



## SCHEDULES TO ASX OPERATING RULES

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# SCHEDULE 1 CLEARING ARRANGEMENTS

## General Obligations

- 1.1000 A Trading Participant must satisfy ASX that it has in place and will maintain adequate arrangements for the clearing of all Market Transactions entered into by the Trading Participant.
- 1.1001 Where a Trading Participant has Trading Permission in respect of a class of Product but is not itself a Clearing Participant entitled under the Clearing Rules to clear Market Transactions in such class of Product, then the Trading Participant must have third party clearing arrangements in place that comply with Rules 1.1010 to 1.1012 below and Clearing Agreements that comply with Rules 1.1020 to 1.1023 for the clearing and settlement of Market Transactions in that class of Product and must comply with all of its obligations under such arrangements and agreements.

## Third Party Clearing Arrangements

- 1.1010 A third party clearing arrangement between a Trading Participant and a Clearing Participant will comply with this Rule in respect of a class of Product if:
- (a) pursuant to the arrangement the Relevant Clearing Participant has the obligation to clear and settle (or arrange the settlement of) all the Trading Participant's Market Transactions allocated to the Relevant Clearing Participant in that class of Product, other than Market Transactions which are to be cleared through an Alternative Clearing Facility in accordance with Rule 1.1050;
  - (b) ASX has no objection to that Relevant Clearing Participant clearing the Market Transactions of the Trading Participant in that class of Product;
  - (c) while that arrangement continues, the Trading Participant does not have arrangements with more than the maximum number of Clearing Participants set out in the Procedures for the clearing of Market Transactions in that class of Product.

Note: Upon execution by a Trading Participant of a Market Transaction which is subject to a clearing agreement with the Relevant Clearing Participant, the Clearing Obligations of the Trading Participant in respect of the relevant Market Transaction will immediately become obligations of the Relevant Clearing Participant.

- 1.1011 Where a Trading Participant has third party clearing arrangements with more than one Clearing Participant, or is itself a Clearing Participant and has third party clearing arrangements with other Clearing Participants to clear its Market Transactions in a class of Product, the Trading Participant must maintain at least one Open Interface Device for each Clearing Participant as set out in the Procedures. The Trading Participant may only make one Clearing Participant responsible for all orders placed through an Open Interface Device.
- 1.1012 A Trading Participant must:
- (a) ensure that all orders are directed through the correct Open Interface Device, such that they are directed to the Relevant Clearing Participant; and
  - (b) where executing a Crossing of orders for Derivatives Market Contracts in accordance with Rule [4060], do so through one Open Interface Device as set out in the Procedures.

Amended 23/07/18

## Clearing Agreements

- 1.1020 A Trading Participant which is not a Clearing Participant, or which is itself a Clearing Participant and has third party clearing arrangements with other Clearing Participant(s) to clear its Market Transactions in a class of Product, must enter into and maintain at all times a separate written agreement ("Clearing Agreement") with each of its Clearing Participants setting out the terms and conditions which govern their relationship. Each Clearing Agreement must be in compliance with the requirements of the Clearing Rules. The Trading Participant must promptly give ASX a copy of each of the Clearing Agreements.
- 1.1021 Other than where set out in the Procedures, a Trading Participant must notify ASX in writing of any amendments to a Clearing Agreement to which it is a party at least 10 Business Days before the amendment becomes effective.
- 1.1022 ASX may give reasonable directions to a Trading Participant requiring it to make (or refrain from making) amendments to the terms of any Clearing Agreement, and the Trading Participant must comply with those directions within the time specified by ASX.
- 1.1023 In relation to a Clearing Participant clearing Market Transactions for a Trading Participant, the Trading Participant is bound by each minimum term which the Clearing Rules require to be included in a Clearing Agreement, whether or not that term is actually incorporated in a Clearing Agreement between the Trading Participant and the Clearing Participant.

## Suspension of Clearing Participant

- 1.1030 If an Approved Clearing Facility takes action against a Trading Participant's Relevant Clearing Participant under the Clearing Rules which prevents or restricts that Clearing Participant from clearing the Trading Participant's Market Transactions in a class of Product, ASX may suspend the Trading Participant's Trading Permission in whole or in part in respect of that class of Product and either remove all relevant orders of the Trading Participant from a Trading Platform or take other action ASX considers appropriate until either:
- (a) the Trading Participant becomes a Clearing Participant;
  - (b) the Trading Participant has entered into a Clearing Agreement with another Clearing Participant, which complies with Rule 1.1020, has given a copy of that agreement to ASX and ASX has not objected to that other Clearing Participant clearing the Market Transactions of the Trading Participant in the relevant class of Product; or
  - (c) ASX and the Approved Clearing Facility lift the relevant suspensions and restrictions.

## Termination of Clearing Arrangements

- 1.1040 Subject to Rule 1.1041, if a Trading Participant intends to terminate its Clearing Agreement with any of its Clearing Participants, the Trading Participant must notify ASX and its Clearing Participants in writing of the time and date when this will occur.
- 1.1041 The termination of a Clearing Agreement is not effective until an Approved Clearing Facility accepts the termination in accordance with the Clearing Rules.
- 1.1042 Subject to Rule 1.1041 the Trading Permission of a Trading Participant to enter into Market Transactions in the relevant class of Product is automatically suspended in

whole or in part from the time and date notified under Rule 1.1040 unless the Trading Participant:

- (a) is or has become a Clearing Participant; or
- (b) entered into a Clearing Agreement or Agreements with another Clearing Participant or Clearing Participants which comply with Rule 1.1020, has given a copy of that agreement to ASX and ASX has not objected to those other Clearing Participants being the Trading Participant's Clearing Participant for that class of Product.

### **Alternative Clearing Facility**

1.1050 A Trading Participant may, with the consent of ASX, arrange for the clearing and or settlement of transactions through an Alternative Clearing Facility.

**SCHEDULE 1A CAPITAL LIQUIDITY REQUIREMENTS**  
**[DELETED]**

**SCHEDULE 1B NTA REQUIREMENTS**  
**[DELETED]**

## SCHEDULE 2 FUTURES MARKET CONTRACTS

### PART 1 FUTURES MARKET CONTRACTS OVER AN UNDERLYING INDEX

This part sets out the terms of a Futures Market Contract over an Underlying Index.

#### 1. INTERPRETATION

In this part of the Schedule, the following words and expressions have the following meanings:

**"Contract Multiplier"** means, in relation to a Futures Market Contract, \$10 per point of the Underlying Index unless:

- (a) ASX notifies Market Participants that a different multiplier will apply to a Futures Market Contract before ASX opens that Futures Market Contract for trading under Rules [2220] to [2222]; or
- (b) that multiplier is adjusted under paragraph 2.2.

**"Contract Value"** is defined in paragraph 7.3.

**"Maturity Date"** means, in relation to a Futures Market Contract, the date determined by ASX as the date on which the Futures Market Contract matures. Unless ASX notifies Market Participants that a different date will apply to a Futures Market Contract before ASX opens that Futures Market Contract for trading under Rules [2220] to [2222], the Maturity Date will be:

- (a) the third Friday of the month in which the Futures Market Contract is expressed to mature; or
- (b) if the Underlying Market for the component stocks in an Underlying Index does not open for trading on the day referred to in paragraph (a), the immediately preceding trading day of that Underlying Market.

**"Opening Price Index Calculation"** or **"OPIC"** is defined in paragraph 5.2.

**"Opening Traded Price"** means that price of the first recorded trade on a given day for a component security in an Underlying Index that occurs on the Underlying Market.

**"Settlement Amount"** is the amount of the difference referred to in paragraph 7.1 or 7.2 (as applicable).

**"Settlement Value"** is defined in paragraph 5.3.

#### 2. SPECIFICATIONS DETERMINED BY ASX

2.1 When ASX opens a Futures Series for trading under Rules [2220] to [2222], ASX will determine:

- (a) the Underlying Index;
- (b) the Maturity Date; and
- (c) the Contract Multiplier.

- 2.2 ASX may, under Rules [2230] to [2232], adjust any of the terms referred to in paragraph 2.1, except that ASX will only make an adjustment where the Underlying Index ceases to exist or the method of calculating the Underlying Index changes materially and a successor index is established that uses a method of calculation that is the same or substantially similar to the method used to calculate the underlying index prior to the event.

### 3. **BIDS AND OFFERS**

Bids and offers for Futures Market Contracts over an Underlying Index must be expressed in terms of the number of points of the relevant Underlying Index. Unless ASX prescribes otherwise, the minimum tick size is 1 point of the Underlying Index.

### 4. **LAST TRADING DAY**

The last Trading Day for a Futures Market Contract is the Trading Day prior to the Maturity Date.

### 5. **OPENING PRICE INDEX CALCULATION AND SETTLEMENT VALUE**

- 5.1 ASX will determine, or procure that a third party determines, the Opening Price Index Calculation ("**OPIC**") of the Underlying Index, rounded to the nearest one decimal place and will notify the Approved Clearing Facility and Market Participants of the OPIC.
- 5.2 Where the Underlying Index comprises Cash Market Products, the OPIC for a Futures Market Contract will be determined by reference to the Opening Traded Price for each component Cash Market Product of the Underlying Index on the Maturity Date. Where a component Cash Market Product of an Underlying Index does not have an Opening Traded Price on the Maturity Date, the last traded price will be used for the purposes of the OPIC.
- 5.3 The settlement value ("**Settlement Value**") of a Futures Market Contract will be determined by multiplying the OPIC by the Contract Multiplier.
- 5.4 Where the OPIC is calculated by a third party (as identified in Schedule 3), unless ASX determines otherwise, the OPIC first reported to ASX by that person is conclusive for the purpose of the calculation of the Settlement Value, even if the OPIC is later revised by that person or ASX later determines that the OPIC reported was inaccurate.

### 6. **UNAVAILABILITY OF OPENING PRICE INDEX CALCULATION**

If ASX determines that the OPIC of an Underlying Index is unreported or unavailable, ASX may:

- (a) suspend the settlement of rights and obligations of Buyers and Sellers of Futures Market Contracts over that Underlying Index until ASX has access to the OPIC and is able to calculate the Settlement Value and has notified the market that the suspension is lifted; or
- (b) specify an OPIC and calculate the Settlement Value accordingly.

### 7. **PAYMENT AND RECEIPT OF SETTLEMENT AMOUNT ON MATURITY**

- 7.1 Subject to paragraph 11, these Rules and the Clearing Rules, on the next Business Day (as that term is defined in the Clearing Rules) following the Maturity Date of a Futures Market Contract:



- (a) if the Settlement Value of the Futures Market Contract is greater than the Contract Value of that Futures Market Contract, the Seller must pay the difference;
- (b) if the Settlement Value of the Futures Market Contract is less than the Contract Value of that Futures Market Contract, the Buyer must pay the difference.

7.2 Subject to paragraph 11, these Rules and the Clearing Rules, on the next Business Day (as that term is defined in the Clearing Rules) following the Maturity Date of a Futures Market Contract:

- (a) if the Settlement Value of the Futures Market Contract is greater than the Contract Value of that Futures Market Contract, the Buyer is entitled to receive payment of the difference;
- (b) if the Settlement Value of the Futures Market Contract is less than the Contract Value of that Futures Market Contract, the Seller is entitled to receive payment of the difference.

7.3 For the purposes of paragraphs 7.2 and 7.3, the Contract Value of a Futures Market Contract which is an Open Contract is:

- (a) where the Open Contract arose from the registration of a Futures Market Contract – the price or level of the Underlying Index at which the Market Futures Contract was registered with the Approved Clearing Facility; and
- (b) where the Open Contract arose through the daily settlement of another Open Contract under the Clearing Rules - the price at which the second Open Contract is registered in accordance with the Clearing Rules,

in each case, multiplied by the Contract Multiplier.

7.4 Subject to paragraph 11, payment of the Settlement Amount must be made in accordance with the Clearing Rules.

## **8. ADJUSTMENT TO OPENING PRICE INDEX CALCULATION**

8.1 When notifying Market Participants under paragraph 5.2 of the OPIC, ASX may indicate that the OPIC has been calculated on a preliminary basis and is subject to adjustment on the following Trading Day. To the extent that an adjustment is made to the OPIC on that next Trading Day:

- (a) where the Settlement Value of a Futures Market Contract increases as a result of the adjustment, the Seller must pay, and the Buyer is entitled to receive, the difference; and
- (b) where the Settlement Value of a Futures Market Contract falls as a result of the adjustment, the Buyer must pay, and the Seller is entitled to receive, the difference.

8.2 Subject to paragraph 11, payment of any amount following any adjustment under paragraph 8.1 must be made on the next Business Day (as that term is defined in the Clearing Rules) following the adjustment.

## **9. LIMITATION OF STANDARD & POOR'S LIABILITY**

In connection with trading of Futures Market Contracts over the Underlying Index, neither Standard & Poor's nor its agents/subcontractors involved in the compilation or calculation of the Underlying Index(es) will have any liability for any damages, claims, losses or expenses caused by any errors or delays in calculating or disseminating the Underlying Index.

## 10. STANDARD & POOR'S DISCLAIMER

In connection with trading of Futures Market Contracts over the Underlying Index, neither Standard & Poor's ("**S&P**") nor any other party involved in the compilation and calculation of the Underlying Index(es) guarantees the accuracy and/or completeness of the Underlying Index(es) or any data included therein. S&P makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the Underlying Index(es) or any data included therein. S&P makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Underlying Index(es) or any data included therein. Without limiting any of the foregoing, in no event will S&P have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility thereof.

## 11. ALTERNATIVE CLEARING FACILITY

Where a Futures Market Contract is cleared by an Alternative Clearing Facility under Rule S1.1050, the determination of the Contract Value and the payment of any Settlement Amount and amounts following the adjustment of the OPIC in respect of that contract will be governed by the operating rules of that facility.

## PART 2 FUTURES MARKET CONTRACTS OVER AN UNDERLYING COMMODITY

### A. ELECTRICITY – [DELETED]

### B. GRAIN

This part sets out the terms of the deliverable Futures Market Contract over the relevant Underlying Commodity as set out in Part 2.B of Schedule 3.

#### 1. INTERPRETATION

**"Applicable Standards"** means:

- (a) the relevant deliverable grade requirements as specified in Part 2B of Schedule 3; and
- (b) the relevant sampling methodology as specified in Part 2B of Schedule 3.

**"Bulk Handler"** means a company which operates Delivery Depots and with whom the Approved Clearing Facility has entered into an arrangement for the storage and handling of the Underlying Commodity.

**"Bulk Handler Agreement"** in respect of a commodity means a bulk handler agreement with the relevant Bulk Handler governing the storage and handling of an Underlying Commodity.

**"Contract Multiplier"** means, in relation to a Futures Market Contract, the number of tonnes in each contract unit as determined by ASX in accordance with paragraph 2 unless:

- (a) ASX notifies Market Participants that a different multiplier will apply to a Futures Market Contract before ASX opens that Futures Market Contract for trading under Rules [2220] to [2222]; or
- (b) that multiplier is adjusted under paragraph 2.2.

**"Current Season"** means:

- (a) in relation to an Underlying Commodity (other than Sorghum, Feed Wheat and Feed Barley):
  - (i) the commodity has been harvested in the same industry accepted crop season within which the Delivery Month falls; or
  - (ii) the commodity has been upgraded by the Bulk Handler as if it had been harvested in the same industry accepted crop season within which the Delivery Month falls;
- (b) in relation to Sorghum, Feed Wheat and Feed Barley the commodity may be harvested in any industry accepted crop season so long as there is no regulatory control over that particular crop year.

**"Deliverable Stock"** means stock that has met the Applicable Standards and which has been transferred in accordance with the Tender Process into the Approved Clearing Facility account with the relevant Bulk Handler.

**"Delivery Depot"** means a facility for the storage and handling of the Underlying Commodity in a location approved by ASX, in consultation with the Approved Clearing Facility.

**"Delivery Month"** means the month in which the Futures Market Contract is expressed to mature.

**"Delivery Period"** means the period commencing on the second Trading Day of the Delivery Month and ending on the Maturity Date.

**"Invoice Price"** means the amount determined in accordance with paragraph 9.

**"Maturity Date"** means, in relation to a Futures Market Contract, the date determined by ASX as the date on which the Futures Market Contract matures. Unless ASX notifies Market Participants that a different date will apply to a Futures Market Contract before ASX opens that Futures Market Contract for trading under Rules [2220] to [2222], the Maturity Date will be:

- (a) the third Thursday of the month in which the Futures Market Contract is expressed to mature; or
- (b) if the day referred to in paragraph (a) is not a Trading Day, the immediately preceding Trading Day.

**"Notice Day"** means any Trading Day during the Delivery Period where Tender Documentation is accepted by the Approved Clearing Facility in accordance with times prescribed by the Approved Clearing Facility.

**"Settlement Amount"** has the meaning given in paragraph 10.

**"Settlement Day"** means the Trading Day immediately following a Notice Day.

**"Settlement Value"** means the amount determined in accordance with paragraph 9.

**"Shrinkage"** means the amount that is deducted from the weight of the Underlying Commodity, expressed as a percentage, that is allowable by the relevant Bulk Handler as published by the Approved Clearing Facility.

**"Specified Quantity"** means the number of contract units multiplied by the Contract Multiplier.

**"Tender Documentation"** means the documentation required by the Approved Clearing Facility to affect tenders of the Underlying Commodity.

**"Tender Process"** means the process described in paragraph 6.

**"Underlying Commodity"** has the meaning given in Part 2.B of Schedule 3.

## **2. SPECIFICATIONS DETERMINED BY ASX**

2.1 When ASX opens a Futures Market Contract for trading under Rules [2220] to [2222], ASX will determine:

- (a) The Underlying Commodity; and
- (b) The Maturity Date; and
- (c) The Contract Multiplier.

ASX may, under Rules [2230] to [2232], adjust any of the terms referred to in paragraph 2.1.

### **3. BIDS AND OFFERS**

Bids and offers for Futures Market Contracts over an Underlying Commodity must be expressed in terms of the price per tonne of the Underlying Commodity. Unless ASX prescribes otherwise, the minimum tick size is \$0.10 per metric tonne of Underlying Commodity.

### **4. LAST TRADING DAY**

The last trading day for a Futures Market Contract over an Underlying Commodity will be the Maturity Date. Trading on the Last Trading Day will cease at the time prescribed by ASX.

### **5. DELIVERABLE STOCK**

5.1 An Underlying Commodity cannot be admitted as Deliverable Stock unless it is stored in a Delivery Depot and is Current Season.

5.2 An Underlying Commodity will automatically be excluded from Deliverable Stock where:

- (a) it is transferred from the Approved Clearing Facility account with the relevant Bulk Handler;
- (b) it no longer meets the Applicable Standards;
- (c) it is no longer Current Season; or
- (d) ASX or the Approved Clearing Facility notifies Market Participants they have reason to believe the Underlying Commodity was sampled and graded in a manner inconsistent with these Rules.

5.3 Admission of an Underlying Commodity as Deliverable Stock is conclusive evidence binding the Seller that the Underlying Commodity meets the Applicable Standards.

### **6. TENDER PROCESS**

Subject to paragraph 13, the tender process will be administered in accordance with the Clearing Rules.

### **7. BUYER AND SELLER OBLIGATIONS FOR DELIVERY**

Upon the Notice Day and subject to paragraph 13, these Rules and the Clearing Rules:

- (a) the Seller is obligated to make delivery of the Specified Quantity of the Underlying Commodity which has been admitted to Deliverable Stock; and
- (b) the Buyer is obligated to pay the Settlement Amount in accordance with paragraph 10 which value is calculated in accordance with paragraph 9 and to take delivery of the Specified Quantity of the Underlying Commodity,

in the time and manner prescribed by the Clearing Rules.

### **8. VALUE OF UNDERLYING COMMODITY**

#### **8.1 Storage and Handling Fees**

At the time of admission as Deliverable Stock, the Underlying Commodity will be valued ex Bulk Handler fees and charges, government and industry levies and government taxes.

Subject to paragraph 13, Deliverable Stock held in the Approved Clearing Facility account with the Bulk Handler will be subject to storage and handling costs, any other amounts owing to the Bulk Handler in accordance with the terms of the relevant Bulk Handler Agreement, and any amounts as may be prescribed by the Approved Clearing Facility. The Seller and Buyer are liable to pay such costs.

## **8.2 Differentials and Adjustments**

Subject to paragraph 13, Deliverable Stock will be subject to differentials, premium allowances and adjustments as may be prescribed by the Approved Clearing Facility.

ASX will post the applicable differentials and adjustments on its website and advise Market Participants of any amendments to differentials and adjustments by Notice.

## **8.3 Excess**

Subject to paragraph 13, in the event that the Seller transfers to the Approved Clearing Facility account with the Bulk Handler an excess above the Contract Multiplier per contract unit per Delivery Depot the Seller will forego all rights to such excess and the weight will be deemed to be the Contract Multiplier.

## **9. INVOICE PRICE AND SETTLEMENT VALUE**

9.1 Subject to paragraph 13, the daily settlement price will be determined by the Approved Clearing Facility in accordance with the Clearing Rules.

9.2 Subject to paragraph 13, the Invoice Price will be the daily settlement price per metric tonne for that day on which the Approved Clearing Facility accepts Tender Documentation, less any applicable fees, differentials and adjustments pursuant to paragraph 8 above.

9.3 Subject to paragraphs 9.4 and 13, the Settlement Value of a Futures Market Contract will be calculated by the Approved Clearing Facility by multiplying the Invoice Price by the Contract Multiplier.

9.4 The Settlement Value will be adjusted for tax and rounded to the nearest cent as follows:

- (a) multiplying the Settlement Value by the current Goods and Services Tax rate to calculate the "GST Amount"; and
- (b) adding the GST Amount to the Settlement Value.

## **10. PAYMENT AND RECEIPT OF SETTLEMENT AMOUNT**

For the purpose of payment and receipt, the Settlement Value will be known as the Settlement Amount. The Approved Clearing Facility will issue an invoice to the Buyer by the time prescribed by the Clearing Rules stating the Settlement Amount. Subject to paragraph 13, payment of the Settlement Amount in respect of an Open Contract must be made by the time and in the manner determined by the Approved Clearing Facility.

## **11. DEFAULT**

Subject to paragraph 13, if a Seller or Buyer is in default for the purposes of the Clearing Rules, the default provisions in the Clearing Rules will take effect.

## **12. EXCLUSION OF LIABILITY AND WARRANTY**

12.1 ASX does not make any 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.

12.2 ASX will not have any liability for the performance by any Bulk Handler in relation to these Rules. Neither the Buyer nor the Seller will have any claim against ASX or its respective officers, employees and agents, for any loss or damage suffered as a result of, or in connection with, any delivery of or failure to deliver, any Underlying Commodity however such loss or damage may be caused.

### **13. ALTERNATIVE CLEARING FACILITY**

Where a Futures Market Contract is cleared by an Alternative Clearing Facility under Rule S1.1050, the administration of the tender process, the Seller's obligations to make delivery of the Specified Quantity of the Underlying Commodity, the valuation of the Underlying Commodity, the determination of the Invoice Price and the Settlement Value, the rules relating to default by the parties and the payment of any Settlement Amount in respect of that contract will be governed by the operating rules of that facility.

## C. WOOL

This part sets out the terms of the deliverable Futures Market Contract over the relevant Underlying Commodity as set out in Part 2.C of Schedule 3.

### 1. INTERPRETATION

**"Admission Documents"** means the documents required the Approved Clearing Facility to effect tenders of the Underlying Commodity.

**"Applicable Standards"** means the relevant deliverable grade requirements as specified in Part 2C of Schedule 3.

**"AWEX"** means Australian Wool Exchange Limited.

**"AWTA"** means Australian Wool Testing Authority.

**"Contract Multiplier"** means, in relation to a Futures Market Contract, the number of net clean kilograms in each contract unit as determined by ASX in accordance with paragraph 2 unless:

- (a) ASX notifies Market Participants that a different multiplier will apply to a Futures Market Contract before ASX opens that Futures Market Contract for trading under Rules [2220] to [2222]; or
- (b) that multiplier is adjusted under paragraph 2.2.

**"Deliverable Life"** means the period of 24 months from the date which the Underlying Commodity was originally tested or appraised (whichever is earlier) exclusive of the month the testing or appraisal occurs. In the event that there is more than 1 testing or appraisal date, the last testing or appraisal date is to be used for the purposes of determining the commencement of the period.

**"Deliverable Stock"** means stock that has met the requirements in paragraph 5 and which has been admitted in accordance with the Clearing Rules.

**"Delivery Month"** means the month in which the Futures Market Contract is expressed to mature.

**"Delivery Period"** means the period commencing on the second Thursday of the Delivery Month, or if that day is not a Trading Day, the immediately preceding Trading Day, and ending on the Maturity Date.

**"IWTO"** means International Wool Textile Organisation.

**"Invoice Price"** means the amount determined in accordance with paragraph 9.

**"Maturity Date"** means, in relation to a Futures Market Contract, the date determined by ASX as the date on which the Futures Market Contract matures. Unless ASX notifies Market Participants that a different date will apply to a Futures Market Contract before ASX opens that Futures Market Contract for trading under Rules [2220] to [2222], the Maturity Date will be:

- (a) the fourth Thursday of the month in which the Futures Market Contract is expressed to mature; or



- (b) if the day referred to in paragraph (a) is not a Trading Day, the immediately preceding Trading Day.

**"Notice Day"** means any Trading Day during the Delivery Period where Tender Documentation is accepted by the Approved Clearing Facility.

**"POB"** means position-of-break.

**"Settlement Amount"** is defined in paragraph 10.

**"Settlement Day"** means the Trading Day immediately following a Notice Day.

**"Settlement Value"** means the amount determined in accordance with paragraph 9.

**"Tender Documentation"** means the documentation required by the Approved Clearing Facility to affect tenders of the Underlying Commodity.

**"VM"** means vegetable matter.

**"VM Increment"** means, in relation to Deliverable Stock, an amount equal to 0.1% of the total volume of Deliverable Stock.

**"Wool Warehouse"** means a facility for the storage and handling of the Underlying Commodity in a location approved by ASX, in consultation with the Approved Clearing Facility.

**"Underlying Commodity"** has the meaning given in Part 2C of Schedule 3.

## 2. SPECIFICATIONS DETERMINED BY ASX

2.1 When ASX opens a Futures Market Contract for trading under Rules [2220] to [2222], ASX will determine:

- (a) The Underlying Commodity; and
- (b) The Maturity Date; and
- (c) The Contract Multiplier.

2.2 ASX may, under Rules [2230] to [2232], adjust any of the terms referred to in paragraph 2.1, except that ASX will only make an adjustment where the Underlying Commodity ceases to exist.

## 3. BIDS AND OFFERS

Bids and offers for Futures Markets Contracts over the relevant Underlying Commodity must be expressed in terms of the price per net clean kilogram of the Underlying Commodity. Unless ASX prescribes otherwise, the minimum tick size is \$0.01 per net clean kilogram of Underlying Commodity.

## 4. LAST TRADING DAY

The last trading day for a Futures Market Contract over an Underlying Commodity will be the Maturity Date. Trading on the Last Trading Day will cease at the time prescribed by ASX.

## 5. DELIVERABLE STOCK

- 5.1 An Underlying Commodity cannot be admitted as Deliverable Stock unless at the time of admission it:
- (a) meets the Applicable Standards;
  - (b) is, subject to paragraph 8.3, an amount or combined amount equal to the Contract Multiplier;
  - (c) comprises of a lot or sub-lots that each consist of a single line of Underlying Commodity prepared in accordance with relevant industry practice;
  - (d) is grouped together in a single Australian State in no more than 4 Wool Warehouses;
  - (e) is delivered in whole bales in industry standard packs for the Underlying Commodity with each bale having a minimum and maximum gross greasy weight as prescribed by the IWTO unless ASX, the Approved Clearing Facility permits the delivery in an alternative manner;
  - (f) has been tested by the AWTA or other body approved by ASX in accordance with the IWTO approved testing procedures within the last 12 calendar months; and
  - (g) has been appraised by AWEX or other body approved by ASX within the last 12 calendar months;
  - (h) is free of any taxes or encumbrances;
  - (i) is stored in a Wool Warehouse; and
  - (j) it is accompanied by the Admission Documents required by the Procedures.
- 5.2 For the purposes of paragraph 5.1, an Underlying Commodity which is comprised of sub-lots may have any or all of the following deliverable tolerances for 1 or more sub-lots if, and only if, the weighted average of all the sub-lots meets the Applicable Standards:
- (a) a Micron range as allowed by the AWTA Objective Matched Lot (OML) testing protocol;
  - (b) a range of VM as directed by AWTA OML testing protocol;
  - (c) a range of staple length of:
    - (i) 75 mm to 100 mm (inclusive) for 19.5 Micron wool;
    - (ii) 75 mm to 105 mm (inclusive) for 21.0 Micron wool; and
    - (iii) 75 mm to 105 mm (inclusive) for 22.6 Micron wool;
  - (d) a minimum strength of 25 n/ktx; and
  - (e) a IWTO Schlumberger Dry Top and Noil Yield in a range as allowed by the AWTA OML protocol.
- 5.3 An Underlying Commodity will automatically be excluded from Deliverable Stock where any or all of the following applies:
- (a) it does not meet the requirements of paragraph 5.1, and if applicable paragraph 5.2;
  - (b) it has the characteristics of Carbonised wool;
  - (c) it has the characteristics of Cotted wool;
  - (d) it has the characteristics of Discoloured wool;

- (e) it has the characteristics of Scoured wool;
- (f) it has the characteristics of Slipe wool;
- (g) it is appraised and requires prefixes, suffixes or qualifiers (except M);
- (h) it contains Noogoora Burr; or
- (i) ASX, the Approved Clearing Facility notifies Market Participants they have reason to believe the Underlying Commodity was sampled and graded in a manner inconsistent with these Rules.

5.4 Subject to paragraph 14, an Underlying Commodity will be admitted to Deliverable Stock in accordance with the Clearing Rules.

5.5 Admission of an Underlying Commodity as Deliverable Stock is conclusive evidence binding the Seller that the Underlying Commodity meets the Applicable Standards.

## **6. TENDER PROCESS**

6.1 Deliverable Stock must not be tendered for delivery unless the Maturity Date for the Open Contract falls within its Deliverable Life.

6.2 Subject to paragraph 14, the tender process will be administered in accordance with the Clearing Rules.

## **7. BUYER AND SELLER OBLIGATIONS FOR DELIVERY**

Upon the Notice Day and subject to paragraph 14, these Rules and the Clearing Rules:

- (a) the Seller is obligated to make delivery of the Underlying Commodity which has been admitted to Deliverable Stock; and
- (b) the Buyer is obligated to pay the Settlement Amount in accordance with paragraph 10 which value is calculated in accordance with paragraph 9 and to take delivery of the Underlying Commodity;

in the time and manner prescribed by the Clearing Rules.

## **8. VALUE OF UNDERLYING COMMODITY**

### **8.1 Fees and Taxes**

At the time of admission as Deliverable Stock, the Underlying Commodity will be valued ex Wool Warehouse fees and ex wool and all other government taxes.

### **8.2 Differentials and Adjustments**

Subject to paragraph 14, Deliverable Stock may be subject to applicable differentials and/or adjustments as may be prescribed by the Clearing Rules.

ASX will post differentials and other adjustments on its website and advise Market Participants of any amendments to differentials or adjustments by Notice.

### **8.3 Weight Tolerance Levels**

Subject to paragraph 5, a Seller may tender for delivery an equivalent net clean amount of Underlying Commodity within the weight tolerance levels determined by ASX. In the event of excess above the upper tolerance level the Seller will forego all rights to such excess and the weight will be deemed to be equivalent to the upper tolerance level.

#### **8.4 Excess VM Discount**

The Invoice Price will be discounted by 3 cents per full VM Increment by which the VM content of the Deliverable Stock, as specified in the Admission Documents, exceeds 1%.

### **9. INVOICE PRICE AND SETTLEMENT VALUE**

9.1 Subject to paragraph 14, the daily settlement price will be determined by the Approved Clearing Facility in accordance with the Clearing Rules.

9.2 Subject to paragraph 14, the Invoice Price will be the daily settlement price per net clean kilogram for the Underlying Commodity for that day on which the Approved Clearing Facility accepts the Tender Documentation, less any applicable fees, differential discounts and adjustments pursuant to paragraph 8.

9.3 Subject to paragraphs 9.4 and 14, the Settlement Value of a Futures Market Contract will be calculated by the Approved Clearing Facility by multiplying the Invoice Price by the net clean weight of Underlying Commodity accepted for tender by the Approved Clearing Facility.

9.4 The Settlement Value will be adjusted for tax and rounded to the nearest cent as follows:

- (a) multiplying the Settlement Value by the current Goods and Services Tax rate to calculate the "GST Amount"; and
- (b) adding the GST Amount to the Settlement Value.

### **10. PAYMENT AND RECEIPT OF SETTLEMENT AMOUNT**

For the purposes of payment and receipt, the Settlement Value will be known as the Settlement Amount. The Approved Clearing Facility will issue an invoice to the Buyer by the time prescribed by the Clearing Rules stating the Settlement Amount. Subject to paragraph 14, payment of the Settlement Amount in respect of an Open Contract must be made by the time and in the manner determined by the Approved Clearing Facility.

### **11. DEFAULT**

11.1 Subject to paragraph 14, if a Seller or Buyer is in default for the purposes of the Clearing Rules, the default provisions in the Clearing Rules will take effect.

### **12. DISPUTES**

12.1 All documents required by paragraph 5 relating to testing and appraisal of the Underlying Commodity will be regarded as final and binding evidence of the test and the appraisal results and that the procedures and/or protocols for the conduct of the test or appraisal were conducted in the manner specified by ASX.

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

### **13. EXCLUSION OF LIABILITY AND WARRANTY**

13.1 ASX does not make any 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.

13.2 ASX will not have any liability for the performance by any Wool Warehouse or any testing or appraisal authority or organisation in relation to these Rules. Neither the Buyer nor the Seller will have any claim against ASX or its respective officers, employees and agents, for any loss or damage as a result of, or in connection with, any delivery of or failure to deliver, any Underlying Commodity suffered however such loss or damage may be caused.

#### **14. ALTERNATIVE CLEARING FACILITY**

Where a Futures Market Contract is cleared by an Alternative Clearing Facility under Rule S1.1050, the admittance of the Underlying Commodity to Deliverable Stock, administration of the tender process, the Seller's obligations to make delivery of the Underlying Commodity, the valuation of the Underlying Commodity, the determination of the Invoice Price and the Settlement Value, the rules relating to default by the parties and the payment of any Settlement Amount in respect of that contract will be governed by the operating rules of that facility.

## **SCHEDULE 3      UNDERLYING INSTRUMENTS, COMMODITIES, SECURITIES AND INDICES FOR FUTURES MARKET CONTRACTS**

### **PART 1      UNDERLYING INDICES**

Such S&P indices, as set out in the Procedures, which are not objected to by ASIC within fourteen (14) days of ASIC receiving written notification of the indices.

Amended 29/07/11

## **PART 2 UNDERLYING COMMODITIES**

### **A. ELECTRICITY – [DELETED]**

### **B. GRAINS**

#### **MILLING WHEAT**

The deliverable grade is Australian origin and is a minimum of GTA Wheat Standard APW2, Standard Reference number CSG-104, as specified by the Grain Trade Australia (GTA) 'Wheat Standards' and tested in accordance with the GTA Receival Standard Procedures.

#### **WESTERN AUSTRALIA WHEAT**

The deliverable grade is Australian origin and is a minimum of GTA Wheat Standard APW2, Standard Reference number CSG-104, as specified by the Grain Trade Australia (GTA) 'Wheat Standards' and tested in accordance with the GTA Receival Standard Procedures.

#### **FEED WHEAT – [DELETED]**

#### **FEED BARLEY**

The deliverable grade is Australian origin and is a minimum of GTA Feed Barley (F1) or equivalent as specified by the Grain Trade Australia (GTA) 'Feed Barley Standards' and tested in accordance with the GTA Receival Standards of the specified Bulk Handling Company. The deliverable grade must be free of any regulatory control that is applied on either a State basis or determined by crop year.

#### **SORGHUM**

The deliverable grade is Australian origin and is a minimum of GTA Sorghum (SOR) or equivalent as specified by the Grain Trade Australia (GTA) 'Sorghum Standards' and tested in accordance with the GTA Receival Standards of the specified Bulk Handling Company. The deliverable grade must be free of any regulatory control that is applied on either a State basis or determined by a crop year.

#### **CANOLA**

The deliverable grade is Australian origin and is a minimum of the Australian Oilseed Federation 'Trading Standard' for Canola (CSO1) or equivalent and tested in accordance with the 'Oilseeds Receival Standards' of the specified Bulk Handling Company. The deliverable grade must be free of any regulatory control that is applied on either a State basis or determined by a crop year.

## **C. WOOL**

### **19.5 MICRON WOOL**

The deliverable grade for 19.5 Micron Wool is:

- (a) a maximum of 19.5 microns of Merino Fleece shorn from living sheep located in Australia;
- (b) Style 5 or better of good colour with no qualifiers except M;
- (c) a minimum average of 30 n/ktx;
- (d) a minimum average staple length of 78 mm;
- (e) a VM content of 1.8% of total volume or less;
- (f) an IWTO Schlumberger Dry Top and Noil Yield of greater than or equal to 63.0%;  
and
- (g) a maximum average POB in the middle of less than or equal to 70% and a greater than or equal to 30% POB at the tip and base combined.

### **21.0 MICRON WOOL**

The deliverable grade for 21 Micron Wool is:

- (a) a maximum of 21 microns of Merino Fleece shorn from living sheep located in Australia;
- (b) Style 5 or better of good colour with no qualifiers except M;
- (c) a minimum average of 30 n/ktx;
- (d) a minimum average staple length of 80 mm;
- (e) a VM content of 1.8% of total volume or less;
- (f) an IWTO Schlumberger Dry Top and Noil Yield of greater than or equal to 63.0%;  
and
- (g) a maximum average POB in the middle of less than or equal to 70% and a greater than or equal to 30% POB at the tip and base combined.

### **22.6 MICRON WOOL**

The deliverable grade for 22.6 Micron Wool is:

- (a) a maximum of 22.6 microns of Merino Fleece shorn from living sheep located in Australia;
- (b) appraised as Style 5 or better of good colour with no qualifiers except M;
- (c) a minimum average of 30 n/ktx;
- (d) a minimum average staple length of 80 mm;
- (e) a VM content of 1.8% of total volume or less;
- (f) an IWTO Schlumberger Dry Top and Noil Yield of greater than or equal to 63.0%;  
and
- (g) a maximum average POB in the middle of less than or equal to 70% and a greater than or equal to 30% POB at the tip and base combined.

*Note- "n/ktx" means newtons per kilo text*



## SCHEDULE 4      OPTIONS MARKET CONTRACTS

### PART 1      OPTIONS MARKET CONTRACTS OVER AN UNDERLYING INDEX

This part sets out the terms of an Options Market Contract over an Underlying Index.

#### 1.      INTERPRETATION

In this part of the Schedule, the following words and expressions have the following meanings:

**"Call Option"** means, in the case of an Options Market Contract over an Underlying Index, a contract which gives the Buyer the right to receive from the Seller a Settlement Amount if the OPIC is greater than the Exercise Level.

**"Exercise Level"** means the level of the Underlying Index specified by ASX as the Exercise Level of that Options Market Contract.

**"Index Multiplier"** means, in relation to an Option, \$10 per point of the Underlying Index unless:

- (a) ASX notifies Market Participants that a different multiplier will apply to an Options Market Contract before ASX opens that Options Market Contract for trading under Rules [2220] to [2222]; or
- (b) that multiplier is adjusted under paragraph 2.2.

**"Opening Price Index Calculation"** or **"OPIC"** is defined in paragraph 7.1.

**"Opening Traded Price"** means that price of the first recorded trade on a given day for a component security in an Underlying Index that occurs on the Underlying Market.

**"Put Option"** means, in the case of an Options Market Contract over an Underlying Index, a contract which gives the Buyer the right to receive from the Seller a Settlement Amount if the OPIC is less than the Exercise Level.

**"Settlement Amount"** means the amount determined in accordance with paragraph 9.2.

**"Settlement Value"** is defined in paragraph 7.3.

#### 2.      SPECIFICATIONS DETERMINED BY ASX

2.1      When ASX opens an Options Market Contract for trading under Rules [2220] to [2222], ASX will determine:

- (a) the Underlying Index;
- (b) the Expiry Date;
- (c) the Exercise Level;
- (d) the Exercise Style (being either American-Style or European-Style);
- (e) the Exercise Price; and

(f) the Index Multiplier.

- 2.2 ASX may, under Rules [2230] to [2232], adjust any of the terms referred to in paragraph 2.1, except that ASX will only make an adjustment where the Underlying Index ceases to exist or the method of calculating the Underlying Index changes materially and a successor index is established that uses a method of calculation that is the same or substantially similar to the method used to calculate the underlying index prior to the event.

### 3. BIDS AND OFFERS

Bids and offers for Options Market Contracts over an Underlying Index must be expressed in terms of the number of points of the relevant Underlying Index. Unless ASX prescribes otherwise, the minimum tick size is 1 point of the Underlying Index.

### 4. LAST TRADING DAY

The last Trading Day for an Options Market Contract is the Expiry Date. Trading in Options Market Contracts may continue until midday on the last Trading Day.

### 5. PAYMENT OF PREMIUM

The Buyer of an Options Market Contract must pay the Premium to the Seller. Subject to paragraph 13, payment of the Premium must be made in accordance with the Clearing Rules.

### 6. EXERCISE OF OPTIONS

Subject to paragraph 13, the Buyer of an Options Market Contract may exercise the Options Market Contract by giving an Exercise Notice in accordance with the Clearing Rules.

### 7. OPENING PRICE INDEX CALCULATION AND SETTLEMENT VALUE

- 7.1 ASX will determine, or procure that a third party determines, the OPIC of the Underlying Index, rounded to the nearest one decimal place and will notify the Approved Clearing Facility and Market Participants of the OPIC.
- 7.2 Where the Underlying Index comprises Cash Market Products, the Opening Price Index Calculation ("**OPIC**") for an Options Market Contract will be determined by reference to the Opening Traded Price for each component Cash Market Product of the Underlying Index on the Expiry Date. Where a component Cash Market Product of an Underlying Index does not have an Opening Traded Price on the Expiry Date, the last traded price will be used for the purposes of the OPIC.
- 7.3 The settlement value ("**Settlement Value**") of an Options Market Contract will be determined by multiplying the OPIC by the Index Multiplier.
- 7.4 Where the OPIC is calculated by a third party, unless ASX determines otherwise, the OPIC first reported to ASX by that person is conclusive for the purpose of the calculation of the Settlement Value, even if the OPIC is later revised by that person or ASX later determines that the OPIC reported was inaccurate.

### 8. UNAVAILABILITY OF OPENING PRICE INDEX CALCULATION

If ASX determines that the OPIC of an Underlying Index is unreported or unavailable, ASX may:

- (a) suspend the settlement of rights and obligations of Buyers and Sellers of Options Market Contracts over that Underlying Index until ASX has access to the OPIC and is able to calculate the Settlement Value and has notified the market that the suspension is lifted; or
- (b) specify an OPIC and calculate the Settlement Value accordingly.

## **9. PAYMENT AND RECEIPT OF SETTLEMENT AMOUNT ON EXERCISE**

9.1 Subject to paragraph 13, these Rules and the Clearing Rules, after an Exercise Notice is given by the Buyer of an Options Market Contract to the Approved Clearing Facility, the Seller must pay to the Approved Clearing Facility in accordance with the Clearing Rules (and the Buyer will receive from the Approved Clearing Facility in accordance with the Clearing Rules) the Settlement Amount if:

- (a) in the case of a Call Option, the Exercise Level is less than the OPIC; and
- (b) in the case of a Put Option, the Exercise Level is greater than the OPIC.

9.2 Subject to paragraph 13, the amount of the Settlement Amount will be determined in accordance with the Clearing Rules.

## **10. ADJUSTMENT TO OPENING PRICE INDEX CALCULATION**

When notifying Market Participants under paragraph 7.1 of the OPIC, ASX may indicate that the OPIC has been calculated on a preliminary basis and is subject to adjustment on the following Trading Day. To the extent that an adjustment is made to the OPIC on that next Trading Day, subject to paragraph 13, the Approved Clearing Facility will adjust the Settlement Value and payment of any amount following any adjustment must be made on the next Business Day (as that term is defined in the Clearing Rules) following the adjustment.

## **11. LIMITATION OF STANDARD & POOR'S LIABILITY**

In connection with trading of the Options Market Contracts over the Underlying Index, neither Standard & Poor's nor its agents/subcontractors involved in the compilation or calculation of the Underlying Index(es) will have any liability for any damages, claims, losses or expenses caused by any errors or delays in calculating or disseminating the Underlying Index.

## **12. STANDARD & POOR'S DISCLAIMER**

In connection with trading of the Options Market Contracts over the Underlying Index, neither Standard & Poor's ("**S&P**") nor any other party involved in the compilation and calculation of the Underlying Index(es) guarantees the accuracy and/or completeness of the Underlying Index(es) or any data included therein. S&P makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the Underlying Index(es) or any data included therein. S&P makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Underlying Index(es) or any data included therein. Without limiting any of the foregoing, in no event will S&P have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility thereof.

### **13. ALTERNATIVE CLEARING FACILITY**

Where an Options Market Contract is cleared by an Alternative Clearing Facility under Rule S1.1050, the payment and receipt of the Premium, the manner of exercise of the Options Market Contract, any adjustment to the OPIC and the determination, payment and receipt of any Settlement Amount in respect of that Options Market Contract will be governed by the operating rules of that facility.

## PART 2      **OPTIONS MARKET CONTRACTS OVER AN UNDERLYING FINANCIAL PRODUCT (EXCLUDING TORESS OPTIONS)**

This part sets out the terms of an Options Market Contract over an Underlying Financial Product.

*Note:    The terms of TORESS Options are set out in part 3.*

### 1.      **INTERPRETATION**

In this part of the Schedule, the following words and expressions have the following meanings:

**"Call Option"** means, in the case of an Options Market Contract over Underlying Financial Products, a contract which gives the Buyer the right to purchase from the Seller the Contract Size of the Underlying Financial Products at the Exercise Price.

**"Contract Size"** means the number of Underlying Financial Products the subject of the Options Market Contract determined by ASX.

**"Exercise Value"** means the Exercise Price of the Options Market Contract multiplied by the Contract Size.

**"Put Option"** means, in the case of an Options Market Contract over Underlying Financial Products, a contract which gives the Buyer the right to sell to the Seller the Contract Size of the Underlying Financial Products at the Exercise Price.

### 2.      **SPECIFICATIONS DETERMINED BY ASX**

2.1      When ASX opens an Options Market Contract for trading under Rules [2220] to [2222], ASX will determine:

- (a)      the Underlying Financial Product;
- (b)      the Expiry Date;
- (c)      the Exercise Price
- (d)      the Contract Size; and
- (e)      the Exercise Style (being either American style or European style).

2.2      ASX may, under Rules [2230] to [2232], adjust any of the terms referred to in paragraph 2.1.

### 3.      **BIDS AND OFFERS**

Bids and offers for Options Market Contracts over an Underlying Financial Product must be expressed in terms of Australian Dollars.

### 4.      **LAST TRADING DAY**

The Last Trading Day for an Options Market Contract is the Trading Day that falls on the Expiry Date of that Options Market Contract. Trading in an Options Market Contract ceases upon the Last Trading Day of that Options Market Contract.

## **5. PAYMENT OF PREMIUM**

The Buyer of an Options Market Contract must pay the Premium to the Seller. Subject to paragraph 8, payment of the Premium must be made in accordance with the Clearing Rules.

## **6. EXERCISE OF OPTIONS**

Subject to paragraph 8, the Buyer of an Options Market Contract may exercise the Options Market Contract by giving an Exercise Notice in accordance with the Clearing Rules.

## **7. AGREEMENT TO BUY AND SELL UNDERLYING FINANCIAL PRODUCTS ON EXERCISE**

7.1 Subject to paragraph 8, these Rules and the Clearing Rules, after an Exercise Notice is given by the Buyer of an Options Market Contract to the Approved Clearing Facility, an agreement arises between the Buyer and the Seller of the Options Market Contract to buy and sell the relevant Underlying Financial Products, pursuant to which:

- (a) in the case of a Call Option, the Seller agrees to transfer the number of the Underlying Financial Products representing the Contract Size to the Buyer and the Buyer agrees to pay the Exercise Value to the Seller; and
- (b) in the case of a Put Option, the Buyer agrees to transfer the number of the Underlying Financial Products representing the Contract Size to the Seller and the Seller agrees to pay the Exercise Value to the Buyer.

7.2 Subject to paragraph 8, the purchase and sale of Underlying Financial Products under this paragraph 7 will be made in accordance with the Clearing Rules.

## **8. ALTERNATIVE CLEARING FACILITY**

Where an Options Market Contract is cleared by an Alternative Clearing Facility under Rule S1.1050, the payment and receipt of the Premium, the manner of exercise of the Options Market Contract and the purchase and sale of any Underlying Financial Products in respect of that Options Market Contract will be governed by the operating rules of that facility.

# PART 3    **OPTIONS MARKET CONTRACTS OVER AN UNDERLYING FINANCIAL PRODUCT – TOTAL RETURN SINGLE STOCK (TORESS) OPTIONS**

Introduced 30/11/15

This part sets out the terms of an Options Market Contract over an Underlying Financial Product – Total Return Single Stock (TORESS) Options.

## **1.        INTERPRETATION**

In this part of the Schedule, the following words and expressions have the following meanings:

**"Contract Size"** means the number of Underlying Financial Products the subject of the Options Market Contract determined by ASX.

**"Exercise Value"** means the Exercise Price of the Options Market Contract multiplied by the Contract Size.

**"Option Exercise Reference Price"** means the amount determined in accordance with paragraph 7.

**"Settlement Amount"** means the amount determined in accordance with paragraph 9.2.

**"Settlement Value"** means in respect of an Options Market Contract the Option Exercise Reference Price in respect of that Options Market Contract multiplied by the Contract Size.

## **2.        SPECIFICATIONS DETERMINED BY ASX**

2.1        When ASX opens an Options Market Contract for trading under Rules [2220] to [2222], ASX will determine:

- (a)        the Underlying Financial Product;
- (b)        the Expiry Date;
- (c)        the Exercise Price
- (d)        the Contract Size; and
- (e)        the Exercise Style (being either American style or European style).

2.2        ASX may, under Rules [2230] to [2232], adjust any of the terms referred to in paragraph 2.1.

## **3.        BIDS AND OFFERS**

Bids and offers for Options Market Contracts over an Underlying Financial Product must be expressed in terms of Australian Dollars.

## **4.        LAST TRADING DAY**

The Last Trading Day for an Options Market Contract is the Trading Day that falls on the Expiry Date of that Options Market Contract. Trading in an Options Market Contract ceases upon the Last Trading Day of that Options Market Contract.

## **5. PAYMENT OF PREMIUM**

The Buyer of an Options Market Contract must pay the Premium to the Seller. Subject to paragraph 11, payment of the Premium must be made in accordance with the Clearing Rules.

## **6. EXERCISE OF OPTIONS**

Subject to paragraph 11, the Buyer of an Options Market Contract may exercise the Options Market Contract by giving an Exercise Notice in accordance with the Clearing Rules.

## **7. OPTION EXERCISE REFERENCE PRICE DETERMINATION**

The Option Exercise Reference Price for an Options Market Contract will be determined in accordance with the Clearing Rules by reference to the closing price of the Underlying Financial Product on the day on which an Exercise Notice is submitted by the Buyer.

## **8. UNAVAILABILITY OF OPTION EXERCISE REFERENCE PRICE**

If ASX determines that the Option Exercise Reference Price of an Underlying Financial Product is unreported or unavailable, ASX may:

- (a) suspend the settlement of rights and obligations of Buyers and Sellers of Options Market Contracts over that Underlying Financial Product until ASX has access to the Option Exercise Reference Price and is able to calculate the Settlement Value and has notified the market that the suspension is lifted; or
- (b) specify an Option Exercise Reference Price and calculate the Settlement Value accordingly.

## **9. PAYMENT AND RECEIPT OF SETTLEMENT AMOUNT ON EXERCISE**

9.1 Subject to paragraph 11, these Rules and the Clearing Rules, after an Exercise Notice is given by the Buyer of an Options Market Contract to the Approved Clearing Facility, the Seller must pay to the Approved Clearing Facility in accordance with the Clearing Rules (and the Buyer will receive from the Approved Clearing Facility in accordance with the Clearing Rules) the Settlement Amount if the Exercise Value is less than the Settlement Value.

9.2 Subject to paragraph 11, the Settlement Amount will be determined in accordance with the Clearing Rules.

## **10. PAYMENT OF AN AMOUNT EQUAL TO DIVIDENDS PAID ON UNDERLYING FINANCIAL PRODUCT**

10.1 Subject to paragraph 11, these Rules and the Clearing Rules, if an Options Market Contract is registered in the name of the Buyer in accordance with the Clearing Rules on the last cum date before the Underlying Financial Product goes ex-dividend, the Seller of the Options Market Contract must pay to the Approved Clearing Facility an amount equal to the cash amount in Australian dollars (excluding the value of any franking credits) of any ordinary dividend paid on the Underlying Financial Product multiplied by the Contract Size. Whether or not a dividend is considered to be an ordinary dividend will be determined by ASX having regard to adjustment



circumstances for dividends as set forth in Appendix 2230 of the ASX Operating Rules Procedures, as amended from time to time. The Approved Clearing Facility will pay this amount (net of any withholding required by law) to the Buyer of the Options Market Contract. The Buyer is entitled to receive this amount even if the Options Market Contract has been exercised or has expired or is terminated before the due date for payment under paragraph 10.2.

- 10.2 Subject to paragraph 11, the Seller and the Approved Clearing Facility will pay the amount under this paragraph 10 in accordance with the Clearing Rules on the next business day after the payment of the dividend on the Underlying Financial Product.
- 10.3 If a law requires the Seller to withhold or deduct an amount in respect of taxes, levies, imposts, charges or duties (including stamp and transaction duties) (collectively 'withholdings') from any payment to the Approved Clearing Facility under this paragraph 10, the Seller must also pay to the Approved Clearing Facility whatever additional amount is necessary (after allowing for withholdings from that amount) to ensure the Approved Clearing Facility receives the full amount of the payment due under this paragraph as if the withholdings had not been deducted.

## **11. ALTERNATIVE CLEARING FACILITY**

Where an Options Market Contract is cleared by an Alternative Clearing Facility under Rule S1.1050, the payment and receipt of the Premium, the manner of exercise of the Options Market Contract, the payment of amounts equal in amount to ordinary dividends paid on Underlying Financial Products and the determination, payment and receipt of any Settlement Amount in respect of that Options Market Contract will be governed by the operating rules of that facility.

## **SCHEDULE 5      UNDERLYING INDICES AND FINANCIAL PRODUCTS FOR OPTIONS MARKET CONTRACTS**

### **PART 1      UNDERLYING INDICES**

Such S&P indices, as set out in the Procedures, which are not objected to by ASIC within fourteen (14) days of ASIC receiving written notification of the indices.

Amended 29/07/11

## **SCHEDULE 6 – SHORT SELLING MARGIN REQUIREMENTS**

**[DELETED]**

## **SCHEDULE 7 – FORWARD DELIVERY LEGAL TITLE AND DEPOSIT REQUIREMENTS**

**[DELETED]**

# SCHEDULE 8 DELIVERY AND SETTLEMENT OF NON-CS APPROVED PRODUCTS

## 1 DEFINITIONS

For the purposes of this Schedule 8:

**“Broker”** means a Clearing Participant that has Settlement Obligations in respect of a Market Transaction in a Non-CS Approved Product which is not eligible for settlement by electronic transfer and registration.

**“Benefit”**, in clause 4, means a benefit accruing to the holders of Non-CS Approved Products on the relevant Record Date, such as, without limitation, a dividend, interest payment, capital return or other payment or the issue of a security.

**“Cash Benefit”** means a Benefit which is a dividend, interest payment or capital return.

**“Cash Adjustments”** for the purpose of clause 4, has the meaning given in clause 4.3.

**“Buying Broker”** means, in relation to a Market Transaction in respect of Non-CS Approved Products, the Broker which is entitled to delivery of Non-CS Approved Products and is obliged to pay for those Non-CS Approved Products.

**“Delivery Obligation”** means the obligation of a Broker to deliver a specified quantity of units of a Non-CS Approved Product to another Broker or Brokers on a Settlement Day by means of a paper based transfer and any other documents necessary to effect registration of ownership of the Non-CS Approved Product.

**“ED”** means:

- (a) the day on or by which a right in respect of a Benefit (such as a right to acquire securities) must be exercised or the date by which an election or nomination must be made in respect of a Cash Benefit (such as an election as to whether to take such Cash Benefit in specie or by way of an issue of securities);
- (b) the date, in respect of a priority Benefit, on which the priority lapses;
- (c) the date, in respect of an issue of renounceable rights, by which renunciation forms must be received by the Issuer to be valid; or
- (d) the date, in respect of a specific entitlement of non-renounceable rights, by which acceptance of the rights offer must be lodged with the Issuer to be valid.

**“ED-N”** means the day which is N Business Days before ED (and terms such as ED-1, ED-2 etc have corresponding meanings).

**“Mark”** in respect of a transfer of Non-CS Approved Products means the certification of transfers by a Marking Body or the Issuer of the Non-CS Approved Products as to the number of units of the Non-CS Approved Product represented by each transfer.

**“Marking Body”** means:

- (a) a Broker;
- (b) The New Zealand Stock Exchange;

- (c) The London Stock Exchange;
- (d) an organisation which enters into a written agreement with ASX confirming it will comply with the appropriate requirements relating to the Marking of transfers.

“**RD-N**” means the day which is N Business Days before the Record Date (and terms such as RD-1, RD-2 etc have corresponding meanings).

“**Record Date**” or “**RD**” means the date determined by an Issuer as the date by which Transfers must be received for the purpose of identifying the persons entitled to the benefit of a Corporate Action.

“**Selling Broker**” means the Broker which is obliged to deliver Non-CS Approved Products and is entitled to receive payment for those Non-CS Approved Products.

## 2. APPLICATION OF THIS SCHEDULE

This Schedule applies only to transactions in Non-CS Approved Products.

*Note: This Schedule only applies to settlement of transactions on ASX markets which are not eligible to be settled using electronic transfer and registration facilities.*

## 3. VALID DELIVERY DOCUMENTS

### 3.1 Document validity – Selling Broker

The Selling Broker will be responsible for the validity of all documents of title delivered to the Buying Broker.

### 3.2 Incomplete transfer documents

A Buying Broker may refuse delivery of a transfer of Non-CS Approved Products where the details specified in the Procedures have not been inserted by the Selling Broker.

### 3.3 Partial delivery by consent

Deliveries of Non-CS Approved Products (which may constitute one or more documents) must represent the exact quantity sold in each case unless the Buying Broker consents, in which case there may be partial delivery.

### 3.4 Rejected transfers

If a Buying Broker wishes to reject back to a Selling Broker a transfer of Non-CS Approved Products which has been completed with transferee detail or validated in Part 2, or both, then prior to return of the transfer the transferee detail and validation section of Part 2 of the transfer must be cancelled by the affixing of a cancellation stamp through Part 2 of the transfer.

### 3.5 Receipts for deliveries

Upon delivery of Non-CS Approved Products direct to a Buying Broker's office a Selling Broker is entitled to receive an acknowledgement from the Broker bearing the initials of the receiving clerk and the Broker's stamp.

## **4 SETTLEMENT OF NON-CS APPROVED PRODUCTS QUOTED “EX” OR “CUM” A BENEFIT**

### **4.1 Sale “cum”**

When a transfer of Non-CS Approved Products in relation to a sale on a “cum” basis in respect of a Benefit is delivered:

- (a) on or after RD-2:
  - (i) The Selling Broker:
    - A. must (or, in the case of a specific entitlement of non-renounceable rights or a right to participate in a bonus issue not subject to ratification, may) allow a Cash Adjustment to the Buying Broker at settlement (unless otherwise agreed or, in the case of a specific entitlement of non-renounceable rights, the Buying Broker advises the Selling Broker before the final date of closing of acceptances that it does not wish to participate in the issue) in lieu of the Benefit; and
    - B. must endorse the Security description on the transfer “ex”.
  - (ii) The Buying Broker:
    - A. must not lodge the transfer for registration until after RD. If the Buying Broker lodges the transfer for registration in breach of this provision it must refund to the Selling Broker the Cash Adjustment under paragraph (a)(i)(A) on the Business Day following the payment Date (notwithstanding any breach by the Selling Broker of its obligations under paragraph (a)(i)(B); and
    - B. except in the case of a Cash Benefit, repay the Cash Adjustment to the Selling Broker upon delivery to the Buying Broker by the Selling Broker of the Benefits (or, in the case of a specific entitlement of non-renounceable rights, the Buying Broker does not wish to participate).
- (b) on or before RD-3:
  - (i) the Selling Broker will not be responsible to the Buying Broker for the Benefit in the event that the transfer is not registered before RD; and
  - (ii) the Buying Broker will have no claim against the Selling Broker for the Benefit but may lodge a claim with the Selling Broker against the seller. Claims will be made and dealt with in accordance with the Procedures.

### **4.2 Sale “ex”**

When a transfer of Non-CS Approved Products in relation to a sale on an “ex” basis in respect of a Benefit is delivered on or prior to RD:

- (a) the Selling Broker must:
  - (i) endorse the Security description on the transfer “ex”; and
  - (ii) if the Buying Broker breaches its obligations under paragraph (b)(ii) below, give written notice to the Buying Broker of particulars of the relevant loss in accordance with the Procedures;
- (b) the Buying Broker must:
  - (i) not lodge the transfer with the Issuer for registration on or prior to RD; and

- (ii) if the Buying Broker lodges the transfer for registration in breach of paragraph (b)(i), be responsible to the Selling Broker for any loss caused (notwithstanding any breach by the Selling Broker of paragraph (a) and must compensate the Selling Broker for that loss in the manner set out in the Procedures.

#### **4.3 Cash Adjustment**

A Cash Adjustment, for the purposes of this clause 4:

- (a) where the Benefit is a Cash Market Product:
  - (i) is a value determined by ASX when a Selling Broker has not delivered Non-CS Approved Products sold “cum Bonus”, “cum Entitlement” or “cum Rights” by RD-3 to determine shareholders to participate in an issue of Benefit;
  - (ii) will represent an amount in lieu of the accruing Benefit; and
  - (iii) will be made for all accruing Benefits notwithstanding that some or all of the accruing Benefits may be issued for no cash consideration; or
- (b) where the Benefit is a Cash Benefit, is an amount equal to the relevant Cash Benefit.

#### **4.4 Special provisions for particular types of Benefit**

##### **4.4.1 Bonus Issues subject to ratification**

In respect of sales of Non-CS Approved Products “cum bonus” where the bonus issue is subject to ratification, unless otherwise arranged with the Buying Broker, the Selling Broker must not deliver Non-CS Approved Products during the period from RD-2 to the day on which a Bonus issue subject to ratification is ratified by members (both days inclusive).

##### **4.4.2 Renounceable rights**

In respect of sales of Non-CS Approved Products which are renounceable rights, the rights must not, other than as determined by ASX or by arrangement with the Buying Broker, be delivered on or after ED-2. If delivery is made on or after that date, paragraph 4.6 applies.

##### **4.4.3 Rights Issues subject to ratification**

In respect of a sale of Non-CS Approved Products “cum rights” where the relevant right issue is subject to ratification by a meeting of holders of relevant securities, the Non-CS Approved Products rights shall not, other than as determined by ASX or by arrangement with the Buying Broker, be delivered on or after the later of RD-5 and the first Business Day after ratification by members.

##### **4.4.4 Specific Entitlements of non-renounceable rights**

In respect of a sale on Non-CS Approved Products “cum” a specific entitlement of non-renounceable rights, the Buying Broker shall have the right to request the Selling Broker to pay to the Issuer where appropriate application money in excess of the minimum; such excess amount shall be provided by the Buying Broker on or before ED-5. The Buying Broker may require acknowledgement from the Selling Broker of the receipt of such excess amount.

##### **4.4.5 “Cum” priority**

- (a) Non-CS Approved Products sold “cum priority” may be delivered by a Selling Broker on a continuing basis but when not delivered by RD-3, the

Buying Broker on or before ED-5, must advise the Selling Broker in writing of the amount of the new issue securities for which application is desired and must place the seller in funds to the extent of the required application money. The Buying Broker may require acknowledgement from the Selling Broker for such payment. Where the priority is to a fixed entitlement not being a pro rata entitlement then the provisions of Listing Rule 7.12 must apply.

- (b) When Non-CS Approved Products are sold “cum priority” and are delivered by the Selling Broker on or before RD-3 but are not transferred to the buyer's name on a “cum priority” basis and the buyer decides to participate in the issue, the Buying Broker on or before the ED-5, must claim on the original Selling Broker in writing for the number of new issue securities for which application is desired, and must place the seller in funds to the extent of the required application money. The Buying Broker may require acknowledgement from the original Selling Broker for such payment. The request for protection must also include details of:
- (i) the original Selling Broker's code and Transfer Identification Number;
  - (ii) the name of the transferor;
  - (iii) the actual date of purchase by the claimant.

#### **4.5 Elections in respect of Cash Benefits and Sale of Rights, Option Securities or Convertible Securities**

If:

- (a)
- (i) Non-CS Approved Products (which are renounceable rights, option Securities or convertible Securities) the subject of a Market Transaction are not delivered to the Buying Broker by ED-3 (or ED-2 in the case of renounceable rights), and the buyer of the Non-CS Approved Products wishes to exercise, to convert or to make an election in respect of the Non-CS Approved Products, or (in the case of renounceable rights) to apply for the relevant Securities, or
  - (ii) Non-CS Approved Products the subject of a sale “cum” a Cash Benefit in respect of which an election or nomination may be made, the Buyer wishes to make such election or nomination and the ED in respect of that election or nomination is on or after RD in respect of the Cash Benefit:
    - A. in the reasonable opinion of the Buying Broker may remain undelivered to the Buying Broker as at RD-3; or
    - B. are returned to the Selling Broker as unregistrable on or after RD-3, then:
- (b) the Buying Broker shall on or before ED-2 (if paragraph (a)(i) applies), ED-5 (if paragraph (a)(ii)(A) applies) or the day upon which the Non-CS Approved Products or transfer is returned to the Selling Broker (if paragraph (a)(ii)(B) applies) advise the Selling Broker in writing of the buyer's exercise or conversion instructions and (if necessary) place the Selling Broker in funds necessary to effect the instructions).

In the case of renounceable rights, however, the Buying Broker will be taken to have instructed the Selling Broker to apply to the Issuer for the Securities to be issued pursuant to such right such that the amount of application money payable by the seller shall not exceed the minimum



required by the Issuer if it has not instructed the Selling Broker by no later than 3.00pm on the last day of delivery of rights that:

- (i) protection is not required; or
  - (ii) that protection is required and payment of application money in excess of the minimum is to be made, in which case such excess shall be provided by the Buying Broker at that time) and the Selling Broker shall protect the buyer by applying to the Issuer for such Securities; and
- (c) the Selling Broker must:
- (i) take immediate action to effect the instructions;
  - (ii) send to the Buying Broker, on request, a written notice acknowledging exercise or conversion;
  - (iii) effect delivery of the products issued to it in respect of the exercise or conversion within five Business Days of the issue date.

Amended 04/03/13

## **4.6 Acceptance of Securities as delivered – Special Markets**

### **4.6.1 General**

- (a) Subject to paragraph 4.6.2 and notwithstanding anything to the contrary in any other provision of this Schedule, when in a market established in accordance with Rule [2111], a transaction in a Non-CS Approved Product is executed on a 'cum' benefit basis during a period when normal trading in the Security is on the basis of 'ex' the Benefit, then, on demand by the seller:
- (i) delivery of the Non-CS Approved Product must be made on the basis of 'cum' the Benefit on any Business Day following the date of the transaction up to but not including the Record Date; and
  - (ii) the Buying Broker must not refuse delivery and shall also ensure that the settlement documents are lodged with the Issuer for registration prior to the Record Date; or
- (b) If the Non-CS Approved Products are not registered prior to the Record Date, any subsequent claim by the buyer for the Benefit may be satisfied by provision of the Benefit actually distributed to the transferor.

### **4.6.2 Specific entitlements of renounceable rights**

Notwithstanding anything to the contrary in any other provision of this Schedule 8, when in a market established in accordance with Rule [2111], a transaction in a Non-CS Approved Product is executed on a "cum entitlement" basis with respect to a specific entitlement or non-renounceable rights, during a period when normal trading for the Non-CS Approved Product the subject of the transaction is "ex entitlement" and the Buying Broker requires protection in respect of the entitlement:

- (a) Where the transaction is effected before the ED-5, the Buying Broker must, on or before ED-5, advise the Selling Broker in writing of the number of Securities for which protection is required and attach to the advice sufficient application money for that number of Securities;
- (b) Where the transaction is effected on or after ED-5 the Buying Broker must, no later than the close of business on the Business Day following the date of the transaction, advise the Selling Broker in writing of the number of Securities for which protection is required and attach to the advice sufficient application money for that number of Securities;

- (c) The Selling Broker must acknowledge in writing receipt of the notice referred to in paragraphs (a) or (b) and protect the Buying Broker by lodgement with the Issuer of the relevant entitlement form and application money prior to or on ED;
- (d) Where the transaction is effected on ED, the Selling Broker must in respect of all of the entitlements attaching to the Non-CS Approved Products, protect the Buying Broker by immediate lodgement with the Issuer of the relevant entitlement form and sufficient application money and the Buying Broker must on the following Business Day, provide to the Selling Broker the applicable application money; and
- (e) The Selling Broker must deliver to the Buying Broker the Securities the result of the protection within seven Business Days of the issue date.

Amended 04/03/13

## **4.7 Dividend Withholding Tax**

### **4.7.1 Withholding Tax Commonwealth of Australia**

When Non-CS Approved Products owned by a non-resident are sold “cum dividend” or “cum interest” and delivered with an adjustment for dividend or interest the Selling Broker must be responsible to the Buying Broker for the full amount of the dividend or interest. It will be the Selling Broker’s responsibility to lodge an application for the refund of withholding tax with the Deputy Commissioner of Taxation.

When Non-CS Approved Products sold cum dividend are delivered by the Selling Broker in the name of a non-resident, on or before the third Business Day prior to and inclusive of the Record Date and a claim for dividend is received, the non-resident seller will be responsible for the amount of the dividend less withholding tax. The Selling Broker must supply the name and address of the seller to the claiming Broker who will be responsible for the lodgement of an application for the refund of withholding tax with the Deputy Commissioner of Taxation.

### **4.7.2 Withholding Tax – Overseas**

When a transfer of Non-CS Approved Products of an Issuer subject to other than Australian income tax or Australian withholding tax is sold “cum dividend” and is delivered during the last two Business Days prior to and inclusive of the Record Date or on any date thereafter, the Selling Broker must allow the Australian currency equivalent of the dividend less the minimum overseas tax payable by an Australian resident.

### **4.7.3 United Kingdom withholding tax**

A Buying Broker must not settle a dividend with its buying client for shares in a United Kingdom company or body corporate, purchased “cum dividend” but not registered before the Record Date until:

- (a) the client has completed the appropriate form of declaration to enable him to qualify for the lower rate of United Kingdom withholding tax and lodged such form with the company or body corporate when the transfer is lodged for registration. When the company or body corporate has approved the form of declaration the Broker must then settle the dividend with its client, after deducting the lower rate of United Kingdom withholding tax, or
- (b) the client has notified the Broker that, having read the conditions contained in the declaration form he is not eligible to complete the declaration or alternatively, the company or body corporate does not approve a form completed by him, the Broker must then settle the dividend with its client

less the full rate of United Kingdom withholding tax. The Broker must pay the difference between the full rate and the lower rate of United Kingdom withholding tax to the company or body corporate when the transfer is lodged for registration.

#### **4.7.4 Claims**

When Non-CS Approved Products are purchased “cum dividend” and delivered by the seller before the last two Business Days prior to and inclusive of the Record Date but are not transferred to the buyer's name on a “cum” basis, the original seller is only responsible to the buyer for the tax paid amount received by him from the Issuer.

### **5 MANNER OF SETTLING BONDS AND STOCK**

- 5.1 Settlement between Brokers of transactions in Commonwealth and Semi-Government loans will be by way of transfer and acceptance of Inscribed Stock.
- 5.2 Unless otherwise agreed, all deliveries of Commonwealth Inscribed Stock in settlement of a transaction will be on the register maintained in the State of that transaction.
- 5.3 In respect of “cum interest” transactions in Commonwealth Government or Semi-Government loans, where settlement takes place after the closing date of the Inscribed Stock Register, the settlement price will be adjusted by the amount of the interest payment.
- 5.4 Irrespective of whatever denominations of Inscribed Stock are delivered, the amount of interest is to be calculated on the total face value of the Securities involved in the transaction. Where the amount of interest thus determined results in a fraction of a cent, that fraction will be disregarded.

### **6 BROKERS' STAMPS**

- 6.1 Brokers must stamp documents in accordance with the Procedures.
- 6.2 A reference in this schedule or the procedures to a Buying or Selling Broker's certification stamp or “Correction Guaranteed” stamp includes a certification stamp or “Correction Guaranteed” Stamp of a settlement agent acting on behalf of a Broker.

### **7 DOCUMENTS – MARKED TRANSFERS**

- 7.1 A transfer of Non-CS Approved Products for which Official Quotation has been granted or Securities quoted on a Recognised Stock Exchange is valid delivery without the relevant certificate attached provided that such transfer has been Marked by the Issuer or a Marking Body.
- 7.2 Transfer of Commonwealth Government inscribed stock or of inscribed stock of any constituted authority shall be valid delivery when they bear thereon a certification by the appropriate registry that stock to cover the transfer is inscribed in the name of the transferor.
- 7.3 A Marked transfer shall not be good delivery during the last five Business Days currency of the Marking. The currency of a Marked transfer shall not be extended. Any extension of a Marking shall invalidate the transfer for delivery purposes.

## 8 FACSIMILE TRANSMISSION OF NON-CS APPROVED PRODUCTS

For the purpose of this paragraph 8:

- 8.1 **“Delivering Broker”** means the Broker which transmits by facsimile transmission details of Non-CS Approved Products in fulfilment of a selling obligation.
- “Receiving Broker”** means the Broker which receives by facsimile transmission details of Securities in fulfilment of a purchase obligation.
- 8.2 Where details of Non-CS Approved Products are transmitted by facsimile transmission in accordance with paragraph 8.3 the Delivering Broker warrants that it holds a split transfer or renunciation and split transfer referred to in paragraph 8.3 duly completed by the Delivering Broker and to which the Delivering Broker's stamp in ink has been affixed in accordance with Regulation 7.11.05(1) of the Corporations Regulations.
- 8.3 Delivery details of Non-CS Approved Products may be transmitted by facsimile, by the Selling Broker transmitting to the Buying Broker:
- (a) an interbroker faxing advice duly completed; and
  - (b) a true copy of the split transfer or renunciation and split transfer referred to in paragraph 8.2 which must include:
    - (i) A Marking Stamp with certificate details and unique identifier as inserted by the Marking Body;
    - (ii) Validation by the Delivering Broker in Part 1 of the split transfer or renunciation and split transfer;
    - (iii) Cancellation by the Delivering Broker by the affixing of a cancellation stamp through Part 2 of the split transfer or renunciation and split transfer.
- 8.4 Transmission of delivery details may only be made between Brokers prior to 12.15 pm Eastern Standard/Summer Time as applying in NSW and Victoria.
- 8.5 The Receiving Broker is obliged to accept a facsimile transmission transmitted in accordance with paragraph 8.3 and must transpose the relevant details contained in the split transfer or renunciation and split transfer referred to in paragraph 8.2 to a new split transfer or renunciation and split transfer and validate in Part 1 prior to on delivery, or registration as the case may be.
- 8.6 Brokers must ensure the availability of a duly designated facsimile machine for the receipt of transmitted delivery details, which should be operational during normal business hours for the receipt of transmitted deliveries.

## 9 DOCUMENTS – REGISTRATION

### 9.1 Transfers – Renunciations

9.1.1 For the purposes of this clause 9:

**“transfers”** or **“renunciations”** are in relation to Non-CS Approved Products and shall include **“split transfers”** and **“split renunciations”**.

9.1.2 Except where transfers or renunciations require the transferee's signature:

- (a) The Buying Broker must forward Security or Brokers Transfers to the Issuer for registration within three Business Days of receipt of documents from the Selling Broker, provided that when the books of an Issuer close for any purpose all transfers in its possession must be lodged with the Issuer before the registers close, unless the transfers are in respect of a transaction settled on an “ex entitlement” basis.

- (b) When the Buying Broker is not able to complete the transfers with the buyer's full name and address pursuant to paragraph 9.1.2(a), it shall nominate the Non-CS Approved Products.
- (c) Except where a Broker purchases Securities pursuant to paragraph 9.1.2(d), it must obtain the buyer's details from its principal to enable it to comply with paragraph 9.1.2(a) and must not forward transfers or renunciations to any person who is not an Affiliate or Market Participant unless:
  - (i) authorised to do so by ASX and subject to the conditions laid down by ASX; or
  - (ii) the person is the settlement agent of the Broker;
  - (iii) pursuant to the provisions of paragraph 9.1.2(c)(i) ASX has authorised the release of transfers or renunciations to a party which is any one of the following:
    - (A) an ADI;
    - (B) a member of the Trustee Companies Association; or
    - (C) a person acting in a fiduciary capacity who requests transfers or renunciations to be delivered to him,

and the party has entered into a transfer lodgement performance agreement with ASX, provided that the Buying Broker completes part 2 of such transfers or renunciations with respect to the transferee's details, and attaches the advice of lodgement for registration required by paragraph 9.2;

- (d) When a Broker purchases Securities for or on behalf of a member of The London Stock Exchange for settlement through the TALISMAN system, the Broker may forward the Transfer(s) and/or Renunciation(s) to the local office/agency of The London Stock Exchange, without completion of the buyer's details.

- 9.1.3 Unless permitted by an Issuer's constitution, a Broker must not in respect of a purchase of Non-CS Approved Products, lodge a transfer of Non-CS Approved Products which, if registered, would result in a buying client holding less than a Marketable Parcel of those Non-CS Approved Products.

## **9.2 Advice of Lodgements – Issuer**

All transfers and renunciations in relation to Non-CS Approved Products forwarded to Issuers for registration must be accompanied by an Advice of Lodgement for Registration. The Advice must be dated and include:

- (a) number of units;
- (b) the names of the transferor;
- (c) the names of the transferee;
- (d) the register in which the Securities are to be registered;
- (e) the certificate or reference number relative to each transfer,

provided that where all transfers and renunciations are micro-filmed before lodgement and are suitably referenced, the advice of lodgement need not contain the details set out in paragraphs (a) to (e) above.

## **9.3 Advice of Lodgement – Client**

The Buying Broker may on the day transfers or renunciations are forwarded to the Issuer in relation to Non-CS Approved Products, advise its clients that Securities

have been forwarded to the Issuer for registration. The advice shall be in writing and be dated and shall include:

- (a) the name of the Issuer;
- (b) the number and class of Security;
- (c) the full name and address of the transferee.

A client must be advised if Non-CS Approved Products are not forwarded to the Issuer for registration within six weeks of the date of purchase.

## **10 DOCUMENTS – RENUNCIATIONS**

- 10.1 A security renunciation and transfer or a Broker's renunciation and transfer will be good delivery of Non-CS Approved Products if Marked by the Issuer or a Marking Body.
- 10.2 An unmarked security renunciation and transfer for the exact number of rights sold in a transaction, and to which is attached the relevant letter of entitlement duly cancelled by the Selling Broker will be good delivery.

## **11 QUOTED SECURITIES – VALID**

In the case of an Issuer admitted to the official list only such Securities as have been granted official quotation by ASX will constitute valid delivery.

## **12 FAILURE TO DELIVER – FAIL FEES**

If a Broker fails to deliver Non-CS Approved Products on the required date for settlement (under Rule [3600]), ASX may at its discretion charge the Broker which failed to deliver the Non-CS Approved Products a fee in respect of the failure to deliver.

## **13 CONTINUED ABILITY TO MARK**

- 13.1 In relation to Non-CS Approved Products, Marking Bodies must at all times perform Markings in an efficient and accurate manner and in accordance with the Procedures.
- 13.2 Where ASX has reason to believe that a Marking Body is not performing Markings in an efficient or accurate manner, ASX may at its discretion, advise Brokers that, as from a date specified in the advice and until further notice to the contrary, transfers Marked by the Marking Body will not be valid delivery in terms of this Schedule.

## **SCHEDULE 9      RULES OF DIVISION 3 COMPENSATION ARRANGEMENT**

### **1.      INTRODUCTORY**

These are the Compensation Rules of the ASX Compensation Arrangement established pursuant to Division 3 of Part 7.5 of the Corporations Act. These Compensation Rules have effect as a contract under seal between ASX and each Market Participant.

### **2.      ESTABLISHMENT, INVESTMENT AND HOLDING OF THE FUND**

- (a)      The initial amount of the Fund is \$2,000,000.
- (b)      The Authority must, until the Fund is applied for the Purposes of the Fund or disbursed in accordance with these Compensation Rules, invest the Fund in accordance with section 892C of the Corporations Act or kept in accordance with section 892B of the Corporations Act.

### **3.      PURPOSES OF THE FUND**

The Purposes of the Fund are:

- (a)      to meet Permitted Claims on the Fund in accordance with these Compensation Rules;
- (b)      to meet Disbursements of the Fund;
- (c)      to make Permitted Returns of the Fund;
- (d)      to invest the Fund as provided for under section 892C of the Corporations Act;
- (e)      such other purposes as the Authority considers necessary with regard to the other Purposes of the Fund.

### **4.      DISBURSEMENTS OUT OF THE FUND**

The Authority may pay out of the Fund in such order as it deems proper:

- (a)      all legal and other expenses incurred in investigating or defending claims made under the Compensation Rules or incurred in relation to the Fund or in the exercise by the Authority or its delegates or officers of any rights, powers, authorities or duties vested in or imposed on it under these Compensation Rules or otherwise in relation to the Fund or the Purposes of the Fund;
- (b)      all premiums payable in respect of contract of insurance or indemnity entered into by or on behalf of the Authority;
- (c)      the expenses incurred in the administration of the Fund, including the salaries and wages of persons employed by or seconded to the Authority, its board or the Claims Review Panel in relation to the fund;
- (d)      all other money payable out of the Fund in accordance with these Compensation Rules or law.

## 5. CLAIMS ON THE FUND

- (a) The Claims Review Panel must consider claims on the Fund by claimants for the compensation of Relevant Entrusted Property Losses, if the claimants:
  - (i) claim to have suffered a Relevant Entrusted Property Loss;
  - (ii) have notified the Claims Review Panel in the Required Form (by delivery to the Authority addressed to “the Secretary, Claims Review Panel”) setting out sufficient details of the claim within 6 months of the claimant becoming aware of the Relevant Entrusted Property Loss or, if a notice has been published under clause 10, by no later than the date specified in that notice; and
  - (iii) if the claim is in respect of a Relevant ASXF Entrusted Property Loss, the claimant has provided the Authority with a deed of release in a form acceptable to the Authority and ASXF, releasing ASXF from any liability in respect of the claim.
- (b) The Claims Review Panel must consider claims notified in accordance with paragraph (a) in a reasonable time having regard to the information provided in support of the claim and the circumstances of the claim.

## 6. THE CLAIMS REVIEW PANEL

- (a) The Board must, by resolution, appoint a Claims Review Panel comprising not fewer than 3 and not more than 5 persons, at least one of whom is also a member of the Board.
- (b) The Claims Review Panel may be paid such remuneration as the Authority considers appropriate.
- (c) Decisions of the Claims Review Panel must be determined by a majority vote of the Claims Review Panel.
- (d) The Claims Review Panel must notify the relevant claimant and the Market Participant in relation to a claim of the outcome of the Claims Review Panel’s deliberations in respect of that claim in writing.
- (e) The Board must only appoint such persons to the Claims Review Panel who it believes have appropriate experience in the fields of financial markets, law, accounting or such other field of activity as the Board considers relevant.

## 7. PAYMENT OF CLAIMS

- (a) If the Claims Review Panel decides, in accordance with clause 6 that a Claim is established, it must determine, subject to this clause 7 and clause 8, what compensation will be paid out of the Fund to meet the claim.
- (b) Subject to these Compensation Rules and the limitations set out in Part 7.5 of the Corporations Act, the amount of compensation to be paid in respect of a Relevant Entrusted Property Loss must be not less than the sum of:
  - (i) The actual pecuniary loss suffered by the claimant, calculated by reference to the market value of any relevant assets or liabilities as at the date on which the loss is suffered; and
  - (ii) The claimant’s reasonable costs of, and disbursements incidental to, the making of the claim.



- (c) The amount of compensation payable in respect of a claim may be reduced by reference to:
  - (i) a right of set-off available to the claimant;
  - (ii) the extent to which the claimant was responsible for causing the loss.
- (d) In addition to any compensation that is payable under these Compensation Rules, interest is payable out of the Fund on the amount of the compensation, less any amount attributable to costs and disbursements, at the prescribed rate calculated from and including the day on which the pecuniary loss was suffered until the day on which the claim is satisfied.
- (e) In other provisions of this Division a reference to "Relevant Entrusted Property Loss" includes (unless the contrary intention appears) a reference to interest payable in accordance with section 885E(5).
- (f) The Authority must, subject to the limitations set out in these Compensation Rules, satisfy claims established in accordance with these Compensation Rules, by making a lump sum payment to the successful claimants.

## 8. MONETARY LIMITATIONS ON CLAIMS

- (a) The Compensation Payment to any Claimant in respect of any Claim or series of Claims arising out of the same circumstances will not exceed \$100,000. In this regard a Claim will be considered to arise out of the same circumstances if it arises out of property having been given or entrusted to a single Market Participant.
- (b) If:
  - (i) a person makes or has made another claim against the Fund or against any Division 3 or Division 4 arrangements or under any law or contract, in respect of a loss suffered by the person and that claim has been allowed by the relevant court or body; and
  - (ii) the person or another person makes a Claim against the Fund for compensation in respect of the same loss,

the Claim against the Fund must not be allowed unless the Claimant satisfies the Tribunal that the Claimant has not been paid and will not be paid such compensation as has been ordered to the Claimant by the court or body referred to in paragraph (f).
- (c) The amount or the sum of amounts paid from the Fund in respect of Claims referable to Relevant Circumstances in respect of a particular Market Participant must not exceed \$1,000,000.
- (d) The amount or the sum of amounts paid from the Fund in respect of Claims in respect of a single set of circumstances must not exceed \$1,000,000.
- (e) For the purposes of calculating the sum of amounts paid from the Fund for the purposes of this clause 8, an amount paid from the Fund is to be disregarded to the extent to which that amount is repaid to the Fund.
- (f) If the Authority or the Claims Review Panel considers, having regard to the ascertained or contingent liabilities **in respect** of the Fund, that the assets of the fund so permit, it may apply out of the Fund such sums in excess of the amount limited by this clause 9 as it, in its discretion, thinks fit in or towards the compensation of Claimants in respect of a Permitted Claim.
- (g) If the Fund is, at any time, insufficient to meet current Permitted Claims, or if the amount of claims which have been made out but not paid in respect of a particular Market Participant or a single set of circumstances exceeds the

limitations set out paragraphs (c) or (d) respectively, the Authority may apportion the available funds amongst claimants on such basis as it considers, on reasonable grounds, to be equitable.

- (h) Notwithstanding paragraphs (a) to (g) above, claims in respect of Relevant ASXF Entrusted Property Losses will not be subject to the limitations set out in those paragraphs.
- (i) Claims in respect of Relevant ASXF Entrusted Property Losses will be subject to the limitations that would have applied had they been brought under Part 8.6 of the Corporations Act as in effect on 15 July 2001 (construed as if references therein to “the fidelity fund” were references to the Fund).

## **9. TIME LIMITS ON CLAIMS**

- (a) The Authority may cause to be published in a daily newspaper circulating generally in each State and Territory, a notice specifying a date, not being earlier than 3 months after the publication of the notice, on or before which claims for compensation from the Fund, in relation to a person, firm, circumstance or set of circumstances described in the notice, may be made.
- (b) A Claim for compensation from the Fund must be made within 6 months after the claimant became aware of the relevant loss (or, if a notice has been published in accordance with paragraph (f), before the date specified in that notice. Claims not made within those time limits are barred unless the Authority or the Claims Review Panel otherwise determines.

## **10. CERTAIN CLAIMS PERMITTED**

A claim relating to an alleged loss caused by defalcation or fraudulent misuse is not disallowed solely because:

- (a) the person against whom the defalcation or misuse is alleged has not been convicted or prosecuted; and
- (b) the evidence on which the claim is allowed would not be sufficient to establish the guilt of that person on a criminal trial in respect of the defalcation or fraudulent misuse.

## **11. PERMITTED RETURNS OF THE FUND**

If, at any time, the amount in the Fund is greater than the Prescribed Amount, the Authority may return so much of the Fund as is in excess of the Prescribed Amount to Contributors on such basis as the Authority considers appropriate.

## **12. CONTRIBUTIONS TO THE FUND**

- (a) If the amount in the Fund is less than the Prescribed Amount, the Authority may determine in writing that a levy is payable by Relevant Market Participants in an amount which, when added to the amount of the Fund at the time of such determination is not less than the Prescribed Amount.
- (b) The provisions of Section 883D of the Corporations Act apply to a levy raised under this paragraph 12.
- (c) If the Authority determines that a levy is payable in accordance with paragraph (a) above, the amount of levy payable by each Relevant Market

Participant will be the total amount of the levy divided by the number of Relevant Market Participants at the time the Authority determines that the levy is payable.

- (i) all Relevant Market Participants must pay on an equal basis; or
  - (ii) all Relevant Market Participants must pay on a basis related to the amount of claims that have been made in relation to such Market Participant; or
  - (iii) all Relevant Market Participant must pay on a basis related to the size or turnover of the Relevant Market Participants' Relevant Business.; or
  - (iv) on another basis determined by the Authority.
- (d) Relevant Market Participants must pay levies raised under this clause 12 within the period, and in the manner and amounts, specified in writing by the Authority either generally or in relation to particular Relevant Market Participants or particular classes of Relevant Market Participants.

### **13. INDEMNITY**

Each Relevant Market Participant indemnifies and must keep indemnified the Authority against any costs, losses, expenses or payments it pays or incurs pursuant to these Compensation Rules arising out of Relevant Entrusted Property Losses in connection with that Relevant Market Participant.

### **14. RUN-OFF**

- (a) Subject to paragraph (b), if ASX ceases to be required by the Corporations Act to maintain the compensation arrangements provided for in these Compensation Rules, the Authority must:
- (i) publish an advertisement in a newspaper or newspapers circulating in Canberra and the capital city of each state of Australia notifying that it has so ceased and calling for any claims under these Rules which have arisen on or before the date on which the Authority ceases to be bound by the Corporations Act to be notified to the Authority in accordance with paragraph 5 within 3 months of that date;
  - (ii) continue to comply with these Rules to the extent necessary to ensure that any Claims which have arisen on or before the date on which the Authority ceases to be bound by the Corporations Act to maintain the compensation arrangements provided for in these Compensation Rules been notified in accordance with paragraph 5 on or before the date which is 3 months after the date on which the Authority ceases to be bound by the Corporations Act Relevant Date are considered and, if successful, compensated in accordance with these Rules.
- (b) The Authority will not be required to comply with clause 14(a) if another compensation arrangement is put in place that, in the opinion of the Australian Securities and Investments Commission, provides adequately for the consideration and compensation of claims of the type described in paragraph (a).

### **15. DEFINITIONS**

In these Compensation Rules, the following terms have the meanings set out below.

**“ASX”** and **“Authority”** mean ASX Futures Exchange Pty Limited.

**“Board”** means the Board of directors of ASX.

**“Claims”** means a claim on the fund made in accordance with clause 4.

**“Claims Review Panel”** means a panel appointed in accordance with clause 6.

**“Compensation Rules”** means the rules set out in this Annexure to the Operating Rules.

**“Contributors”** means ASX or any related body corporate of ASX and Contributing Market Participants.

**“Contributing Market Participants”** means Market Participants who have paid levies to the Fund pursuant to clause 12.

**“Disbursements”** means a payment in accordance with clause 4.

**“Effective Date”** means 11 March 2004.

**“Fund”** means the fund established pursuant to this document, which will be known as the ASX Supplemental Compensation Fund.

**“Insolvency Event”** means circumstances which include where:

- (a) the company becomes subject to the appointment of an administrator;
- (b) steps are taken by any person towards making the company externally administrated;
- (c) a controller as defined under the Corporations Act is appointed of any of the property of the defaulting party or any steps are taken in relation to this;
- (d) the company has failed to comply with a statutory demand within the meaning of the Corporations Act; or
- (e) a compromise, arrangement, winding-up, dissolution, deregistration, assignment for the benefit of creditors, scheme, composition or arrangement with creditors, insolvency, bankruptcy, or any similar procedure occurs.

**“Operating Rules”** means the Operating Rules (formerly known as the Market Rules), forming part of the operating rules, of ASX Limited.

**“Market Participant”** has the meaning given that term in the Operating Rules.

**“Non-NGF Products”** means financial products which are not:

- (a) “securities” as defined in Corporations Regulation 7.5.09;
- (b) warrant products as referred to in Schedule A of ASIC Class Order 02/312 (warrants admitted to trading status under the operating rules of the financial market operated by ASX); or
- (c) option contracts within the meaning of paragraph 92(1)(e) of the old Corporations Act.

**“Permitted Claim”** means a Claim, which has been permitted by the Claims Review Panel in accordance with these Compensation Rules.

**“Permitted Return”** means a return of part of the Fund pursuant to paragraph 11.

**“Prescribed Amount”** means \$2,000,000.

**“Prescribed Rate”** means 10% per annum.

**“Purposes of the Fund”** means the purposes described in clause 2.

**Related Body Corporate** has the same meaning as is set out in section 50 of the Corporations Act.

**“Relevant Circumstances”**, in relation to a claim, means an Insolvency Event having occurred to the Market Participant to which the claim relates since the time that the property giving rise to the claim was given or entrusted to the Market Participant.

**“Relevant Date”** means the date on which ASX ceases to be bound by the Corporations Act to maintain the compensation arrangements provided for in these Compensation Rules.

**“Relevant Entrusted Property Losses”** means Relevant ASX Entrusted Property Losses and Relevant ASXF Entrusted Property Losses.

**“Relevant ASX Entrusted Property Losses”** means losses of a kind described in Section 885C of the Corporations Act, construed subject to section 885D.

**“Relevant ASXF Entrusted Property Losses”** means, provided that the relevant claim is notified to the Authority by 10 September 2004, losses of a kind described in Section 1239(1) of the Corporations Act as in effect on 15 July 2001, construed as if references in that sub-section to “a futures organisation” were references to ASXF.

**“Relevant Market Participant”** means a Market Participant with Trading Permission to deal in Non-NGF Products.

**“Required Form”** means such form as the Authority has determined from time to time and made available by a link on the web-site of ASX Limited.

## 16. INTERPRETATION

### 16.1. General

In these Rules, unless the context otherwise requires:

- (a) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or any legislative provision substituted for, and any statutory instruments issued under, that legislation or legislative provision;
- (b) the singular includes the plural and vice-versa;
- (c) a reference to an individual or person includes a corporation, partnership, trust, firm, authority, government and governmental agency and vice-versa;
- (d) a word denoting any gender includes all genders;
- (e) where an expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning;
- (f) where there is a reference to the power of the Authority to make, demand or impose a requirement on a person there is a corresponding obligation of that person to comply with that demand or requirement in all respects;

- (g) a reference to writing includes typing, printing, lithography, photography, telex, facsimile or any other mode of representing or reproducing words in a visible form;
- (h) a reference to time is to the time in Sydney, Australia; and
- (i) a reference to currency is a reference to Australian currency.

## **16.2. Headings**

Headings are for convenience of reference only and do not affect the interpretation of the Rules.

## **16.3. Corporations Act interpretation**

Unless the contrary intention appears, words that are not specifically defined in the Rules but are given a particular meaning in the Corporations Act, or the Acts Interpretation Act, have the same meaning in these Rules. If there is any inconsistency between the Corporations Act and the Acts Interpretation Act, the meaning in the Corporations Act prevails.

## **16.4. Purpose and object of Rule**

In the interpretation of a Rule, a construction that would promote the purpose or object underlying the Rules (whether that purpose or object is expressly stated in the Rules or not) is to be preferred to a construction which would not promote that purpose or object.

## **16.5. Effect of amendment to Rule**

Unless expressly stated otherwise, where a Rule is:

- (a) amended;
- (b) deleted; or
- (c) lapses or otherwise ceases to have effect,  
that circumstance does not:
  - (d) revive anything not in force or existing at the time at which that circumstance takes effect;
  - (e) affect the previous operations of that Rule or Procedure or anything done under that Rule;
  - (f) affect any right, privilege, obligation or liability acquired, accrued or incurred under that Rule;
  - (g) affect any penalty, forfeiture, suspension, expulsion or disciplinary action taken or incurred in respect of any breach of that Rule; or
  - (h) affect any investigation, disciplinary proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture, suspension, expulsion or disciplinary action,

and any such investigation, disciplinary proceeding or remedy may be instituted, continued or enforced, and any such penalty, forfeiture, suspension, expulsion or disciplinary action may be imposed as if the circumstance had not taken effect.

## SCHEDULE 10 WARRANTS

Schedule 10 describes, and sets out specifications in respect of, Warrants traded on ASX's market.

### 10.1 WARRANT RULES

#### 10.1.1 Warrant Rules

This schedule 10 applies to Warrants.

#### 10.1.2 No Guarantee of Viability

The approval of a Warrant-Issuer or admission to Trading Status of a Warrant Series does not imply any guarantee or warranty by ASX as to the viability of the Warrant-Issuer or of the Warrant Series. To the extent permitted by law ASX disclaims all liability for the performance by a Warrant-Issuer of its obligations in respect of a Warrant Series admitted to Trading Status, or the performance of a Warrant Series.

Amended 01/02/16

#### 10.1.3 Obligations of Warrant-Issuers

- (a) The obligations of Warrant-Issuers who have agreed to be bound by these Rules under this Schedule 10 are owed to ASX.
- (b) If a Warrant-Issuer is a Market Participant it will in addition, in that capacity, be bound by these Rules in accordance with Rule [6001].

### 10.2 WARRANT-ISSUERS

#### 10.2.1 Approval of Warrant-Issuers

In order to be approved as a Warrant-Issuer, an applicant for approval as a Warrant-Issuer must:

- (1) hold all relevant licence authorisations under Chapter 7 of the Corporations Act for the purpose of the conduct of their business as a Warrant-Issuer under this Schedule 10 of the Rules (but only to the extent that such licence authorisation is required by that Act);
- (2) confirm to ASX that it has facilities, expertise, procedures, personnel and financial resources which are adequate for the performance by the applicant of its obligations as a Warrant-Issuer;
- (3) agree in writing to be bound by the Rules, and conditions imposed pursuant to the Rules; and
- (4) be one of the following:
  - (a) an entity, which is prudentially regulated as specified in the procedures;
  - (b) a government, government body or instrumentality, that has a guarantee by the relevant government Treasury authority covering payments due by the proposed Warrant-Issuer;
  - (c) an entity which:

- (i) holds an Australian Financial Services Licence or a licence in another jurisdiction which makes it subject to adequate supervision of capital standards;
- (ii) in ASX's opinion has a low long term credit risk;
- (iii) has net tangible assets which in the opinion of ASX are sufficient to support the proposed issue; and
- (iv) is acceptable to ASX;
- (d) an entity which has a Guarantor which meets the criteria in paragraph (4)(a), (4)(b) or 4(c);
- (e) an entity which proposes to issue a Warrant Series of Fully Covered Warrants and is acceptable to ASX; or
- (f) any other person or entity accepted by ASX, whose decision will be final.

Upon approval as a Warrant-Issuer, a Warrant-Issuer must continue to satisfy the above requirements while its approval as a Warrant-Issuer remains in force and must immediately notify ASX in writing if any of the above requirements is no longer met. The suspension or cessation of a Warrant-Issuer's approval for any reason does not affect any obligations of a Warrant-Issuer arising while that approval was in force.

Amended 13/05/15, 01/02/16

### **10.2.2 Guarantors**

All guarantees provided by a Guarantor pursuant to Rule 10.2.1 must be unconditional and irrevocable and in favour of the Warrant-Holder.

Amended 01/02/16

### **10.2.3 ASX has discretion regarding approval of Warrant-Issuers**

The following requirements apply to the approval of Warrant-Issuers:

- (a) ASX has absolute discretion as to whether to approve a Warrant-Issuer;
- (b) approval may be granted on such conditions as ASX thinks appropriate and Warrant-Issuers must comply with such conditions at all times;
- (c) ASX may suspend or revoke any such approval if in the absolute discretion of ASX, ASX is of the opinion or reasonably suspects that a Warrant-Issuer may become unable or unwilling, or in any respect fails, to comply with this Schedule 10; and
- (d) ASX may grant, suspend or revoke approval without giving any reason including, without limiting the generality of the foregoing and subject to no less than one months notice being given, where a Warrant-Issuer has no current Warrant Series listed on ASX and has had no Warrant Series admitted to Trading Status within the previous twelve months.

### **10.2.4 Notification obligations of Warrant-Issuers**

A Warrant-Issuer must notify ASX of the matters set out in the Procedures in the time and manner set out in the Procedures.

Introduced 01/07/19



## **10.3 ADMISSION TO TRADING STATUS**

### **10.3.1 ASX's discretion regarding admission to Trading Status**

The following provisions apply to the admission of Warrant Series to Trading Status:

- (a) a Warrant shall not be available for trading on ASX unless and until the relevant Warrant Series has been admitted to Trading Status by ASX;
- (b) without affecting the generality of sub-paragraph (c) an approved Warrant-Issuer seeking the admission of a Warrant Series to Trading Status must satisfy ASX that it continues to satisfy the requirements of Rule 10.2;
- (c) admission to Trading Status for Warrants is in ASX's absolute discretion. ASX may admit Warrants to Trading Status on any conditions it considers appropriate and the Warrant-Issuer must comply with such conditions. ASX may grant or refuse admission to Trading Status without giving any reasons; and
- (d) ASX may suspend or revoke any such admission if, in the absolute discretion of ASX, ASX is of the opinion or reasonably suspects that the Warrant-Issuer may become unable or unwilling, or in any respect fails, to comply with this Schedule 10.

### **10.3.2 Requirement for specific Warrant Series**

Admission to Trading Status will be for a specific Warrant Series with a title and description sufficient to be distinguishable from other Warrant Series already admitted to Trading Status.

### **10.3.3 Requirements for admission to Trading Status**

Admission to Trading Status will only be granted to Warrants if all the following requirements are satisfied:

- (a) the Warrant-Issuer has completed and given to ASX an application for admission in the form specified by ASX from time to time;
- (b) ASX has no objection to the Terms of Issue;
- (c) the Warrant-Issuer is approved by ASX under Rule 10.2; and
- (d) the Warrant-Issuer has prepared and given to ASX a draft or final Product Disclosure Statement or prospectus.

Where a draft Product Disclosure Statement or prospectus is given under paragraph (d) trading must not commence until the final Product Disclosure Statement or prospectus has been given to ASX.

Amended 01/02/16

### **10.3.4 Amendment of expiry date, prohibition on amendment to Terms of Issue**

- (a) If provided for in the Terms of Issue, the expiry date of a Warrant can be amended in the case of an extraordinary event as defined in the Terms of Issue, but cannot be amended in any other circumstances.
- (b) No other Terms of Issue can be amended except as permitted by Rules 10.3.5 or 10.3.6.
- (c) Where Terms of Issue entitle a Warrant-Issuer to act or refrain from acting with the consent of ASX, ASX may grant or refuse to grant consent in its absolute discretion.

### **10.3.5 Amendment of Terms of Issue by approval**

If provided for in the Terms of Issue, the Terms of Issue can be amended with the approval of 75% of votes cast by those Warrant-Holders who vote on a proposed resolution. Votes cast by the Warrant-Issuer or its associates must be disregarded. Voting must be in accordance with the following:

- (a) voting rights in respect of Warrants will be on a one for one basis;
- (b) a Warrant-Holder will be entitled to vote on any proposed resolution; and
- (c) in circumstances where a Warrant-Issuer proposes to hold a meeting, it must provide each Warrant-Holder, by the time set out in the Procedures:
  - (i) written notice of the meeting; and
  - (ii) proxy forms by which a Warrant-Holder can appoint a person to attend the meeting and vote on its behalf. Such proxy forms must be blank so far as the person primarily to be appointed as proxy is concerned.

### **10.3.6 Other Amendment of Terms of Issue**

If provided for in the Terms of Issue, the Terms of Issue can be amended:

- (a) if the amendment is necessary in the opinion of the Warrant-Issuer to comply with any statutory or other requirements of law or any requirement of ASX;
- (b) to rectify any defect, manifest error or ambiguity in the Terms of Issue where the amendment does not materially prejudice the interests of Warrant-Holders;
- (c) to permit transfers by a method other than as set out in the Terms of Issue;
- (d) in the case of an adjustment or an extraordinary event, as defined in the Terms of Issue; or
- (e) where, in the reasonable opinion of the Warrant-Issuer, the amendment does not materially prejudice the interests of Warrant-Holders.

Amended 13/05/15

#### **10.3.6A Notification to ASX**

Where an amendment has been made to the Terms of Issue (including an amendment of expiry date or other amendment of Terms of Issue under Rules 10.3.4, 10.3.5 or 10.3.6), ASX should be notified of such amendment by the time set out in the Procedures.

Introduced 13/05/15

### **10.3.7 Authorisation to use index**

In the case of Warrants for which the Underlying Instrument is an index which is subject to ownership held by a party other than the Warrant-Issuer, the Warrant-Issuer must submit with its application, written authorisation from the owner to use that Underlying Instrument for the purposes of that issue of Warrants.

### **10.3.8 Contents of Terms of Issue**

Terms of Issue must include appropriate provisions for the adjustment of the exercise rights of the Warrants in appropriate circumstances, including, without limitation:

- (a) where the Warrants are linked to Cash Market Products of a Listed Entity, adjustments for reductions in capital, bonus issues, rights issues and capital restructurings; and
- (b) where the Warrants are linked to an index, the modification and discontinuance of the index.

### 10.3.9 Issue limits

A proposed issue of Deliverable Warrants over Cash Market Products of a Listed Entity will not be admitted to Trading Status, where, at the time of the proposed issue of the Warrant, either or both of the following apply:

- (a) the number of Equity Securities which may be acquired or be required to be acquired pursuant to the exercise of Deliverable Warrants at any time prior to and inclusive of the expiry date of the proposed issue of Warrants, whether under the proposed issue or any existing issue of Warrants, would exceed 50% of the class of Cash Market Product, or such lesser percentage set by ASX; and
- (b) the number of Equity Securities which may be acquired or be required to be acquired pursuant to the exercise of Deliverable Warrants that expire during the 14 day period immediately before or after the expiry date of the proposed issue of Warrants, would exceed 20% of the class of Cash Market Product or such lesser percentage set by ASX.

These tests will be applied separately to put Warrants and call Warrants.

### 10.3.10 Exemption from Rule 10.3.9

Rule 10.3.9 does not apply to Deliverable Warrants in respect of which the Warrant-Issuer has arranged for a number of the Underlying Instrument sufficient to meet the exercise of all outstanding Warrants to be held in a trust, custodial or other similar arrangement acceptable to ASX.

### 10.3.11 Spread of Warrant-Holders and Reasonable Bid

Unless ASX determines otherwise, a Warrant-Issuer must, on an ongoing basis, ensure a reasonable Bid and volume is maintained in the market for each Warrant Series for the period set out in the Procedures except in Permitted Circumstances.

In this Rule **Permitted Circumstances** means where:

- (a) the Underlying Instrument or the underlying hedge instrument of a Warrant Series is placed in Pre-Open Session State or is subject to a suspension or trading halt or is otherwise unavailable for trading;
- (b) the Warrant Series is subject to a suspension or trading halt or is placed in Pre-Open Session State or is otherwise unavailable for trading;
- (c) the theoretical value of the Warrant Series is below the relevant minimum price step of the Trading Platform (e.g. \$0.001);
- (d) the Warrant-Issuer has advised the market that it (or its Warrant Market Making Agent) would breach laws, regulatory rules or similar constraints either in Australia or a relevant foreign jurisdiction by fulfilling its market making obligations, provided that:
  - (i) where appropriate, it will endeavour to obtain any necessary regulatory relief that will enable it to continue to make a market in that Warrant Series; and
  - (ii) it will advise the market upon being able to continue to make a market in that Warrant Series;

- (e) the Warrant-Issuer has advised the market by such time as set out in the Procedures that it (or its appointed Warrant Market Making Agent) continues to experience an interruption to its normal operating environment that substantially prevents the timely and accurate entry of market making orders into the Trading Platform;
- (f) any other circumstances set out in the Procedures and notified to the Commission.

Amended 01/07/19

### **10.3.12 Issue of Warrants**

Subject to Rule 10.3.13 where the Underlying Instrument is a security, the Warrant-Issuer may issue, in addition to any other lawful circumstances, Warrants if one of the following paragraphs applies:

- (a) the Terms of Issue of the Warrants have been examined by ASX and are Terms of Issue to which ASX has no objection, and the Warrants have been admitted to Trading Status; or
- (b) the Terms of Issue of the Warrants have been examined by ASX and are Terms of Issue to which ASX has no objection, and the Warrant-Issuer undertakes to comply with Rule 10.3.13(b).

### **10.3.13 Application of Rule 10.3.12**

- (a) [Deleted]
- (b) Where a Warrant-Issuer issues Warrants in reliance on paragraph (b) of Rule 10.3.12, Rule 10.3.12 only applies if the Warrant-Issuer uses its best endeavours to complete all action on its part necessary to secure the admission of the Warrants to Trading Status as soon as practicable including, without limitation, the submission to ASX of Terms of Issue and an Offering Circular, Product Disclosure Statement or prospectus (as the case may be).

Amended 13/05/15

### **10.3.14 Fees**

The Warrant Issuer must pay to ASX fees in connection with the admission to Trading Status as determined by ASX from time to time.

## **10.4 FULLY COVERED WARRANTS**

### **10.4.1 Fully Covered Warrants**

The Warrant-Issuer of a Fully Covered Warrant must ensure that:

- (a) the Underlying Instruments (or other Financial Products of equivalent value) held in the Cover Arrangement are only dealt with in accordance with the terms of the Cover Arrangement;
- (b) an audit of compliance with paragraph (a) is undertaken annually by a registered company auditor; and
- (c) all audit reports pursuant to paragraph (b) are lodged with ASX at the time of lodging the Warrant-Issuer's next annual report.

Amended 13/05/15

## 10.4A NAMING/DESCRIPTION AND INDEX SELECTION REQUIREMENTS

### 10.4A.1 Naming and description requirements

The name (if any) and description of a Warrant must comply with the requirements set out in the Procedures.

Introduced 01/07/19

### 10.4A.2 Index selection requirements

If a Warrant has an index as its Underlying Instrument, the index must comply with the requirements set out in the Procedures.

Introduced 01/07/19

## 10.5 OFFERING CIRCULARS

### 10.5.1 Application

This Rule 10.5 applies to a Warrant if:

- (a) the Warrant-Issuer prepared an Offering Circular in accordance with old Rule 8.7 which was in force on 10 March 2004; and
- (b) the Warrant Series the subject of the Offering Circular was admitted to Trading Status prior to 11 March 2004.

### 10.5.2 Supplementary Offering Circular required

Where:

- (a) an Offering Circular has been lodged with ASX; and
- (b) at any time while Warrants are available for subscription or issued on the basis of the Offering Circular; and
  - (i) there is a significant change affecting any matter contained in the Offering Circular; or
  - (ii) a significant new matter arises, the inclusion of information in respect of which would have been required if the matter had arisen when the Offering Circular was prepared,

the Warrant-Issuer who lodged the Offering Circular must lodge with ASX a supplementary Offering Circular containing particulars of the change or new matter. In this Rule, “**significant**” means significant for the purpose of making an informed assessment of the matters mentioned in old Rule 8.7.5 which was in force on 10 March 2004.

### 10.5.3 Requirements of supplementary Offering Circulars

A Warrant-Issuer must lodge with ASX the number of copies of the supplementary Offering Circular prescribed by ASX, in a form or forms acceptable to ASX. If not objected to by ASX, the supplementary Offering Circular must be sent with the Offering Circular provided by the Warrant-Issuer and must be made available by the Warrant-Issuer to any other Warrant-Holder on request. A copy of the supplementary Offering Circular will be made available for inspection at ASX.

Amended 04/03/13

### 10.5.4 Liability for supplementary Offering Circulars

ASX excludes all liability to the extent permitted by law for the contents of this supplementary Offering Circular, including any expert's report which it may contain.

### **10.5.5 Indemnity for claims arising from supplementary Offering Circulars**

The Warrant-Issuer indemnifies ASX against any claim arising from or in relation to any supplementary Offering Circular.

### **10.5.6 Availability of Offering Circulars**

A Warrant-Issuer must provide an Offering Circular to all persons offered or invited to subscribe to the initial issue of a Warrant Series.

## **10.6 WARRANT-ISSUER REPORTS**

### **10.6.1 Information concerning Warrant-Issuers and Guarantors**

A Warrant-Issuer and any Guarantor must upon request by ASX provide forthwith to ASX any explanations and/or information concerning itself or any of its subsidiaries or of any proposed action or omission to act the lack of disclosure of which may lead to the establishment of a false market in Warrants issued by that Warrant-Issuer or which would be likely to materially affect the price of those Warrants.

### **10.6.2 Information in relation to Warrants in a specified Warrant Series**

If requested by ASX, a Warrant-Issuer must provide, within the time set out in the Procedures, any information in relation to Warrants in a specified Warrant Series. This information must be provided in a form acceptable to ASX.

### **10.6.3 False market in Warrants**

A Warrant-Issuer and any Guarantor must notify ASX immediately of any information concerning itself or of any of its subsidiaries or any action, omission to act, or proposed action or omission to act the non-disclosure of which may lead to the establishment of a false market in Warrants issued by that Warrant-Issuer or which would be likely to materially affect the price of those Warrants.

Amended 13/05/15

### **10.6.4 Quarterly Warrant information – [Deleted]**

### **10.6.5 Annual report**

Subject to Rule 10.6.10, a Warrant-Issuer and Guarantor (if applicable) must lodge its annual report with ASX by the time set out in the Procedures.

### **10.6.6 Statement of assets, liabilities and equity**

- (a) Subject to Rule 10.6.10, a Warrant-Issuer without a Guarantor must lodge with ASX by the time set out in the Procedures a statement of assets, liabilities and shareholders' equity of the Warrant-Issuer, together with such notes as a person would reasonably require to make an informed assessment of the ability of the Warrant-Issuer to meet its obligations under the Terms of Issue of the Warrant. This is not required in respect of Fully Covered Warrants.
- (b) Subject to Rule 10.6.10, a Warrant-Issuer with a Guarantor that:
  - (i) is a Related Body Corporate of the Warrant Issuer, must lodge with ASX by the time set out in the Procedures, a statement of assets, liabilities and shareholders' equity of the Guarantor, together with such notes as a person would reasonably require to make an informed assessment of the ability of the Guarantor to meet its obligations under the Terms of Issue of the Warrant or guarantee in favour of the Warrant-Holder (as applicable);

- (ii) is not a Related Body Corporate of the Warrant Issuer, must lodge with ASX by the time set out in the Procedures, a statement of assets, liabilities and shareholders' equity of the Warrant-Issuer and a statement of assets, liabilities and shareholders' equity of the Guarantor, together with such notes as a person would reasonably require to make an informed assessment of the ability of the Warrant-Issuer and the Guarantor to meet their obligations under the Terms of Issue of the Warrant or guarantee in favour of the Warrant-Holder (as applicable).

This is not required in respect of Fully Covered Warrants.

#### **10.6.7 Current annual report**

Warrant-Issuers must, on request, make available to Warrant-Holders a copy of the current annual report of the Warrant-Issuer.

#### **10.6.8 Documentation forwarded to ASX**

All documentation forwarded to ASX by or on behalf of a Warrant-Issuer and Guarantor (if applicable), whether provided in support of an application or in compliance with the Rules for the time being or otherwise, will become and remain the property of ASX which may, in its absolute discretion, copy any or all of such documentation and forward such copies to the public, the media, or any other interested party. Private correspondence, including draft documents lodged with ASX for approval, and marked "not for public release" will only be released to the public, the media, or any other interested party where ASX has formed the opinion that the information should be released and has given notice to the company to that effect.

#### **10.6.9 Amended, supplementary and replacement Product Disclosure Statements and prospectuses**

Where a Warrant Issuer has given to ASX a Product Disclosure Statement or prospectus in respect of a Warrant under Rule 10.3.3(d), the Warrant Issuer must:

- (a) promptly give to ASX any amended, supplementary or replacement Product Disclosure Statement or prospectus which it prepares and proposes to issue in respect of those Warrants; and
- (b) when it issues the amended, supplementary or replacement Product Disclosure Statement or prospectus promptly announce to the market that fact and where a copy of the document may be obtained by investors.

Amended 01/07/19

#### **10.6.10 Exemption from Warrant-Issuer reports**

Warrant-Issuers and Guarantors (if applicable) are not required to comply with Rules 10.6.5 and 10.6.6 if, in ASX's opinion, equivalent information has been provided to ASX in accordance with the Listing Rules.

### **10.7 TRANSFERS AND REGISTERS**

#### **10.7.1 Transfer of Warrants**

The transfer of a Warrant must comply with Part 7.11 of the Corporations Act and be effected in accordance with the Clearing Rules and the Settlement Rules.

Amended 01/02/16

### **10.7.2 Comply with Clearing Rules and Settlement Rules**

Warrant must be CS Approved Products. The Warrant Issuer must, in respect of the Warrants, comply with the Clearing Rules and the Settlement Rules to the extent they apply to Warrants.

Amended 01/02/16

### **10.7.3 Issuer Sponsored Subregister**

If the Warrant-Issuer establishes an "Issuer Sponsored Subregister" (as that term is defined in the Settlement Rules) in respect of a Warrant Series, the Warrant Issuer must comply with the relevant Listing Rules in relation to "Issuer Sponsored Subregisters", as if the Warrant-Issuer were a company referred to in those Listing Rules.

### **10.7.4 Register of Warrant-Holders**

The Warrant-Issuer must arrange for the establishment and maintenance of a Register of Warrant-Holders which complies with the Corporations Act as if the Warrants were shares in a company.

### **10.7.5 Comply with the Listing Rules**

The Warrant-Issuer must comply with the Listing Rules in relation to the issue and sending out of holding statements or certificates, the transfer and transmission of Warrants, and the establishment and maintenance of a Register of Warrant-Holders as if the Warrants were shares in a company.

Amended 04/03/13

### **10.7.6 Transfer between Australian Registers – [Deleted]**

Deleted 01/02/16

### **10.7.7 Transfer between Australian Register and Register maintained outside Australia – [Deleted]**

Deleted 01/02/16

### **10.7.8 Notings – [Deleted]**

Deleted 01/02/16

### **10.7.9 Endorse transfer forms – [Deleted]**

Deleted 01/02/16

### **10.7.10 Audit of Register of Warrant-Holders**

A Warrant-Issuer must have its Register of Warrant-Holders audited at intervals of not more than 12 months by or as approved by a registered company auditor.

### **10.7.11 Independent auditor's certificate**

A Warrant-Issuer must provide ASX upon request with an independent auditor's certificate to the effect that the processing of transfers is in accordance with this Rule 10.7.

### **10.7.12 Offices open on week days**

A Warrant-Issuer must ensure that offices at which transfers of Warrants are to be lodged for registration are open on all week days other than gazetted bank holidays or public holidays in the State or Territory in which the office is located and any other day which ASX will declare and publish as not a Business Day.



### **10.7.13 Deliverable Warrants**

For Deliverable Warrants which are exercised the Warrant-Issuer must not deliver the Underlying Instrument until such time as the relevant notice of exercise has been received.

Amended 04/03/13

### **10.7.14 Cash Settled Warrants**

For Cash Settled Warrants which are exercised the Warrant-Issuer must not pay that cash amount until such time as the relevant notice of exercise has been received.

Amended 04/03/13

## **10.8 WARRANT EXPIRY NOTIFICATION**

### **10.8.1 Cash Settled Warrants – [Deleted]**

### **10.8.2 Deliverable Warrants – [Deleted]**

## **10.9 SUSPENSION OF TRADING BY ASX**

### **10.9.1 Suspension of trading by ASX**

ASX reserves the right to halt or suspend trading of any Warrant on ASX whenever ASX deems such action appropriate having regard to Rule [6120] or if the Warrant-Issuer or Guarantor has failed to comply with their obligations under this Schedule 10 or the Terms of Issue.

Amended 01/07/19

## **10.10 EXPIRY OF UNEXERCISED CASH SETTLED WARRANTS**

### **10.10.1 Intrinsic value paid**

At the expiry of a Cash Settled Warrant the Warrant-Issuer must pay to the Warrant-Holder an amount equivalent to the intrinsic value of the Warrant holding at the expiry date.

### **10.10.2 Calculation of intrinsic value**

For the purposes of Rule 10.10.1 calculation of intrinsic value must be in accordance with the Terms of Issue.

### **10.10.3 Dispute regarding intrinsic value**

Pursuant to Rule 10.10.1 any dispute in relation to the calculation of intrinsic value must be referred to ASX for resolution, whose resolution will be binding.

### **10.10.4 Intrinsic value payment**

Pursuant to Rule 10.10.1 the intrinsic value payment must be paid within the time set out in the Procedures.

Amended 04/03/13

## **10.11 EXPIRY OF UNEXERCISED DELIVERABLE WARRANTS**

### **10.11.1 Lapse of Deliverable Warrant – [Deleted]**

### **10.11.2 Settlement by assessed value payment**

In the case of a Deliverable Warrant for which the Warrant-Holder fails to give notice of exercise within the time prescribed in the Terms of Issue, that Warrant must be settled by an assessed value payment calculated in accordance with Rule 10.11.4.

### **10.11.3 Intrinsic value – [Deleted]**

### **10.11.4 Assessed value payment**

For the purposes of Rule 10.11.2 the amount of any assessed value payment must at least be equal to the intrinsic value of the Warrant less reasonable costs.

### **10.11.5 Calculation of intrinsic value**

For the purposes of Rule 10.11.4 calculation of intrinsic value must be in accordance with the Terms of Issue.

### **10.11.6 Calculation of reasonable costs**

For the purposes of Rule 10.11.4, calculation of reasonable costs must be in accordance with the Terms of Issue.

### **10.11.7 Calculation of assessed value payment where not prescribed in the Terms of Issue**

In the case of a Deliverable Warrant where:

- (a) the Warrant-Holder fails to give notice of exercise within the time prescribed in the Terms of Issue;
- (b) the Warrant has an intrinsic value equal to or greater than 5% of the exercise price of the Warrant; and
- (c) the Terms of Issue refer to these Rules for the calculation of the assessed value payment;

the amount of any settlement by an assessed value payment must be calculated in accordance with the Procedures. For the purposes of paragraph (b) above, intrinsic value must be calculated in accordance with the Procedures.

### **10.11.8 Assessed value payment**

Pursuant to Rule 10.11.2 and Rule 10.11.7, the assessed value payment must be paid within the time set out in the Procedures.

Amended 04/03/13

## **10.12 NON-DELIVERY OF EXERCISED DELIVERABLE WARRANTS**

### **10.12.1 Deliverable Warrant exercised**

If a Warrant-Holder exercises a Deliverable Warrant and the Warrant-Issuer fails to fulfil its obligations under the Terms of Issue within 20 Business Days of the date upon which the Warrant-Holder exercises the Warrant (“the exercise date”), the following will apply:

- (a) the Warrant-Holder may, by giving notice in writing to the Warrant-Issuer, request the Warrant-Issuer to pay to the Warrant-Holder an amount of

liquidated damages calculated in accordance with paragraph (c) (“the liquidated damages amount”);

- (b) the Warrant Issuer must within 10 Business Days of the receipt of a request pursuant to paragraph (a) pay the liquidated damages amount to the Warrant-Holder; and
- (c) the liquidated damages amount in respect of a Warrant will be calculated in accordance with the following formulae:

For call Warrants:

$$L = 1.1 \times S$$

For put Warrants:

$$L = 1.1 \times E$$

Where:

L is the liquidated damages amount;

S is the arithmetic average of the daily volume weighted average prices of the Underlying Instrument on the 5 Trading Days following the expiry date excluding special, late and overseas sales; and

E is the exercise price of the Warrant.

#### **10.12.2 Other legal rights available**

If a Warrant-Holder does not make a request for liquidated damages in accordance with Rule 10.12.1(a), nothing in this Rule derogates from a Warrant-Holder's rights to pursue whatever legal rights he may have.

### **10.13 INDEMNITY**

#### **10.13.1 Indemnity**

A Warrant-Issuer indemnifies ASX against any claim arising from, or in relation to, a Warrant issued by that Warrant-Issuer including, without limitation, any claim in relation to any disclosure document, supplementary disclosure document, or any other disclosure by the Warrant-Issuer or any failure by the Warrant-Issuer or any Guarantor to comply with its obligations under the Rules, a guarantee provided pursuant to the Rules, the Terms of Issue, the Corporations Act or other laws.

Amended 01/02/16

### **10.14 COMPLIANCE WITH MARKET MAKING REQUIREMENTS**

#### **10.14.1 Definitions**

“**Warrants Committee**” means a Warrants Committee established under this Rule 10.14.

“**Warrants Panel**” means a Warrants Panel constituted under this Rule 10.14.

“**Warrants Market Maker**” means a Warrant-Issuer performing a Warrant Market Making function under Schedule 10 of the Rules.

“**Warrant Market Maker Bid**” means a Bid and/or volume made for the purposes of Rule 10.3.11(b).

**“Warrant Market Making”** means the provisions of market making in accordance with Rule 10.3.11(b).

**“Warrant Market Making Agent”** means a Trading Participant appointed by a Warrant-Issuer to perform Warrant Market Making as agent of the Warrant-Issuer and registered for that purpose with ASX.

#### **10.14.2 Warrants Panel**

The following provisions apply to the constitution of a Warrants Panel:

- (a) ASX may appoint persons to a Warrants Panel for the purpose of allowing the constitution by selected members of the Warrants Panel of a Warrants Committee as required from time to time.
- (b) Subject to this Rule 10.14 more than one Warrants Committee may be constituted from the Warrants Panel at any one time whether or not constituted by some or all of the same members of another Warrants Committee.
- (c) Persons appointed to the Warrants Panel may include directors or employees of ASX, or a Related Body Corporate of ASX, directors or employees or Warrant-Issuers or Market Participants and such other persons as ASX thinks fit.

#### **10.14.3 Maintenance of Reasonable Bid and Volume and Warrants Committee**

The following provisions apply in relation to the obligation of Warrant-Issuers to maintain a Bid and volume under Rule 10.3.11(b) (where applicable):

- (a) When requested by ASX, a Warrant-Issuer must within the time set out in the Procedures or such further period as ASX may allow, provide details of how it determined the Bid value and volume for the purpose of Rule 10.3.11(b).
- (b) Where ASX receives the details referred to in paragraph (a) or had not received such details within the required time it may (or may not) in its absolute discretion:
  - (i) form a view that a Warrant Market Maker Bid is contrary to Rule 10.3.11; or
  - (ii) refer a Warrant Market Maker Bid to a Warrants Committee if ASX considers that the Warrant Market Maker Bid may be contrary to Rule 10.3.11(b).
- (c) For the purposes of paragraph (b) ASX may constitute a Warrants Committee for the purposes of advising ASX on the reasonableness of a Warrant Market Maker Bid for the purposes of Rule 10.3.11(b).
- (d) In considering a Warrant Market Maker Bid, the Warrants Committee may:
  - (i) make any enquiries which it considers relevant to the Warrant Market Maker Bid;
  - (ii) seek information (orally or in writing) from the Warrant-Issuer;
  - (iii) determine the manner in which the Warrant Market Maker Bid will be considered.
- (e) The Warrants Committee may make any recommendation to ASX it considers appropriate in relation to the reasonableness of the Warrant Market Maker Bid.
- (f) The Warrants Committee must use reasonable endeavours to make its recommendations under the Rules as quickly as possible and, if

practicable, on the Trading Day on which the Warrant Market Maker Bid was referred to it under the Rules.

- (g) In relation to a Warrant Market Maker Bid, after the Warrants Committee gives ASX its advice, or where ASX forms its own view that a Warrant Market Maker Bid is contrary to Rule 10.3.11, ASX may or may not, in its discretion, take any action (or refrain from taking action) and give any directions it considers appropriate having regard to Rule [6120] including, without limitation, doing any or all of the following:
- (i) release an announcement to the market to the effect that the Warrant-Issuer failed to maintain a Warrant Market Maker Bid in accordance with Rule 10.3.11(b);
  - (ii) issue a warning letter to the Warrant-Issuer;
  - (iii) notify the Warrant-Issuer that ASX will take the Warrant-Issuer's failure to maintain a Warrant-Market Making Bid in accordance with Rule 10.3.11(b) into account when considering future applications for admission of new Warrant Series to Trading Status;
  - (iv) suspend trading in the Warrants Series; or
  - (v) determine that future Warrant Series issued by that Warrant-Issuer may not be admitted to Trading Status for a specified period of time not exceeding 12 months.
- (h) Subject to paragraph (k) before making a decision under 10.14.3(g) ASX must give a Warrant-Issuer an opportunity to make submissions to ASX orally or in writing with respect to any proposed action by ASX.
- (i) Subject to the right of appeal to an Appeal Tribunal in accordance with the provisions of the ASX Enforcement and Appeals Rulebook the exercise by ASX of its powers under this Rule is final and binding on the Warrant-Issuer involved.
- (j) Subject to paragraph (k) ASX must not take any action to implement any decision under Rule 10.14.3(g) until the period for making an appeal has expired, or where there is an appeal, the appeal has been determined.
- (k) ASX may implement and announce a decision to suspend trading in a Warrant Series pursuant to Rule 10.14.3(g) before giving the Warrant-Issuer an opportunity to make submissions, before the expiry of the period for making an appeal, or before an appeal is determined, if ASX considers it appropriate having regard to Rule [6120] to do so.
- (l) Nothing in this Rule 10.14 affects, or derogates from, the exercise by ASX of any other power in these Rules.

#### **10.14.4 Appeals**

The following provisions apply in respect of appeals;

- (a) A Warrant-Issuer may appeal to an Appeal Tribunal in accordance with the provisions of the ASX Enforcement and Appeals Rulebook a decision by ASX under Rule 10.14.3(g).

#### **10.14.5 General provisions relating to Warrants Committees**

Warrants Committees (referred to in this Rule 10.14.5 as a committee) are to be constituted as set out below:

- (a) ASX may constitute such committees by appointing at least 3 members (or such higher odd number as it sees fit) of the Warrants Panel to such committee.

- (b) At least one member of any such committee must be an agent or employee of ASX or a Related Body Corporate of ASX.
- (c) No person who has an interest in the matter being considered by a committee may be appointed to, or take part in the deliberations of a committee. The fact a member or proposed member of a committee is an employee or agent of ASX, or a Related Body Corporate of ASX, will not be regarded as an interest.
- (d) Committee members may be appointed on such terms as ASX considers appropriate.
- (e) A committee may at any meeting appoint a chairperson for the purposes of the meeting.
- (f) A committee may hold meetings in such a manner as it sees fit.
- (g) The decision of a committee will be determined by simple majority vote of the committee members. Each member has and must exercise a deliberative vote. The chairperson has a deliberative but not a casting vote.
- (h) A committee may conduct proceedings without all members of the committee involved in the proceedings being in the physical presence of each other, provided that all members involved in the proceedings are able to participate in discussion.

#### **10.14.6 Limitation of liability and indemnity**

ASX indemnifies each member of a Warrants Committee and each officer of ASX and each person acting for or on behalf of ASX against any liability arising in or in connection with the determination of a Warrants Committee, other than any liability that by law would attach to the member, officer or person in respect of any negligence, default, breach of duty or breach of trust of which the member, officer or person may be guilty in relation to ASX.

#### **10.14.7 Indemnity for certain legal proceedings**

Notwithstanding anything contained in Rule 10.14.6 ASX indemnifies each member of a Warrants Committee and each officer of ASX and each person acting for or on behalf of ASX against any liability incurred by the member, officer or person in defending any proceedings whether civil or criminal, in which judgement is given in favour of the member, officer or person or in which the member, officer or person is acquitted or in connection with any application in relation to any such proceedings in which relief is granted under the Corporations Act to the member, officer or person by any court of competent jurisdiction.

#### **10.14.8 Appointment of Warrant Market Making Agents**

The following provisions apply in relation to a Warrant-Issuer that has appointed a Trading Participant to perform Warrant Market Making functions.

- (a) Where a Warrant-Issuer is not a Trading Participant or does not wish to directly make a market in all or some Warrant Series it must appoint a Trading Participant or Trading Participants as its Warrant Market Making Agent.
- (b) A Trading Participant appointed by a Warrant-Issuer as its Warrant Market Making Agent must be registered with ASX as the Market Making Agent of the Warrant-Issuer in accordance with the Procedures.
- (c) Notwithstanding the appointment of a Trading Participant as its Warrant Market Making Agent a Warrant-Issuer is at all times responsible for the

performance of its Warrant Market Making obligations for the relevant Warrant Series.

# SCHEDULE 10A AQUA PRODUCTS AND THE AQUA TRADING MARKET

Schedule 10A describes, and sets out specifications in respect of, AQUA Products and the trading of those products on ASX's market. AQUA Products are Managed Fund Products, ETF Securities or Structured Products as defined in Rule [7100].

## 10A.1 AQUA PRODUCT RULES

### 10A.1.1 AQUA Product Rules

This schedule 10A applies to AQUA Products and the trading of AQUA Products. Rules [4600] to [4621] apply to the AQUA Quote Display Board. Rules [4650] to [4656] apply to the Managed Fund Settlement Service.

Amended 21/03/14

### 10A.1.2 No Guarantee of Viability

The approval of an AQUA Product Issuer or admission of an AQUA Product Series to Trading Status, to the AQUA Quote Display Board or for settlement through the Managed Fund Settlement Service does not imply any guarantee or warranty by ASX as to the viability of the AQUA Product Issuer or of the AQUA Product Series. To the extent permitted by law ASX disclaims all liability for the performance by an AQUA Product Issuer of its obligations in respect of an AQUA Product Series admitted to Trading Status, to the AQUA Quote Display Board or for settlement through the Managed Fund Settlement Service, or the performance of an AQUA Product Series.

Amended 21/03/14, 27/06/16

### 10A.1.3 Obligations of AQUA Product Issuer

- (a) The obligations of AQUA Product Issuers who have agreed to be bound by these Rules under Schedule 10A and Rules [4600] to [4621] and [4650] to [4656] are owed to ASX.
- (b) If an AQUA Product Issuer is a Market Participant it will in addition, in that capacity, be bound by these Rules in accordance with Rule [6001].

Amended 21/03/14

## 10A.2 AQUA PRODUCT ISSUERS

### 10A.2.1 Approval of AQUA Product Issuer

In order to be approved as an AQUA Product Issuer, an applicant for approval as an AQUA Product Issuer must:

- (1) hold all relevant licence authorisations under Chapter 7 of the Corporations Act for the purpose of the conduct of their business as an AQUA Product Issuer under Schedule 10A and Rules [4600] to [4621] and [4650] to [4656], as applicable (but only to the extent that such licence authorisation is required by that Act);
- (2) confirm to ASX that it has facilities, expertise, procedures, personnel and financial resources which are adequate for the performance by the applicant of its obligations as an AQUA Product Issuer;
- (3) agree in writing to be bound by the Rules, and conditions imposed pursuant to the Rules; and



- (4) if it issues Issuer Market Risk Products must be one of the following:
- (a) an entity, which is prudentially regulated as specified in the Procedures;
  - (b) a government, government body or instrumentality that has a guarantee by the relevant government Treasury authority covering the payments due by the proposed AQUA Product Issuer;
  - (c) an entity which:
    - (i) holds an Australian Financial Services Licence or a licence in another jurisdiction which makes it subject to adequate supervision of capital standards;
    - (ii) in ASX's opinion has a low long term credit risk;
    - (iii) has net tangible assets which in the opinion of ASX are sufficient to support the proposed issue; and
    - (iv) is acceptable to ASX;
  - (d) an entity which has a Guarantor which meets the criteria in paragraph (4)(a), (4)(b) or 4(c); or
  - (e) any other person or entity accepted by ASX, whose decision will be final.
- (5) if it issues AQUA Products other than Issuer Market Risk Products, be one of the following:
- (a) an entity which meets one of the criteria in paragraph (4) above;
  - (b) an entity which is a responsible entity of a managed investment scheme registered under the Corporations Act;
  - (ba) an entity which operates a managed investment scheme which ASIC has exempted from the registration requirements;
  - (bb) an entity which is a foreign company which satisfies the criteria in paragraph (a)(iii) of the ETF definition or paragraph (c) of the Managed Fund definition in Rule [7100];
  - (c) an entity which is admitted to the Official List of ASX;
  - (ca) an entity which proposes to issue an AQUA Product Series of Fully Covered AQUA Products and is acceptable to ASX; or
  - (d) any other person or entity accepted by ASX, whose decision will be final.

Upon approval as an AQUA Product Issuer, an AQUA Product Issuer must continue to satisfy the above requirements while its approval as an AQUA Product Issuer remains in force and must immediately notify ASX in writing if any of the above requirements is no longer met. The suspension or cessation of an AQUA Product Issuer's approval for any reason does not affect any obligations of an AQUA Product Issuer arising while that approval was in force.

Amended 21/03/14, 13/05/15, 27/06/16

### **10A.2.2 Guarantors**

All guarantees provided by a Guarantor pursuant to Rule 10A.2.1 must be unconditional and irrevocable and in favour of the AQUA Product Holder.

Amended 27/06/16

### **10A.2.3 ASX has discretion regarding approval of AQUA Product Issuers**

The following requirements apply to the approval of AQUA Product Issuers:

- (a) ASX has absolute discretion as to whether to approve an AQUA Product Issuer;
- (b) approval may be granted on such conditions as ASX thinks appropriate at that time (or any later time) and AQUA Product Issuers must comply with such conditions at all times;
- (c) ASX may suspend or revoke any such approval if in the absolute discretion of ASX, ASX is of the opinion or reasonably suspects that an AQUA Product Issuer may become unable or unwilling, or in any respect fails, to comply with Schedule 10A or Rules [4600] to [4621] or [4650] to [4656]; and
- (d) ASX may grant, suspend or revoke approval without giving any reason including, without limiting the generality of the foregoing and subject to no less than one months notice being given, where an AQUA Product Issuer has no AQUA Product Series admitted to Trading Status, admitted to the AQUA Quote Display Board or admitted for settlement through the Managed Fund Settlement Service either currently or within the previous twelve months.

Amended 21/03/14, 27/06/16

### **10A.2.4 Notification obligations**

An AQUA Product Issuer must notify ASX of the matters set out in the Procedures in the time and manner set out in the Procedures.

Introduced 01/07/19

## **10A.3 ADMISSION OF AQUA PRODUCTS**

### **10A.3.1 ASX's discretion regarding admission of AQUA Products**

The following provisions apply to the admission of AQUA Product Series to Trading Status, to the AQUA Quote Display Board or for settlement through the Managed Fund Settlement Service:

- (a) an AQUA Product Issuer must indicate whether they seek admission of an AQUA Product to Trading Status, to the AQUA Quote Display Board or for settlement through the Managed Fund Settlement Service;
- (b) an AQUA Product shall not be available for trading on ASX unless and until the relevant AQUA Product Series has been admitted to Trading Status by ASX;
- (c) an AQUA Product may not be:
  - (i) advertised on the AQUA Quote Display Board unless and until the relevant AQUA Product Series has been admitted to the AQUA Quote Display Board by ASX, or
  - (ii) available for settlement through Managed Fund Settlement Service until it has been admitted for settlement;
- (ca) where an AQUA Product Issuer seeks to convert the quotation on ASX under the Listing Rules of a class of securities issued by the AQUA Product Issuer to admission as an AQUA Product Series to Trading Status, the AQUA Product Issuer must have obtained the approval of holders of those securities for such conversion in the manner specified in the Procedures;

- (d) without affecting the generality of sub-paragraph (e) an approved AQUA Product Issuer seeking the admission of an AQUA Product Series must satisfy ASX that it continues to satisfy the requirements of Rule 10A.2;
- (e) admission of AQUA Products is in ASX's absolute discretion. ASX may admit AQUA Products to Trading Status, to the AQUA Quote Display Board or for settlement through the Managed Fund Settlement Service on any conditions it considers appropriate and the AQUA Product Issuer must comply with such conditions. ASX may grant or refuse admission to Trading Status, to the AQUA Quote Display Board or for settlement through the Managed Fund Settlement Service without giving any reasons;
- (f) ASX may suspend or revoke any such admission if, in the absolute discretion of ASX, ASX is of the opinion or reasonably suspects that the AQUA Product Issuer may become unable or unwilling, or in any respect fails, to comply with this Schedule 10A or Rules [4600] to [4621] or [4650] to [4656] ; and
- (g) ASX may revoke any such admission at the request of the AQUA Product Issuer. ASX may require the AQUA Product Issuer to establish the authority of the person making the request. ASX is not required to act on the AQUA Product Issuer's request, or may require conditions to be satisfied before it will act on the request.

Amended 21/03/14, 13/05/15

### **10A.3.2 Requirement for specific AQUA Product Series**

Admission to Trading Status, to the AQUA Quote Display Board or for settlement through the Managed Fund Settlement Service will be for a specific AQUA Product Series with a title and description sufficient to be distinguishable from other AQUA Product Series already admitted to Trading Status, to the AQUA Quote Display Board or for settlement through the Managed Fund Settlement Service.

Amended 21/03/14

### **10A.3.3 Requirements for admission**

Admission to Trading Status, to the Quote Display Board or for settlement through the Managed Fund Settlement Service will only be granted to AQUA Products if all the following requirements are satisfied:

- (a) the AQUA Product Issuer has completed and given to ASX an application for admission in the form specified by ASX from time to time;
- (b) ASX has no objection to the Financial Product including the investment mandate or other constituent documents (in the case of Managed Fund Products and ETF Securities) or the Terms of Issue (in the case of Structured Products);
- (c) the capital value or distributions of the Financial Product must be linked to Underlying Instruments which are:
  - (i) securities, derivatives, debentures, bonds or other financial products:
    - (A) admitted to trading on the Market;
    - (B) traded on a Non-ASX Market that is a member of the World Federation of Exchanges or Federation of European Securities Exchanges; or
    - (C) traded on any other Non-ASX Market where: (i) that Non-ASX Market is subject to regulation that is at least equivalent to the regulation of a market operator licenced under section 795B(1) of the Corporations Act; and (ii) that Underlying Instrument is

subject to substantially equivalent disclosure requirements to those which would apply if the Underlying Instrument were admitted to trading on the Market and which are acceptable to ASX;

- (ii) debentures or bonds which are included in an index specified in the Procedures;

Note: Indices specified in the Procedures are those considered to be widely regarded by industry, including being widely regarded as having robust and transparent eligibility criteria and governance arrangements as well as robust and transparent methodology for constructing and maintaining the index.

- (iii) debentures or bonds which are issued by a government or by an entity of a type specified in the Procedures and in respect of which ASX is satisfied that Relevant Authorised Participants and AQUA Market Makers have sufficient information available in a timely manner to enable them to reliably determine prices at which the debentures or bonds are bought or sold;
- (iv) commodities or currencies in respect of which ASX is satisfied that prices at which such commodities or currencies are bought or sold are available to market users in a timely manner or for which there is a regulated derivatives market which controls price discovery; and
- (v) indices over any of the Underlying Instruments listed in paragraphs (c)(i) to (c)(iv).

Note: Indices over products in (ii) and (iii) are expected to be those considered to be widely regarded by industry, including being widely regarded as having robust and transparent eligibility criteria and governance arrangements as well as robust and transparent methodology for constructing and maintaining the index.

- (d) the Financial Product is not:
  - (i) a security in a listed investment company;
  - (ii) a unit in a real estate investment trust (REIT) or similar fund;
  - (iii) a unit in an infrastructure trust or fund;
  - (iv) a unit in a non-portfolio strategic investment vehicle (such as a private equity fund);
  - (v) a Financial Product where the issuer has a significant influence over the price or value of the Underlying Instrument(s);
  - (vi) a Financial Product for which, in ASX's opinion, there is insufficient information available to the market on an ongoing basis regarding the price or value of the Underlying Instrument(s);
  - (vii) a Financial Product where the Underlying Instruments are shares in an unlisted company, artworks or other collectibles, wine or other assets where the price or value of the Underlying Instruments is not set by a transparent mechanism;
  - (viii) units or shares in a Managed Fund Product for which the net asset value are not disclosed daily (in the case of admission Trading Status) or at least quarterly (in the case of admission to the AQUA Quote Display Board);
  - (ix) a Financial Product priced by reference to an index where the level of that index is not publicly available or reported on a regular basis;

- (x) any other the Financial Products to which ASX considers the listing mechanism and continuous disclosure regime in the Listing Rules should apply;
- (e) the AQUA Product Issuer is approved by ASX under Rule 10A.2;
- (f)
  - (i) in relation to admission to Trading Status, the AQUA Product Issuer has prepared and given to ASX a disclosure document that complies with the Corporations Act;
  - (ii) in relation to admission to the AQUA Quote Display Board, the AQUA Product Issuer has prepared and given to ASX a disclosure document that complies with the Corporations Act or evidence of an exemption from the disclosure requirements under the Corporations Act; or  
 Note: Where under the terms of an exemption from the Corporations Act requirements provided under an ASIC exemption or Chapter 8 of the Corporations Act, an AQUA Product Issuer is not subject to disclosure requirements under Chapter 6D or Part 7.9 of the Corporations Act but is required under the terms of that exemption to lodge with ASIC (or an overseas regulatory authority) a disclosure document in the form required under Chapter 6D or Part 7.9 of the Corporations Act (or similar product disclosure information) that is made publicly available by ASIC or the overseas authority, such disclosure document must be provided to ASX for the purposes of Rule 10A.3.3(f).
  - (iii) in relation to admission for settlement through the Managed Fund Settlement Service, the AQUA Product Issuer has prepared and given to ASX the Product Disclosure Statement or, if there is one or more Supplementary Product Disclosure Statements, a document which combines the Product Disclosure Statement and all Supplementary Product Disclosure Statement(s) with the most recent Supplementary Product Disclosure Statement at the front (known as the 'Combined Product Disclosure Statement');
- (g) in relation to Structured Products, the AQUA Product Series is within the issue limits set out in Rule 10A.5.1;
- (h) in relation to Financial Products to be settled through the Managed Fund Settlement Service, they must be Managed Fund Products which are issued by or provided pursuant to a Managed Fund that is:
  - (i) a "simple managed investment scheme" (as defined in the Corporations Regulations) in relation to which the issuer provides disclosure in the form of a shorter PDS in accordance with Part 7.9 Division 4, Subdivision 4.2C of the Corporations Regulations; or
  - (ii) a managed investment scheme that is a registered managed investment scheme pursuant to 601EB of the Corporations Act and that satisfies the following requirements:
    - (A) the price of units in the Managed Fund is determined and published on a daily basis;
    - (B) redemption of the Managed Fund Products generally occurs within ten (10) Business Days of the AQUA Product Issuer receiving a redemption request from an investor;
    - (C) in the two (2) years prior to the date that ASX receives the application for admission for settlement through the Managed Fund Settlement Service, the AQUA Product Issuer has not suspended or cancelled investors' rights to withdraw from the

Managed Fund on the basis that the Managed Fund is not liquid (as defined in s 601KA of the Corporations Act); and

- (D) the Managed Fund invests at least eighty (80) percent of its assets:
  - (I) in money in an account or on deposit with a bank on the basis that the money is available for withdrawal immediately during the bank's normal business hours or at the end of a fixed-term period that does not exceed three (3) months; or
  - (II) under one or more arrangements by which the AQUA Product Issuer for the Managed Fund can reasonably expect to realise the investment, at the market value, within ten (10) days;
- (i) the AQUA Product Issuer has satisfied any other conditions that ASX may impose in relation to disclosure.

Paragraphs (c) and (d) do not apply to products to be settled through the Managed Fund Settlement Service. AQUA Products that are settled through the Managed Fund Settlement Service are not quoted on a financial market.

Where a draft disclosure document is given under paragraph (f) trading of AQUA Products, advertising of prices on the AQUA Quote Display Board or application for any AQUA Products to be settled through the Managed Fund Settlement Service must not commence until the final disclosure document has been given to ASX.

Amended 09/01/12, 21/03/14, 13/05/15, 27/06/16, 06/02/17

#### **10A.3.4 Additional requirements for admission to Trading Status**

In the case of Managed Fund Products, Trading Status will only be granted if:

- (a) the Managed Fund is an open ended collective investment, being a collective investment which continuously issues and redeems Financial Products based on the net asset value of the Managed Fund; and
- (b) the constitution of the Managed Fund provides that off market redemption facilities will operate daily.

This rule does not apply to products admitted only to the AQUA Quote Display Board or for settlement through the Managed Fund Settlement Service.

Amended 21/03/14, 13/05/15

#### **10A.3.5 Authorisation to use index**

Unless otherwise determined by ASX, in the case of AQUA Products for which the underlying investment is an index which is subject to ownership held by a party other than the AQUA Product Issuer, the AQUA Product Issuer must submit with its application, written authorisation from the owner to use that index for the purposes of that issue of AQUA Products.

#### **10A.3.6 Market making requirement**

Unless ASX determines otherwise, an AQUA Product Issuer must with respect to each AQUA Product or AQUA Product Series admitted to Trading Status either:

- (a) on an ongoing basis ensure a reasonable Bid and volume is maintained in the market for each AQUA Product Series for the period set out in the Procedures except in Permitted Circumstances; or

- (b) have in place other arrangements which meet the requirements set out in the Procedures and, in the opinion of ASX, provide a mechanism for sufficient liquidity in the AQUA Product Series.

The requirements above do not apply to AQUA Products admitted only to the AQUA Quote Display Board or for settlement through the Managed Fund Settlement Service.

In this Rule **Permitted Circumstances** means where:

- (c) the Underlying Instrument or the underlying hedge instrument of an AQUA Product Series (where relevant) is placed in Pre-Open Session State or is subject to a suspension or trading halt or is otherwise unavailable for trading;
- (d) the AQUA Product Series is subject to a suspension or trading halt or is placed in Pre-Open Session State or is otherwise unavailable for trading;
- (e) the theoretical value of the AQUA Product Series is below the relevant minimum price step of the Trading Platform (e.g. \$0.001);
- (f) the AQUA Product Issuer has advised the market that it (or its AQUA Product Market Making Agent) would breach laws, regulatory rules or similar constraints either in Australia or a relevant foreign jurisdiction by fulfilling its market making obligations, provided that:
  - (i) where appropriate, it will endeavour to obtain any necessary regulatory relief that will enable it to continue to make a market in that AQUA Product Series; and
  - (ii) it will advise the market upon being able to continue to make a market in that AQUA Product Series;
- (g) the AQUA Product Issuer has advised the market by such time as set out in the Procedures that it (or its appointed AQUA Product Market Making Agent) continues to experience an interruption to its normal operating environment that substantially prevents the timely and accurate entry of market making orders into the Trading Platform;
- (h) any other circumstances set out in the Procedures and notified to the Commission.

Amended 21/03/14, 01/07/19

### **10A.3.7 Fees**

The AQUA Product Issuer must pay to ASX fees in connection with the admission to Trading Status, Quote Display Board or for settlement through the Managed Fund Settlement Service as determined by ASX from time to time.

Amended 21/03/14

## **10A.4 MANAGED FUND PRODUCTS AND ETF SECURITIES**

### **10A.4.1 Investment mandate**

Managed Funds and ETFs are required to have an investment mandate or similar document in relation to each AQUA Product Series which sets out the investment approach of the AQUA Product Issuer. The investment mandate or similar document must meet the requirements of ASX as set out in the Procedures.

### **10A.4.2 Disclosure requirements for Managed Fund Products**

An AQUA Product Issuer that issues Managed Fund Products must disclose:

- (a) information about the net asset value of the Managed Fund daily (in the case of Managed Fund Products admitted to Trading Status) or at least quarterly (in the case of Managed Fund Products admitted to the AQUA Quote Display Board or for settlement through the Managed Fund Settlement Service);
- (b) information about redemptions from the Managed Fund;
- (c) information about dividends or distributions paid in relation to the Managed Fund;
- (ca) where the Underlying Instrument is an index, information in relation to the index (other than where the Managed Fund Products are admitted only to the AQUA Quote Display Board);
- (cb) information about the regulatory differences between Financial Products that are quoted under the Listing Rules and AQUA Products that are quoted under these Rules;
- (cc) any distribution or dividend statements (or distribution or dividend information) that are made available or provided to holders of the Managed Fund Product;
- (cd) the total number of Managed Fund Products on issue (other than where the Managed Fund Products are admitted only to the AQUA Quote Display Board);
- (d) any other information which:
  - (i) is required to be disclosed to ASIC under section 675 of the Corporations Act; or
  - (ii) would be required to be disclosed to ASIC under section 675 of the Corporations Act if the Managed Fund (relevantly, in the case of a Managed Fund that is a scheme, the undertaking to which the Managed Fund Products relate, or in the case of a Managed Fund that is a foreign company, the foreign company) were an unlisted disclosing entity and the Managed Fund Products were ED securities of the Managed Fund, unless a similar disclosure is made by the AQUA Product Issuer under Rule 10A.4.2(da) below under the terms of an exemption from the Corporations Act requirements provided under an ASIC exemption or Chapter 8 of the Corporations Act;

Note: Rule 10A.4.2(d)(ii) requires disclosure to ASX even if the Managed Fund Products are not ED securities, on the basis that they are to be treated as if they were ED securities of the Managed Fund and such Managed Fund was an unlisted disclosing entity for the purposes of the continuous disclosure requirements under section 675 of the Corporations Act. To the extent however that the AQUA Product Issuer is required to make a similar disclosure to ASIC or overseas regulatory authority in respect of the Managed Fund under the terms of an exemption from the Corporations Act requirements provided under an ASIC exemption or Chapter 8 of the Corporations Act, a similar disclosure made by the AQUA Product Issuer under Rule 10A.4.2(da) will obviate the need to make such disclosure under Rule 10A.4.2(d)(ii).

Rule 10A.4.2(d)(ii) does not require that the Managed Fund be treated as a disclosing entity for the purposes of other requirements which apply under the Corporations Act to a disclosing entity.
- (da) in respect of a Managed Fund (relevantly, in the case of a Managed Fund that is a scheme, the undertaking to which the Managed Fund Products



relate, or in the case of a Managed Fund that is a foreign company, the foreign company) which is not an unlisted disclosing entity subject to the disclosure requirements under section 675 or section 1017B of the Corporations Act, any other information specified under section 675 or section 1017B of the Corporations Act (or similar information) that the AQUA Product Issuer is required to disclose to ASIC or overseas regulatory authority in respect of the Managed Fund under the terms of an exemption from the Corporations Act requirements provided under an ASIC exemption or Chapter 8 of the Corporations Act, where that information is made publicly available by ASIC or the overseas regulatory authority (as applicable);

- (e) any other information that would be required to be disclosed to ASX under section 323DA of the Corporations Act if the Managed Fund were admitted under the Listing Rules;
- (f) any other information that the AQUA Product Issuer is required to disclose or make available to investors generally, or prospective investors, in the Managed Fund Product under the Corporations Act or otherwise (including, without limitation, Product Disclosure Statements, Supplementary Product Disclosure Statements, Prospectus, Supplementary Prospectuses, notices issued under section 1017B of the Corporations Act, information disclosed on a fund basis in periodic statements issued under section 1017D of the Corporations Act and periodic financial or other reports prepared for disclosure to investors in accordance with statutory requirements (as applicable));
- (g) any other periodic financial reports (including financial reports, directors reports and auditors reports) that the AQUA Product Issuer is required to lodge with ASIC under the Corporations Act in respect of the Managed Fund where those financial reports are made publicly available by ASIC;
- (h) in respect of a Managed Fund (relevantly, in the case of a Managed Fund that is a scheme, the undertaking to which the Managed Fund Products relate, or in the case of a Managed Fund that is a foreign company, the foreign company) which is not an unlisted disclosing entity to which Chapter 2M of the Corporations Act applies, any other periodic financial reports (including financial reports, directors reports and auditors reports) specified under Chapter 2M or section 989B (or similar financial reports), that the AQUA Product Issuer is required to lodge with ASIC or an overseas regulatory authority in respect of the Managed Fund:
  - (i) under the Corporations Act or overseas statutory requirements; or
  - (ii) under the terms of an exemption from the Corporations Act requirements provided under an ASIC exemption or Chapter 8 of the Corporations Act,

where those financial reports are made publicly available by ASIC or the overseas regulatory authority (as applicable),

in the time and manner specified in the Procedures; and

- (i) in respect of a Managed Fund Product to be settled through the Managed Fund Settlement Service, if a new Supplementary Product Disclosure Statement is issued the AQUA Product Issuer must provide an updated Combined Product Disclosure Statement to ASX before that new Supplementary Product Disclosure Statement takes effect.

Paragraphs (ca) – (cd), (d)(ii), (da), (g) and (h) do not apply to products to be settled through the Managed Fund Settlement Service.

Note: Rules 10A.4.2(g) and 10A.4.2(h) would not require disclosure of a financial service licensee's own financial statements under s989B of the Corporations Act (or international equivalent) where the Managed Fund Product does not involve a holder obtaining securities in the AQUA Product Issuer (e.g. it would not require disclosure of the financial statements under s989B (or international equivalent) of an AQUA Product Issuer which is a Responsible Entity for the Managed Fund).

Amended 21/03/14, 13/05/15, 06/02/17

### **10A.4.3 Additional disclosure requirements for actively managed Managed Fund Products**

If a Managed Fund Product is actively managed and the AQUA Product Issuer's management activities cause the last reported net asset value to move by more than ten percent, the AQUA Product Issuer must immediately disclose its net asset value to ASX.

This rule does not apply to products admitted only for settlement through the Managed Fund Settlement Service.

Amended 21/03/14

### **10A.4.4 Disclosure requirements for ETFs**

An AQUA Product Issuer that issues ETF Securities must disclose:

- (a) information about the net asset value of the ETF;
- (b) information about dividends or distributions paid in relation to the ETF;
- (ba) where the Underlying Instrument is an index, information in relation to the index;
- (bb) information about the regulatory differences between Financial Products that are quoted under the Listing Rules and AQUA Products that are quoted under these Rules;
- (bc) any distribution or dividend statements (or distribution or dividend information) that are made available or provided to holders of the ETF Securities;
- (bd) the total number of ETF Securities on issue;
- (c) any other information which:
  - (i) is required to be disclosed to ASIC under section 675 of the Corporations Act; or
  - (ii) would be required to be disclosed to ASIC under section 675 of the Corporations Act if the ETF (relevantly, in the case of an ETF that is a scheme, the undertaking to which the ETF Securities relate, or in the case of an ETF that is a foreign company, the foreign company) were an unlisted disclosing entity and the ETF Securities were ED securities of the ETF, unless a similar disclosure is made by the AQUA Product Issuer under Rule 10A.4.4(ca) below under the terms of an exemption from the Corporations Act requirements provided under an ASIC exemption or Chapter 8 of the Corporations Act;

Note: Rule 10A.4.4(c)(ii) requires disclosure to ASX even if the ETF Securities are not ED securities, on the basis that they are to be treated as if they were ED securities of the ETF and such ETF was an unlisted disclosing entity for the purposes of the continuous disclosure requirements under section 675 of the Corporations Act. To the extent however that the AQUA Product Issuer is required to make a similar disclosure to ASIC or overseas regulatory authority in respect of the ETF under the terms of an exemption from the

Corporations Act requirements provided under an ASIC exemption or Chapter 8 of the Corporations Act, a similar disclosure made by the AQUA Product Issuer under Rule 10A.4.4(ca) will obviate the need to make such disclosure under Rule 10A.4.4(c)(ii).

Rule 10A.4.4(c)(ii) does not require that the ETF be treated as a disclosing entity for the purposes of other requirements which apply under the Corporations Act to a disclosing entity.

- (ca) in respect of an ETF (relevantly, in the case of an ETF that is a scheme, the undertaking to which the ETF Securities relate, or in the case of an ETF that is a foreign company, the foreign company) which is not an unlisted disclosing entity subject to the disclosure requirements under section 675 or section 1017B of the Corporations Act, any other information specified under section 675 or section 1017B of the Corporations Act (or similar information) that the AQUA Product Issuer is required to disclose to ASIC or overseas regulatory authority in respect of the ETF under the terms of an exemption from the Corporations Act requirements provided under an ASIC exemption or Chapter 8 of the Corporations Act, where that information is made publicly available by ASIC or the overseas regulatory authority (as applicable);
- (d) any other information that would be required to be disclosed to ASX under section 323DA of the Corporations Act if the ETF were admitted under the Listing Rules;
- (e) any other information that the AQUA Product Issuer is required to disclose or make available to investors generally, or prospective investors, in the ETF Security under the Corporations Act or otherwise (including, without limitation, Product Disclosure Statements, Supplementary Product Disclosure Statements, Prospectuses, Supplementary Prospectuses, notices issued under section 1017B of the Corporations Act, information disclosed on a fund basis in periodic statements issued under section 1017D of the Corporations Act and periodic financial or other reports prepared for disclosure to investors in accordance with statutory requirements (as applicable));
- (f) any other periodic financial reports (including financial reports, directors reports and auditors reports) that the AQUA Product Issuer is required to lodge with ASIC under the Corporations Act in respect of the ETF where those financial reports are made publicly available by ASIC; and
- (g) in respect of an ETF (relevantly, in the case of an ETF that is a scheme, the undertaking to which the ETF Securities relate, or in the case of an ETF that is a foreign company, the foreign company) which is not an unlisted disclosing entity to which Chapter 2M of the Corporations Act applies, any other periodic financial reports (including financial reports, directors reports and auditors reports) specified under Chapter 2M or section 989B (or similar financial reports), that the AQUA Product Issuer is required to lodge with ASIC or an overseas regulatory authority in respect of the ETF:
  - (i) under the Corporations Act or overseas statutory requirements; or
  - (ii) under the terms of an exemption from the Corporations Act requirements provided under an ASIC exemption or Chapter 8 of the Corporations Act,

where those financial reports are made publicly available by ASIC or the overseas regulatory authority (as applicable),

in the time and manner specified in the Procedures.

Note: Rules 10A.4.4(f) and 10A.4.4(g) would not require disclosure of a financial service licensee's own financial statements under s989B of the Corporations Act (or international equivalent) where the ETF Security does not involve a holder obtaining securities in the AQUA Product Issuer (e.g. it would not require disclosure of the financial statements under s989B (or international equivalent) of an AQUA Product Issuer which is a Responsible Entity for the ETF).

Amended 13/05/15, 27/06/16

#### **10A.4.5 Managed Funds Service additional requirements**

An AQUA Product Issuer that issues Managed Fund Products which are settled through the Managed Fund Settlement Service must:

- (a) not issue Managed Fund Products to a client without confirmation through the Managed Fund Settlement Service through messages received by the participant of the Approved Settlement Facility responsible for settling the transaction (Settlement Participant) that a copy of the most recent Product Disclosure Statement or Combined Product Disclosure Statement (as applicable), has been given to the client. The messages must include the date of the Product Disclosure Statement or Combined Product Disclosure (as applicable). However, this does not apply if the AQUA Product Issuer is not required to comply with section 1016A of the Corporations Act in relation to the issue of those Managed Fund Products;
- (b) contact clients, within 5 business days of the issuance, to:
  - (i) confirm in writing the issuance of Managed Fund Products, and
  - (ii) inform clients that they should have received a copy of the most recent Product Disclosure Statement or Combined Product Disclosure Statement (as applicable) (and specify the date of the Product Disclosure Statement and each Supplementary Product Disclosure Statement) and if they have not, they should contact the AQUA Product Issuer to obtain a copy of the disclosure documents free of charge;
- (c) notify ASX within 10 business days in accordance with the Procedures of all situations where an investor in a Managed Fund has indicated to the AQUA Product Issuer that a copy of the documents referred to in (b)(ii) above were not given to the investor;
- (d) retain for 7 years:
  - (i) records to demonstrate that it has complied with paragraph (b) above;
  - (ii) an electronic copy of all applications it receives through the Managed Fund Settlement Service; and
  - (iii) any request for a disclosure document received from a client in response to the information provided to clients under clause (b) above; and
- (e) not issue Managed Fund Products to a client in respect of a request made through the Managed Fund Settlement Service where:
  - (i) the Managed Fund is not liquid (as defined in section 601KA of the Corporations Act); and
  - (ii) the AQUA Product Issuer does not allow a member to withdraw from the Managed Fund while the Managed Fund is not liquid pursuant to the Managed Fund's constitution and/or the Corporations Act.

Introduced 21/03/14 Amended 06/02/17

#### 10A.4.6 Additional requirements for OTC Derivatives Based ETFs and OTC Derivatives Based Managed Funds

An AQUA Product Issuer that issues, distributes or makes available OTC Derivatives Based ETF Securities or OTC Derivatives Based Managed Fund Products must ensure that:

- (a) the aggregate exposure of the OTC Derivatives Based ETF or OTC Derivatives Based Managed Fund to all OTC Derivative Counterparties is managed by the AQUA Product Issuer in the manner specified in the Procedures so that it does not exceed a maximum of 10% of the net asset value of the OTC Derivatives Based ETF or OTC Derivatives Based Managed Fund;
- (b) each OTC Derivative Counterparty is one of the following:
  - (i) an Authorised Deposit-Taking Institution;
  - (ii) a Foreign ADI;
  - (iii) a foreign entity subject to an equivalent form of prudential regulation to the Banking Act 1959 in a jurisdiction specified in the Procedures; or
  - (iv) an entity for which an unconditional guarantee has been provided by an entity set out in (i)-(iii) above in favour of the OTC Derivatives Based ETF or OTC Derivatives Based Managed Fund in the event of the failure of the entity to fulfil its obligations under the OTC Derivative;
- (c) the assets which may be obtained by the OTC Derivatives Based ETF or OTC Derivatives Based Managed Fund as collateral under an OTC Derivative ("OTC Derivative Collateral") are:
  - (i) specified in the disclosure document for the OTC Derivatives Based ETF or OTC Derivatives Based Managed Fund; and
  - (ii) either:
    - (A) Securities which are constituents of the S&P/ASX 200 index;
    - (B) cash;
    - (C) Australian government debentures or bonds; or
    - (D) assets set out in Rule 10A.3.3(c)(i) to (v) which are consistent with the investment objective for the OTC Derivatives Based ETF or OTC Derivatives Based Managed Fund and meet the requirements specified in the Procedures; and
- (d) it discloses:
  - (i) the aggregate exposure of the OTC Derivatives Based ETF or OTC Derivatives Based Managed Fund to all OTC Derivative Counterparties as a percentage of the net asset value of the OTC Derivatives Based ETF or OTC Derivatives Based Managed Fund;
  - (ii) the value of assets held by the OTC Derivatives Based ETF or OTC Derivatives Based Managed Fund (excluding the value of the OTC Derivative but including any OTC Derivative Collateral obtained under the OTC Derivative) as a percentage of the net asset value of the OTC Derivatives Based ETF or OTC Derivatives Based Managed Fund; and
  - (iii) any other information specified in the Procedures, in the time and manner specified in the Procedures; and

- (e) the OTC Derivative Collateral obtained by the OTC Derivatives Based ETF or OTC Derivatives Based Managed Fund is held beneficially by the OTC Derivatives Based ETF or OTC Derivatives Based Managed Fund and legal title in those assets is held by the OTC Derivatives Based ETF or OTC Derivatives Based Managed Fund (or otherwise on its behalf pursuant to arrangements which entitle the OTC Derivatives Based ETF or OTC Derivatives Based Managed Fund to call for immediate delivery of those assets or sale of those assets and delivery of the proceeds of sale).

The constituent documents for the OTC Derivatives Based ETF or OTC Derivatives Based Managed Fund may not permit the AQUA Product Issuer to have recourse to holders of Financial Products issued by or provided pursuant to the OTC Derivatives Based ETF or OTC Derivatives Based Managed Fund.

Rule 10A.4.6 does not apply to products to be settled through the Managed Fund Settlement Service.

Introduced 13/05/15, 01/07/19

## **10A.4A NAMING AND INDEX SELECTION REQUIREMENTS**

### **10A.4A.1 Naming requirements**

The name of an AQUA Product must comply with the naming requirements set out in the Procedures.

Rule 10A.4A.1 does not apply to products to be settled through the Managed Fund Settlement Service.

Introduced 13/05/15 Amended 01/07/19

### **10A.4A.2 Index selection requirements**

If an AQUA Product has an index as its Underlying Instrument, the index must comply with the requirements set out in the Procedures.

Rule 10A.4A.2 does not apply to products to be settled through the Managed Fund Settlement Service.

Introduced 13/05/15 Amended 01/07/19

## **10A.5 STRUCTURED PRODUCTS**

### **10A.5.1 Issue limits**

This Rule 10A.5.1 relates to AQUA Products which are Structured Products and in relation to which the settlement obligations under the Terms of Issue are in the first instance completed by the transfer of Cash Market Products of an ASX Listed Entity to the AQUA Product Holders. A proposed issue of such AQUA Products will not be admitted to Trading Status or to the AQUA Quote Display Board, where, at the time of the proposed issue of the AQUA Products, either or both of the following apply:

- (a) the number of Equity Securities which may be acquired or be required to be acquired pursuant to the exercise of AQUA Products at any time prior to and inclusive of the expiry date of the proposed issue of AQUA Products, whether under the proposed issue or any existing issue of AQUA Products or Warrants, would exceed 50% of the class of Cash Market Product, or such lesser percentage set by ASX; and
- (b) the number of Equity Securities which may be acquired or be required to be acquired pursuant to the exercise of AQUA Products or Warrants that expire during the 14 day period immediately before or after the expiry date of the proposed issue of AQUA Products, would exceed 20% of the class of Cash Market Product or such lesser percentage set by ASX.

These tests will be applied separately to put AQUA Products and Warrants and call AQUA Products and Warrants.

### **10A.5.2 Terms of Issue**

AQUA Products which are Structured Products are required to have Terms of Issue unless ASX specifies otherwise. The Terms of Issue must:

- (a) include appropriate provisions for the adjustment of the exercise rights of the Structured Products in appropriate circumstances, including, without limitation:
  - (i) where the Structured Products are linked to Cash Market Products of a Listed Entity, adjustments for reductions in capital, bonus issues, rights issues and capital restructurings; and
  - (ii) where the Structured Products are linked to an index, the modification and discontinuance of the index; and
- (b) meet any other requirements specified in the Procedures or otherwise specified by ASX.

### **10A.5.3 Amendment of expiry date, prohibition on amendment to Terms of Issue**

- (a) The expiry date of a Structured Product can be amended:
  - (i) if the Terms of Issue state that the expiry date can be amended in the event of an extraordinary event, and such an event occurs; or
  - (ii) if the Terms of Issue otherwise permit the expiry date to be extended and this extension does not materially prejudice the interests of AQUA Product Holders;but cannot be amended in any other circumstances.
- (b) No other Terms of Issue can be amended except as permitted by Rules 10A.5.4 or 10A.5.5.
- (c) Where Terms of Issue entitle an AQUA Product Issuer to act or refrain from acting with the consent of ASX, ASX may grant or refuse to grant consent in its absolute discretion.

Amended 13/05/15

### **10A.5.4 Amendment of Terms of Issue by approval**

If provided for in the Terms of Issue, the Terms of Issue can be amended with the approval of 75% of votes cast by those AQUA Product Holders who vote on a proposed resolution. Votes cast by the AQUA Product Issuer or its associates must be disregarded. Voting must be in accordance with the following:

- (a) voting rights in respect of Structured Products will be on a one for one basis;
- (b) an AQUA Product Holder will be entitled to vote on any proposed resolution; and
- (c) in circumstances where an AQUA Product Issuer proposes to hold a meeting, it must provide each AQUA Product Holder, by the time set out in the Procedures:
  - (i) written notice of the meeting; and
  - (ii) proxy forms by which an AQUA Product Holder can appoint a person to attend the meeting and vote on its behalf. Such proxy forms must be blank so far as the person primarily to be appointed as proxy is concerned.

### **10A.5.5 Other Amendment of Terms of Issue**

If provided for in the Terms of Issue, the Terms of Issue can be amended:

- (a) if the amendment is necessary in the opinion of the AQUA Product Issuer to comply with any statutory or other requirements of law or any requirement of ASX;
- (b) to rectify any defect, manifest error or ambiguity in the Terms of Issue where the amendment does not materially prejudice the interests of AQUA Product Holders;
- (c) to permit transfers by a method other than as set out in the Terms of Issue;
- (d) in the case of an adjustment or an extraordinary event, as defined in the Terms of Issue; or
- (e) where, in the reasonable opinion of the AQUA Product Issuer, the amendment does not materially prejudice the interests of AQUA Product Holders.

Amended 13/05/15

### **10A.5.6 Underlying Instrument is Approved Short Sale Product – [Deleted]**

Deleted 13/05/15

### **10A.5.7 Notification to ASX**

Where an amendment has been made to the Terms of Issue (including an amendment of expiry date or other amendment of Terms of Issue under Rules 10A.5.3, 10A.5.4 or 10A.5.5), ASX should be notified of such amendment by the time set out in the Procedures.

Introduced 13/05/15

### **10A.5.8 Disclosure requirements for Structured Products**

An AQUA Product Issuer that issues Structured Products must disclose:

- (a) where the Underlying Instrument is an index, information in relation to the index;
- (b) information about the regulatory differences between Financial Products that are quoted under the Listing Rules and AQUA Products that are quoted under these Rules;
- (c) any distribution or dividend statements (or other distribution or dividend information) that are made available or provided to holders of the Structured Product;
- (d) in respect of Structured Products which represent an interest in a managed investment scheme or securities in the AQUA Product Issuer, any other information which:
  - (i) is required to be disclosed to ASIC under section 675 of the Corporations Act; or
  - (ii) would be required to be disclosed to ASIC under section 675 of the Corporations Act if the managed investment scheme (relevantly, the undertaking to which the Structured Products relate) or AQUA Product Issuer (as applicable) were a disclosing entity and the Structured Products were ED securities of the managed investment scheme or AQUA Product Issuer (as applicable), unless a similar disclosure is made by the managed investment scheme or AQUA Product Issuer (as applicable) under Rule 10A.5.8(da) below under the terms of an exemption from the Corporations Act requirements



provided under an ASIC exemption or Chapter 8 of the Corporations Act;

Note: Rule 10A.5.8(d)(ii) requires disclosure to ASX even if the Structured Products are not ED securities, on the basis that they are to be treated as if they were ED securities of the managed investment scheme (in the case of Structured Products which represent an interest in a scheme) or AQUA Product Issuer (in the case of Structured Products which represent securities in the AQUA Product Issuer) and such managed investment scheme or AQUA Product Issuer (as applicable) was a disclosing entity for the purposes of the continuous disclosure requirements under section 675 of the Corporations Act. To the extent however that the AQUA Product Issuer is required to make a similar disclosure to ASIC or overseas regulatory authority in respect of such managed investment scheme or AQUA Product Issuer (as applicable) under the terms of an exemption from the Corporations Act requirements provided under an ASIC exemption or Chapter 8 of the Corporations Act, a similar disclosure made by the AQUA Product Issuer under Rule 10A.5.8(da) will obviate the need to make such disclosure under Rule 10A.5.8(d)(ii).

Rule 10A.5.8(d)(ii) does not require that the managed investment scheme or AQUA Product Issuer (as applicable) be treated as a disclosing entity for the purposes of other requirements which apply under the Corporations Act to a disclosing entity.

- (da) in respect of Structured Products which represent an interest in a managed investment scheme or securities in the AQUA Product Issuer where the managed investment scheme (relevantly, the undertaking to which the Structured Products relate) or the AQUA Product Issuer (as applicable) is not an unlisted disclosing entity subject to the disclosure requirements under section 675 or section 1017B of the Corporations Act, any other information specified under section 675 or section 1017B of the Corporations Act (or similar information) that the AQUA Product Issuer is required to disclose to ASIC or overseas regulatory authority in respect of such managed investment scheme or AQUA Product Issuer (as applicable) under the terms of an exemption from the Corporations Act requirements provided under an ASIC exemption or Chapter 8 of the Corporations Act, where that information is made publicly available by ASIC or the overseas regulatory authority (as applicable);
- (e) any other information in respect of Structured Products which represent an interest in a managed investment scheme or securities in the AQUA Product Issuer that would be required to be disclosed to ASX under section 323DA of the Corporations Act if the AQUA Product Issuer were admitted under the Listing Rules; and
- (f) any other information that the AQUA Product Issuer is required to disclose or make available to investors generally, or prospective investors, in respect of the Structured Product under the Corporations Act or otherwise (including, without limitation, Product Disclosure Statements, Supplementary Product Disclosure Statements, Prospectuses, Supplementary Prospectuses, notices issued under section 1017B of the Corporations Act, information disclosed on a fund basis in periodic statements issued under section 1017D of the Corporations Act and periodic financial or other reports prepared for disclosure to investors in accordance with statutory requirements (as applicable));

in the time and manner specified in the Procedures.

Introduced 13/05/15 Amended 27/06/16

## **10A.5A FULLY COVERED AQUA PRODUCTS**

### **10A.5A.1 Fully Covered AQUA Products**

The AQUA Product Issuer of a Fully Covered AQUA Product must ensure that:

- (a) the Underlying Instruments (or other Financial Products of equivalent value) held in the Cover Arrangement are only dealt with in accordance with the terms of the Cover Arrangement;
- (b) an audit of compliance with paragraph (a) is undertaken annually by a registered company auditor; and
- (c) all audit reports pursuant to paragraph (b) are lodged with ASX by the time specified in the Procedures.

Introduced 13/05/15

## **10A.6 AQUA PRODUCT ISSUER REPORTS**

### **10A.6.1 Information concerning AQUA Product Issuers and Guarantors**

An AQUA Product Issuer and any Guarantor must upon request by ASX provide forthwith to ASX any explanations and/or information concerning itself or any of its subsidiaries or of any proposed action or omission to act the lack of disclosure of which may lead to the establishment of a false market in AQUA Products issued by the relevant AQUA Product Issuer or which would be likely to materially affect the price of those AQUA Products.

### **10A.6.2 Information in relation to AQUA Products in a specified AQUA Product Series**

If requested by ASX, an AQUA Product Issuer must provide any information in relation to AQUA Products in a specified AQUA Product Series as required by ASX. This information must be provided in a form acceptable to ASX and must be provided within the time set out in the Procedures.

### **10A.6.3 False market in AQUA Products**

An AQUA Product Issuer and any Guarantor must notify ASX immediately of any information concerning itself or of any of its subsidiaries or any action, omission to act, or proposed action or omission to act, the non-disclosure of which may lead to the establishment of a false market in AQUA Products issued by the relevant AQUA Product Issuer or which would be likely to materially affect the price of those AQUA Products.

Amended 13/05/15

### **10A.6.4 Documentation forwarded to ASX**

All documentation forwarded to ASX by or on behalf of an AQUA Product Issuer, and Guarantor (if applicable), whether provided in support of an application or in compliance with the Rules for the time being or otherwise, will become and remain the property of ASX which may, in its absolute discretion, copy any or all of such documentation and forward such copies to the public, the media, or any other interested party. Private correspondence, including draft documents lodged with ASX for approval, and marked "not for public release" will only be released to the public, the media, or any other interested party where ASX has formed the opinion that the information should be released and has given notice to the AQUA Product Issuer to that effect.

### **10A.6.5 Amended, supplementary and replacement disclosure documents**

Where an AQUA Product Issuer has given to ASX a disclosure document in respect of an AQUA Product under Rule 10A.3.3(f), the AQUA Product Issuer must:

- (a) promptly give to ASX any amended, supplementary or replacement disclosure document which it prepares and proposes to issue in respect of those AQUA Products; and
- (b) when it issues the amended, supplementary or replacement disclosure document promptly announce to the market that fact and where a copy of the document may be obtained by investors.

Amended 01/07/19

### **10A.6.6 Annual report (Structured Products)**

Subject to Rule 10A.6.9, an AQUA Product Issuer that issues Structured Products and Guarantor (if applicable) must lodge its annual report with ASX by the time set out in the Procedures.

Introduced 13/05/15

### **10A.6.7 Statement of assets, liabilities and equity (Structured Products)**

- (a) Subject to Rule 10A.6.9, an AQUA Product Issuer that issues Structured Products without a Guarantor must lodge with ASX by the time set out in the Procedures a statement of assets, liabilities and shareholders' equity of the AQUA Product Issuer, together with such notes as a person would reasonably require to make an informed assessment of the ability of the AQUA Product Issuer to meet its obligations under the Terms of Issue of the Structured Product. This is not required in respect of Fully Covered AQUA Products.
- (b) Subject to Rule 10A.6.9, an AQUA Product Issuer that issues Structured Products with a Guarantor that:
  - (i) is a Related Body Corporate of the AQUA Product Issuer, must lodge with ASX by the time set out in the Procedures, a statement of assets, liabilities and shareholders' equity of the Guarantor, together with such notes as a person would reasonably require to make an informed assessment of the ability of the Guarantor to meet its obligations under the Terms of Issue of the Structured Product or guarantee in favour of the AQUA Product Holder (as applicable);
  - (ii) is not a Related Body Corporate of the AQUA Product Issuer, must lodge with ASX by the time set out in the Procedures, a statement of assets, liabilities and shareholders' equity of the AQUA Product Issuer and a statement of assets, liabilities and shareholders' equity of the Guarantor, together with such notes as a person would reasonably require to make an informed assessment of the ability of the AQUA Product Issuer and the Guarantor to meet their obligations under the Terms of Issue of the Structured Product or guarantee in favour of the AQUA Product Holder (as applicable).

This is not required in respect of Fully Covered AQUA Products.

Introduced 13/05/15

### **10A.6.8 Current annual report**

An AQUA Product Issuer that issues Structured Products must, on request, make available to AQUA Product Holders a copy of the current annual report of the AQUA Product Issuer.

Introduced 13/05/15

### **10A.6.9 Exemption from AQUA Product Issuer reports (Structured Products)**

AQUA Product Issuers and Guarantors (if applicable) are not required to comply with Rules 10A.6.6, 10A.6.7 and 10A.6.8 if, in ASX's opinion, equivalent information has been provided to ASX in accordance with the Listing Rules or otherwise in the circumstances set out in the Procedures.

Introduced 13/05/15

## **10A.7 TRANSFERS AND REGISTERS**

### **10A.7.1 Transfer of AQUA Products**

The transfer of an AQUA Product must comply with Part 7.11 of the Corporations Act and be effected in accordance with the Clearing Rules and the Settlement Rules.

Amended 27/06/16

### **10A.7.2 Comply with Clearing Rules and Settlement Rules**

AQUA Products must be CS Approved Products. The AQUA Product Issuer must, in respect of the AQUA Products, comply with the Clearing Rules and the Settlement Rules to the extent they apply to AQUA Products

Amended 27/06/16

### **10A.7.3 Issuer Sponsored Subregister**

If the AQUA Product Issuer establishes an "Issuer Sponsored Subregister" (as that term is defined in the Settlement Rules) in respect of an AQUA Product Series, the AQUA Product Issuer must comply with the relevant Listing Rules (Chapter 8) in relation to "Issuer Sponsored Subregisters", as if the AQUA Product Issuer were a company referred to in those Listing Rules.

### **10A.7.4 Register of AQUA Product Holders**

The AQUA Product Issuer must arrange for the establishment and maintenance of a Register of AQUA Product Holders which complies with the Corporations Act requirements for shares or units in a registered scheme.

### **10A.7.5 Comply with the Listing Rules**

The AQUA Product Issuer must comply with the Listing Rules in relation to providing holding statements, the transfer and transmission of AQUA Products, and the establishment and maintenance of a Register of AQUA Product Holders as if the AQUA Products were shares in a listed entity.

Amended 04/03/13

### **10A.7.6 Transfer between Australian Registers – [Deleted]**

Deleted 27/06/16

### **10A.7.7 Transfer between Australian Register and Register maintained outside Australia – [Deleted]**

Deleted 27/06/16

### **10A.7.8 Offices open on week days**

An AQUA Product Issuer must ensure that offices at which transfers of AQUA Products are to be lodged for registration are open on all week days other than gazetted bank holidays or public holidays in the State or Territory in which the office is located and any other day which ASX will declare and publish as not a Business Day.

## 10A.8 SUSPENSION OF TRADING BY ASX

### 10A.8.1 Suspension of trading by ASX

ASX reserves the right to halt or suspend trading of any AQUA Product whenever ASX deems such action appropriate having regard to Rule [6120] or if the AQUA Product Issuer or Guarantor has failed to comply with their obligations under Schedule 10A or Rules [4600] to [4621] or [4650] to [4656] or the constituent documents (in the case of Managed Fund Products or ETFs) or Terms of Issue (in the case of Structured Products).

Amended 21/03/14

## 10A.9 INDEMNITY

### 10A.9.1 Indemnity

An AQUA Product Issuer and Guarantor indemnifies ASX against any claim arising from, or in relation to, an AQUA Product issued by that AQUA Product Issuer including, without limitation, any claim in relation to any disclosure document, supplementary disclosure document, or any other disclosure by the AQUA Product Issuer or any failure by the AQUA Product Issuer or any Guarantor to comply with its obligations under the Rules, a guarantee provided pursuant to the Rules, the Terms of Issue, the Corporations Act or other laws.

Amended 27/06/16

## 10A.10 COMPLIANCE WITH MARKET MAKING REQUIREMENTS

### 10A.10.1 Definitions

**“AQUA Products Committee”** means an AQUA Products Committee established under this Rule 10A.10.

**“AQUA Products Panel”** means an AQUA Products Panel constituted under this Rule 10A.10.

**“AQUA Products Market Maker”** means an AQUA Product Issuer performing an AQUA Product Market Making function under Schedule 10A of the Rules.

**“AQUA Product Market Maker Bid”** means a Bid and/or volume made for the purposes of Rule 10A.3.6.

**“AQUA Product Market Making”** means the provisions of market making in accordance with Rule 10A.3.6.

**“AQUA Product Market Making Agent”** means a Trading Participant appointed by an AQUA Product Issuer to perform AQUA Product Market Making as agent of the AQUA Product Issuer and registered for that purpose with ASX.

### 10A.10.2 AQUA Products Panel

The following provisions apply to the constitution of an AQUA Products Panel:

- (a) ASX may appoint persons to an AQUA Products Panel for the purpose of allowing the constitution by selected members of the AQUA Products Panel of an AQUA Products Committee as required from time to time.
- (b) Subject to this Rule 10A.10 more than one AQUA Products Committee may be constituted from the AQUA Products Panel at any one time whether or

not constituted by some or all of the same members of another AQUA Products Committee.

- (c) Persons appointed to the AQUA Products Panel may include directors or employees of ASX, or a Related Body Corporate of ASX, directors or employees of AQUA Product Issuers or Market Participants and such other persons as ASX thinks fit.

### **10A.10.3 Maintenance of Reasonable Bid and Volume and AQUA Products Committee**

The following provisions apply in relation to the obligation of AQUA Product Issuers to maintain a Bid and volume under Rule 10A.3.6 (where applicable):

- (a) When requested by ASX, an AQUA Product Issuer must within the time set out in the Procedures or such further period as ASX may allow, provide details of how it determined the Bid value and volume for the purpose of Rule 10A.3.6.
- (b) Where ASX receives the details referred to in paragraph (a) or had not received such details within the required time it may (or may not) in its absolute discretion:
  - (i) form a view that an AQUA Product Market Maker Bid is contrary to Rule 10A.3.6; or
  - (ii) refer an AQUA Product Market Maker Bid to an AQUA Products Committee if ASX considers that the AQUA Product Market Maker Bid may be contrary to Rule 10A.3.6.
- (c) For the purposes of paragraph (b) ASX may constitute an AQUA Product Committee for the purposes of advising ASX on the reasonableness of an AQUA Product Market Maker Bid for the purposes of Rule 10A.3.6.
- (d) In considering an AQUA Product Market Maker Bid, the AQUA Products Committee may:
  - (i) make any enquiries which it considers relevant to the AQUA Product Market Maker Bid;
  - (ii) seek information (orally or in writing) from the AQUA Product Issuer;
  - (iii) determine the manner in which the AQUA Product Market Maker Bid will be considered.
- (e) The AQUA Products Committee may make any recommendation to ASX it considers appropriate in relation to the reasonableness of the AQUA Product Market Maker Bid.
- (f) The AQUA Products Committee must use reasonable endeavours to make its recommendations under the Rules as quickly as possible and, if practicable, on the Trading Day on which the AQUA Product Market Maker Bid was referred to it under the Rules.
- (g) In relation to an AQUA Product Market Maker Bid, after the AQUA Products Committee gives ASX its advice, or where ASX forms its own view that an AQUA Product Market Maker Bid is contrary to Rule 10A.3.6, ASX may or may not, in its discretion, take any action (or refrain from taking action) and give any directions it considers appropriate having regard to Rule [6120] including, without limitation, doing any or all of the following:
  - (i) release an announcement to the market to the effect that the AQUA Product Issuer failed to maintain an AQUA Product Market Maker Bid in accordance with Rule 10A.3.6;
  - (ii) issue a warning letter to the AQUA Product Issuer;

- (iii) notify the AQUA Product Issuer that ASX will take the AQUA Product Issuer's failure to maintain an AQUA Product Market Making Bid in accordance with Rule 10A.3.6 into account when considering future applications for admission of new AQUA Product Series to Trading Status;
  - (iv) suspend trading in the AQUA Product Series; or
  - (v) determine that future AQUA Product Series issued by that AQUA Product Issuer may not be admitted to Trading Status for a specified period of time not exceeding 12 months.
- (h) Subject to paragraph (k) before making a decision under 10A.10.3(g) ASX must give an AQUA Product Issuer an opportunity to make submissions to ASX orally or in writing with respect to any proposed action by ASX.
  - (i) Subject to the right of appeal to an Appeal Tribunal in accordance with the provisions of the ASX Enforcement and Appeals Rulebook the exercise by ASX of its powers under this Rule is final and binding on the AQUA Product Issuer involved.
  - (j) Subject to paragraph (k) ASX must not take any action to implement any decision under Rule 10A.10.3(g) until the period for making an appeal has expired, or where there is an appeal, the appeal has been determined.
  - (k) ASX may implement and announce a decision to suspend trading in an AQUA Product Series pursuant to Rule 10A.10.3(g) before giving the AQUA Product Issuer an opportunity to make submissions, before the expiry of the period for making an appeal, or before an appeal is determined, if ASX considers it appropriate having regard to Rule [6120] to do so.
  - (l) Nothing in this Rule 10A.10 affects, or derogates from, the exercise by ASX of any other power in these Rules.

Amended 27/06/16

#### **10A.10.4 Appeals**

An AQUA Product Issuer may appeal to an Appeal Tribunal in accordance with the provisions of the ASX Enforcement and Appeals Rulebook a decision by ASX under Rule 10A.10.3(g).

#### **10A.10.5 General provisions relating to AQUA Products Committees**

AQUA Products Committees (referred to in this Rule 10A.10.5 as a committee) are to be constituted as set out below:

- (a) ASX may constitute such committees by appointing at least 3 members (or such higher odd number as it sees fit) of the AQUA Products Panel to such committee.
- (b) At least one member of any such committee must be an agent or employee of ASX or a Related Body Corporate of ASX.
- (c) No person who has an interest in the matter being considered by a committee may be appointed to, or take part in the deliberations of a committee. The fact a member or proposed member of a committee is an employee or agent of ASX, or a Related Body Corporate of ASX, will not be regarded as an interest.
- (d) Committee members may be appointed on such terms as ASX considers appropriate.

- (e) A committee may at any meeting appoint a chairperson for the purposes of the meeting.
- (f) A committee may hold meetings in such a manner as it sees fit.
- (g) The decision of a committee will be determined by simple majority vote of the committee members. Each member has and must exercise a deliberative vote. The chairperson has a deliberative but not a casting vote.
- (h) A committee may conduct proceedings without all members of the committee involved in the proceedings being in the physical presence of each other, provided that all members involved in the proceedings are able to participate in discussion.

#### **10A.10.6 Limitation of liability and indemnity**

ASX indemnifies each member of an AQUA Products Committee and each officer of ASX and each person acting for or on behalf of ASX against any liability arising in or in connection with the determination of an AQUA Products Committee, other than any liability that by law would attach to the member, officer or person in respect of any negligence, default, breach of duty or breach of trust of which the member, officer or person may be guilty in relation to ASX.

Amended 13/05/15

#### **10A.10.7 Indemnity for certain legal proceedings**

Notwithstanding anything contained in Rule 10A.10.6 ASX indemnifies each member of an AQUA Products Committee and each officer of ASX and each person acting for or on behalf of ASX against any liability incurred by the member, officer or person in defending any proceedings whether civil or criminal, in which judgement is given in favour of the member, officer or person or in which the member, officer or person is acquitted or in connection with any application in relation to any such proceedings in which relief is granted under the Corporations Act to the member, officer or person by any court of competent jurisdiction.

#### **10A.10.8 Appointment of AQUA Product Market Making Agents**

The following provisions apply in relation to an AQUA Product Issuer that has appointed a Trading Participant to perform AQUA Product Market Making functions.

- (a) Where an AQUA Product Issuer is not a Trading Participant or does not wish to directly make a market in all or some AQUA Product Series it must appoint a Trading Participant or Trading Participants as its AQUA Product Market Making Agent(s).
- (b) A Trading Participant appointed by an AQUA Product Issuer as its AQUA Product Market Making Agent must be registered with ASX as the Market Making Agent of the AQUA Product Issuer in accordance with the Procedures.
- (c) Notwithstanding the appointment of a Trading Participant as its AQUA Product Market Making Agent an AQUA Product Issuer is at all times responsible for the performance of its AQUA Product Market Making obligations for the relevant AQUA Product Series.



# SCHEDULE 11 GOVERNMENT BONDS

Introduced 21/05/13

Schedule 11 describes, and sets out specifications in respect of, Government Bonds and the trading of Government Bond Depository Interests on ASX's market. Government Bonds and Government Bond Depository Interests are defined in Rule [7100].

## 11.1 GOVERNMENT BOND RULES

### 11.1.1 Government Bond Rules

This schedule 11 applies to Government Bonds and the trading of Government Bond Depository Interests.

### 11.1.2 No Guarantee of Viability

The approval of a Government Bond Issuer or admission of a Government Bond Depository Interest to Trading Status does not imply any guarantee or warranty by ASX as to the viability of the Government Bond Issuer or the quality of the Government Bond or Government Bond Depository Interest.

### 11.1.3 Obligations of Government Bond Issuer

The obligations of a Government Bond Issuer that has agreed to be bound by these Rules under Schedule 11 are owed to ASX.

## 11.2 APPROVAL OF THE GOVERNMENT BOND ISSUER

### 11.2.1 Approval of the Government Bond Issuer

An applicant for approval as a Government Bond Issuer for the purpose of facilitating trading in Government Bond Depository Interests must:

- (a) agree in writing to be bound by the Rules, and conditions imposed pursuant to the Rules; and
- (b) be one of the following:
  - (i) a government as specified in the Procedures;
  - (ii) any other person or entity accepted by ASX, whose decision will be final.

Upon approval as a Government Bond Issuer, the Government Bond Issuer must continue to satisfy the above requirements while its approval as a Government Bond Issuer remains in force (including while that approval is suspended). The suspension or revocation of a Government Bond Issuer's approval for any reason does not affect any obligations of the Government Bond Issuer arising while that approval was in force.

### 11.2.2 Guarantors

In the event that the government is not the issuer of a Government Bond but provides a guarantee for that Government Bond this guarantee must be unconditional and irrevocable and in favour of the Government Bond Depository Interest Holder.

### 11.2.3 ASX has discretion regarding approval of the Government Bond Issuer

The following provisions apply to the approval of a Government Bond Issuer:

- (a) ASX has absolute discretion as to whether to approve a Government Bond Issuer;
- (b) when ASX approves a Government Bond Issuer it may at that time (or at any later time) impose any conditions as ASX thinks appropriate having regard to Rule [6120] and the Government Bond Issuer must comply with such conditions at all times;
- (c) ASX may, acting reasonably, suspend or revoke any such approval if, in the absolute discretion of ASX, ASX is of the opinion or reasonably suspects that a Government Bond Issuer may become unable or unwilling, or in any respect fails, to continue to comply with Schedule 11;
- (d) ASX may revoke any such approval subject to no less than one month's notice being given, where a Government Bond Issuer has no Government Bond Depository Interests admitted to Trading Status either currently or within the previous twelve months; and
- (e) ASX may grant, refuse, suspend or revoke approval without giving any reason.

### **11.3 ADMISSION OF GOVERNMENT BOND DEPOSITORY INTERESTS**

#### **11.3.1 ASX's discretion regarding admission of Government Bond Depository Interests**

Government Bonds may be traded by means of Government Bond Depository Interests. The following provisions apply to the admission to Trading Status of Government Bond Depository Interests:

- (a) the Government Bond Depository Interests shall not be available for trading on ASX unless and until the relevant Government Bond Depository Interests have been admitted to Trading Status by ASX;
- (b) admission of Government Bond Depository Interests is in ASX's absolute discretion. ASX may admit Government Bond Depository Interests to Trading Status on any conditions it considers appropriate and the Government Bond Issuer must comply with such conditions. ASX may grant or refuse admission to Trading Status without giving any reasons;
- (c) ASX may, acting reasonably, suspend or revoke admission of Government Bond Depository Interests if:
  - (i) in the absolute discretion of ASX, ASX is of the opinion or reasonably suspects that the Government Bond Issuer may become unable or unwilling, or in any respect fails, to continue to comply with this Schedule 11; or
  - (ii) the Government Bond Issuer requests that admission of the Government Bond Depository Interests be revoked and meets any requirements set out in the Procedures.

#### **11.3.2 Requirements for admission**

Government Bond Depository Interests will only be admitted to Trading Status if all of the following requirements are satisfied:

- (a) the Government Bond Issuer has completed and given to ASX a form of application for admission set out in the Procedures;
- (b) ASX has no objection to the Government Bond Depository Interests;
- (c) the Government Bond Issuer is approved by ASX under Rule 11.2; and

- (d) the Government Bond Issuer has prepared and given to ASX any disclosure document specified in the Procedures.

## **11.4 INFORMATION AND DOCUMENTATION**

### **11.4.1 Documentation forwarded to ASX**

All documentation forwarded to ASX by or on behalf of a Government Bond Issuer, whether provided in support of an application or in compliance with the Rules for the time being or otherwise, will become and remain the property of ASX which may, in its absolute discretion, copy any or all of such documentation and forward such copies to the public, the media, or any other interested party. Private correspondence, including draft documents lodged with ASX for approval, and marked "not for public release" will only be released to the public, the media, or any other interested party where ASX has formed the opinion that the information should be released and has given notice to the Government Bond Issuer to that effect.

## **11.5 TRANSFERS AND REGISTERS**

### **11.5.1 Transfer of Government Bond Depository Interests**

The transfer of a Government Bond Depository Interest must comply with Part 7.11 of the Corporations Act and, if the Government Bond or Government Bond Depository Interest is a CS Approved Product, be effected in accordance with the Clearing Rules and the Settlement Rules.

### **11.5.2 Comply with Clearing Rules and Settlement Rules**

If the Government Bonds or Government Bond Depository Interests are CS Approved Products, the Government Bond Issuer must, in respect of that product, comply with:

- (a) the Settlement Rules to the extent they apply to those products; and
- (b) the Clearing Rules to the extent that they apply to those products and expressly apply to the Government Bond Issuer.

### **11.5.3 Register of Government Bond Holders**

The Government Bond Issuer must arrange for the establishment and maintenance of a Register of Government Bond Depository Interest Holders which complies with the requirements in section 171 of the Corporations Act.

### **11.5.4 Offices open on week days**

Unless otherwise specified in the Procedures, a Government Bond Issuer must ensure that offices at which transfers of Government Bond Depository Interests are to be lodged for registration are open on all week days other than gazetted bank holidays or public holidays in the State or Territory in which the office is located and any other day which ASX will declare and publish as not a Business Day.

## **11.6 SUSPENSION OF TRADING BY ASX**

### **11.6.1 Suspension of trading by ASX**

ASX reserves the right to halt or suspend trading of any Government Bond Depository Interests:

- (a) if the Government Bond Issuer has failed to comply with their obligations under Schedule 11; or

- (b) whenever ASX deems such action appropriate having regard to Rule [6120].

**End of Document.**