



# SCHEDULES TO THE RULES OF ASX CLEAR (FUTURES)

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## SCHEDULE 1 REGISTRATION AND PERFORMANCE OF CONTRACTS

Amended 02/12/99

### Australian Securities Exchange Limited (Exchange)

The following clauses relate to registration of Market Contracts traded on the Exchange:

- 1 For the purposes of Part 3 of the Rules the procedures for the registration of Market Contracts shall be as set out in this Schedule.
- 2 In this Schedule all expressions shall have the same meaning as in either the Exchange Operating Rules or the Rules.
- 3 For the purposes of the definition of Recorded with the Exchange:
  - (a) A Market Contract Traded on the Trading Platform shall be deemed to be Recorded by the Exchange upon the Trading Platform producing a matched trade record of the Trade.
  - (b) A Market Contract Traded other than on the Trading Platform shall be deemed to be Recorded by the Exchange upon being submitted to and accepted for registration by ASX Clear (Futures).

Amended 11/02/14

- 4 Where there is an objection to a Trade, for the purposes of the definition of Recorded with the Exchange, a Market Contract Traded on the Trading Platform shall be deemed to be Recorded by the Exchange in substitution for the original recording where the Trade is Confirmed upon resolution of an objection in accordance with Exchange Operating Rules.

Amended 11/02/14

- 5 For the purposes of Rule 31.1 a Market Contract shall be deemed to be registered with ASX Clear (Futures) when recorded by the Exchange in the manner set out in this Schedule.
- 6 For the purposes of Rule 31A a Market Contract shall be deemed to be registered with a Facility Participant in accordance with its rules when recorded by the Exchange in the manner set out in this Schedule if the Trade:
  - (a) is Allocated to the Facility Participant at the time it is recorded by the Exchange; or
  - (b) is subsequently Allocated to the Facility Participant in the Exchange System.

Introduced 04/12/02 Amended 11/02/14

- 7 Any allocation:
  - (a) effected and confirmed in accordance with Operating Rule 4 of Exchange Operating Rules or otherwise in accordance with Exchange Operating Rules; or
  - (b) effected and confirmed in accordance with any procedures as determined from time to time by the Exchange or ASX Clear (Futures),subsequent to the registration or deemed registration of a Market Contract with ASX Clear (Futures) shall be deemed to be an Allocation for the purposes of the Rules and for this purpose any Allocation made by or to a Full Participant which is not a

Clearing Participant shall be deemed to be Allocated by or to the Guarantor Clearing Participant of that Full Participant.

- 8 All Designations of Trades (being the bought or sold side of a Market Contract) as House or Client Trades:
- (a) effected under Operating Rule 4 of the Exchange Operating Rules or otherwise under the Exchange Operating Rules; or
  - (b) otherwise effected in accordance with any other procedures as determined from time to time by the Exchange or ASX Clear (Futures);

shall be deemed to be a Designation to a House Clearing Account or Client Clearing Account respectively under the Rules in relation to an Open Contract arising from that Trade. Where no Designation as a House Trade or Client Trade has been made or the Open Contract otherwise Designated to a House Clearing Account or Client Clearing Account under the Rules such Open Contract shall be deemed to be Designated to the relevant House Clearing Account unless the Trade is deemed to be Designated to a Client Clearing Account under Exchange Operating Rules or ASX Clear (Futures) in its absolute discretion Designates the Open Contract to a Client Clearing Account.

- 9 The confirmation of a Trade pursuant to Operating Rule 4 of the Exchange Operating Rules or otherwise pursuant to Exchange Operating Rules or the execution of a Trade on the Trading Platform shall be deemed to be presentation of the Trade to ASX Clear (Futures) for registration and consent to such registration by the Clearing Participant which is the party to such Trade or if the party to the Trade is not a Clearing Participant the Guarantor Clearing Participant of that party.

Amended 11/02/14

- 10 Where a Trade is Allocated to a Facility Participant, the confirmation of a Trade pursuant to Operating Rule 4 of the Exchange Operating Rules or otherwise pursuant to Exchange Operating Rules or the execution of a Trade on the Trading Platform shall be deemed to be presentation of the Trade to the Facility Participant for registration.

Introduced 04/12/02 Amended 11/02/14

## **Bond and Repurchase Clearing**

The following clauses relate to registration of Bond Transactions and Repurchase Agreements.

- 1 For the purposes of Rule 31.1 a Market Contract in the form of a Bond Transaction or a Repurchase Agreement shall be deemed to be registered with ASX Clear (Futures) when the relevant transaction is submitted to and accepted for registration by ASX Clear (Futures).

Amended 11/02/14

## **New Zealand Futures & Options Exchange Limited (NZFOE)**

The following clauses relate to registration of Market Contracts traded on the NZFOE:

- 1 For the purposes of Part 3 of the Rules the procedures for the registration of Market Contracts shall be as set out in this Schedule.

2 In this Schedule all expressions shall have the same meaning as in either NZFOE Rules or the Rules.

3 For the purposes of the definition of Recorded by the Exchange:

- (a) A Market Contract traded on NZFOE shall be deemed to be Recorded by the Exchange upon producing a matched trade record of the trade.
- (b) A Market Contract traded other than on NZFOE shall be deemed to be Recorded by the Exchange upon being submitted to and accepted for registration by ASX Clear (Futures).

Amended 25/11/96, 11/02/14

3A Where there is an objection to a Trade, for the purposes of the definition of Recorded with the Exchange, a Market Contract Traded on the Trading Platform shall be deemed to be Recorded by the Exchange in substitution for the original recording where the Trade is Confirmed upon resolution of an objection in accordance with NZFOE Rules.

Amended 11/02/14

4 For the purposes of Rule 31.1 a Market Contract shall be deemed to be registered with ASX Clear (Futures) when Recorded by the Exchange in the manner set out in this Schedule.

5 Any allocation:

- (a) effected and confirmed in accordance with NZFOE Rules; or
- (b) effected and confirmed in accordance with any other procedures as determined from time to time by NZFOE or ASX Clear (Futures),

subsequent to the registration or deemed registration of a Market Contract with ASX Clear (Futures) shall be deemed to be an Allocation for the purposes of the Rules and for this purpose any Allocation made by or to a Trading Participant which is not a Clearing Participant shall be deemed to be Allocated by or to the Guarantor Clearing Participant of that Trading Participant.

6 All Designations of Trades (being the bought or sold side of a Market Contract) as House or Client Trades:

- (a) effected under NZFOE Rules; or
- (b) otherwise effected in accordance with any other procedures as determined from time to time by the NZFOE or ASX Clear (Futures),

shall be deemed to be a Designation to a House Clearing Account or Client Clearing Account respectively under the Rules in relation to an Open Contract arising from that trade. Where no Designation as a House Trade or Client Trade has been made or the Open Contract otherwise Designated to a House Clearing Account or Client Clearing Account under the Rules such Open Contract shall be deemed to be Designated to the relevant House Clearing Account unless the Trade is deemed to be Designated to a Client Clearing Account under NZFOE Rules or ASX Clear (Futures) in its absolute discretion designates the Open Contract to a Client Clearing Account.

7 The confirmation of a Trade pursuant to NZFOE Rules or the execution of a Trade shall be deemed to be presentation of the Trade to ASX Clear (Futures) for registration and consent to such registration by the Clearing Participant which is the party to such trade or if the party to the trade is not a Clearing Participant the Guarantor Clearing Participant of that party.

## SCHEDULE 2 DAILY SETTLEMENT PAYMENTS AND PAYMENT OF MARGINS USING THE SPAN MARGINING SYSTEM

- 1 The Initial Margins determined by the Board pursuant to Rule 43.4 or any other determination of Initial Margins made pursuant to Rule 44 may refer to the following categories of Initial Margin including concessional rates:
  - 1.1 Full Initial Margin or Price Scanning Range: This is the rate that applies to the net futures equivalent to all futures positions in a Clearing Participant's account for each commodity (ie the net uncovered position). It is also the movement in the underlying futures prices used in determining initial margins on net options positions.
  - 1.2 Volatility Scanning Range: This is the change in volatility applied to the net options positions in a Clearing Participant's account for each commodity.
  - 1.3 Inter Month Rate: This is the rate that applies to the futures equivalent of any options and futures positions offset against any options and futures positions in a different delivery month for the same commodity.
  - 1.4 Inter Commodity Concession: This is the concession to the Initial Margin on a Clearing Participant's account for offsetting positions in specified commodities.
  - 1.5 Short Option Minimum: This is the minimum charge on short option for each commodity in a Clearing Participant's account.
  - 1.6 Initial Margin on Options: Initial margins on options or combinations of options and futures will be calculated using the "SPAN" methodology developed by the Chicago Mercantile Exchange and the parameters defined in Section 1 above.

### Margins for Bond and Repurchase Transactions

1. Initial Margins prescribed by the Board pursuant to Rule 43A.4 or any other determination of Initial Margins made pursuant to Rule 44A may refer to the following categories of Initial Margin. There are four key elements that contribute to the initial margin on a trade. All are considered margin parameters:

**(a) Bond Volatility Margin**

The amount of initial margin charged for the bond leg equals the change in value of the position if the clean price were to change by an amount equal to the haircut applied to the bond. The haircut applied to each bond represents the maximum expected change in price of the most volatile bond in each band and is set by considering historical price data. The characteristics of a bond – such as term, issuer and so on, also contribute to the banding of the bonds.

**(b) Correlation/Savings Multiplier**

The bonds will be grouped by characteristics of the bond, which may be volatility, maturity or yield. Correlation's will be calculated on offsetting positions for margin concessions between each bond group.

**(c) Repurchase Agreement rate volatility Margin**

In the event of counterparty default, ASX Clear (Futures) may be exposed to movements in Repurchase Agreement rate. To cover this risk, an

amount will be factored into initial margin (as an additive amount) to cover potential movement.

**(d) The counterparty multiplier**

The counterparty multiplier is used to apply differential margins between BRC Participants. For example a BRC Participant with a credit rating of A-1+ may have a counterparty multiplier of 1 whilst an A-1 participant may have a multiplier of 1.5. It is expected that all initial BRC Participants will have a counterparty multiplier of 1.

The **total initial margin** is the sum of the results of the first three components multiplied by the counterparty multiplier.

Amended 11/02/14

## SCHEDULE 3 PRESCRIBED TIMES

Amended 25/11/97

The time or date prescribed for the purposes of the Rule shown in the first column as described briefly in the second column is that shown in the third column.

<b>Rule</b>	<b>Description</b>	<b>Time</b>
43.1 *	Time for payment of Initial Margins and Daily Settlement Amounts	10.30 am (Sydney time) in the case of the Exchange or 12.30 pm (Auckland time) in the case of NZFOE on the Business Day of the Relevant Exchange following day of trade (or as otherwise demanded by ASX Clear (Futures))
43A.1 *	Time for payment of Initial Margins	10.30 am (Sydney time) on the BRC Business Day following day of trade (or as otherwise demanded by ASX Clear (Futures))
44A.3	Time for payment of BRC Variation	10:30 am (Sydney time) on the BRC Business Day following day of trade (or as otherwise demanded by ASX Clear (Futures))
46.1	Time for advice to ASX Clear (Futures) of Open Positions (the reported Long and Short Positions) (otherwise referred to as the reported position file)	8.00 pm (Sydney time) on each business day of the Relevant Exchange, or in the case of serial options or other specified contract, any time specified by Exchange Operating rules for the submission of a reported position file or such other time as may be determined by ASX Clear (Futures)
32.1	Confirmation of Allocation	Time permitted by Exchange Operating Rules or time within which Recording by Exchange may occur as defined in Rule 1.1 whichever is the earlier

Amended 28/10/02

\* Please refer to determinations for up-to-date times: [Procedure Schedule 3 – Prescribed Times](#)





## SCHEDULE 5 APPROVED SECURITIES AND COVER

### 5.1 Initial Margins

Pursuant to Rule 43.1, subject to approval and on such conditions as ASX Clear (Futures) may determine from time to time, the cover that may be provided in respect of Initial Margins is as published on [www.asx.com.au](http://www.asx.com.au), as amended from time to time.

ASX Clear (Futures)' nomination of eligible collateral is subject to the requirements of the Reserve Bank of Australia's Financial Stability Standards for Central Counterparties (FSS) that require accepted collateral to have low credit, liquidity and market risks and Central Counterparties to set and enforce appropriately conservative haircuts and concentration limits (refer to FSS, Standard 5).

Amended 23/08/10, 01/07/13, 11/02/14

### 5.2 Additional Initial Margins (AIMs)

Pursuant to Rule 43.1, subject to approval and on such conditions as ASX Clear (Futures) may determine from time to time, the cover that may be provided in respect of stress test induced additional Initial Margins (AIMs) is as published on [www.asx.com.au](http://www.asx.com.au), as amended from time to time.

ASX Clear (Futures)' nomination of eligible collateral is subject to the requirements of the Reserve Bank of Australia's Financial Stability Standards for Central Counterparties (FSS) that require accepted collateral to have low credit, liquidity and market risks and Central Counterparties to set and enforce appropriately conservative haircuts and concentration limits (refer to FSS, Standard 5).

Amended 23/08/10, 01/07/13, 11/02/14

### 5.3 Intra Day Margins

Any Intra Day Margin call made by ASX Clear (Futures) pursuant to Rule 45.1 must be satisfied by the provision of cash in the currency in which the cleared transaction for which such call is made is denominated or such other currency as notified by ASX Clear (Futures) in writing.

Introduced 11/02/14 Amended 27/11/17

## SCHEDULE 6 CLOSE OUT, SETTLEMENT AND DELIVERY

### 1 Daily Close Out of Matched Positions

- 1.1 For the purposes of Rule 46.1 advice to ASX Clear (Futures) of net position close-outs shall be effected by the delivery to ASX Clear (Futures) by no later than 7 pm (Sydney time) or other Prescribed time on a Business Day of the Relevant Exchange or such later time as may be authorised by ASX Clear (Futures) of a form of advice required by ASX Clear (Futures) from time to time stating the total number of bought or sold positions to Close Out in respect of each of the Client Clearing Accounts and House Clearing Accounts of the Clearing Participant. Participants should calculate the number of positions to Close Out according to instructions notified by ASX Clear (Futures) from time to time and should make the details available by such electronic method(s) as may be approved from time to time by ASX Clear (Futures) (or any other procedure which may be agreed by ASX Clear (Futures)).
- 1.2 Such advice will be given effect either by the Participant submitting position close outs directly into the Exchange System or by such other means as ASX Clear (Futures) may determine from time to time.
- 1.3 Advice provided in accordance with clause 1.2 must be consistent with the Open Position of the Clearing Participant following the previous advice and Open Positions to which the Clearing Participant has become entitled since that advice. In the event of such inconsistency ASX Clear (Futures) shall only Close Out such Open Contracts as will not result in such an inconsistency.

Amended 11/02/14

## SCHEDULE 7 CALCULATION OF INTEREST

- 1 For the purposes of the Rules:
  - (a) In relation to monies deposited with ASX Clear (Futures) for Initial Margins interest shall be payable on such funds at such rate or rates as are set by ASX Clear (Futures) and notified to Clearing Participants from time to time.
  - (b) Interest shall be payable by the Clearing Participant on any debit balance(s) at such rate or rates as are prescribed by ASX Clear (Futures) and notified to Clearing Participants from time to time.

## SCHEDULE 8 OPTIONS

No provisions have been prescribed for the purposes of this Schedule.

## SCHEDULE 9 MISCELLANEOUS PRESCRIPTIONS BY BOARD

### 1 Financial Requirements (Clearing Rule 8)

1.1 ASX Clear (Futures) determines that the Financial Requirements are:

- (a) Net Tangible Assets of not less than five million dollars (\$5,000,000); and
- (b) Net Liquid Assets of an amount greater than zero.

Amended 02/08/13

1.2 If required by ASX Clear (Futures), a Clearing Participant will disclose such details of a related party receivable as may be required by ASX Clear (Futures) including, without limitation, the name of the related party, the balance of the receivable and a description of the nature of the receivable. If required by ASX Clear (Futures) the Clearing Participant will provide a signed directors' declaration confirming the existence, details and recoverability of the related party receivable.

Introduced 02/08/13

1.3 No circumstances are prescribed for the purposes of Rule 8.5(a)(iv).

Amended 30/12/09, 02/08/13

### 2 Acceptance of Transfers

2.1 For the purposes of Rule 33.5 transfers shall be accepted by written advice to ASX Clear (Futures) to that effect signed by the Transferee Clearing Participant or by such other means as ASX Clear (Futures) may allow.

3 No prescriptions are made for the purposes of Rule 98.1.

### 4 ASX Clear (Futures) Reports

In accordance with Rule 97.1 ASX Clear (Futures) will provide Clearing Participants in relation to Open Positions held in relation to the Exchange with the following Reports:

#### 4.1 AUD Denominated Contracts

- DAILY
  - Daily Registration Statement in the form attached hereto
  - Position Summary
  - Daily Margin Summary
  - Financial Status Advice
  - Daily Commission Statement
  - Exchange Fees Daily Statement

MONTHLY - Fees Interest and Commissions Statements

All these documents will be issued separately in respect of a Participants House Clearing Account and Client Clearing Account.

#### 4.2 Bond and Repurchase Clearing

- DAILY
  - Daily Net Settlement Report
  - Interest Earned Statement
  - Financial Status Advice
  - Open Positions Report
  - Daily Novated Trades Report
  - Daily Fees Statement

- Coupon Report
- Same Day Novated Trades Report
- Same Day Net Settlement Report
- Margin Detail Report
- BRC Variation Margin Reconciliation Report
- Repo Volume Reconciliation Report

MONTHLY - Fees Interest and Commissions Statements  
Amended 28/10/02

#### 4.3 NZD Denominated Contracts

- DAILY - Registration Statement
- Trade Instructions Listing
  - Liquidation Advice
  - Final Settlement Report
  - Financial Status Advice
  - Option Exercise/Abandon Summary
  - Original Trade Listing Participants Option Position & Daily Margin Summary Statement
  - Participants Margin Summary

MONTHLY - Statement of Account  
- Monthly Commission Analysis Report

All these documents will be issued separately in respect of a Participants House Clearing Account and Client Clearing Account other than the Trade Instructions Listing and Monthly Commission Analysis Report.

In accordance with Rule 97.2 ASX Clear (Futures) will provide:

- (a) each CPM Client for whom ASX Clear (Futures) maintains an Individual Sub-Account within a Clearing Participant's Client Clearing Account; or
- (b) if a Nominated Person has been notified to ASX Clear (Futures) in respect of the Individual Sub-Account, such Nominated Person,

and the relevant Clearing Participant for such CPM Client with such Reports in relation to Open Positions of the CPM Client as are set out in the Procedures.

Amended 11/02/14

#### **FORM 1 – AUDITOR'S CERTIFICATE – [DELETED]**

Amended 13/06/08 Deleted 30/12/09

**FORM 2 – DAILY REGISTRATION STATEMENT**

**Contracts Registered (Rule 97) ASX Clear (Futures) Pty Limited**

ABN 91 050 615 864  
20 Bridge Street Sydney 2000 Australia  
Telephone: (02) 9256 0555 Facsimile: (02) 9256 0426

Client/House Clearing Account

Participant Mnemonic: \_\_\_\_\_

Participant: \_\_\_\_\_

Fax: \_\_\_\_\_

Trade Date: \_\_\_\_\_

Contract/clearing product: \_\_\_\_\_

Trans Type	Month/Year	Exercise Price	Futures/ Call/Put	Sold	Bought	Price/Premium	Value	Settlement Price	Settlement Value	Daily Settlement Amount

ISSUED SUBJECT TO THE CORRECTION OF ERRORS AND OMISSIONS.



## SCHEDULE 10 CALCULATION OF FUTURES COMMITMENTS OF A FUTURES PARTICIPANT

### Definitions Used in This Schedule

- 1 Aggregate Fixed Commitment: The aggregate of all Futures Participants' Fixed Commitment as defined in Rule 5.6.

Amended 01/07/13

Aggregate Initial Margins: The aggregate of all Futures Participants' Initial Margins held with ASX Clear (Futures).

Amended 01/07/13

Aggregate Variable Commitment: If the Aggregate Fixed Commitment is less than the total aggregate amount committed by Futures Participants under the Futures Commitment, as calculated in accordance with the formula set out in Rule 5.6, (FC) then the Aggregate Variable Commitment is the difference between the Futures Commitment and the Aggregate Fixed Commitment.

Amended 01/07/13

Calculation Period: From the 11th day of the final month in the second previous quarter to the 10th day (inclusive) of the final month in the previous quarter.

Futures Commitment: As defined in the Rules.

Introduced 01/07/13

Futures Participant Initial Margins: The total initial margins (the sum of total house and total client accounts) (other than OTC Initial Margin) deposited by each Futures Participant with ASX Clear (Futures).

Amended 01/07/13

Futures Participant Variable Commitment: The Variable Commitment (as defined in Rule 5.6(ii)) of each Futures Participant for the New Quarter.

Amended 01/07/13

Futures Participant Variable Commitment Proportion: Each Futures Participant's percentage of the Aggregate Variable Commitment for the New Quarter.

Amended 01/07/13

New Futures Participant: A Futures Participant who has not previously been included in the Variable Commitment Calculation.

Introduced 01/07/13

New Quarter: The quarter for which the Variable Commitment is being calculated. These quarters will start on 1 March, 1 June, 1 September and 1 December and will end 30 May, 31 August, 30 November and 28/29 February respectively.

Amended 01/07/13

Previous Quarter: The three calendar months preceding the New Quarter.

Retiring Futures Participant: A person whose admission as a Clearing Participant was resigned or terminated effective during the Previous Quarter.

Introduced 01/07/13

Second Previous Quarter: The quarter prior to the Previous Quarter.

Amended 01/07/13

- 2 The Futures Commitment is the sum of fixed and variable commitments. If the aggregate of the Fixed Commitment, pursuant to Rule 5.6, of all Futures Participants (the "Aggregate Fixed Commitment") is **equal to or in excess of** the total aggregate amount committed by Futures Participants under the Futures Commitment as calculated in accordance with the formula set out in Rule 5.6) (FC), then there will be **no** requirement for any Variable Commitment to be made by any Futures Participant. If on the other hand the Aggregate Fixed Commitment is less than FC, the Variable Commitment for each Futures Participant shall be calculated by ASX Clear (Futures) using the procedures set out in paragraphs 4 to 10 below of this Schedule (except during the period from the effective date of the OTC Rule amendments as notified to Clearing Participants to (but excluding) 1 September 2013, when the Transitional Arrangements in paragraph 15 below of this Schedule apply).

Amended 01/07/13

- 3 Deleted 01/07/13

### **Variable Commitment Calculation**

- 4 Except where the New Futures Participant or Retiring Futures Participant provisions of paragraph 9 and 10 apply, the Variable Commitment will be calculated so as to take effect from the first day of each New Quarter.

Amended 01/07/13

- 5 The Aggregate Variable Commitment for all Futures Participants will be determined for the first day of each quarter by ASX Clear (Futures) using the following formula:

$$\text{Aggregate Variable Commitment} = \text{FC} - \text{Aggregate Fixed Commitment}$$

(where FC is the total aggregate amount committed by Futures Participants under the Futures Commitment, as calculated in accordance with the formula set out in Rule 5.6,

Amended 01/07/13

- 6 The Futures Participant Variable Commitment Proportion shall be calculated by taking the percentage that the daily average of each Futures Participant Initial Margins (where the average is calculated by taking the sum of each Futures Participant's initial margin on every Business Day in the Calculation Period and dividing it by the number of Business Days in the Calculation Period) represents of the aggregate of these daily average Futures Participant Initial Margins.

$$\text{Futures Participant Variable Commitment Proportion} = \frac{\text{Average Futures Participant Initial Margins}}{\text{Average of Aggregate Initial Margins}}$$

Note: For the purposes of this clause, in the case of BRC Participants the Variable Commitment Proportion may be determined by the Board at its discretion by reference to the value of Bond Transactions or Repurchase Agreements cleared by each BRC Participant (rather than by reference to Initial Margins) or on such other similar basis as the Board may determine.

To ensure that such a calculation can be performed in time to take effect from the first day of the New Quarter, the Calculation Period of Futures Participant Variable Commitment Proportion will be from the eleventh day of the final month of the

second previous quarter up to and including the tenth day of the final month in the previous quarter.

Amended 01/07/13

- 7 (a) The Variable Commitment requirement for each Futures Participant (the "Futures Participant Variable Commitment" or "FPVC") will be calculated by multiplying the Aggregate Variable Commitment by each Futures Participant Variable Commitment Proportion. That is:

$$\begin{array}{rcl} \text{Futures Participant} & & \text{Aggregate} & & \text{Futures Participant} \\ \text{Variable Commitment} & = & \text{Variable} & \times & \text{Variable Commitment} \\ & & \text{Commitment} & & \text{Proportion} \end{array}$$

- (b) The Futures Participant Variable Commitment will be rounded to the nearest multiple of ten thousand dollars (if the FPVC so calculated is not a multiple of ten thousand dollars and the difference between the calculated number and the next lowest multiple of ten thousand dollars is less than five thousand dollars then the FPVC will be rounded down to the nearest multiple of ten thousand, otherwise it will be rounded up to the nearest multiple of ten thousand dollars, or as otherwise ensures that ASX Clear (Futures) has exactly the Aggregate Variable Commitment required).

Amended 01/07/13

- 8 Each Futures Participant will be advised by ASX Clear (Futures) of its Futures Participant Variable Commitment by the close of business of the seventeenth day of the final month of the previous quarter. If the seventeenth day of the final month is not a Business Day then the next succeeding Business Day will apply. These Variable Commitments will apply as of midnight on the last day of the previous quarter. Any adjustments to Futures Participant Variable Commitment held with ASX Clear (Futures) must be completed by 10.30am on the second last Business Day of the previous quarter.

Amended 01/07/13

- 9 If a Retiring Clearing Participant's resignation or termination was effective during the Previous Quarter, then, for the purpose of calculating each Futures Participant's Variable Commitment Proportion, in accordance with Paragraph 6 of this Schedule, the Retiring Futures Participant's average Total Initial Margins will be deducted from the actual average Aggregate Initial Margins and this adjusted Aggregate Initial Margin formula will be used as the basis of calculation.

Amended 01/07/13

- 10 The calculation of the Futures Participant Variable Commitment Proportion for a Futures Participant not previously included in the quarterly recalculation (a "New Futures Participant") will be estimated by ASX Clear (Futures). Any estimates by ASX Clear (Futures) will be final and not be open to dispute. The following factors may be incorporated into any such estimate of the New Futures Participant's Variable Commitment:

Amended 01/07/13

- 10.1 If the New Futures Participant, or any related companies or any business operations it has acquired, have not held any Initial Margins in a Clearing Account with ASX Clear (Futures), or with a Futures Participant, prior to the commencement of the Variable Commitment calculation then its Futures Participant Variable Commitment will be estimated by ASX Clear (Futures) on the basis of forecast levels of market activity during the New Quarter.

Amended 01/07/13

10.2 If the New Futures Participant, any related companies or business operations it has acquired, have held any Initial Margins in a Clearing Account, or in the accounts of a futures broker or brokers, prior to the commencement of the Variable Commitment calculation then these Initial Margins will be incorporated into the calculation its Futures Participant Variable Commitment. In addition, ASX Clear (Futures) may, at its absolute discretion, incorporate additional initial margins based on forecast levels of market activity into the calculation of its Futures Participant Variable Commitment. Where the New Futures Participant has not held Initial Margins, for the full duration of the previous quarter an Average Futures Participant Variable Commitment Proportion will be calculated for the period the Futures Participant held initial margins with ASX Clear (Futures). To calculate the final Variable Commitment Proportion for each Futures Participant the original Aggregate Initial Margins will have to be recalculated including the Average Futures Participant Variable Commitment Proportion for the New Futures Participant.

Amended 01/07/13

10.3 If the New Futures Participant's Variable Commitment commences with the first day of a New Quarter then the New Futures Participant will be incorporated into the recalculation of all Futures Participants. This will involve recalculating the Futures Participant Variable Commitment proportion for all Futures Participants after incorporating the initial margin estimate for the New Futures Participant (provided by paragraphs 10.1 and 10.2 of this schedule) and readjusting each Futures Participant's Variable Commitment on the first day of each New Futures Participants Variable Commitment.

Amended 01/07/13

10A Where a Futures Participant has acquired the business of a former Futures Participant, the calculation of the Futures Participant Variable Commitment Proportion for the Futures Participant will be estimated by ASX Clear (Futures) in accordance with paragraph 10 above, as though "the New Futures Participant" referred to in that section were the Futures Participant which has acquired the business.

Amended 7/10/99, 01/07/13, 11/02/14

11-14 Deleted 01/07/13

### **Transition Arrangements**

15 Despite any other provision of the Rules, the Transition Arrangements will apply for the period from (and including) the effective date of the OTC Rule amendments as notified to Clearing Participants to (but excluding) 1 September 2013 (the Transitional Period). Under these Transition Arrangements ASX Clear (Futures) will notify each Participant of its Futures Commitment for the Transitional Period prior to the effective date of the OTC Rule amendments as notified to Clearing Participants and each Participant will be required to provide that Futures Commitment by the effective date of the OTC Rule amendments as notified to Clearing Participants.

Each Participant's Futures Commitment for the Transitional Period will be a recalculation of the Futures Commitment applicable to the Quarter ending on 31 August 2013, using the same Futures Participant Variable Commitment Proportion applicable to such Quarter but using an aggregate Futures Commitment (FC) equal to \$100,000,000.

ASX Clear (Futures) will pay to each Participant the difference (if any) between such Participant's Futures Commitment for the Quarter ending on 31 August 2013 and its Futures Commitment as recalculated for the Transitional Period, as soon as practicable following the effective date of the OTC Rule amendments as notified to Clearing Participants.

Subject to the Transition Arrangements, on and from the effective date of the OTC Rule amendments as notified to Clearing Participants, Commitments of Clearing Participants will continue to be held by ASX Clear (Futures) in accordance with these Rules, and will be treated as not being subject to the period of Commitment that applied immediately before such date. The amendments to these Rules which take effect on the effective date of the OTC Rule amendments as notified to Clearing Participants are without prejudice to any election made by a Clearing Participant before such date not to renew its Commitment.

## An Example

16 An example of the Variable Commitment Calculation is set out below:

Amended 01/07/13

17 Assume we are about to start a new quarter and the number of Futures Participants remains unchanged from the previous quarter at 30 Futures Participants. The \$2 million Fixed Commitment of each of these Futures Participants will sum to give an Aggregate Fixed Commitment of \$60 million. Following paragraph 5 of this Schedule we calculate the following:

$$\text{Aggregate Variable Commitment} = \$100 \text{ million} - \$60 \text{ million} = \underline{\$40 \text{ million}}$$

Amended 01/03/08, 01/07/13

18 The average Aggregate Initial Margins for the previous quarter is equal to \$200 million. After calculating the Futures Participant Initial Margins for the previous quarter the Futures Participant Variable Commitment Proportions are distributed as follows:

Futures Participant Variable Commitment Proportion (%)	No. of Futures Participants	Share of Aggregate Initial Margins
6	4	24%
4.33	6	26%
3	10	30%
2	<u>10</u>	<u>20%</u>
	30	100%

- Note for simplicity this assumes only four different levels of Futures Participant Variable Commitment Proportion. In practice this is likely to be different for each Futures Participant.

Amended 01/07/13

19 From these Futures Participant Variable Commitment Proportions ("FPVCP") we can calculate the Variable Commitment of each Futures Participant by multiplying each FPVCP by the Aggregate Variable Commitment of \$40 million. That is,

CPVCP %	Participant Variable Commitment	Participant Fixed Commitment	Total Participant Commitment	No of Futures Participants	Total Commitment
6	\$2.40m	\$2m	\$4.40m	4	\$ 17.60m
4.33	\$1.732m	\$2m	\$3.732m	6	\$ 22.392m
3	\$1.20m	\$2m	\$3.20m	10	\$ 32.00m
2	\$0.80m	\$2m	\$2.80m	<u>10</u>	<u>\$ 28.00m</u>
				30	\$100.00m

As is evident, the exact manner in which the \$100 million Futures Commitment is divided amongst Futures Participants will depend upon the number of Futures Participants and the proportion each has of the total initial margins held by ASX Clear (Futures).

Amended 01/03/08, 01/07/13

SCHEDULE 11

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## SCHEDULE 11A ADDITIONAL PRESCRIPTIONS

- 1 For the purposes of Rule 8.4 the prescribed date for lodgement of the statement of financial position is no later than one calendar month after the end of each month.
- 2 For the purposes of Rule 9.1(b) (Position Limits) the prescribed limits applicable to Category 1 and Category 2 Clearing Participants are as set out below:

Category 1 Clearing Participant	A Clearing Participant that is: (i) a bank; or (ii) a subsidiary of a bank or a bank holding company where the Clearing Participant has a minimum \$200 million of Net Tangible Assets, provided that the bank or bank holding company (as applicable) is subject to prudential supervision (either directly or on a consolidated group basis) by a prudential supervisory authority in one of the following jurisdictions: Australia, New Zealand, United Kingdom, France, Netherlands, Germany, Switzerland and the United States of America and, for a bank holding company only, the bank holding company is designated a G-SIB (“Global-Systematically Important Bank”) by the Financial Stability Board.
Prescribed limit for a Category 1 Clearing Participant	A limit on Initial Margin liability of \$1.5 billion.
Category 2 Clearing Participant	A Clearing Participant that is not a Category 1 Clearing Participant.
Prescribed limit for a Category 2 Clearing Participant	A limit on Initial Margin liability of no more than 300% of the Net Tangible Assets of the Clearing Participant.

- 3 For the purposes of Rule 31.1(d) the manner of presentation shall be the lodgement with the Relevant Exchange for presentation to ASX Clear (Futures) of a form (signed by the relevant parties) as determined by the Relevant Exchange and ASX Clear (Futures) from time to time.
- 4 For the purposes of Rule 41.1 and 41.2, contracts which are listed on the Exchange and which are denominated in New Zealand dollars are a prescribed Group of Contracts.
- 5 For the purposes of Rule 44.1 the Prescribed time prior to which the relevant market contracts are traded is the close of trading on a Business Day of the Relevant Exchange. No additional time for Daily Settlements is Prescribed.
- 5A For the purposes of Rule 44A.2 the Prescribed time is 6:00 pm on each BRC Business Day.
- 6 For the purposes of Rule 44.4 and 44.8 the prescribed time is 10.30 am on a Business Day of the Relevant Exchange or as otherwise demanded by ASX Clear (Futures).



- 6A For the purposes of Rule 44A.3 and 44A.7 the prescribed time is 10:30 am on a BRC Business Day.
- 7 No prescriptions are made for the purposes of Rule 45.1 or 45A.1 (intra-day margins).
- 8 No prescriptions are made for the purposes of Rule 52.2 and 54.1 (Physical Option Contracts).
- 9 For the purposes of Rule 52.2(b) the prescribed circumstances are those circumstances specified in the Exchange Operating Rules.
- 10 For the purposes of Rule 52.3 the Prescribed Form of Exercise is by electronic lodgment in the Exchange System or such other form as determined by ASX Clear (Futures) from time to time including, without limitation, as set out in Form 2 attached.
- 11 For the purpose of Rule 63.7 (ASX Clear (Futures) invoice) the prescribed time is 9.00 am on settlement day. In this prescription 9.00 am shall refer to Sydney time in the case of the Exchange and Auckland time in the case of the NZFOE.
- 12 The form of application for a Clearing Participant has been separately prescribed and may be obtained from the Secretary.
- 13 For the purposes of rule 4.6(b) no form is prescribed for a statement of current financial position.

Amended 02/12/99, 10/12/01, 10/06/13, 01/07/13, 11/02/14, 01/05/17

**FORM 1 NOTICE OF ELECTION – [DELETED]**

Deleted 01/07/13

**FORM 2 NOTICE OF EXERCISE OR ABANDONMENT**

ASX Clear (Futures) Pty Ltd  
20 Bridge Street  
SYDNEY NSW 2000  
Facsimile: (02) 9256 0426

Date: \_\_\_\_\_

**Notice of Option Exercise / Abandonment**

We hereby instruct you, in terms of the rules of the Exchange / NZFOE \*\* and ASX Clear (Futures) to:

\*\* Exercise / Abandon the option contracts listed below which are held in our  
\*\* House / Client Account.

(\* Delete whichever is not applicable)

CCMY	Strike Price	Number of Call / Putt Lots

\_\_\_\_\_  
Clearing Participant

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Transaction authorised by:  
(ASX Clear (Futures) Officer)

\_\_\_\_\_  
Date

This document is for same day exercise / abandonment if received by ASX Clear (Futures) by 5:30 pm except on the Last Trading Day for 3-Year and 10-Year bond options when this document must be lodged by 1:00 pm.

SCHEDULE 12

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## SCHEDULE 13 BOARD POWERS ON SUSPENSION OF CLEARING PARTICIPANT

(See Rule 10)

- 1-14. [Deleted – 31/03/08]
15. Where a Clearing Participant's status and rights have been suspended or terminated, or the Clearing Participant has been ordered not to trade on a specified Market or Markets, or the Clearing Participant has resigned, the Open Positions or Open Contracts held by the Clearing Participant (whether on its own behalf or on behalf of Clients) may be transferred to another Clearing Participant at the direction of the Board by operation of any Power of Attorney given by the Client to any member or members of the Board or by operation of the agency created by Rule 10.9.
16. In deciding whether to make such a direction, the Board may take into account whether indebtedness of that Client to that Clearing Participant has been satisfied.
17. Any such transfer of Open Positions or Open Contracts will be subject to the Rules where applicable.
18. The Clearing Participant to whom such Open Positions or Open Contracts are transferred shall be entitled to commission on any subsequent trades.
19. The Board may appoint a Clearing Participant to assist the Board and act at the Board's direction in relation to the management of the business of the first named Clearing Participant.
20. The Board may nominate one of its members to take all action in the name of the Clearing Participant first named in Clause 15 of this Schedule 13, and to execute all documents and do all things necessary to give effect to such transfer.
21. [Deleted – 31/03/08]

Amended 31/03/08, 01/07/13

## SCHEDULE 14 GRAIN CONTRACTS

### 14.1 APPLICATION

#### 14.1.1 Application of Rules

Schedule 14 applies to Grain Contracts.

### 14.2 TENDER PROCESS

#### 14.2.1 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 submit Tender Documentation with ASX Clear (Futures) in the form and manner determined by ASX Clear (Futures) in accordance with the Procedures. In any event, the Seller must submit Tender Documentation on the Last Trading Day by the time set out in the Procedures. Tender Documentation submitted after the time prescribed in the Procedures, other than on the Last Trading Day, will be taken to have been submitted on the following Business Day.

At the time of submitting Tender Documentation the Seller must ensure that ASX Clear (Futures) holds for the benefit of the Seller an Interest of at least the Specified Quantity for each contract in accordance with Rule 14.4.

#### 14.2.2 Acceptance of Tender Documentation

ASX Clear (Futures) is not obliged to accept any Tender Documentation and will notify the Seller, in accordance with Rule 14.2.6, when it has accepted Tender Documentation submitted by the Seller under Rule 14.2.1. Without limiting ASX Clear (Futures) discretion whether or not to accept Tender Documentation, ASX Clear (Futures) may reject Tender Documentation where, for example, ASX Clear (Futures) is not satisfied that ASX Clear (Futures) 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 14.3.2.

If ASX Clear (Futures) 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.

#### 14.2.3 Tender Documentation may not be amended or withdrawn

A Seller may not amend or withdraw Tender Documentation submitted under Rule 14.2.1 without the prior written consent of ASX Clear (Futures).

#### 14.2.4 ASX Clear (Futures) to allocate tender

If Tender Documentation is accepted by ASX Clear (Futures) in respect of one or more contracts under Rule 14.2.2 and the Tender Documentation is not withdrawn under Rule 14.2.3, ASX Clear (Futures) 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.

#### 14.2.5 Procedures for allocation

The allocation under Rule 14.2.4 will be on the basis of random selection or other process determined by ASX Clear (Futures) from time to time and set out in the Procedures.

#### 14.2.6 ASX Clear (Futures) to confirm acceptance of Tender Documentation and allocation

ASX Clear (Futures) will, as soon as practicable and in accordance with the Procedures, notify the Seller of the acceptance of Tender Documentation under Rule 14.2.2 and notify the Buyer or Buyers of the allocation under Rule 14.2.4.

#### 14.2.7 Tender Documentation and allocation restrictions

ASX Clear (Futures) may at any time impose a restriction on the acceptance of Tender Documentation or the allocation under Rule 14.2.4 if it determines the restriction is appropriate having regard to ASX 24 Operating Rule 6120. If ASX Clear (Futures) imposes a restriction on one or more Participants, those Participants must comply with that restriction.

### 14.3 SETTLEMENT

#### 14.3.1 Settlement process

The settlement of rights and obligations under the relevant Futures CCP Contracts following the allocation process in Rule 14.2.4 will be effected in accordance with this Rule 14.3.

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

#### 14.3.3 Settlement with the Buyer

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

### 14.4 HOLDING THE INTEREST

#### 14.4.1 Transfer of Interest by Participant to ASX Clear (Futures)

When a Participant transfers or procures the transfer of an Interest in a quantity of the Underlying Commodity to ASX Clear (Futures), ASX Clear (Futures) will hold that Interest for the benefit of that Participant from the time at which the Bulk

Handler records ASX Clear (Futures) as the owner of that interest under the terms of the Bulk Handler Agreement.

#### 14.4.2 Holding of Interest for Buyer following settlement of Futures CCP Contract

On the settlement of a Futures CCP Contract between ASX Clear (Futures) and the Buyer under Rule 14.3.4, ASX Clear (Futures) will, from the applicable Settlement Time, hold the Interest referred to in Rule 14.3.2 for the benefit of the Buyer referred to in that Rule.

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

#### 14.4.3 Application of Bulk Handler Agreement

Each Participant for whom ASX Clear (Futures) 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 (Futures) 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 (Futures) as the owner of the Underlying Commodity and is not bound to recognise that ASX Clear (Futures) holds any part of that interest for the benefit of one or more Participants.

#### 14.4.4 Co-mingling

Each Participant for whom ASX Clear (Futures) holds the Interest under these Rules also acknowledges the Interest which ASX Clear (Futures) 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 (Futures) in accordance with its records, which will record that proportion as a volume of the Underlying Commodity.

#### 14.4.5 ASX Clear (Futures) right to convert old season grain

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

Where ASX Clear (Futures) cannot exercise that right, ASX Clear (Futures) will notify Participants accordingly and will make a direction in accordance with Rule 14.4.7.

#### 14.4.6 Interest held at location specified by ASX Clear (Futures)

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

Without limiting Rule 14.4.10, any costs and expenses incurred by ASX Clear (Futures) in respect of the conversion will be borne by the Participants for whom ASX Clear (Futures) holds the Interest at the time of conversion.

#### 14.4.7 ASX Clear (Futures) direction to take Interest or Underlying Commodity

ASX Clear (Futures) may direct a Participant to:



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

The Participant must immediately comply with any direction given by ASX Clear (Futures) under this Rule 14.4.7 and take all steps and execute all documents required to give effect to that direction.

#### 14.4.8 Failure to comply with direction

If a Participant fails to comply with a direction under Rule 14.4.7, the Participant irrevocably authorises ASX Clear (Futures) to take any action which ASX Clear (Futures) 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 (Futures) 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 (Futures) in its discretion.

The Participant indemnifies ASX Clear (Futures) 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 14.4.7 and any exercise by ASX Clear (Futures) of its powers under this Rule 14.4.8.

#### 14.4.9 Representations by Participant

Each Participant:

- (a) which transfers, or procures the transfer of an Interest to ASX Clear (Futures) under Rule 14.4.1 or which requests the transfer or procures the transfer of an Interest from ASX Clear (Futures) under this Rule 14.4:
  - (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 (Futures) 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 (Futures) holds a portion of the Interest under Rule 14.4.2 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 (Futures) 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 14.4.9 being incorrect.

#### 14.4.10 Indemnity from Participants

Each Participant for whom ASX Clear (Futures) holds the Interest under these Rules indemnifies ASX Clear (Futures) 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 (Futures) 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.

#### 14.4.11 Insurance

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

Introduced 24/10/11

**End of Section.**