



# ASX RECOVERY RULES

## SECTION 5 REIMBURSEMENT

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## SECTION 5 REIMBURSEMENT

### 5.1 Excess Amounts

If the ASX CCP exercises its powers under Schedules 1 (Recovery Assessment) or 2 (ASX Payments Reduction), or under Paragraph 6 of Schedule 4 (Complete Termination), or if the ASX CCP is provided a Voluntary Payment or otherwise applies assets of the ASX CCP or a Participant in accordance with the Default Waterfall to meet an ASX CCP Loss in a Default Period then:

- (a) any amounts which the ASX CCP subsequently recovers from a Defaulted Participant; and
- (b) any amount of Recovery Assessments paid to the ASX CCP during a Default Period which were not required to enable the ASX CCP to meet an ASX CCP Loss in respect of that Default Period,

less any costs and expenses incurred by the ASX CCP in connection with the recovery and any amounts payable by the Contributors to the ASX CCP are **Excess Amounts** for that Default Period.

### 5.2 Contributors and Reimbursable Amounts

The **Contributors** for a Default Period are those entities (including Participants, and the ASX CCP but excluding any Defaulted Participant):

- (a) who provided Recovery Assessments in accordance with Schedule 1 (Recovery Assessment); or
- (b) whose Net ASX Payments were reduced in accordance with Schedule 2 (ASX Payments Reduction); or
- (c) whose Net Termination Value payable to it under Schedule 4 (Complete Termination) was reduced in accordance with Paragraph 6 of that Schedule; or
- (d) whose Committed ASX Assets or Participant Commitment was otherwise applied in accordance with the Default Waterfall; or
- (e) who provided Voluntary Payments in accordance with Rule 11 (Voluntary Payments).

For each Contributor, the aggregate amount of its Recovery Assessments, the amount by which its Net ASX Payments have been reduced, the amount by which its Net Termination Value has been reduced, the amount of its Committed ASX Assets or Participant Commitment applied in accordance with the Default Waterfall and its Voluntary Payments referred to in paragraphs (a), (b), (c), (d) or (e) above for that Default Period less any amounts remaining payable by the Contributor to the ASX CCP is the **Reimbursable Amount** for that Contributor.

### 5.3 Reimbursement

After the end of a Default Period, the ASX CCP must account to the Contributors for any Excess Amounts with respect to that Default Period up to the Reimbursable Amount for each Contributor. Excess Amounts are to be applied in the following order:

- (a) first, to reimburse the amount of any Voluntary Payments paid in accordance with Rule 11 (Voluntary Payments). These payments are to be

- made pro rata to the Contributors who made such payments, up to the amount of such payments;
- (b) second, to reimburse the amount of any reductions made to any Net Termination Value payable by the ASX CCP in accordance with Paragraph 6 of Schedule 4 (Complete Termination). These payments are to be made pro rata to Participants who have suffered such a reduction, up to the amount of such reductions;
  - (c) third, to reimburse the amount of any reductions made to any Net ASX Payments payable by the ASX CCP in accordance with Schedule 2 (ASX Payments Reduction). These payments are to be made pro rata to the Contributors who suffered such a reduction, up to the amount of such reductions;
  - (d) fourth, to reimburse the amount of Recovery Assessments paid in accordance with Schedule 1 (Recovery Assessment). These payments are to be made pro rata to the Contributors who paid the Recovery Assessments up to the amount of the Recovery Assessments which have been paid; and
  - (e) fifth, in reverse order to the order for the application of assets set out in the Default Waterfall (including but not limited to any assets of the ASX CCP). These payments are to be made pro rata to the Contributors whose assets were so applied, up to the amount of such applications. No Contributor will be entitled to be reimbursed for the assets which were so applied unless all Contributors have been reimbursed for assets which were so applied that were ranked lower in the Default Waterfall.

A Contributor may not receive more than its Reimbursable Amount.

However, at any time during a Default Period, the ASX CCP may decide to reimburse the amount of any reductions made to any Net ASX Payments payable by the ASX CCP in accordance with Schedule 2 (ASX Payments Reduction) out of the Default Resources which are available to it at that time. These payments are to be made pro rata to the Contributors who suffered such a reduction, up to the amount of such reductions.

#### 5.4 Limit on reimbursement

However, the ASX CCP is not required to account to any Contributor which is not the ASX CCP for any amount:

- (a) which is liable to be set aside under any law relating to insolvency or bankruptcy; or
- (b) which is necessary to meet a Recovery Assessment required from the Contributor or to discharge any other overdue debt obligation of the Contributor to the ASX CCP at that time.

Nothing in this Rule limits the ASX CCP's right to set off amounts owing between it and a Contributor which is not the ASX CCP under these Rules or otherwise.

#### 5.5 Effect of resignation

References in this Rule 5 to Participants include entities which have resigned from being Participants.

**End of Section. Next page is no. 601.**