

ASX CLEAR OPERATING RULES PROCEDURES

SCHEDULES TO ASX CLEAR OPERATING RULES

PROCEDURE S1.2.1 CORE CAPITAL, LIQUID CAPITAL AND TOTAL RISK REQUIREMENT

1. For the purposes of Rule S1.2.1(1)(b)(ii):

(a) client written options clearing is activity undertaken by a Participant which involves clearing of a written Options Market Contract registered in a Client Account of the Participant;

(b) specific Cover is lodged for a written Call Option if, in accordance with paragraph 2.2.1(iii) of Annexure 1 to the Procedures, the outcome of such lodgement is that ASX Clear does not call margins in respect of such Call Option.

2. For the purposes of Rule S1.2.1(1)(b)(iii), own account business is activity undertaken by a Participant which involves:

(a) dealing in, or Underwriting, a financial product on its own behalf; or

(b) dealing in a financial product on behalf of a Related Body Corporate where the Participant has funded such dealing.

3. For the purposes of Rule S1.2.1(1)(b)(iv), non-ASX client activity is activity undertaken by a Participant which involves:

(a) dealing in a financial product on behalf of a client, where the transaction or contract under such dealing is not cleared by ASX Clear or ASX Clear (Futures) Pty Limited;

~~(a)~~(b) issuing a financial product to a client;

(c) providing a credit facility to a client; or

(d) disposing of a financial product to a client as part of a securities lending service.

4. ASX Clear may, at its discretion, exclude activities which fall within the descriptions of own account business or non-ASX client activity in paragraphs (2) or (3) above, from its assessment of own account business or non-ASX client activity undertaken by a Participant for the purposes of Rules S1.2.1(1)(b)(iii) or S1.2.1(1)(b)(iv).

5. Where activity undertaken by a Participant falls within both the descriptions of own account business and non-ASX client activity in paragraphs (2) and (3) above, ASX Clear will choose, at its discretion, whether such activity should be included in its assessment of:

(a) own account business undertaken by the Participant for the purposes of Rule S1.2.1(1)(b)(iii); or

(b) non-ASX client activity undertaken by the Participant for the purposes of Rule S1.2.1(1)(b)(iv),

so that the same activity is not assessed under both of those Rules.

RULE PROCEDURE S1.2.11 CORE CAPITAL – FURTHER REQUIREMENTS

1. **Bank guarantees permitted under Rule S1.2.11 – [Deleted]**
2. **Interest on cash permitted to be lodged under Rule S1.2.11 ~~[Deleted]~~**
 - ~~(a) — The interest rate paid on cash lodged with ASX Clear under Rule S1.2.11 will be the prevailing RBA Cash Rate Target as published from time to time by the RBA. This reflects the overnight money market interest rate.~~
 - ~~(b) — Interest will be calculated on a simple (i.e. not compound) daily basis.~~
 - ~~(c) — No administration fee will be charged in respect of cash deposited under Rule S1.2.11.~~
 - ~~(d) — Interest will be credited to Clearing Participants monthly in arrears on the 2nd Business Day of the month.~~
 - ~~(e) — ASX Clear will notify Clearing Participants by email of interest payments (if applicable) as soon as practicable after the interest has been credited to Clearing Participants.~~
 - ~~(f) — All interest transfers will be executed via Austraclear's Exigo system.~~
 - ~~(g) — Interest payments by ASX Clear to Clearing Participants must be matched in Exigo by Clearing Participants within thirty minutes of receiving notification of that payment from ASX Clear.~~

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