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SECTION 1 INTRODUCTION AND GENERAL RULES

This section deals with:

- (a) the purpose of the Clearing Facility and services provided by ASX Clear;
- (b) the application and binding effect of these Rules on Participants;
- (c) the limitation of ASX Clear's liability;
- (d) the circumstances in which ASX Clear may grant waivers or exercise its discretionary powers;
- (e) the delegation of powers by ASX Clear;
- (f) the disclosure of information to others; and
- (g) a number of miscellaneous matters including the grant of intellectual property licences to Participants, the governing law of agreements, agreement to submit to jurisdiction, how defects and irregularities are to be dealt with, the notification and service of documents and the power of ASX Clear to levy fees and charges payable by Participants for the provision of services and facilities.

1.1 THE CLEARING FACILITY

1.1.1 Purpose of the Clearing Facility

ASX Clear is the holder of an Australian CS facility licence granted under the Corporations Act and provides a facility (the "Clearing Facility") for the following purposes:

- (a) to enable Participants to provide clearing services in relation to Cash CCP Transactions and Derivatives CCP Contracts;
- (b) to remove direct transaction counterparty risk for Cash CCP Transactions and Derivatives CCP Contracts by the assumption, through novation and registration, of those counterparty obligations by ASX Clear;
- (c) to manage counterparty risk exposure including by use of its own financial resources, contributions from Participants, rules governing prudential and participation requirements as well as imposing appropriate risk management techniques including the requirements for Cash Cover and Collateral;
- (d) to facilitate settlement of Cash CCP Transactions and Derivatives CCP Contracts; and
- (e) to provide other services in accordance with these Rules.

Introduced 11/03/04 Amended 01/08/10

1.1.2 Services Provided by ASX Clear

ASX Clear provides or makes available to Participants services and facilities, including, without limitation:

- (a) establishing and administering the Clearing System including any technological platform for effecting and registering Market Transactions and margining Derivatives CCP Contracts and facilitating settlement by electronic and other means;
- (b) providing other services connected with clearing and settlement of Cash CCP Transactions and Derivatives CCP Contracts;
- (c) providing information in relation to clearing and settlement of Cash CCP Transactions and Derivatives CCP Contracts in accordance with the Corporations Act, the Rules and Procedures; and
- (d) other services and facilities as specified from time to time in accordance with these Rules.

Introduced 11/03/04

1.1.3 No Limit on Services or Facilities to be Provided

The description of purpose in Rule 1.1.1 and the description of services in Rule 1.1.2 is not to be taken to limit in any way the services or facilities that are or may be provided or made available by ASX Clear or the powers of ASX Clear.

Introduced 11/03/04

1.2 APPLICATION AND EFFECT OF THESE RULES

1.2.1 Operating Rules of ASX Clear

These Rules are the operating rules of ASX Clear for the purposes of the Corporations Act. These Rules should be read in conjunction with:

- (a) the Procedures;
- (b) the ASX Enforcement and Appeals Rulebook; and
- (c) the Corporations Act.

To the extent of any inconsistency between these Rules and the Procedures, these Rules will prevail.

Introduced 11/03/04 Amended 31/03/08, 01/08/10 Origin OCH 1.1

1.2.2 Binding effect of the Rules

These Rules are binding on ASX Clear, Participants and suitably qualified affiliates in the manner set out in:

- (a) section 822B of the Corporations Act; and

(b) Rule 1.2.3.

Introduced 11/03/04 Origin OCH 1.2

1.2.3 Covenants to observe Rules

These Rules have effect as a contract under seal between ASX Clear, Participants and suitably qualified affiliates under which:

- (a) each Participant and each suitably qualified affiliate covenants with ASX Clear and each other Participant and suitably qualified affiliate to observe the Rules and to perform the obligations which the Rules purport to impose on the Participant or the suitably qualified affiliate, in the manner provided by the Rules; and
- (b) ASX Clear covenants with each Participant and suitably qualified affiliate to observe the Rules and to perform the obligations which the Rules purport to impose on ASX Clear, in the manner provided by the Rules.

Introduced 11/03/04

1.2.4 ASX Enforcement and Appeals Rulebook

The ASX Enforcement and Appeals Rulebook form part of these Rules where relevant for the purposes of the Corporations Act.

Introduces 31/03/08 Amended 01/08/10

1.3 PROCEDURES

1.3.1 ASX Clear may approve Procedures

ASX Clear may from time to time approve written Procedures relating to the operations of ASX Clear, the conduct of Participants and the structure and operation of electronic communications between ASX Clear and Participants.

Introduced 11/03/04 Origin SCH 1.8.1 Amended 15/06/15

1.3.2 Procedures are not part of the Rules

The Procedures do not form part of these Rules. However, if a Rule requires a person to comply with any part of the Procedures, failure by the person to comply with that part of the Procedures is a contravention of the Rule.

Introduced 11/03/04 Origin SCH 1.8.2

1.3.3 Changes to Procedures

ASX Clear may approve changes to the Procedures from time to time and must give such notice as is reasonable in the circumstances to Participants of any changes to the Procedures before those changes take effect.

Introduced 11/03/04 Origin SCH 1.7.4 and 1.8.4, OCH 18.7 Amended 15/06/15

1.4 PAYMENT SYSTEMS & NETTING ACT

1.4.1 Approval of ASX Clear as a netting market

Each Participant acknowledges that for the purposes of netting under these Rules, ASX Clear is an approved netting market under the Payment Systems and Netting Act 1998 and further acknowledges the application and effect of that Act as a result.

Introduced 11/03/04 Origin SCH 1.17 Corresponding ASX Settlement 1.5

1.5 DEFECTS, IRREGULARITIES AND DEFICIENCIES

1.5.1 Notices of Time

A decision, resolution, proceeding or act of ASX Clear under these Rules is not invalidated by any:

- (a) defect;
- (b) irregularity; or
- (c) deficiency,

of notice or time unless:

- (d) a Participant concerned by the defect, irregularity or deficiency requests ASX Clear to resolve that the decision, resolution, proceeding or act is invalid;
- (e) ASX Clear reasonably believes that the defect, irregularity or deficiency has caused or may cause substantial injustice which cannot reasonably be avoided; and
- (f) ASX Clear accordingly resolves that the decision, resolution, proceeding or act is invalid.

Introduced 11/03/04 Origin SCH 21.8.1

1.5.2 Partial invalidity of Rules

If any provision of the Rules or the Procedures becomes at any time illegal, invalid or unenforceable in any respect under the law of any jurisdiction, the legality, validity or enforceability of the remaining provisions of the Rules and the Procedures, and the legality, validity or enforceability of the provision under the law of any other jurisdiction is not affected or impaired in any way.

Introduced 11/03/04 Origin OCH 18.8.1

1.5.3 Validity of actions

An action or inaction by ASX Clear under the Rules or the Procedures may not be challenged on the ground that a Rule, Procedure, direction, decision or requirement of ASX Clear or an agreement made by ASX Clear, is ultra vires or otherwise invalid.

Introduced 11/03/04 Origin OCH 18.8.2

1.6 WAIVER

1.6.1 Waiver of rules and procedures

Subject to Rules 1.6.3 and 1.6.4, ASX Clear may relieve any person or class of persons from the obligation to comply with a provision of these Rules, either generally or in a particular case or category, and either unconditionally or subject to such conditions as ASX Clear thinks fit.

If any conditions on a waiver are imposed, all of the conditions must be complied with for the waiver to be effective. ASX Clear may withdraw a waiver at any time. Any request by a Participant for a waiver under this Rule 1.6 must be in writing.

Introduced 11/03/04 Origin OCH 18.5.1

1.6.2 Compliance with conditions

Failure to comply with a condition imposed under Rule 1.6.1 is a contravention of that Rule.

Introduced 11/03/04 Origin SCH 1.3.6

1.6.3 No relief from certain provisions

ASX Clear must not relieve any person or class of persons under Rule 1.6.1 from an obligation to comply with an indemnity or disclaimer provision of these Rules.

Introduced 11/03/04 Origin SCH 1.3.7

1.6.4 Period during which relief applies

ASX Clear may specify the period or specific event during which any relief from an obligation to comply with a provision of these Rules will apply.

Introduced 11/03/04 Origin SCH 1.3.8

1.6.5 Register of relief

ASX Clear must establish and maintain a register for recording details of relief granted under Rule 1.6.1 and must enter the following details in the register maintained under this Rule 1.6.5:

- (a) the date that the relief takes effect;
- (b) the persons or class of persons relieved from the obligation;
- (c) the provision to which the relief applies;

- (d) brief reasons for the relief; and
- (e) any conditions that applies to the relief.

Introduced 11/03/04 Origin SCH 1.3.10 and 1.3.11

1.6.6 Inspection of the register

A copy of the register maintained under Rule 1.6.5 must be kept at the principal place of business of ASX Clear and must be open for inspection by any person during business hours.

Introduced 11/03/04 Origin SCH 1.3.12

1.6.7 Waiver generally

A failure by ASX Clear to exercise, or any delay in exercising, any of its rights, powers or remedies (in whole or in part) under the Rules does not operate as a waiver of those rights, powers or remedies upon that or any subsequent occasion, nor does any single or partial exercise of any right, power or remedy prevent any further exercise of that or any other right, power or remedy.

Introduced 11/03/04 Origin OCH 18.5.2

1.7 NOTICE, NOTIFICATION AND SERVICE OF DOCUMENTS

1.7.1 Notice must be in writing

If any Rule requires or permits the giving of notice of any matters to a person, the Rule requires or permits the giving to that person of a written document containing those matters.

Introduced 11/03/04 Origin OCH 18.6.1

1.7.2 Methods of giving notice in writing

Without limiting any other provision of this Rule 1.7, any notice to be given by a Participant to ASX Clear must be given to the person holding the position notified by ASX Clear to Participants and may be given in the manner set out in the Procedures. Any notice to be given by ASX Clear to a person, firm or corporation may be given in the manner set out in the Procedures.

Introduced 11/03/04 Origin OCH 18.6.2 Amended 09/07/08

1.7.3 Delivery of notice

For the purposes of any Rule that requires or permits a document to be given to a person, whether the expression 'serve', 'give' or 'send' or any other expression is used, the document may be given, and will be taken to have been received, at the time and in the manner set out in the Procedures.

Nothing in this Rule 1.7.3 or the Procedures prevents documents being sent or given to, or served on, a person in any other manner required or permitted by law.

Introduced 11/03/04 Origin SCH 21.7.4, 21.7.6 and OCH 18.6.3

1.7.4 Participant to have e-mail

A Participant must acquire and maintain an operating e-mail system for the purposes of receiving notices under these Rules.

Introduced 11/03/04 Origin OCH 18.6.5

1.7.5 Failure to notify

If under these Rules ASX Clear is to give notice to some or all Participants, accidental omission by ASX Clear to give notice to one or more Participants does not affect the validity or enforceability of any resolution, decision, proceeding or act in connection with which the notice was to have been given.

Introduced 11/03/04 Origin OCH 18.6.6

1.8 DISCLOSURE OF INFORMATION

1.8.1 Disclosure of information regarding Participants

ASX Clear may, where it considers it appropriate in accordance with Rule 1.15, disclose information regarding its Participants and their activities that are relevant to ASX Clear to:

- (a) the Commission;
- (b) the Reserve Bank of Australia;
- (c) the Australian Prudential Regulation Authority;
- (d) an Approved Market Operator;
- (e) an Approved Settlement Facility; and
- (f) any governmental agency or regulatory authority.

Introduced 11/03/04 Amended 30/12/09

1.8.2 ASX Clear may disclose information

ASX Clear will take all reasonable measures to protect from unauthorised use or disclosure information provided to ASX Clear in confidence by or on behalf of a Participant pursuant to the Rules. For the purposes of this Rule the disclosure of information in the following circumstances does not constitute unauthorised use or disclosure:

- (a) pursuant to a Reciprocal Arrangement;
- (b) required to be disclosed by ASX Clear under any law or any order of any court or tribunal, authority or regulatory body;
- (c) which at the time of disclosure to or by ASX Clear, was generally available to and known by the public;

- (d) for the purposes of monitoring compliance with, or the enforcement of, the Rules or the adjudication of those matters (including, without limitation, to the Old Tribunal (as defined in Rule 19.20) or the Appeal Tribunal);
- (e) to a Related Body Corporate of ASX Clear, for the purpose of enabling that Related Body Corporate to assess whether the Participant is complying with, will comply with or has complied with the operating rules of, or any contractual arrangement with, that Related Body Corporate;
- (f) to an Approved Market Operator or Approved Settlement Facility, for the purpose of enabling the Approved Market Operator or Approved Settlement Facility to assess whether the Participant (or a Market Participant or Settlement Participant for whom the Participant clears Cash CCP Transactions or Derivatives CCP Contracts) is complying with, will comply with or has complied with the Approved Market Operator's or Approved Settlement Facility's rules or procedures;
- (g) to any governmental agency or regulatory authority including, without limitation, an exchange (including, without limitation, an Approved Market Operator), market, clearing house or clearing and settlement facility (in Australia or elsewhere) which requests ASX Clear to provide the information to it, in the proper exercise of its powers relating to:
 - (i) the order and good government of Participants; or
 - (ii) the efficient, honest, fair, competitive and informed trading, clearing and settlement of derivatives or securities (in Australia or elsewhere); and
- (h) any entity which provides financial backing or insurance to ASX Clear for the purpose of enabling that entity to assess the risk to ASX Clear or that entity from clearing activities generally or to assess any claim made in connection with the Participant's activities.

Introduced 11/03/04 Origin OCH 18.9.1 Amended 04/06/10, 01/08/10

1.8.3 OTC Options Market Transaction Information

Information relating to OTC Options Market Transactions may only be dealt with as set out in the Procedures.

Introduced 28/05/12

1.9 INFORMATION EXCHANGE WITH OPERATORS OF DISPUTE RESOLUTION SCHEMES

1.9.1 Information provided by scheme operator

ASX Clear will take all reasonable measures to protect from unauthorised use or disclosure information provided to ASX Clear in confidence by or on behalf of an operator of a disputes or complaints resolution scheme or similar scheme to which a Participant is a party. For the purposes of this Rule the disclosure of information by ASX

Clear, or a Related Party of ASX Clear, to any of the entities or in any of the circumstances set out in Rule 1.8, will not be an unauthorised use or disclosure.

Introduced 11/03/04 Origin OCH 18.9A.1

1.9.2 Disclosure of information to scheme operator

ASX Clear may disclose to the operator of a disputes or complaints resolution scheme, or similar scheme to which a Participant is a party, such information relating to the Participant as ASX Clear has and which it considers relevant to a request for information from the operator or to some other aspect of a complaint involving the Participant.

Introduced 11/03/04 Origin OCH 18.9A.2

1.9.3 Use of information by scheme operator

ASX Clear may only disclose information under Rule 1.9.2 on condition that the operator of the disputes or complaints resolution scheme agrees to maintain the confidentiality of the information except that the operator may disclose the information:

- (a) if required by law or in court proceedings;
- (b) if required for the purpose for which ASX Clear has given it the information;
- (c) if a government authority or agency has requested the information; or
- (d) if the information is already generally known at the time the operator discloses the information.

Introduced 11/03/04 Origin OCH 18.9A.3

1.10 DISCLAIMERS

1.10.1 Exclusion of liability of ASX Clear

Subject to Rule 1.10.2, and without limiting Rules 15.7 or 16.1.10, ASX Clear is not liable to any Participant or any Participant's Clients for any direct, indirect or consequential loss, damage or expense (including legal costs) arising in any way out of:

- (a) the supply of (or the failure to supply or any delay in supplying) clearing services in respect of Cash CCP Transactions or Derivatives CCP Contracts including, without limitation, registration, generation of information and production of documentation relating to a Participant or its Clients ("Clearing Services");
- (b) the supply of any other services relating to clearing ("Other Services");
- (c) any negligent conduct or omission of ASX Clear including, without limitation, any systems malfunctions, systems failure, error in programming or error in input data in relation to any computer used or otherwise in connection with the supply of Clearing Services or Other Services;
- (d) any implied warranties in relation to the supply of Clearing Services or Other Services by ASX Clear; or

- (e) the exercise by ASX Clear of a decision making power under the Rules or by an Approved Market Operator or Approved Settlement Facility of a decision making power under the rules of that Approved Market Operator or Approved Settlement Facility.

Introduced 11/03/04 Origin OCH 18.10.1

1.10.2 Certain liability not excluded

ASX Clear excludes under this Rule 1.10 conditions and warranties implied by statute, general law or custom except any implied condition or warranty the exclusion or limitation of which would contravene any statute (including the *Competition and Consumer Act 2010* (Cth)) or cause any part of this Rule 1.10 to be void (“Non-Excludable Condition”).

Introduced 11/03/04 Origin OCH 18.10.2 Amended 18/12/06, 01/10/15

1.10.3 Limitation of liability

The liability of ASX Clear under any Non-Excludable Condition may be limited in the discretion of ASX Clear respectively to:

- (a) in the case of services, the supply of the relevant services again or payment of the costs of having the relevant services supplied again; and
- (b) in the case of goods, the repair or replacement of those goods or the payment of the cost of having the goods repaired or replaced.

Introduced 11/03/04 Origin OCH 18.10.3

1.11 EXTENSION OF INDEMNITIES AND DISCLAIMERS

1.11.1 Benefits extend to others

Where a Rule excludes or limits the liability of ASX Clear, releases ASX Clear from liability, or provides for an indemnity in favour of ASX Clear, then to the extent permitted by law, that exclusion, limitation, release or indemnity (as applicable) extends to:

- (a) every officer, agent, delegate, person acting for or on behalf of ASX Clear or contractor of ASX Clear; and
- (b) every Related Body Corporate of ASX Clear and every officer, person acting for or on behalf of that Related Body Corporate, agent, delegate or contractor of that Related Body Corporate,

as if a reference in that Rule to ASX Clear included a reference to each of them.

Introduced 11/03/04 Origin OCH 18.10A.1

1.11.2 Benefit held by ASX Clear on behalf of those persons

The benefit of any limitation, exclusion, release or indemnity in favour of any person other than ASX Clear under Rule 1.11.1 is held by ASX Clear for the benefit of those other persons and ASX Clear may enforce that benefit on their behalf.

Introduced 11/03/04 Origin OCH 18.10A.2

1.12 DELEGATION OF POWERS

1.12.1 Exercise of powers

Unless the contrary intention appears, powers conferred on ASX Clear by or under these Rules may be exercised by resolution of the board of ASX Clear or by any authorised delegate of ASX Clear.

Introduced 11/03/04 Corresponds to ASX Settlement 3.4.1

1.12.2 Delegation to officers and other representatives

Unless the contrary intention appears, ASX Clear may delegate, either generally or as otherwise provided by the terms of delegation, any of the powers and functions of ASX Clear to any officer or employee of a person carrying out functions in the Clearing Facility for or on behalf of ASX Clear.

Introduced 11/03/04 Corresponds to ASX Settlement 3.4.2

1.12.3 Sub-delegation permitted

Where ASX Clear delegates any of its powers or functions to one or more officers or employees in accordance with Rule 1.12.2, those delegates may sub-delegate such of the delegated powers as ASX Clear approves from time to time.

Introduced 11/03/04 Origin SCH 1.4.2

1.12.4 Other Rules concerning delegation

If any power or function is delegated:

- (a) performance or exercise by the delegate of the power or function is taken to be performance or exercise by ASX Clear, as the case requires;
- (b) the delegation does not prevent the performance or exercise of the power or function by ASX Clear, as the case requires; and
- (c) where the performance or exercise depends upon the opinion, belief or state of mind of ASX Clear, as the case requires, the power or function may be performed or exercised by the delegate upon the opinion, belief or state of mind of the delegate.

Introduced 11/03/04 Corresponds ASX Settlement 3.4.4

1.13 GOVERNING LAW

1.13.1 Governing law of contracts and agreements

All contracts or agreements between ASX Clear or a Related Body Corporate of ASX Clear and a Participant which are constituted by the Rules or entered into under the Rules or as contemplated by the Rules are governed by the laws of New South Wales.

Introduced 11/03/04 Origin OCH 18.14.1 Amended 15/06/15

1.14 SUBMISSION TO JURISDICTION

1.14.1 Submission to jurisdiction by parties

ASX Clear, each Related Body Corporate of ASX Clear and each party to a contract or agreement referred to in Rule 1.13 irrevocably and unconditionally:

- (a) submit to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them;
- (b) waive any immunity from any action in the courts exercising jurisdiction in New South Wales; and
- (c) waive any right they have to object to any action brought in those courts including, without limitation, by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

Introduced 11/03/04 Origin OCH 18.14.2

1.15 REFERENCES TO ASX CLEAR EXERCISING DISCRETION WHERE IT CONSIDERS IT "APPROPRIATE"

1.15.1 ASX Clear to have regard to certain matters

Where a Rule provides that ASX Clear may act in a manner which it considers "appropriate", when deciding whether or not to act, and how to act, ASX Clear will have regard to:

- (a) the obligations, duties, powers and discretions which ASX Clear has as the holder of, or in connection with, the holding of, an Australian CS facility licence under Part 7.3 of the Corporations Act;
- (b) the obligations, duties, powers and discretions which any Approved Settlement Facility has as the holder of, or in connection with the holding of, a CS facility licence under Part 7.3 of the Corporations Act;
- (c) the obligations, duties, powers and discretions which any Approved Market Operator has as the holder of, or in connection with the holding of an Australian market licence under Part 7.2 of the Corporations Act; and

- (d) any obligations, duties, powers and discretions which an operator of any Underlying Market may have as the holder of, or in connection with the holding of, an Australian market licence under Part 7.2 of the Corporations Act.

Introduced 11/03/04 Origin OCH 18.16

1.16 MULTIPLE ACTION

1.16.1 Action taken by ASX Clear

Any action taken by ASX Clear under any Rule does not restrict ASX Clear or prohibit ASX Clear from taking any other action under, or enforcing:

- (a) any other Rule; or
- (b) the same Rule in respect of more than one person,

even if that action or enforcement relates to the same or substantially the same facts or conduct.

Introduced 11/03/04 Origin OCH 18.17

1.17 INTELLECTUAL PROPERTY

1.17.1 Grant of CHESSE licence

Subject to payment of fees and charges in accordance with the Rules, ASX Clear grants (and is authorised to grant), either on its own behalf or on behalf of a Related Body Corporate who owns the intellectual property rights, to each Participant a non-exclusive, non-transferable licence to use and communicate with CHESSE to the extent and in the manner required or permitted by these Rules and the Procedures.

Introduced 11/03/04 Origin SCH 1.14.1

1.17.2 Reservation of rights by ASX Clear

Subject to the licence granted in Rule 1.17.1, ASX Clear reserves (and it is authorised to reserve) either on its own behalf or on behalf of a Related Body Corporate who owns the intellectual property rights, all intellectual property rights it has or may have in relation to CHESSE, the CHESSE Software and the information passing into or out of, or held within CHESSE (including any rights ASX Clear may have in relation to the confidentiality of that information).

Introduced 11/03/04 Origin SCH 1.14.2

1.17.3 No unauthorised use of CHESSE

To the fullest extent permitted under the law for the protection of the intellectual property rights referred to in Rule 1.17.2, ASX Clear prohibits (and it is authorised to prohibit) either on its own behalf or on behalf of a Related Body Corporate who owns the intellectual property rights, each Participant from:

- (a) attempting to copy, alter or modify all or part of the CHESSE Software;

- (b) attempting to recreate, reverse engineer or in any other way derive the source code or object code for all or part of the CHES Software;
- (c) using or communicating with CHES otherwise than as required or permitted by these Rules and the Procedures; or
- (d) allowing a person that is not an Authorised Person access to CHES.

Introduced 11/03/04 Origin SCH 1.14.3

1.18 FEES AND OTHER CHARGES

1.18.1 ASX Clear to determine fees

ASX Clear may determine fees to be paid by Participants in connection with the admission of Participants, access to and use of the Clearing Facility, ASX Clear's regulatory functions, its facilities and any other services operated or provided by ASX Clear or a Related Body Corporate of ASX Clear in connection with these Rules. The fees, and any change to those fees, will take effect from the time notified by ASX Clear to Participants.

Introduced 11/03/04 Origin OCH 18.2.1 Amended 15/06/15

1.18.2 Late fees

ASX Clear may impose additional fees where a Participant has failed to pay a fee determined under Rule 1.18.1 by the time specified or to perform an obligation under these Rules by the time required under these Rules.

Introduced 11/03/04 Origin OCH 18.2.1A Amended 15/06/15

1.18.3 Payment of fees

A Participant must pay the fees determined under Rule 1.18.1 (and any late fees imposed under Rule 1.18.2) by the times and in the manner determined by ASX Clear and notified by ASX Clear to Participants.

Introduced 11/03/04 Origin OCH 18.2.2 Amended 15/06/15

1.19 DUTIES AND TAXES

1.19.1 Liability for duty and taxes

A Participant is liable for all stamp duty, transaction taxes, goods and services taxes and all other duties or taxes which may be payable in respect of any:

- (a) Market Transaction, Cash CCP Transaction, Derivatives CCP Contract or Cover;
- (b) transaction between the Participant and ASX Clear or any Related Body Corporate of ASX Clear;
- (c) services provided by ASX Clear or any Related Body Corporate of ASX Clear to the Participant; or

- (d) documents lodged by it with, or issued to it by, ASX Clear or any Related Body Corporate of ASX Clear in connection with the conduct of the Participant's business with ASX Clear or any Approved Market Operator.

Each Participant indemnifies ASX Clear against all liability for payment of those duties or taxes. ASX Clear and any Related Body Corporate of ASX Clear may debit the Account of a Participant with the amount of any such duties or taxes payable by that Participant or a Market Participant for which the Participant clears.

Introduced 11/03/04 Origin OCH 18.3.1

1.19.2 Recipient Created Tax Invoices

This Rule constitutes a written agreement for the purposes of *A New Tax System (Goods and Services Tax) Act 1999 Classes of Recipient Created Tax Invoice Determination (No 1) 2000*, or any other legislation, regulations or Tax Office rulings in relation to Goods and Services Tax ("GST"), and applies to the issue of recipient created tax invoices ("RCTIs") by ASX Clear (as recipient) to Participants (as suppliers) in relation to Deliverable Derivatives.

Each Participant and ASX Clear acknowledges and agrees that:

- (a) ASX Clear may issue RCTIs to Participants in respect of a taxable supply of a commodity pursuant to Deliverable Derivatives;
- (b) A Participant will not issue a tax invoice in respect of a taxable supply of a commodity pursuant to Deliverable Derivatives where ASX Clear issues an RCTI on behalf of that Participant;
- (c) ASX Clear is registered for GST purposes and will notify each Participant if it ceases to be so registered;
- (d) Each Participant on whose behalf an RCTI is issued is registered for GST purposes and will notify ASX Clear if it ceases to be so registered;
- (e) The Participant indemnifies ASX Clear for any liability for GST or for any penalty arising from any denial of input tax credits arising from ASX Clear not being entitled to an input tax credit as a result of the Participant not being or ceasing to be registered for GST; and
- (f) ASX Clear will not be liable to indemnify the Participant for any costs, expenses or other amounts incurred by the Participant in obtaining any reimbursement from the Australian Tax Office for any overstatement of GST payable on any supply for which ASX Clear issues an RCTI.

Introduced 11/03/04 Origin OCH 18.3.2

1.20 TIME FOR PERFORMANCE OF OBLIGATIONS

1.20.1 When ASX Clear taken to have performed its obligations

Where a Rule or a Procedure specifies a time by which a party to a Cash CCP Transaction or Derivatives CCP Contract must perform its obligations or exercise its rights under the

terms of that Cash CCP Transaction or Derivatives CCP Contract, ASX Clear will be taken to have complied with that Rule or that Procedure if it performs its obligations or exercises its rights under the Cash CCP Transaction or Derivatives CCP Contract as soon as practicable after the time specified, unless the Rule or the Procedure expressly provides that ASX Clear must perform or exercise at or before the time specified.

Introduced 11/03/04 Origin OCH 6.4

1.21 SETTLEMENT OF CASH CCP TRANSACTIONS AND DERIVATIVES CCP TRANSACTIONS

1.21.1 General

ASX Clear will, as principal to each Cash CCP Transaction or Derivatives CCP Contract, perform or cause to be performed, the settlement obligations which it has as Seller or Buyer of the Cash CCP Transaction or Derivatives CCP Contract, as the case may be, in accordance with these Rules and the Procedures and the rules and procedures of the relevant Approved Settlement Facility.

Introduced 11/03/04 Origin OCH 10.1

1.22 ANNUAL REVIEW OF THE CLEARING SYSTEM

1.22.1 ASX Clear to conduct annual review

ASX Clear must require an independent auditor to conduct an annual review of the Clearing System and that review must comprise the matters specified in the Procedures.

Introduced 11/03/04 Origin SCH 17.8.1

1.22.2 Copy of audit certificate to be provided to Participant

If a Participant requests that ASX Clear provide a copy of any audit certificate arising from an annual review under Rule 1.22.1, ASX Clear must, without charge, provide a copy of the audit certificate to the Participant within 1 calendar month of:

- (a) ASX Clear receiving the audit certificate; or
- (b) the request,

whichever is the later.

Introduced 11/03/04 Origin SCH 17.8.2 Amended 15/06/15

1.22.3 Participant may request other review of the Clearing System

If a Participant gives notice to ASX Clear requesting an audit certificate in relation to any review of the Clearing System other than an annual review under Rule 1.22.1:

- (a) the Participant must in the notice undertake to pay any fee for that service which ASX Clear may notify to Participants from time to time; and

- (b) ASX Clear must request an independent auditor to conduct the requested review and supply an audit certificate in relation to the review to the Participant as soon as reasonably practicable.

Introduced 11/03/04 Origin SCH 17.8.3, 17.8.4 Amended 15/06/15

1.22.4 No other right to inspect ASX Clear records

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

Introduced 11/03/04 Origin SCH 17.8.5 Amended 15/06/15

1.22.5 Participant to accept review by auditor

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

Introduced 11/03/04 Origin SCH 17.8.6 Amended 15/06/15

1.22.6 Recovery Rules

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

Introduced 01/10/15

1.23 RISK CONSULTATIVE COMMITTEE

1.23.1 Establishment of Risk Consultative Committee

ASX Clear will invite a selection of Participants to participate in a Risk Consultative Committee subject to the procedures set out in the Procedures, for the purpose of consulting on:

- (a) changes of the risk model of ASX Clear;
- (b) changes to the procedures on a Default set out in Section 15 – Default, of these Rules; or the total size, structure and composition of the amounts available under Rule 8.3;
- (c) proposed amendments to the Rules that have a material impact on the risk management processes set out in these Rules;
- (d) changes to the method to determine eligible margin or the methods to determine haircuts (provided that ASX Clear will be entitled to make such changes without consultation of the Risk Consultative Committee in individual cases in the normal course of business);
- (e) changes to the required minimum capital;
- (f) policies of ASX Clear which relate to membership approvals, positions or liquidity limits of Participants, and any proposed changes to those policies; and

- (g) all other matters which may have an impact on the risk management of ASX Clear and its Participants.

ASX Clear will invite Clients to participate in the Risk Consultative Committee in accordance with the Procedures.

Proposals and recommendations of the Risk Consultative Committee will be disclosed to the Board. ASX Clear does not have any obligation to accept any proposal or recommendation made by, or take any action proposed by, the Risk Consultative Committee. However, it will provide reasons to the Risk Consultative Committee if it chooses not to follow any proposal or recommendation of the Risk Consultative Committee prior to taking, or not taking, any action.

Introduced 17/08/15

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