Origin OCH S1.3.6.4

### **21.11.6 Warehouse Receipt**

For the purpose of Rule 21.11, references to a Warehouse Receipt include a Warehouse Receipt where any of the particulars have been forged or other unauthorised conduct has occurred in relation to the provision and use of the Warehouse Receipt to ensure effective delivery of the Underlying Commodity.

Introduced 11/03/04 Origin OCH S1.3.6.5 Amended 19/08/09, 30/12/09

### **21.11.7 Negotiability of Warehouse Receipt**

The Seller and Buyer acknowledge to each other and ASX Clear that rights, in relation to the Underlying Commodity represented on a Warehouse Receipt used for the purpose of effecting delivery in accordance with these Rules, will be transferred by the endorsement and delivery of the Warehouse Receipt by the Holder.

The Seller and Buyer acknowledge that ASX Clear will not be required to endorse the Warehouse Receipt to record the assignment of title in the Warehouse Receipt to the Buyer where ASX Clear continues to hold the Admission Documents in safe keeping in accordance with Rule 21.7.5. ASX Clear will instead record the assignment of title in the Warehouse Receipt to the Buyer in its Document Management System. While the Warehouse Receipt remains in safe keeping, title to the Warehouse Receipt will at any time be determined by reference to the record made by ASX Clear in the Document Management System.

Where ASX Clear exercises its discretion under Rule 21.7.6 to release Admission Documents from safe keeping, ASX Clear will endorse the Warehouse Receipt to the Participant entitled to possession of the Warehouse Receipt.

Where Admission Documents held by ASX Clear in safe keeping in the name of the Seller were not originally lodged by the Seller, the Seller seeking to lodge the Warehouse Receipt as part of Tender Documentation under Rule 21.8.1 will be deemed, upon ASX Clear's acceptance of Tender Documentation under Rule 21.8.2, to have satisfied its obligation to endorse the Warehouse Receipt to ASX Clear.

Neither ASX Clear nor the Seller or the Buyer are obligated to ensure the endorsements on a Warehouse Receipt are appropriate to ensure negotiability, other than the Seller and Buyer ensuring that their endorsements are made in good faith.

Where the Seller, or any previous Seller, has acted in good faith in relation to a Warehouse Receipt to effect delivery in accordance with these Rules, the Buyer acknowledges that it has no right of action against the Seller, or any previous Seller, in relation to a forgery or other unauthorised conduct pertaining to that Warehouse Receipt.

Introduced 11/03/04 Origin OCH S1.3.6.6

#### **21.11.8 No obligation to make enquiries concerning the Underlying Commodity**

ASX Clear has no obligation to make enquiries regarding any Underlying Commodity the subject of Admission Documentation or other documentation received from a Participant in connection with the Underlying Commodity.

Introduced 11/03/04 Origin OCH S1.3.6.7

#### **21.11.9 Disputes**

All certificates lodged with ASX Clear relating to testing and appraisal of the Underlying Commodity will be regarded as final and binding evidence of the test and appraisal results and that the procedures for the conduct of the test or appraisal were conducted in the manner specified by the Exchange.

Where a Participant disputes a test result or procedure undertaken by a testing or appraisal body, the Participant agrees that the testing or appraisal body is responsible and not ASX Clear.

Introduced 11/03/04 Origin OCH S1.3.6.8

**End of Document**