

SECTION 10 BATCH SETTLEMENT

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SECTION 10 BATCH SETTLEMENT

A Settlement Participant may settle Instructions in the Settlement Facility in Batch Settlement or Real Time Gross Settlement. Batch Settlement is governed by Section 10 of these Rules. Real Time Gross Settlement is governed by Section 11.

Batch Settlement involves the settlement of Batch Instructions. Batch Instructions may be:

- (a) for value. This is known as DvP Batch Settlement. Batch Instructions that can be settled in DvP Batch Settlement are:
 - (i) CCP Batch Instructions. These consist of CCP Net Batch Instructions and CCP Gross Batch Instructions;
 - (ii) Direct Batch Instructions; and
 - (iii) Dual Entry Batch Instructions;
- (b) free of value. Batch Instructions that can be settled in Batch Settlement free of value are either:
 - (i) Dual Entry Batch Instructions; or
 - (ii) Single Entry Batch Instructions; and
- (c) for payment free of delivery. Batch Instructions that can be settled in Batch Settlement for payment free of delivery are known as Payment Batch Instructions which consist of CCP Derivatives Payment Batch Instructions, Dual Entry Payment Batch Instructions and AQUA Payment Batch Instructions.

In addition to determining the eligibility of Batch Instructions to be included in DvP Batch Settlement and Batch Settlement, the purpose of this Section is to set out Rules relating to the operation of Batch Settlement in the Settlement Facility including:

- (a) the basis on which Settlement Participants can act in respect of Batch Settlement;
- (b) payment arrangements for Batch Settlement;
- (c) removal, cancellation and change of Batch Instructions;
- (d) discharge of settlement obligations;
- (e) failing Batch Instructions;
- (ea) notification to the Approved Clearing Facility of failed CCP Batch Instructions which become subject to settlement through Offsetting Transaction Arrangements;
- (f) suspension or cancellation of settlement; and
- (g) settlement subject to entitlements and adjustments.

This section also deals with Client Trust Account settlement obligations that need to be discharged.

10.1 ASX SETTLEMENT ENTITLED TO ASSUME RULES COMPLIED WITH

10.1.1 ASX Settlement entitled to assume without inquiry

ASX Settlement is entitled to assume without inquiry, in the absence of knowledge to the contrary, that anything purporting to be done under these Rules in connection with a transfer of a Financial Product has been done in accordance with these Rules.

Note: This Rule is intended to reflect Regulations 7.11.34(1) and (2) of the Corporations Regulations

Introduced 11/03/04

10.2 PARTICIPATION IN BATCH SETTLEMENT

10.2.1 Participants eligible for participation in Batch Settlement

A Participant is only entitled to settle Batch Instructions in Batch Settlement if:

- (a) the Participant is a Settlement Participant; and
- (b) the Participant satisfies any other requirements in these Rules or the Procedures for participation in Batch Settlement.

Introduced 11/03/04 Origin SCH 7.1.1

10.2.2 Notice of insolvency of Settlement Participants and Payments Providers

A Settlement Participant or Payments Provider must give Notice to ASX Settlement as soon as practicable if it has reasonable grounds to suspect that another Settlement Participant or Payments Provider is insolvent.

For the avoidance of doubt, an obligation to give Notice arises under this rule 10.2.2 when a Settlement Participant or Payments Provider has reasonable grounds to suspect that a partner or a trustee of another Settlement Participant or Payments Provider is insolvent where that other Settlement Participant or Payments Provider is a partnership or consists of two or more trustees.

Note: This Rule 10.2.2 is intended to reflect section 12(1)(f) of the Payment Systems and Netting Act.

Introduced 01/05/07

10.3 ELIGIBILITY OF FINANCIAL PRODUCTS FOR BATCH SETTLEMENT

10.3.1 Financial Products eligible for Batch Settlement

All Approved Financial Products are eligible to be settled in Batch Settlement.

Introduced 11/03/04 Origin SCH 7.1.2

10.4 BATCH INSTRUCTIONS INCLUDED IN BATCH SETTLEMENT

10.4.1 Classes of Batch Instructions included in Batch Settlement

Unless ASX Settlement determines otherwise, a Batch Instruction is eligible for Batch Settlement under this Section 10 if the Batch Instruction is:

- (a) a CCP Batch Instruction;
- (b) a Direct Batch Instruction;
- (c) a Dual Entry Batch Instruction;
- (d) a Single Entry Batch Instruction;
- (e) a Payments Batch Instruction; or
- (f) any other class of Batch Instruction ASX Settlement may determine from time to time. In determining whether a class of Batch Instruction is eligible for DvP Batch Settlement, ASX Settlement must have regard to the following factors:
 - (i) where it is necessary that any person communicates reliably with CHES; that person meets any technical and/or performance requirements;
 - (ii) the inclusion of the additional class of Batch Instruction in DvP Batch Settlement will:
 - A. permit Batch Instructions the subject of National Guarantee Fund protection regime to be distinguished, and if necessary, segregated from, Batch Instructions in DvP Batch Settlement which are not the subject of NGF coverage; and
 - B. not adversely affect the NGF coverage;
 - (iii) Participants who will be parties to the additional Batch Instructions admitted to DvP Batch Settlement, and investors upon whose behalf they act, will be informed that the additional class of Batch Instruction is not covered by the National Guarantee Fund;
 - (iv) DvP Batch Settlement of the class of Batch Instruction is likely to be commercially viable for ASX Settlement and will not adversely affect the integrity, reliability or efficiency of the Settlement Facility; and
 - (v) where the Commission requires that the class of transactions to be admitted to Batch Settlement be covered by an investor protection

regime, and NGF coverage is not applicable to the class of Batch Instruction, there is an applicable investor protection regime which is acceptable to the Commission.

A person may apply to ASX Settlement in the form prescribed by ASX Settlement to have a class of Batch Instruction included in DvP Batch Settlement.

A Batch Instruction in which the obligation is to deliver or receive Financial Products for value will be settled in DvP Batch Settlement.

Introduced 11/03/04 Origin SCH 7.1.3 Amended 23/10/09

10.4.2 CCP Batch Instructions notified by Approved Clearing Facility

ASX Settlement will schedule for settlement in DvP Batch Settlement all CCP Batch Instructions received by ASX Settlement from an Approved Clearing Facility on the Settlement Date notified by the Approved Clearing Facility. In the circumstances of Failed CCP Batch Instructions notified to the Approved Clearing Facility under Rule 10.11.7A or 10.16A, the CCP Batch Instructions to be scheduled for settlement in DvP Batch Settlement on a Business Day will also include CCP Batch Instructions relating to obligations and entitlements under the second leg of Offsetting Transaction Arrangements entered into in respect of the CCP Batch Instructions Failed on the previous Business Day in the manner set out in the operating rules of the Approved Clearing Facility.

Introduced 11/03/04 Amended 28/04/14

10.4.3 Direct Batch Instructions notified by Approved Market Operator or Approved Clearing Facility

ASX Settlement will schedule for settlement in DvP Batch Settlement all Direct Batch Instructions received by ASX Settlement from an Approved Market Operator or Approved Clearing Facility on the Settlement Date notified respectively by the Approved Market Operator or Approved Clearing Facility.

Unless ASX Settlement has agreed in writing, an Approved Market Operator that is provided with a Settlement Facilitation Service under Rule 4.1A is not eligible to submit Direct Batch Instructions.

Introduced 11/03/04 Origin SCH 7.4.3 Amended 27/06/11, 28/12/11

10.4.4 Notice by ASX Settlement in respect of Direct Batch Instructions

Within the Scheduled Time, ASX Settlement will notify each Settlement Participant that is a party to a Direct Batch Instruction that it is scheduled for settlement.

Introduced 11/03/04 Origin SCH 7.4.4 Amended 28/12/11

10.4.5 Notification of Batch Instructions

A Settlement Participant must notify ASX Settlement in the manner specified in the Procedures if the Settlement Participant wishes to schedule for settlement in DvP Batch Settlement a Batch Instruction of a type specified in the Procedures.

Introduced 11/03/04 Origin SCH 7.1.3A.3 Amended 28/12/11

10.4.5A Power to impose conditions on scheduling of Batch Instructions

ASX Settlement may at any time impose any conditions on the scheduling for settlement in DvP Batch Settlement of a Batch Instruction of a type specified in the Procedures that it considers are reasonably necessary to preserve the integrity, reliability and efficiency of the Settlement Facility. ASX Settlement must notify the affected Settlement Participants in writing of any condition imposed under this rule.

Introduced 28/12/11

10.4.5B Designation of Batch Instructions

A Settlement Participant must designate in a form required by ASX Settlement the classes of Batch Instruction set out in the Procedures.

Introduced 28/12/11

10.4.6 Priority where Batch Instructions are Failed

ASX Settlement may in its absolute discretion determine the priority in which Batch Instructions in DvP Batch Settlement will be Failed if one or more instructions scheduled for settlement on a Business Day would give rise to a Financial Products Shortfall or a Payment Shortfall (or to limit a Settlement Participant's net obligation to make payment in respect of that Payment Facility to the amount notified under Rule 10.10.4(a)).

Introduced 11/03/04 Amended 28/04/14

10.4.7 Removing Batch Instructions from Batch Settlement

ASX Settlement may immediately remove a class of Batch Instruction from either Batch Settlement or DvP Batch Settlement if ASX Settlement forms the reasonable opinion that:

- (a) the integrity, reliability or efficiency of the Settlement Facility will be significantly impaired by allowing the class of Batch Instruction to continue to be included in Batch Settlement or DvP Batch Settlement; or
- (b) it is necessary for the protection of Participants from risk of loss.

Where ASX Settlement removes a class of Batch Instruction from DvP Batch Settlement, ASX Settlement may where it considers it appropriate, allow that class of Batch Instruction to be settled in Batch Settlement.

Introduced 11/03/04 Origin SCH 7.1.3C

10.4.8 Notice of removal of Batch Instructions from Batch Settlement

If ASX Settlement removes a class of Batch Instruction from Batch Settlement or DvP Batch Settlement, ASX Settlement will give Notice of the removal to all Settlement Participants.

Introduced 11/03/04 Origin SCH 7.1.3D

10.4.9 Appeal against decisions about Batch Settlement – [Deleted]

Introduced 11/03/04 Origin SCH 7.1.3E Amended 31/03/08, 01/08/10 Deleted 28/12/11

10.4.10 Convening the Appeal Tribunal – [Deleted]

Introduced 11/03/04 Origin SCH 7.1.3F, 7.1.3G Deleted 31/03/08

10.4.11 Decisions of the Appeal Tribunal – [Deleted]

Introduced 11/03/04 Origin SCH 7.1.3D, 7.1.3I Deleted 31/03/08

10.5 REMOVAL OF BATCH INSTRUCTIONS FROM BATCH SETTLEMENT

10.5.1 Removal of Batch Instructions from Batch Settlement by ASX Settlement

ASX Settlement may remove a Batch Instruction from either Batch Settlement or DvP Batch Settlement if:

- (a) ASX Settlement reasonably considers it necessary in order to maintain the orderly operation and integrity of the Settlement Facility;
- (b) it is requested to do so by an Approved Market Operator in accordance with the Terms of Trade Acceptance Service, or by an Approved Clearing Facility, in order to ensure the efficiency, orderly operation, integrity or proper functioning of the market or facility; or
- (c) it is notified by an Approved Market Operator in accordance with the Terms of Trade Acceptance Service, or by an Approved Clearing Facility, that a Batch Instruction scheduled for settlement has been cancelled,

and if it removes the Batch Instruction ASX Settlement will immediately notify:

- (d) the affected Settlement Participants that the Batch Instruction has been removed from Batch Settlement or DvP Batch Settlement; and
- (e) where relevant, the Approved Market Operator or the Approved Clearing Facility that the Batch Instruction has been removed from Batch Settlement or DvP Batch Settlement.

Introduced 11/03/04 Origin SCH 7.5A.1, 7.5A.2 Amended 27/06/11

10.5.2 Removal of Batch Instructions from Batch Settlement by a Settlement Participant

If a Settlement Participant that is obliged to deliver or receive Financial Products:

- (a) wishes to use an Alternative Settlement Facility other than ASX Settlement to settle a Batch Instruction;
- (b) wishes to remove a Batch Instruction from DvP Batch Settlement or from Batch Settlement; or
- (c) wishes to settle a Batch Instruction on a Real Time Gross Settlement basis under Section 11;

and the Settlement Participant:

- (d) obtains the consent of the other Settlement Participant to the Batch Instruction; and
- (e) complies with the Rules relating to the removal of Batch Instructions from DvP Batch Settlement or, if relevant, Batch Settlement,

the Settlement Participant may remove the Batch Instruction from DvP Batch Settlement or Batch Settlement or may settle the Batch Instruction under Section 11, as the case may be.

Introduced 11/03/04 Origin SCH 7.1.4A

10.5.3 Cancellation of Batch Instruction by Settlement Participant

If within the Scheduled Time the parties to a Batch Instruction that is a Direct Batch Instruction or a Dual Entry Batch Instruction Transmit a Valid Message that requests cancellation of the Batch Instruction and the Messages are Matched by ASX Settlement, ASX Settlement will:

- (a) remove the Batch Instruction from Batch Settlement; and
- (b) notify the Settlement Participants that the Batch Instruction has been removed from Batch Settlement.

Introduced 11/03/04 Origin SCH 7.12.1

10.5.4 If Message not Matched

If a Message Transmitted under Rule 10.5.3 has not been Matched, the party that Transmitted the Message may cancel the request by Transmitting a further Valid Message to ASX Settlement revoking the initial request.

Introduced 11/03/04 Origin SCH 7.12.3

10.6 REAL TIME GROSS SETTLEMENT - REMOVAL OF DUAL ENTRY BATCH INSTRUCTIONS FROM DVP BATCH SETTLEMENT

10.6.1 Removal of Dual Entry Batch Instructions from DvP Batch Settlement

If, within the Scheduled Time:

- (a) the parties to a Dual Entry Batch Instruction that has been scheduled for settlement under Rule 10.9.3 and is eligible for Real Time Gross Settlement under Rule 11.1.1, Transmit a Valid Dual Entry Switch to RTGS Message to ASX Settlement; and
- (b) the Messages are Matched,

ASX Settlement will remove the Dual Entry Batch Instruction from DvP Batch Settlement and process it in Real Time Gross Settlement under Rule 11.11.1 and 11.11.2.

Introduced 11/03/04 Origin SCH 7.12A.1, 7.16A.1

10.6.2 Limit on ASX Settlement's obligation to remove Dual Entry Batch Instructions from DvP Batch Settlement

Each Settlement Participant acknowledges that ASX Settlement's ability to process a Dual Entry Switch to RTGS Message that requests removal of a Dual Entry Batch Instruction from DvP Batch Settlement on the Business Day on which the Message is Transmitted to ASX Settlement will depend on system processing demands in the Settlement Facility between Start of Day and Settlement Cut-Off on that day. Despite any other Rule, while ASX Settlement will use reasonable endeavours to process any such request, it will not be liable for any failure to remove any such Dual Entry Batch Instruction from DvP Batch Settlement on that day.

Note: CHESSE queuing processes for preparation of the daily batch settlement will in the ordinary course have priority over messages requesting switches that are received close to Settlement Cut-off.

Introduced 11/03/04 Origin SCH 7.16A.3

10.6.3 Cancelling a request to remove Dual Entry Batch Instructions to Real Time Gross Settlement

If a Message Transmitted under Rule 10.6.1 has not been Matched, the Settlement Participant that Transmitted the Message may cancel the request by Transmitting a further Valid Message to ASX Settlement revoking the initial request.

Introduced 11/03/04 Origin SCH 7.12A.3, 7.16A.2

10.7 PAYMENT ARRANGEMENTS FOR BATCH SETTLEMENT

10.7.1 Electronic Funds Transfer

Unless Rules 10.7.2, 10.7.3, or 10.7.4 apply, a Settlement Participant must discharge its obligation to make payment to each Settlement Participant, or satisfy its entitlement to receive payment from each Settlement Participant identified in each Batch Instruction included in DvP Batch Settlement or each Payment Batch Instruction included in Batch Settlement on a Business Day by payment or receipt as the case requires in accordance with the provisions and funds transfer procedures of the Standard Payments Provider Deed, of a net amount for each Payment Facility that is equal to the difference between:

- (a) the total of all amounts due and payable to the Settlement Participant's Payment Facility on that Business Day; and
- (b) the total of all amounts due and payable by the Settlement Participant's Payment Facility on that Business Day.

Note: For the avoidance of doubt, this Rule 10.7 does not apply to a Settlement Participant's obligation to make payment to the Client Trust Account, or its entitlement to receive payment from the Client Trust Account, in respect of Client Trust Account Amount Messages.

Introduced 11/03/04 Origin SCH 7.2.1, 7.2.2 Amended 25/05/2015

10.7.2 Alternative payment arrangements

If, in the reasonable opinion of ASX Settlement, the funds transfer procedures set out in the Standard Payments Provider Deed are not available, ASX Settlement may specify alternative payment arrangements to enable payment or receipt to be made to and by Settlement Participants in relation to Batch Instructions scheduled for DvP Batch Settlement and AQUA Payment Batch Instructions scheduled for Batch Settlement.

Introduced 11/03/04 Origin SCH 7.3.1 Amended 21/03/14

10.7.3 Notice of alternative payment arrangements

If ASX Settlement specifies alternative payment arrangements under Rule 10.7.2, whether or not those arrangements involve the payment of cleared funds:

- (a) ASX Settlement must give prior Notice of the alternative arrangements to each Settlement Participant and each Payments Provider; and
- (b) until the alternative arrangements are revoked by ASX Settlement by prior Notice to each Settlement Participant and each Payments Provider, those arrangements replace the funds transfer procedures set out in the Standard Payments Provider Deed.

Introduced 11/03/04 Origin SCH 7.3.2

10.7.4 Suspension of Payments Provider

If ASX Settlement suspends a Payments Provider under Clause 15 of the Standard Payments Provider Deed:

- (a) ASX Settlement may, by Notice, require each Settlement Participant on whose behalf the Payments Provider operates a Payment Facility to nominate a Payment Facility with another Payments Provider for the period of the suspension; and
- (b) if ASX Settlement gives Notice to a Settlement Participant under paragraph (a), the Settlement Participant must nominate a Payment Facility with another Payments Provider within the Scheduled Time.

Introduced 11/03/04 Origin SCH 7.3.3, 7.3.4

10.7.5 Authority to make and receive payments

Each Settlement Participant authorises ASX Settlement to settle the Settlement Participant's obligations to make payment, and entitlements to receive payment included in DvP Batch Settlement or Batch Settlement, in accordance with these Rules and the terms of the Standard Payments Provider Deed.

Introduced 11/03/04 Origin SCH 7.2.3

10.8 DISCHARGE OF SETTLEMENT OBLIGATION TO CLIENT THROUGH SERVICE

10.8.1 Effect of net settlement

If a Settlement Participant that is a Market Participant of ASX has a settlement obligation to a client that is not a Participant in relation to a sale or purchase of Financial Products that is settled by net delivery or net payment under these Rules:

- (a) the net settlement constitutes performance of the Settlement Participant's obligation to the client to settle the transaction;
- (b) the Settlement Participant's obligation to account to the client for Financial Products bought or for the consideration for the sale of Financial Products is not affected by net settlement;
- (c) the client has such proprietary rights as the law recognises in respect of Financial Products and consideration held by or under the control of the Settlement Participant;
- (d) the client's rights to claim on the National Guarantee Fund under Regulations 7.5.24 and 7.5.26 of the Corporations Act are not affected by the use of net settlement under these Rules; and
- (e) where the Settlement Participant settles by making a net delivery of Financial Products, the Settlement Participant is taken to have effected a Transfer on behalf of the client if (and to the extent to which), according to the Settlement Participant's records, the Financial Products which are delivered in Batch Settlement are deducted from or attributed to Financial Products held by or on behalf of the client.

Note: This Rule is intended to reflect Regulation 7.5.53(3) of the Corporations Regulations.

This Rule 10.8.1 does not apply to the settlement of a Failed CCP Batch Instruction which occurs pursuant to the set-off under the operating rules of the Approved Clearing Facility of obligations and entitlements under the Failed CCP Batch Instruction against entitlements and obligations under the first leg of an Offsetting Transaction Arrangement entered into in respect of the Failed CCP Batch Instruction. Any settlement of a Failed CCP Batch Instruction which occurs pursuant to such set-off does not constitute performance of or otherwise affect the Settlement Participant's settlement obligation to a client in relation to a sale or purchase which underlies such CCP Batch Instruction.

This Rule 10.8.1 however continues to apply to the settlement by net delivery or net payment under these Rules of the second leg of an Offsetting Transaction Arrangement entered into in respect of a Failed CCP Batch Instruction underlying which is a sale or purchase of Financial Products in respect of a client that is not a Participant. For the purposes of the application of this Rule 10.8.1 in such circumstances:

- (a) settlement obligations under the second leg of an Offsetting Transaction Arrangement are treated as if they were settlement obligations in relation to each sale or purchase of Financial Products which underlies the Failed CCP Batch Instruction that Offsetting Transaction Arrangement is in respect of; and

- (b) settlement of the second leg of an Offsetting Transaction Arrangement is treated as if it was settlement of each sale or purchase of Financial Products which underlies the Failed CCP Batch Instruction that Offsetting Transaction Arrangement is in respect of by net delivery or net payment under these Rules.

Note: As a mechanism for facilitating the set-off and settlement on the Settlement Date of obligations between the Approved Clearing Facility and the respective Clearing Participant under a Cash Market Transaction novated to the Approved Clearing Facility which underlies CCP Batch Instructions Failed due to a Payment Shortfall (or to limit a Settlement Participant's net obligation to make payment in respect of that Payment Facility to the amount notified under Rule 10.10.4(a)) or if there is a suspension or termination of a Payments Provider that would affect payment under such instruction, the operating rules of the Approved Clearing Facility provide for the entry into of an Offsetting Transaction Arrangement between the Approved Clearing Facility and the Clearing Participant in relation to the Failed CCP Batch Instruction.

The discharge of obligations under a Failed CCP Batch Instruction by way of set-off against equal but opposite entitlements under the first leg of an Offsetting Transaction Arrangement entered into in respect of that Failed CCP Batch Instruction will not however trigger a Transfer of Financial Products nor the performance of the Settlement Participant's settlement obligation to the client in relation to a sale or purchase of Financial Products (represented in the Cash Market Transaction novated to the Approved Clearing Facility) which underlies such Failed CCP Batch Instruction until the underlying obligations and entitlements of the transaction as reflected in the second leg of the Offsetting Transaction Arrangement are settled by net delivery or net payment under these Rules.

Introduced 11/03/04 Origin SCH 7.8.6 Amended 28/04/14

10.9 BATCH INSTRUCTIONS

10.9.1 Change to CCP Gross Batch Instructions

If the delivering Settlement Participant and the receiving Settlement Participant to a CCP Gross Batch Instruction Transmit a Valid Message to ASX Settlement within the Scheduled Time that requests a change to the settlement obligations under the instruction, then ASX Settlement will take the following action:

- (a) if the Messages are Matched ASX Settlement will:
- (i) change the settlement obligations in accordance with the Matched Messages;
 - (ii) within the Scheduled Time, notify the Settlement Participants that the change has been effected; and
 - (iii) include the CCP Gross Batch Instruction in a Surveillance Report of changed Batch Instructions; or
- (b) if the Messages are not Matched and the Settlement Participant that Transmitted the Message cancels the request by Transmitting a further Valid Message to ASX Settlement revoking the initial request ASX Settlement will:

- (i) cancel the initial request; and
- (ii) notify the Settlement Participant that the request has been cancelled.

ASX Settlement may provide the Surveillance Report referred to in paragraph (a)(iii) to the relevant Approved Market Operator or as required by these Rules or the law.

Introduced 11/03/04 Origin SCH 7.14.1, 7.14.2, 7.14.3, 7.14.4 Amended 27/06/11

10.9.2 Dual Entry Batch Instructions

Within the Scheduled Time, a Settlement Participant may Transmit to ASX Settlement:

- (a) a Valid Dual Entry Batch Message containing the details specified in the Procedures; or
- (b) a Valid Dual Entry Payment Batch Message containing the details specified in the Procedures.

Introduced 11/03/04 Origin SCH 7.151

10.9.3 Dual Entry Batch Instructions – Matching

If:

- (a) a Settlement Participant Transmits a Dual Entry Batch Message or a Dual Entry Payment Batch Message that specifies or implies the details contained in the Procedures; and
- (b) the Message Transmitted by the other Participant:
 - (i) specifies the same details,
 - (ii) specifies or implies the same designation as Cum Entitlement or Ex Entitlement; and
 - (iii) specifies the same Settlement Amount or a Settlement Amount that differs by no more than the Settlement Amount Tolerance,

ASX Settlement will Match the Messages; and

- (c) if the Messages are Matched within the Scheduled Time, ASX Settlement will:
 - (i) treat the Matched Messages as a Dual Entry Batch Instruction or a Dual Entry Payment Batch Instruction as the case may be;
 - (ii) schedule the Dual Entry Batch Instruction or the Dual Entry Payment Batch Instruction, as the case may be, for settlement on the Settlement Date specified in the instruction;
 - (iii) notify each Participant that the Dual Entry Batch Instruction or Dual Entry Payment Batch Instruction has been scheduled for settlement; and

- (iv) if the amount to be included as the Settlement Amount specified by each Participant differs by no more than the Settlement Amount Tolerance, apply the lower of the two amounts as the Settlement Amount for the Dual Entry Batch Instruction or the Dual Entry Payment Batch Instruction that is scheduled for settlement; or
- (d) if the Messages have not been Matched within the Scheduled Time, ASX Settlement will:
 - (i) cancel the Dual Entry Batch Message or the Dual Entry Payment Batch Message; and
 - (ii) within the Scheduled Time notify both Settlement Participants of that fact.

Introduced 11/03/04 Origin SCH 7.16.1, 7.16.2, 7.16.3, 7.16.4

10.9.4 Change of Batch Instructions – Matched Messages

A Settlement Participant may Transmit to ASX Settlement a Valid Message requesting a change to a Dual Entry Batch Instruction or a Dual Entry Payment Batch Instruction to which the Participant is a party.

If, within the Scheduled Time both Settlement Participants to a Dual Entry Batch Instruction or a Dual Entry Payment Batch Instruction Transmit a Valid Message that requests a change to the instruction:

- (a) if the Messages are Matched by ASX Settlement, ASX Settlement will change the instruction; or
- (b) if the Messages are not Matched by ASX Settlement, the Participant that Transmitted the Message may cancel the request by Transmitting within the Scheduled Time a further Valid Message that requests cancellation of the original request.

Introduced 11/03/04 Origin SCH 7.21.1, 7.21.2, 7.21.3

10.9.5 Change of Batch Instructions – single Messages

If, within the Scheduled Time, a Settlement Participant to a Dual Entry Batch Instruction Transmits a Valid Message that requests a change to:

- (a) the designation of the Dual Entry Batch Instruction as available or not available for settlement in part;
- (b) if the Participant is a delivering Participant, the Source Holding; and
- (c) if the Participant is a receiving Participant, the Target Holding,

ASX Settlement will:

- (d) change the Dual Entry Batch Instruction in accordance with the Message; and
- (e) notify the Participant that Transmitted the Message within the Scheduled Time.

Note: Changes of the kind specified in this Rule are only notified to the Participant that Transmitted the Message.

Introduced 11/03/04 Origin SCH 7.21.4

10.9.6 Cancellation of Dual Entry Batch Message or Dual Entry Payment Batch Message by Settlement Participant

A Settlement Participant may, by Transmitting a Valid Message to ASX Settlement within the Scheduled Time, cancel a Dual Entry Batch Message or a Dual Entry Payment Batch Message Transmitted by the Settlement Participant under Rule 10.9.2 if the Message has not been Matched under Rule 10.9.3.

Introduced 11/03/04 Origin SCH 7.20.1(a)

10.9.7 Cancellation of Dual Entry Batch Message or Dual Entry Payment Batch Message by both Settlement Participants

If, within the Scheduled Time both Settlement Participants to a Dual Entry Batch Instruction or a Dual Entry Payment Batch Instruction Transmit a Valid Message that requests cancellation of the instruction:

- (a) if the Messages are Matched by ASX Settlement, ASX Settlement will cancel the instruction; or
- (b) if the Messages are not Matched by ASX Settlement, the Settlement Participant that Transmitted the Message may cancel the request by Transmitting within the Scheduled Time a further Valid Message that requests cancellation of the original request.

Introduced 11/03/04 Origin SCH 7.20.2, 7.20.3

10.9.8 Obligations of Participants

Subject to Rules 6.20.1, 6.20.2, 6.20.3 and 6.20.4, the obligations or entitlements, as the case requires, of the Participants to a Dual Entry Batch Instruction:

- (a) to deliver or receive Financial Products or Entitlements; and
- (b) if the instruction is to be settled in DvP Settlement Batch Settlement, to pay or receive an amount,

are owed to each other as principals, even if a Settlement Participant has a settlement obligation to another person, or is acting on behalf of a Market Participant, Clearing Participant or another Settlement Participant in relation to the instruction.

Introduced 11/03/04 Origin SCH 7.16.5

10.9.9 Obligations of Participants to a Dual Entry Payment Batch Instruction

The obligation or entitlements, as the case requires, of the Participants to a Dual Entry Payment Batch Instruction to pay or receive an amount are owed to each other as principals, even if a Settlement Participant has a settlement obligation to another person,

or is acting on behalf of a Market Participant, Clearing Participant or another Settlement Participant in relation to the instruction.

Introduced 11/03/04

10.9.10 Part Settlement

ASX Settlement will be entitled to treat any CCP Batch Instruction as designated as available for settlement in part under this Section 10.

Introduced 11/03/04 Origin SCH 7.11.1

10.9.11 Single Entry Batch Instructions

Subject to Rules 6.3B.2, 6.3B.3 and 6.3B.4 in respect of Client Trust Account Amount Messages, if within the Scheduled Time, a Settlement Participant Transmits to ASX Settlement a Valid Single Entry Batch Message that contains the details specified in the Procedures, ASX Settlement will:

- (a) treat the Valid Single Entry Batch Message as a Single Entry Batch Instruction;
- (b) schedule the Single Entry Batch Instruction for settlement on the Settlement Date specified in the instruction; and
- (c) notify the Settlement Participant that the Single Entry Batch Instruction has been scheduled for settlement.

Note: A Batch Instruction cannot always be scheduled for settlement on the Settlement Date specified in the Message, if the Financial Products in question are the subject of a corporate action. For example, a Batch Instruction cannot be scheduled for settlement on a cum entitlement basis on a Business Day after the Record Date for the relevant Corporate Action.

Introduced 11/03/04 Origin SCH 7.17.1, 7.17.2 Amended 25/05/2015

10.9.12 Cancelling a Single Entry Batch Message

A Settlement Participant may, by Transmitting a Valid Message to ASX Settlement within the Scheduled Time, cancel a Single Entry Batch Message Transmitted by the Settlement Participant under Rule 10.9.11.

Introduced 11/03/04 Origin SCH 7.20.1(b)

10.9.13 Standing Settlement HINs

A CCP Net Batch Instruction will be taken to specify:

- (a) the Standing Settlement HIN of the Settlement Participant as the HIN for the Source Holding or the Target Holding, as the case requires; and
- (b) the Standing Settlement HIN of CCP as the HIN for the Source Holding or Target Holding, as the case requires.

If a Settlement Participant Transmits:

- (a) a Dual Entry Batch Message; or
- (b) a Single Entry Batch Message,

and the relevant HIN for the Target or Source Holding as the case requires is not specified, ASX Settlement will apply the Settlement Participant's Standing Settlement HIN as the case requires.

Note: ASX Settlement will reject a message that does not specify a HIN or imply a Standing Settlement HIN.

Introduced 11/03/04 Origin SCH 7.10, 7.18.1, 7.18.2, 7.18.3

10.9.14 Part Settlement designated by a Settlement Participant

Subject to Rule 10.9.17, a Settlement Participant may designate a Batch Instruction other than a CCP Derivatives Payment Batch Instruction as available or not available for settlement in part.

In the event of a Payment Shortfall by a Settlement Participant (or to limit a Settlement Participant's net obligation to make payment in respect of that Payment Facility to the amount notified under Rule 10.10.4(a)), ASX Settlement may in its absolute discretion override any designation by the Settlement Participant under this Rule and designate a Batch Instruction as available or not available for settlement in part.

Introduced 11/03/04 Origin SCH 7.19.1 Amended 28/04/14 Amended 25/05/2015

10.9.15 Financial Products Shortfall may be settled in part

If:

- (a)
 - (i) a Source Holding; or
 - (ii) during an Ex Period, a Cum Entitlement Balance for a Source Holding, specified in one or more Batch Instructions scheduled for settlement on a Business Day would give rise to a Financial Products Shortfall; and
- (b) the instruction is available for settlement in part,

ASX Settlement may apply such lesser number of Financial Products or Entitlements as are available for settlement, in settling the Batch Instruction.

Note: A Batch Instruction removed from DvP Batch Settlement under Rule 10.6.1, 10.6.2 or 10.6.3 will not be available for settlement in part under Section 11.

Introduced 11/03/04 Origin SCH 7.19.2

10.9.16 Accrued Batch Instructions

If ASX Settlement generates an Accrued Batch Instruction in accordance with Rule 10.17.1(d), ASX Settlement will schedule the Accrued Batch Instruction for settlement on the Settlement Date specified in the instruction.

Introduced 11/03/04 Origin SCH 7.22.1

10.9.17 Client Trust Account Amount Messages not available for settlement in part

A Batch Instruction that gives effect to a Client Trust Account Amount Message is not available for settlement in part.

Introduced 25/05/2015

10.10A CLIENT TRUST ACCOUNT SETTLEMENT OBLIGATIONS

10.10A.1 Calculation by ASX Settlement of Client Trust Account Settlement Obligations

On each Business Day, ASX Settlement will calculate for each Settlement Participant's PID for that Business Day a net obligation to make payment to or net entitlement to receive payment from the Client Trust Account in respect of Client Trust Account Amount Messages scheduled for settlement on that Business Day that is equal to the difference between:

- (a) the total of all amounts payable to the Client Trust Account on that Business Day as specified in each Client Trust Account Amount Message under Rules 6.3B.2 and 6.3B.3 scheduled for settlement on that Business Day for that PID; and
- (b) the total of all amounts receivable from the Client Trust Account on that Business Day as specified in each Client Trust Account Amount Message under Rule 6.3B.4 scheduled for settlement on that Business Day for that PID.

Introduced 25/05/2015

10.10A.2 Notification by ASX Settlement of net obligations for Client Trust Account

Within the Scheduled Time on each Business Day, ASX Settlement will notify each Settlement Participant, in respect of each PID, of its net obligation to make payment to or net entitlement to receive payment from the Client Trust Account in respect of Client Trust Account Amount Messages scheduled for settlement on that Business Day.

Notwithstanding that the net amount to be paid to or received from the Client Trust Account under this Rule 10.10A.2 is not a Settlement Amount to be paid or received in Batch Settlement, the Settlement Participant:

- (a) must, where a net amount is required to be paid to the Client Trust Account, pay that amount through its Payment Provider to the Client Trust Account concurrent with Batch Settlement on that Business Day;
- (b) may, where a net amount is entitled to be received from the Client Trust Account, receive that amount through its Payment Provider from the Client Trust Account concurrent with Batch Settlement on that Business Day.

Note: The net amount notified by ASX Settlement under Rule 10.10A does not represent "Customer Net Funds" to be paid into or received from Payment Facilities made available by a Payment Provider to the Settlement Participant and is not an amount payable or receivable in relation to the Payment Facility established in respect of that PID under the Standard Payments Provider Deed. Payment to, or

receipt from, the Client Trust Account of that net amount occurs separately to Batch Settlement and the Standard Payments Provider Deed.

Introduced 25/05/2015

10.10 SETTLEMENT OBLIGATIONS

10.10.1 Calculation by ASX Settlement of Settlement Obligations

On each Business Day, ASX Settlement will calculate for each Settlement Participant's PID for that Business Day:

- (a) a net obligation to deliver or net entitlement to receive Financial Products or during an Ex Period, Entitlements due to be:
 - (i) deducted from each Source Holding or the Cum Entitlement Balance for the Source Holding; or
 - (ii) entered into each Target Holding or the Cum Entitlement Balance for the Target Holding,

specified in each Batch Instruction scheduled for settlement on that Business Day;

- (b) a net obligation to make payment from or net entitlement to receive payment into each Payment Facility identified in each Batch Instruction scheduled for settlement in DvP Batch Settlement on that Business Day; and
- (c) a net obligation to make payment from or net entitlement to receive payment into each Payment Facility identified in each Payment Batch Instruction scheduled for settlement on that Business Day.

Introduced 11/03/04 Origin SCH 7.24.1 Amended 08/08/13

10.10.2 Notification by ASX Settlement of projected net obligations

Within the Scheduled Time on each Business Day, ASX Settlement will notify each Settlement Participant, in respect of each PID, of its:

- (a) projected net obligation to make payment from a Payment Facility identified in one or more Batch Instructions scheduled for settlement in DvP Batch Settlement on that Business Day;
- (b) projected net obligation to make payment from a Payment Facility identified in one or more Payment Batch Instructions scheduled for settlement on that Business Day; and
- (c) if:
 - (i) a Source Holding; or
 - (ii) during an Ex Period, the Cum Entitlement Balance for a Source Holding,

specified in one or more Batch Instructions scheduled for settlement on that Business Day, would give rise to a Financial Products Shortfall, the number of Financial Products or Entitlements required to meet that shortfall.

Introduced 11/03/04 Origin SCH 7.24.2 Amended 08/08/13

10.10.3 No legal set off – [Deleted]

Introduced 11/03/04 Origin SCH 7.24.3 Deleted 01/05/07

10.10.4 Notification by ASX Settlement of net obligations

Within the Scheduled Time on each Business Day, ASX Settlement will notify each Settlement Participant, in respect of each PID, of its:

- (a) net obligation to make payment from or net entitlement to receive payment into each Payment Facility identified in one or more Batch Instructions scheduled for settlement on that Business Day, and
- (b) its revised net obligation (if any) to make payment from or revised net entitlement (if any) to receive payment into each Payment Facility identified in one or more Batch Instructions scheduled for settlement on that Business Day.

Introduced 11/03/04 Origin SCH 7.24A1 Amended 08/08/13

10.11 FAILING BATCH INSTRUCTIONS

10.11.1 Failure in Part

If a Batch Instruction is designated as available for settlement in part, ASX Settlement may Fail the Batch Instruction in part under this Rule 10.11.

Introduced 11/03/04 Origin SCH 7.25.1

10.11.2 Failure of Batch Instructions

If, by the Scheduled Time, on a Business Day either:

- (a) (i) a Source Holding; or
- (ii) during an Ex Period, a Cum Entitlement Balance for a Source Holding,

specified in one or more Batch Instructions scheduled for settlement on that Business Day, would give rise to a Financial Products Shortfall; or

- (b) a Settlement Participant's net obligation to make payment from a Payment Facility identified by one or more Batch Instructions scheduled for settlement on that Business Day is not authorised by the Payments Provider that operates the Payment Facility;

ASX Settlement will subject to Rule 10.11.6:

- (c) in the case of a Financial Products Shortfall, Fail one or more Batch Instructions, that specify the Holding as a Source Holding, to remove the Financial Products Shortfall; or
- (d) in the case of a Payment Shortfall, Fail one or more Batch Instructions that identify the Payment Facility to remove the Payment Shortfall.

Note: The removal of a Financial Products Shortfall will result in a Source Holding having a balance after Batch Settlement equal to or greater than zero. The removal of a Payment Shortfall will reduce the Settlement Participant's net obligation to make payment from that Payment Facility to zero, or will create a net entitlement to receive payment into that Payment Facility.

Introduced 11/03/04 Origin SCH 7.25.2

10.11.3 Consequential failing of Batch Instructions

If a Batch Instruction that is Failed under Rule 10.11.2 causes:

- (a) a Financial Products Shortfall for a Target Holding that is also specified as a Source Holding in other Batch Instructions scheduled for settlement on that Business Day; or
- (b) an increase in a Settlement Participant's net obligation to make payment from a Payment Facility identified in one or more Batch Instructions scheduled for settlement on that Business Day;

ASX Settlement will subject to Rule 10.11.6:

- (c) in the case of a Financial Products Shortfall, Fail one or more Batch Instructions that specify the Holding as a Source Holding to remove the Financial Products Shortfall; and
- (d) in the case of a Settlement Participant's increased net obligation to make payment in respect of a Payment Facility, Fail one or more Batch Instructions that identify that Payment Facility to limit the Settlement Participant's net obligation to make payment in respect of that Payment Facility to the amount notified under Rule 10.10.4(a) or, within the Scheduled Time, ASX Settlement may request the Payments Provider that operates the Payment Facility to authorise the increased net obligation to make payment.

Note: The removal of a Financial Products Shortfall will result in a Source Holding having a balance after Batch Settlement equal to or greater than zero. The removal of a Payment Shortfall (or of Batch Instructions to limit a Settlement Participant's net obligation to make payment in respect of that Payment Facility to the amount notified under Rule 10.10.4(a)) will reduce the Participant's net obligation to make payment from that Payment Facility to the amount previously authorised by the Payments Provider (or notified to the Payments Provider under Rule 10.10.4(a)) or will create a net entitlement to receive payment into that Payment Facility.

Introduced 11/03/04 Origin SCH 7.25.3 Amended 28/04/14

10.11.4 Removal of a Payment Shortfall

If ASX Settlement requests a Payments Provider under Rule 10.11.3(d) to authorise a Settlement Participant's increased net obligation to make payment and the Payments Provider does not authorise the Settlement Participant's increased net obligation to make payment, ASX Settlement will, subject to Rule 10.11.6, Fail one or more Batch Instructions that identify that Payment Facility to remove the Payment Shortfall.

Note: The removal of a Payment Shortfall will reduce the Participant's net obligation to make payment from that Payment Facility to the amount previously authorised by the Payments Provider or will create a net entitlement to receive payment into that Payment Facility.

Introduced 11/03/04 Origin SCH 7.25.4

10.11.5 Failure of Settlement Participant Batch Instructions in respect of Confirmed FOR Financial Products

Notwithstanding any other provision of this Section, if a Settlement Participant generates a Batch Instruction in relation to Foreign to Foreign Allocation and:

- (a) the number of Confirmed FOR Financial Products in the Source Holding specified in the Message is less than the number of Confirmed FOR Financial Products to be transferred; or
- (b) the Source Holding which is specified is a Source Holding which does not have a Residency Indicator of "F",

ASX Settlement will fail the Batch Instruction.

Introduced 11/03/04 Origin SCH 7.25A1

10.11.6 Principles that apply to Failing Batch Instructions

In Failing a Batch Instruction under Rules 10.11.2, 10.11.3 or 10.11.4, ASX Settlement will use its best endeavours to:

- (a) minimise:
 - (i) Financial Products Shortfalls; or
 - (ii) increases in the net obligation to make payment from one or more Payment Facilities identified in one or more Batch Instructions;
- (b) subject to Rule 10.11.6(a):
 - (i) give priority to settlement of rescheduled Batch Instructions and to CCP Batch Instructions;
 - (ii) maximise the total value of Settlement Amounts of Batch Instructions that can be settled on that Business Day;

- (iii) maximise the total number of Financial Products that can be settled on that Business Day.

Introduced 11/03/04 Origin SCH 7.271

10.11.7 Consequences of Failing a Batch Instruction

If a Batch Instruction is Failed under Rule 10.11.2, 10.11.3 or 10.11.4 ASX Settlement will:

- (a) if the Batch Instruction is a Batch Instruction for value, adjust the net obligation to make payment or the net entitlement to receive payment of the Payment Facility of each Settlement Participant affected by the Fail in accordance with Rule 10.11.9 or 10.11.10, as the case requires;
- (b) adjust the net obligation to deliver or the net entitlement to receive Financial Products or Entitlements for the Holding of each Participant affected by the Fail;
- (ca) adjust the net obligation to make payment to or net entitlement to receive payment from the Client Trust Account under Rule 10.10A for the relevant Settlement Participant affected by the Fail by reference to the Client Trust Receivable Amount or the Client Trust Deductible Amount specified in the Single Entry Batch Instruction (as applicable);
- (c) remove the Batch Instruction or part of the Batch Instruction, as the case requires, from Batch Settlement on that Business Day;
- (d) other than where the Batch Instruction is a CCP Derivatives Payment Batch Instruction or a CCP Batch Instruction referred to in Rule 10.11.7A, if the Batch Instruction has been Failed in full, reschedule the Batch Instruction for settlement on the next Business Day;
- (e) if the Batch Instruction has been Failed in part:
 - (i) process the Batch Instruction in respect of that part of the Batch Instruction that is to be settled; and
 - (ii) other than where the Batch Instruction is a CCP Batch Instruction referred to in Rule 10.11.7A, reschedule that part of the Batch Instruction that is to be Failed, for settlement on the next Business Day; and
- (f) notify both Settlement Participants.

Introduced 11/03/04 Origin SCH 7.28.1 Amended 28/04/14 Amended 25/05/2015

10.11.7A Failed CCP Batch Instructions due to Payment Shortfall settled through Offsetting Transaction Arrangements

A CCP Batch Instruction (where the CCP is ASX Clear) that has been Failed by ASX Settlement under Rule 10.11.2, 10.11.3 or 10.11.4 due to a Payments Shortfall (or to limit a Settlement Participant's net obligation to make payment in respect of that Payment Facility to the amount notified under Rule 10.10.4(a)), will be:

- (a) removed by ASX Settlement from Batch Settlement on that Business Day;
- (b) notified to ASX Clear; and
- (c) other than for the defaulting Clearing Participant, subject to set-off against entitlements and obligations under the first leg of an Offsetting Transaction Arrangement entered into in respect of the Failed CCP Batch Instruction under the ASX Clear Operating Rules.

Where ASX Settlement has removed a CCP Batch Instruction from Batch Settlement and notified that Failed Batch Instruction to ASX Clear under this Rule 10.11.7A, ASX Settlement has no obligation in relation to that Instruction.

Introduced 28/04/14

10.11.8 Removing a re-scheduled Batch Instruction to RTGS

If, within the Scheduled Time:

- (a) the parties to a Failed Batch Instruction (other than a CCP Net Batch Instruction) that has been rescheduled for settlement under Rule 10.11.7 and relates to a Batch Instruction that is eligible for Real Time Gross Settlement under Rule 11.1.1, Transmit a Valid Dual Entry Switch to RTGS Message to ASX Settlement; and
- (b) the Messages are Matched,

ASX Settlement will remove the Batch Instruction from DvP Batch Settlement and process it in Real Time Gross Settlement under Rule 11.11, however:

- (c) Each Settlement Participant acknowledges that ASX Settlement's ability to process a Dual Entry Switch to RTGS Message that requests removal of a Batch Instruction from DvP Batch Settlement on the Business Day on which the Message is Transmitted to ASX Settlement will depend on system processing demands in the Settlement Facility between Start of Day and Settlement Cut-off on that day.
- (d) Despite any other Rule, while ASX Settlement will use reasonable endeavours to process any Message received in terms of this Rule 10.11.8, it will not be responsible for any failure to remove any such Batch Instruction from DvP Batch Settlement on that day.

Note: It is not possible to switch a CCP Net Batch Instruction, once included in netting pursuant to the operating rules of an Approved Clearing Facility, to line-by-line settlement in RTGS.

Note: CHESS queuing processes for preparation of the daily net batch settlement will in the ordinary course have priority over messages requesting switches that are received close to Settlement Cut-off.

Introduced 11/03/04 Origin SCH 7.28.5, 7.28.6

10.11.9 Consequences of Failing a Batch Instruction for value that is not a CCP Net Batch Instruction

If a Batch Instruction for value that is not a CCP Net Batch Instruction is Failed, ASX Settlement will adjust the net obligation to make payment and the net entitlement to receive payment of each Settlement Participant by reference to the Settlement Amount specified in the Batch Instruction.

Introduced 11/03/04 Origin SCH 7.28.3

10.11.10 Consequences of Failing a Batch Instruction for value that is a CCP Net Batch Instruction

If a Batch Instruction for value that is a CCP Net Batch Instruction is Failed, ASX Settlement will adjust the net obligation to make payment and the net entitlement to receive payment of each Settlement Participant by reference to the Settlement Amount notified to ASX Settlement by the CCP.

Introduced 11/03/04

10.11.11 Fee for Failed Batch Instruction

If a Batch Instruction is Failed under Rule 10.11.2, the delivering Settlement Participant is liable to pay a fee calculated in accordance with the Fees and Charges Schedule.

Note: The effect of Rule 10.11.11 is to cause fail administration fees to be levied only against those Participants that enter the Batch Settlement process with net short positions. It does not cause fail administration fees to be levied against those Participants whose obligations to deliver Financial Products are Failed under Rule 10.11.3 as a result of other Participants Failing to deliver Financial Products to them during the Batch Settlement process.

Introduced 11/03/04 Origin SCH 7.28.4 Amended 30/03/09

10.11.12 Automatic Close Out

Notwithstanding any other provision of these Rules, if a Failed Settlement Shortfall exists in relation to either:

- (a) a Source Holding; or
- (b) during an Ex Period, a Cum Entitlement Balance for a Source Holding,

specified in a Rescheduled Batch Instruction at the Scheduled Time on the second Business Day after the day on which the Rescheduled Batch Instruction was originally scheduled for settlement, the delivering Settlement Participant must either:

- (c) close out the Failed Settlement Shortfall on the next Business Day (or if that is not a Trading Day, the next Trading Day) by entering into one or more transactions, or causing a Market Participant to enter into one or more transactions on its behalf, on a market conducted by an Approved Market Operator, to acquire the number of Financial Products of the relevant class equal to the Failed Settlement Shortfall; or

- (d) acquire under a securities lending arrangement the number of Financial Products of the relevant class equal to the Failed Settlement Shortfall and deliver those Financial Products pursuant to the Rescheduled Batch Instruction no more than two Business Days later.

Note: The effect of Rule 10.11.12 is to impose a close out obligation only on those Participants that enter the Batch Settlement process with a net short position where the resulting settlement shortfall remains after Batch Settlement is completed two Business Days later. It does not impose a close out obligation on those Participants whose obligations to deliver Financial Products are Failed under Rule 10.11.3 as a result of other Participants Failing to deliver Financial Products to them during the Batch Settlement process.

Introduced 30/03/09

10.12 SETTLEMENT

10.12.1 Settlement

If, within the Scheduled Time, ASX Settlement is satisfied, having regard to Batch Instructions that have Failed, that:

- (a) (i) each Source Holding; and
(ii) during an Ex Period, each Cum Entitlement Balance for a Source Holding,

specified in a Batch Instruction included in Batch Settlement on that Business Day will not give rise to a Financial Products Shortfall;

- (b) each Payment Facility identified in a Batch Instruction included in Batch Settlement on that Business Day will not give rise to a Payment Shortfall;
- (c) each Payments Provider has registered payment instructions in the CHESSE Payments Provider User Group in accordance with the terms of the Standard Payments Provider Deed; and
- (d) DvP Declaration has been given to ASX Settlement by:
- (i) the Bank; or
(ii) where ASX Settlement any time acts in the capacity of Bank, by the Reserve Bank of Australia as administrator of RITS,

for that Business Day,

ASX Settlement will:

- (e) Transfer Financial Products in accordance with those Batch Instructions by:
- (i) in the case of a Batch Instruction other than a CCP Net Batch Instruction, simultaneously generating Communications that:

- A. deduct the number of Financial Products specified in each Batch Instruction from the Source Holding specified in each Batch Instruction; and
 - B. enter the number of Financial Products specified in each Batch Instruction into the Target Holding specified in each Batch Instruction; and
- (ii) unless an Approved Clearing Facility notifies ASX Settlement that it is entitled to acquire title in the Financial Products, in the case of a CCP Net Batch Instruction, simultaneously generating Communications that transfer title directly from Source Holdings controlled by delivering Settlement Participants to those Target Holdings controlled by Receiving Settlement Participants in the manner contemplated by Rule 10.12.4(b);
- (f) record the net effect of those Transfers by:
- (i) offsetting the number of Financial Products, if any, that are entered into a Holding by virtue of a Communication against the number of Financial Products, if any, that are deducted from the same Holding by virtue of a Communication; and
 - (ii) recording the offsetting number as a movement of Financial Products against that Holding; and
- (g) cause a DvP Notification to be sent to each Payments Provider that operates a Payment Facility identified in a Batch Instruction settled on that Business Day.

Note: A Communication generated by ASX Settlement under Rule 10.12.1(e) in relation to quoted financial products is a proper ASTC transfer for the purposes of the Corporations Act.

Introduced 11/03/04 Origin SCH 7.29.1 Amended 23/10/09

10.12.2 Settlement Transfer attributable to Settlement Participants

A Settlement Transfer in respect of each Batch Instruction included in Batch Settlement for a particular Business Day:

- (a) is taken to be effected in respect of each Batch Instruction by the Communication generated by ASX Settlement under Rule 10.12.1(e);
- (b) is taken to be effected in respect of each Batch Instruction when ASX Settlement generates that Communication under Rule 10.12.1(e); and
- (c) is taken to be effected by:
 - (i) in the case of a CCP Net Batch Instruction which specifies a net number of Financial Products to be delivered by a Settlement Participant to CCP, that Settlement Participant;

- (ii) in the case referred to in Rule 10.12.3, by each Settlement Participant identified by that Rule;
- (iii) in any other case, the delivering Settlement Participant.

Introduced 11/03/04 Origin SCH 7.29.2

10.12.3 When transfer of Financial Products is effected

Where:

- (a) a CCP Net Batch Instruction requires that a specified net number of Financial Products in a class of Financial Products be delivered by CCP to a receiving Settlement Participant on a particular Business Day is effected in accordance with Rule 10.12.1(e); and
- (b) ASX Settlement deducts, or is taken by virtue of Rule 10.12.4 to have deducted, Financial Products of the same class from a Source Holding of one or more delivering Settlement Participants on the same Business Day in satisfaction of the delivering Settlement Participants' respective obligations to deliver Financial Products of that class on that Business Day under CCP Net Batch Instructions,

a transfer of the number of Financial Products deducted from each delivering Settlement Participant's Source Holding is taken to have been effected by the delivering Settlement Participant when ASX Settlement generates the Communication which deducts the Financial Products from that Source Holding.

Introduced 11/03/04 Origin SCH 7.29.3

10.12.4 CCP Net Batch Instructions

Where a CCP Net Batch Instruction is effected under Rule 10.12.2(c)(ii):

- (a) CCP's obligation is discharged by effecting settlement in accordance with these Rules;
- (b) title is taken to pass to Target Holdings controlled by receiving Settlement Participants directly from those Source Holdings controlled by delivering Settlement Participants from which Financial Products are deducted (or taken under Rule 10.12.1(e) to be deducted), and CCP is not taken to acquire title at any stage; and
- (c) each Communication by which a Transfer of Financial Products is taken to be effected under Rules 10.12.1(e), 10.12.2 and 10.12.3 is deemed to include, in respect of the Transfer of the Financial Products specified in those Rules, the PID of the delivering Settlement Participant who is taken by virtue of those Rules to have effected the Transfer.

Introduced 11/03/04 Origin SCH 7.29.4 Amended 31/03/04

10.12.5 Claims that the Transfer of Financial Products has not been properly effected

If ASX Settlement becomes aware of any claim that the Transfer of Financial Products effected under Rule 10.12.2(c)(ii) has not been properly effected, because of lack of authority or for any other reason, then:

- (a) ASX Settlement must:
 - (i) ascertain whether, in its opinion, the claim is justified, and if so,
 - (ii) nominate from the class of Settlement Participants who are delivering Settlement Participants under Rule 10.12.3 the Settlement Participant or Settlement Participants who, in its opinion, is or are responsible for the ineffective transfer; and
- (b) for the purposes of Division 4 of Part 7.11 of the Corporations Regulations, the Settlement Participant or Settlement Participants so nominated are taken to have purported to Transfer the Financial Products to the Target Holding.

Introduced 11/03/04 Origin SCH 7.29.5

10.12.6 Claims under the Corporations Regulations

If a claim is made on a delivering Settlement Participant ("the First delivering Settlement Participant") under Division 4 of Part 7.11 of the Corporations Regulations by virtue of the operation of Rule 10.12.5 and ASX Settlement nominates another delivering Settlement Participant ('the Second delivering Settlement Participant) under Rule 10.12.5, then the Second delivering Settlement Participant indemnifies the First delivering Settlement Participant against all loss or damage which the First delivering Settlement Participant may suffer arising out of the claim.

Introduced 11/03/04 Origin SCH 7.29.6 Amended 19/08/09

10.12.7 Effect of Settlement Transfers

Transfers effected or taken to be effected under Rules 10.12.2 and 10.12.3 constitutes performance of the obligations owing by Settlement Participants and CCP to one another, whether or not those obligations have been legally set off.

Introduced 11/03/04 Origin SCH 7.29.7

10.12.8 Settlement on each Business Day

On each Business Day, ASX Settlement must settle Batch Instructions included in Batch Settlement on that day under this Rule 10.12.

Introduced 01/05/07

10.13 DISCHARGE OF SETTLEMENT OBLIGATIONS

10.13.1 Discharge of Settlement Obligations

If ASX Settlement Transfers Financial Products under Rule 10.12.1(e):

- (a) each obligation to deliver Financial Products or Entitlements under a Batch Instruction included in Batch Settlement:
 - (i) is discharged irrevocably in full in the case of a Batch Instruction that is settled in full; or
 - (ii) is discharged irrevocably to the extent of the number of Financial Products or Entitlements settled in the case of a Batch Instruction that is settled in part; and
- (b) each entitlement to receive Financial Products or Entitlements under a Batch Instruction included in Batch Settlement:
 - (i) is satisfied irrevocably in full in the case of a Batch Instruction that is settled in full; or
 - (ii) is satisfied irrevocably to the extent of the number of Financial Products or Entitlements settled in the case of a Batch Instruction that is settled in part.

Introduced 11/03/04 Origin SCH 7.30.1

10.13.2 Discharge of Settlement obligations for Batch Instructions for value

If ASX Settlement causes a DvP Notification to be sent to each Payments Provider under Rule 10.12.1(g):

- (a) each obligation to make a payment under a Batch Instruction included in DvP Batch Settlement:
 - (i) is discharged irrevocably in full if the Batch Instruction is settled in full; or
 - (ii) is discharged irrevocably to the extent of the amount paid if the Batch Instruction is settled in part;
- (b) each entitlement to receive a payment under a Batch Instruction included in DvP Batch Settlement:
 - (i) is satisfied irrevocably in full if the Batch Instruction is settled in full; or
 - (ii) is satisfied irrevocably to the extent of the amount received if the Batch Instruction is settled in part;
- (c) each obligation to make a payment under a Payment Batch Instruction included in Batch Settlement:
 - (i) is discharged irrevocably in full if the Payment Batch Instruction is settled in full; or
 - (ii) is discharged irrevocably to the extent of the amount paid if the Payment Batch Instruction is settled in part; and

- (d) each entitlement to receive a payment under a Payment Batch Instruction included in Batch Settlement:
 - (i) is satisfied irrevocably in full if the Payment Batch Instruction is settled in full; or
 - (ii) is satisfied irrevocably to the extent of the amount received if the Payment Batch Instruction is settled in part.

If ASX Settlement, in accordance with a Batch Instruction which initiates a Foreign to Foreign Allocation, Transfers Financial Products to a Target Holding pursuant to Rule 10.12.1(e) and the Target Holding has a Residency Indicator of “F”, those Financial Products will have the status of Confirmed FOR Financial Products.

Introduced 11/03/04 Origin SCH 7.30.2, 7.30A

10.13.3 Notification of Settlement

Within the Scheduled Time, ASX Settlement will notify a Settlement Participant of:

- (a) each Batch Instruction that has been settled in Batch Settlement on that Business Day, whether in full or in part; and
- (b) if a Batch Instruction has been settled in part in Batch Settlement on that Business Day, the extent to which that Batch Instruction has been settled, to which the Settlement Participant is a party; and
- (c) the net movement of Financial Products for each Holding controlled by the Settlement Participant; and
- (d) the net movement of funds for each Payment Facility held in the name, or operated for the benefit, of the Settlement Participant.

Note: The notifications referred to in the Rule 10.13 do not apply to obligations to make payment to or entitlements to receive payment from the Client Trust Account of the net amount notified by ASX Settlement under Rule 10.10A in respect of Client Trust Account Amount Messages scheduled for settlement on that Business Day. Payment to, or receipt from, the Client Trust Account of that net amount occurs separately to Batch Settlement and the Standard Payments Provider Deed.

Introduced 11/03/04 Origin SCH 7.31.1 Amended 25/05/2015

10.14 CANCELLATION OF SETTLEMENT

10.14.1 Cancellation of Batch Settlement

If:

- (a) there is an Emergency Situation (as defined in the Standard Payments Provider Deed); or
- (b) ASX Settlement is of the opinion that DvP Declaration cannot be achieved; or

- (c) ASX Settlement, in its capacity of Bank, has reasonable grounds for believing that a payment to be made to the CHESSE Clearing Account by a Payments Provider would, if the Payments Provider were subsequently wound up, be voidable under section 588FE of the Corporations Act,

ASX Settlement may cancel Batch Settlement for that Business Day.

Note: Settlement Participants should note that any of the following events may trigger the application of this Rule 10.14.1. These events may affect ASX Settlement directly (i.e. where it acts in the capacity of Bank) or indirectly (i.e. where ASX Settlement does not act as Bank but its arrangements with the Bank recognise that the Bank is not obliged to proceed with settlement on any of these events occurring):

- (a) *The Reserve Bank of Australia has directed the Bank not to proceed with settlement.*
- (b) *The Bank would breach a law, regulation or official directive which has the force of law if the Bank proceeded with settlement.*
- (c) *An insolvency event occurs and continues to subsist in relation to a settling Payments Provider which is due to make a payment to the CHESSE Clearing Account on the settlement day.*
- (d) *The Bank has reasonable grounds for believing that a payment to be made to the CHESSE Clearing Account by a settling Payments Provider on the settlement day would, if the settling Payments Provider were subsequently wound up, be voidable under section 588FE of the Corporations Law.*

Introduced 11/03/04 Origin SCH 7.32.1

10.14.2 Notice by ASX Settlement of cancellation of Batch Settlement

If ASX Settlement cancels Batch Settlement under Rule 10.14.1, ASX Settlement will within the Scheduled Time:

- (a) notify:
 - (i) each Settlement Participant; and
 - (ii) each Payments Provider;involved in Batch Settlement on that Business Day of the cancellation; and
- (b) reschedule all Batch Instructions other than CCP Derivatives Payment Batch Instructions that were included in Batch Settlement on that Business Day, for settlement on the next Business Day.

Introduced 11/03/04 Origin SCH 7.32.2

10.15 SUSPENSION OF PARTICIPATION IF PAYMENT OBLIGATION IS NOT AUTHORISED

10.15.1 Suspension of Participant

In addition to any rights or powers that ASX Settlement may have under Section 12 of these Rules, if, within the Scheduled Time, a Payments Provider does not authorise:

- (a) a net obligation to make payment from a Payment Facility of a Settlement Participant identified in a Batch Instruction included in Batch Settlement on that Business Day; or
- (b) an increased net obligation to make payment from a Payment Facility of a Settlement Participant identified in a Batch Instruction included in Batch Settlement on that Business Day,

ASX Settlement may suspend the participation of the Participant for a period not exceeding 10 Business Days and the following will apply:

- (c) the suspension will take effect immediately;
- (d) ASX Settlement must give Notice of the suspension to:
 - (i) the Settlement Participant;
 - (ii) if the Settlement Participant is a Market Participant of ASX, to ASX and SEGC, or in the case of a participant of an Approved Market Operator other than ASX, to that Approved Market Operator;
 - (iii) if the Settlement Participant is a Clearing Participant, to the Approved Clearing Facility; and
 - (iv) all Participants, within the Scheduled Time;
- (e) ASX Settlement may take any action referred to in Rules 12.19.8 to 12.19.11; and
- (f) if ASX Settlement takes any action under Rules 12.19.1 to 12.19.2, (including a determination not to suspend, restrict or terminate the participation of a Participant) the suspension by ASX Settlement under this Rule 10.15.1 is terminated with effect from the time the decision of ASX Settlement takes effect.

Introduced 11/03/04 Origin SCH 7.33.1, 7.33.2, 7.33.3, 7.33.4, 7.33.5 Amended 23/07/18

10.15.2 Further Notices by ASX Settlement

If a Notice is given under Rule 10.15.1(d) ASX Settlement:

- (a) may also, to the extent that it thinks reasonably necessary, give Notice of the suspension to Issuers and/or Third Party Providers; and
- (b) may also give Notice, or Publish a Notice of the suspension to the Participant Sponsored Holders of the Settlement Participant.

Introduced 11/03/04

10.16 SUSPENSION OR TERMINATION OF A PAYMENTS PROVIDER

10.16.1 ASX Settlement's powers where Payments Provider terminated

If ASX Settlement suspends or terminates a Payments Provider in accordance with the Standard Payments Provider Deed, ASX Settlement may:

- (a) (i) suspend any Batch Instruction included in DvP Batch Settlement;
- (ii) suspend any Batch Instruction for inclusion in DvP Batch Settlement subsequently received from a Participant;
- (iii) suspend any Payment Batch Instruction included in Batch Settlement;
or
- (iv) suspend any Payment Batch Instruction subsequently received from a Participant,

that would affect a Payment Facility held in the name, and operated for the benefit, of any Settlement Participant that is a customer of the suspended Payments Provider;

- (aa) suspend any Single Entry Batch Instruction included in Batch Settlement or any Single Entry Batch Instruction for inclusion in Batch Settlement subsequently received from a Participant in respect of a Client Trust Account Amount Message;
- (b) on each Business Day that those Batch Instructions remain suspended, reschedule all instructions other than CCP Derivatives Payment Batch Instructions or CCP Batch Instructions referred to in Rule 10.16A for settlement on the next Business Day; and
- (c) cancel any Batch Instruction that remains suspended on the 10th Business Day after the Payments Provider is suspended or terminated.

Introduced 11/03/04 Origin SCH 7.33A Amended 28/04/14 Amended 25/05/2015

10.16A SUSPENDED CCP BATCH INSTRUCTIONS DUE TO SUSPENSION OR TERMINATION OF PAYMENTS PROVIDER SETTLED THROUGH OFFSETTING TRANSACTION ARRANGEMENTS

10.16A.1 Suspended CCP Batch Instructions due to suspension or termination of Payments Provider settled through Offsetting Transaction Arrangements

A CCP Batch Instruction (where the CCP is ASX Clear) that has been suspended by ASX Settlement under Rule 10.16 due to a suspension or termination of a Payments Provider will be:

- (a) removed by ASX Settlement from Batch Settlement on that Business Day;
- (b) notified to ASX Clear; and

- (c) other than for where the affected Clearing Participant's authority to clear the category of Market Transaction that underlies the Failed CCP Batch Instruction has been suspended or terminated, subject to set-off against entitlements and obligations under the first leg of an Offsetting Transaction Arrangement entered into in respect of the Failed CCP Batch Instruction under the ASX Clear Operating Rules.

Where ASX Settlement has removed a CCP Batch Instruction from Batch Settlement and notified that Failed Batch Instruction to ASX Clear under this Rule 10.16A, ASX Settlement has no obligation in relation to that Instruction.

Introduced 28/04/14

10.16B OPERATION OF RULES 10.17 TO 10.24 IN THE CASE OF AN OFFSETTING TRANSACTION ARRANGEMENT

10.16B.1 Operation of Rules 10.17 to 10.24 in the case of an Offsetting Transaction Arrangement

In the case of a Failed Parent Batch Instruction notified to an Approved Clearing Facility under Rule 10.11.7A or 10.16A, Rules 10.17 to 10.24 continue to apply in respect of the Failed Parent Batch Instruction on the basis that:

- (a) settlement of the Failed Parent Batch Instruction which occurs pursuant to the set-off under the operating rules of the Approved Clearing Facility of obligations and entitlements under the Failed Parent Batch Instruction against entitlements and obligations under the first leg of an Offsetting Transaction Arrangement entered into in respect of the Failed Parent Batch Instruction, does not represent settlement of that Instruction for the purposes of Rules 10.17 to 10.24;
- (b) settlement by net delivery or net payment under these Rules of the CCP Batch Instruction under the second leg of an Offsetting Transaction Arrangement entered into in respect of the Failed Parent Batch Instruction is treated as the settlement of the Failed Parent Batch Instruction for the purposes of Rules 10.17 to 10.24.

Rules 10.17 to 10.24 are to be applied in the circumstances referred to above in a manner so as to achieve a materially similar outcome (as determined by ASX Settlement) for Settlement Participants in respect of Failed Parent Batch Instructions irrespective of whether the Failed Parent Batch Instruction is:

- (a) settled pursuant to set-off under the operating rules of the Approved Clearing Facility in the manner contemplated under Rules 10.11.7A or 10.16A (as applicable); or
- (b) rescheduled in the manner contemplated under Rules 10.11.7 or 10.16 (as applicable).

Note: As a mechanism for facilitating the set-off and settlement on the Settlement Date of obligations between the Approved Clearing Facility and the respective Clearing Participant under a Cash Market Transaction novated to the Approved Clearing Facility which underlies CCP Batch Instructions Failed due to a Payment Shortfall

(or to limit a Settlement Participant's net obligation to make payment in respect of that Payment Facility to the amount notified under Rule 10.10.4(a)) or if there is a suspension or termination of a Payments Provider that would affect payment under such instruction, the operating rules of the Approved Clearing Facility provide for the entry into of an Offsetting Transaction Arrangement between the Approved Clearing Facility and the Clearing Participant in relation to the Failed CCP Batch Instruction.

The discharge of obligations under a Failed CCP Batch Instruction by way of set-off against equal but opposite entitlements under the first leg of an Offsetting Transaction Arrangement entered into in respect of that Failed CCP Batch Instruction will not however trigger a Transfer of Financial Products until the underlying obligations and entitlements of the transaction as reflected in the second leg of the Offsetting Transaction Arrangement are settled by net delivery or net payment under these Rules.

Introduced 28/04/14

10.17 SETTLEMENT SUBJECT TO ENTITLEMENTS AND ADJUSTMENTS

10.17.1 Financial Products Distributions

If a Parent Batch Instruction:

- (a) is scheduled to settle on a Cum Entitlement basis;
- (b) has an Entitlement to:
 - (i) a bonus issue;
 - (ii) a non-renounceable entitlement;
 - (iii) a renounceable rights issue; or
 - (iv) a distribution in specie,
- (c) does not settle in full by End of Day on the Record Date for the Corporate Action,

ASX Settlement will within the Scheduled Time:

- (d) generate an Accrued Batch Instruction; and
- (e) notify the Accrued Batch Instruction to each affected Settlement Participant.

Introduced 11/03/04 Origin SCH 7.34.1

10.17.2 Accrued Batch Instructions

A Settlement Transfer may be initiated by an Accrued Batch Instruction which contains the details specified in the Procedures.

Introduced 11/03/04 Origin SCH 7.34.2, 7.34.3

10.17.3 Authority to ASX Settlement

The delivering Settlement Participant under an Accrued Batch Instruction authorises ASX Settlement to initiate a Settlement Transfer in accordance with the Accrued Batch Instruction and these Rules.

Introduced 11/03/04 Origin SCH 7.34.4

10.17.4 Number of Financial Products to be Transferred

The number of Financial Products to be Transferred by an Accrued Batch Instruction must be equal to the number of Entitlements that relate to the number of outstanding Financial Products specified in the Parent Batch Instruction at End Of Day on the Record Date for the Corporate Action.

Introduced 11/03/04 Origin SCH 7.34.5 Amended 18/12/06

10.17.5 Calculation of Settlement Amount

The Settlement Amount of an Accrued DvP Batch Instruction must be calculated by multiplying the adjustment per unit of Financial Product notified by the Approved Listing Market Operator by the number of Financial Products to be Transferred by the Accrued DvP Batch Instruction.

Introduced 11/03/04 Origin SCH 7.34.6 Amended 27/06/11

10.17.6 ASX Settlement to reduce Settlement Amount

ASX Settlement will reduce the Settlement Amount of a Parent DvP Batch Instruction by an amount equal to the Settlement Amount of the related Accrued DvP Batch Instruction.

Introduced 11/03/04 Origin SCH 7.34.7

10.17.7 Calculation of Settlement Date

ASX Settlement will calculate the Settlement Date for an Accrued Batch Instruction in accordance with the relevant operating rules of the Approved Listing Market Operator.

Introduced 11/03/04 Origin SCH 7.34.8 Amended 27/06/11

10.18 CASH DISTRIBUTIONS

10.18.1 Cash distributions for Parent DvP Batch Instructions

If a Parent DvP Batch Instruction:

- (a) is scheduled to settle on a Cum Entitlement basis;
- (b) has an Entitlement to:
 - (i) a dividend;
 - (ii) interest; or

- (iii) a capital return; and
- (c) does not settle in full by End of Day on the Record Date for the Corporate Action,

ASX Settlement will within the Scheduled Time:

- (d) calculate a Settlement Adjustment by multiplying the adjustment per unit of Financial Product notified by the Approved Listing Market Operator by the number of outstanding Financial Products specified in the Parent DvP Batch Instruction at End of Day on the Record Date for the Corporate Action;
- (e) reduce the settlement Amount of the Parent Batch Instruction by a Settlement Adjustment; and
- (f) notify the Settlement Adjustment to each Settlement Participant.

Introduced 11/03/04 Origin SCH 7.35.1, 7.35.2 Amended 27/06/11

10.18.2 Cash distributions for Parent Batch Instructions

If a Parent Batch Instruction:

- (a) has an Entitlement to a franked dividend; and
- (b) does not settle in full by End of Day on the Record Date for the Corporate Action,

the delivering Settlement Participant must within the Scheduled Time:

- (c) transfer the imputation credit to the receiving Settlement Participant; or
- (d) compensate the receiving Settlement Participant for the transferee's loss of entitlement to claim the imputation credit, if the delivering Settlement Participant cannot transfer the imputation credit to the receiving Settlement Participant and the transferee is an Australian taxpayer (whether or not the transferee is the receiving Settlement Participant or a person on whose behalf the receiving Settlement Participant has acted).

Note: the terms franked dividend, imputation credit and Australian taxpayer take their meaning from the Income Tax Assessment Act 1936 (Cth).

ASX Settlement may specify in the Procedures how Settlement Participants are to verify and transfer imputation credits.

Introduced 11/03/04 Origin SCH 7.35.3, 7.35.4

10.19 CASH ADJUSTMENTS FOR LIMITED LIABILITY CALLS AND RENOUNCEABLE RIGHTS

10.19.1 ASX Settlement's powers where Parent Batch Instruction does not settle

If a Parent Batch Instruction:

- (a) is scheduled to settle on or before End of Day on the last Business Day on which ASX Settlement will process Transfers before:
 - (i) a call for a limited liability company falls due; or
 - (ii) application money for a renounceable rights issue falls due; and
- (b) does not settle in full by End of Day on that Business Day,

within the Scheduled Time, ASX Settlement will unless Rule 10.20 applies:

- (c) if notified by the Approved Listing Market Operator of a change of Financial Product Code for the class of Financial Products specified in the Parent Batch Instruction, change the Financial Product Code of the Parent Batch Instruction;
- (d) reschedule the Parent Batch Instruction for settlement on the Settlement Date calculated in accordance with the operating rules of the Approved Listing Market Operator;
- (e) if the Parent Batch Instruction is a Parent DvP Batch Instruction, increase the Settlement Amount of the Parent DvP Batch Instruction by a Settlement Adjustment; and
- (f) notify each Settlement Participant.

ASX Settlement will calculate the Settlement Adjustment by multiplying the:

- (a) limited liability call; or
- (b) minimum application money for the renounceable rights,

per unit of Financial Product by the number of outstanding Financial Products specified in the Parent DvP Batch Instruction at End of Day on the call payment date or applications close date for the Corporate Action, as the case requires.

Note: Where this Rule applies, the delivering Participant assumes the responsibility for delivering the Financial Products resulting from payment of the call or the application money, as appropriate and paying the call or application money to the Issuer to take up the resulting Financial Products.

Introduced 11/03/04 Origin SCH 7.36.1, 7.36.2 Amended 10/06/04, 27/06/11

10.20 BUYER'S RIGHT TO LAPSE ENTITLEMENT TO RENOUNCEABLE RIGHTS

10.20.1 Receiving Settlement Participant may give Notice

If a receiving Settlement Participant has not received Financial Products from a delivering Settlement Participant in Batch Settlement on the second Business Day before the Business Day on which ASX Settlement ceases to process Transfers before application money for a renounceable rights issue falls due, the receiving Settlement Participant may, within the Scheduled Time, give Notice to the delivering Settlement Participant that it does not require the renounceable rights to be taken up on its behalf. If the receiving Settlement Participant gives such Notice, the receiving Settlement Participant must, within the Scheduled Time:

- (a) Transmit a Valid Message requesting cancellation of the Parent Batch Instruction to ASX Settlement; and
- (b) if the Parent Batch Instruction is a Parent DvP Batch Instruction, pay the delivering Settlement Participant an amount equal to the Settlement Amount of the Parent DvP Batch Instruction,

and the delivering Settlement Participant must Transmit a Valid Message requesting cancellation of the Parent Batch Instruction to ASX Settlement by the Scheduled Time.

Introduced 11/03/04 Origin SCH 7.37.1, 7.37.2, 7.37.3

10.21 CASH ADJUSTMENTS FOR NO LIABILITY CALLS, OPTIONS AND CONVERTIBLE NOTES

10.21.1 Parent Batch Instruction

If a Parent Batch Instruction:

- (a) is scheduled to settle before End of Day on the last Business Day that ASX Settlement will process Transfers before:
 - (i) a call for no liability company falls due;
 - (ii) the final date for the exercise of company issued options; or
 - (iii) the final date for the conversion of convertible Financial Products;
- (b) does not settle in full by End of Day on that Business Day; and
- (c) both Settlement Participants have agreed that settlement will be effected by a Transfer of the Financial Products that result from the:
 - (i) call;
 - (ii) exercise; or
 - (iii) conversion,

then each Settlement Participant must Transmit a Valid Message to ASX Settlement by the Scheduled Time requesting a change to the Parent Batch Instruction to reflect the number and class of Financial Products that are to be Transferred as a result of the call, exercise or conversion.

Note: Depending upon the nature of the Corporate Action, it may be necessary to change the number and class of Financial Products, the Settlement Amount and the Settlement Date. In the case of a call or an exercise of an option, the delivering Settlement Participant is entitled to be paid the relevant call or exercise money by the receiving Settlement Participant before making an application to the Issuer to take up the resulting Financial Products.

Introduced 11/03/04 Origin SCH 7.38.1

10.21.2 Failure to request change

If either Settlement Participant fails to request a change to the Parent Batch Instruction in accordance with Rule 10.21.1, ASX Settlement will:

- (a) suspend the Parent Batch Instruction from Batch Settlement; and
- (b) if the Parent Batch Instruction has not been changed in accordance with Rule 10.21.1, cancel the Parent Batch Instruction on the 10th Business Day after the Subregister closes.

Introduced 11/03/04 Origin SCH 7.38.2

10.21.3 Removal from Batch Settlement

If ASX Settlement removes a Parent Batch Instruction from Batch Settlement, it will notify each Settlement Participant.

If ASX Settlement removes a Parent DvP Batch Instruction from Batch Settlement, the receiving Settlement Participant must pay the delivering Settlement Participant an amount equal to the Settlement Amount of the Parent DvP Batch Instruction by the Scheduled Time.

Introduced 11/03/04 Origin SCH 7.38.3, 7.38.4

10.22 RECONSTRUCTIONS

10.22.1 ASX Settlement actions upon receipt of notification

If ASX Settlement receives notification from an Approved Listing Market Operator of:

- (a) a Reconstruction that affects a class of Approved Financial Products; and
- (b) the effective date and the Issue Date for that Reconstruction,

and a Parent Batch Instruction does not settle in full by End of Day on the second Business Day after the effective date, ASX Settlement will either:

- (c) where the Financial Product Code for that class will continue following the Reconstruction:
 - (i) effect, if necessary, a cash distribution in accordance with Rule 10.18, and
 - (ii) reschedule the Parent Batch Instruction for the Settlement Date calculated in accordance with the operating rules of the Approved Listing Market Operator; or
- (d) where the Financial Product Code for that class will be changed to a new Financial Product Code:
 - (i) effect, if necessary, a cash distribution in accordance with Rule 10.18;

- (ii) Transform the number of outstanding Financial Products to be Transferred by the Parent Batch Instruction in accordance with the terms of the Reconstruction;
- (iii) change the Financial Product Code of the Parent Batch Instruction; and
- (iv) reschedule the Transformed Parent Batch Instruction for settlement on the Settlement Date calculated in accordance with the operating rules of the Approved Listing Market Operator,

and in respect of both (c) and (d) notify each Settlement Participant of the rescheduled Batch Instruction.

Introduced 11/03/04 Origin SCH 7.39.1, 7.39.2, 7.39.3 Amended 27/06/11, 04/03/13, 14/04/14, 07/03/16

10.23 BUYER'S RIGHT TO ENTITLEMENT

10.23.1 Where Parent Batch Instruction does not settle in full

If a Parent Batch Instruction:

- (a) is scheduled to settle on a Cum Entitlement basis;
- (b) has an Entitlement in respect of which no adjustment is prescribed by the Rules in the event of failure to settle in full; and
- (c) does not settle in full by End of Day on the Record Date for the Corporate Action,

then:

- (d) the transferee may exercise all rights in relation to that Entitlement as if the receiving Settlement Participant had received the Financial Products specified in the Parent Batch Instruction on the Record Date (whether or not the transferee is the receiving Settlement Participant or a person on whose behalf the receiving Settlement Participant has acted); and
- (e) the transferor must not purport to exercise any rights in relation to that Entitlement (whether or not the transferor is the delivering Settlement Participant or a person on whose behalf the delivering Settlement Participant has acted).

Note: Rule 10.23 derives binding effect from Regulation 7.11.39 of the Corporations Regulations.

Participants should refer to the Participant Procedure Guidelines for further guidance in respect of the exercise of rights where a transaction falls within the terms of Rule 10.23 (e.g., acceptance of an offer under an equal access scheme where a cum transaction fails to settle by Record Date)

Introduced 11/03/04 Origin SCH 7.39A.1, 7.39A.2

10.24 SETTLEMENT PARTICIPANTS REQUIRING PROTECTION

10.24.1 ASX Settlement to notify the Approved Clearing Facility

If at the End of Day on Record Date for a Corporate Action, or when a Financial Product lapses, expires or matures ASX Settlement identifies a Settlement Participant that is a Clearing Participant who may lose the benefit of an entitlement or new Issue of Financial Products, ASX Settlement will notify the Approved Clearing Facility of that fact.

Introduced 11/03/04 Origin SCH 7.45

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