

Relevant Provisions of the SCH Business Rules

Attached are the following provisions:

- Section 2: Applications for Participation and Participation Criteria
- Section 3A: CHESD Depository Interests (CDIs)
- Section 3B: Foreign Depository Interests (FDIs)
- Section 7: Settlement Transfers - 7.1, 7.1.3, 7.13A.1, 7.1.3E, 7.1.3F, 7.33.1
- Section 7A: Real Time Gross Settlement
- Section 8: Issuers
- Section 9: Brokers - 9.20
- Section 10: Non Broker Participants
- Section 18: Disciplinary Proceedings
- Section 19: Restriction, Suspension or Termination of Suspension
- Section 21: Interpretation and Definitions

SECTION 2: APPLICATIONS FOR PARTICIPATION AND PARTICIPATION CRITERIA

2.1. Participation by Participating Organisations

2.1.1. Each person or partnership admitted as a Participating Organisation of ASX that:

- (a) meets the technical and performance requirements of this Section;
- (b) meets the stamp duty payment requirements of this Section; and,
- (c) meets the payment facility requirements of this Section,

will be admitted to participate in CHESS as a Broker.

Note: A Participating Organisation of ASX that is not a clearing participant will not be admitted to participate in CHESS as a Broker under Rule 2.1.1.

2.1.2. Each Participating Organisation that is admitted under Rule 2.1.1 as a Participant is taken to be a Settlement Participant for the purposes of Section 7 of these Rules.

2.1A Sponsorship Participation by a Participating Organisation

2.1A.1 Each person or partnership admitted as a Participating Organisation of ASX that:

- (a) has entered into a Clearing Agreement with a clearing participant of ASX;
- (b) applies to SCH for admission as an NSSP;
- (c) meets the technical and performance requirements of this Section; and
- (d) meets the stamp duty requirements of this Section,

will be admitted to participate in CHESS as an NSSP.

2.1A.2 A Participating Organisation that is admitted under Rule 2.1A.1 as an NSSP is not a Settlement Participant for the purposes of Section 7 of these Rules, and shall not establish a payment facility.

2.2 Participation by Non Broker Participants

2.2.1 An Entity may apply to SCH for admission to participate in CHESS as an NBP by an application that:

- (a) is on the Admission Form published by SCH;
- (b) is accompanied by any application fee specified in the Fees and Charges Schedule;
- (c) contains a covenant by the applicant that, if the application is accepted, the applicant undertakes to SCH to observe and comply with the provisions of these Rules that purport to apply in relation to it;

- (d) contains all the information required by the Admission Form; and
- (e) is executed by or on behalf of the applicant or, if the applicant is an Entity that consists of two or more partners or trustees, by or on behalf of each partner or trustee, as the case requires.

Note: If the applicant intends to maintain Direct Holdings registered in the name of any wholly-owned subsidiary of the applicant, the application should be accompanied by an acknowledgment from the wholly-owned subsidiary in accordance with Rule 10.3.

Note: A Settlement Participant must meet the additional technical and payment facility requirements of Section 7A before it will be permitted to settle transactions in Real Time Gross Settlement.

- 2.2.2. SCH may by Notice require an applicant to give SCH any additional information in relation to the application which SCH thinks necessary for consideration of the application.
- 2.2.3. SCH may seek information from persons other than the applicant to the extent that SCH thinks necessary in considering whether to grant an application.
- 2.2.4. Subject to any need to disclose information in order to seek other information under Rule 2.2.3, or unless disclosure is required by law, SCH shall maintain the confidentiality of each application and information contained in or supplied in connection with an application.

2.3. Admission of Non Broker Participants

- 2.3.1. SCH shall admit an Entity as an NBP if SCH is satisfied that the Entity:
 - (a) has applied for admission in accordance with Rules 2.2.1 and 2.2.2;
 - (b) is:
 - (i) the holder of an Australian financial services licence under the Corporations Act, the terms of which do not prevent the NBP from providing a financial service (as defined in Division 2 of Part 7.1 of the Corporations Act) in relation to dealing in securities, managed investments or derivatives;
 - (ii) during the Transition Period the holder of a dealers licence under the Old Corporations Act, the terms of which do not prevent the NBP from carrying on a securities business in relation to any securities (as defined in Section 92(1) of the Old Corporations Act), or the holder of a futures brokers licence under the Old Corporations Act;
 - (iii) an Australian bank;
 - (iv) a corporation:
 - that is a wholly owned subsidiary of an Australian bank; and

- the whole business of which is providing nominee, custody and related services;
- (v) a corporation that is an approved trustee under the Superannuation Industry (Supervision) Act 1993;
- (vi) an Entity that is eligible to be appointed as a custodian of a superannuation entity within the meaning of Section 123 of the Superannuation Industry (Supervision) Act 1993;
- (vii) a body corporate authorised to carry on insurance business under the Insurance Act 1973;
- (viii) a body corporate registered under the Life Insurance Act 1945;
- (ix) a Trustee Company;
- (x) a building society regulated under the prudential standards of the Australian Prudential Regulation Authority; or
- (xi) a credit union regulated under the prudential standards of the Australian Prudential Regulation Authority;
- (xii) a body corporate:
 - that provides financial services only to wholesale clients; and
 - that is regulated by the Australian Prudential Regulation Authority; or
- (xiii) a body corporate:
 - that provides financial services only to wholesale clients; and
 - that is regulated by an overseas regulatory authority; and
 - the overseas regulatory authority is approved by the Commission under section 911A(2)(h) of the Corporations Act.

2.3.1A An Entity that applies for admission as an NBP in accordance with Rule 2.3.1(b)(i) must:

- (a) provide SCH with a copy of its Australian financial services licence, including any conditions attaching to that licence; and
- (b) immediately notify SCH if there is any subsequent variation to its Australian financial services licence, including any variation to any conditions attaching to that licence.

2.3.1B An Entity that applies for admission as an NBP in accordance with Rule 2.3.1(b)(ii) must:

- (a) immediately upon obtaining an Australian financial services licence or upon the expiry of the Transition Period, whichever occurs earlier, provide SCH with a copy of its Australian financial services licence, including any conditions attaching to that licence; and

- (b) immediately notify SCH if there is any subsequent variation to its Australian financial services licence, including any variation to any conditions attaching to that licence.

2.3.2. SCH shall also admit an Entity as an NBP if SCH is satisfied that the Entity:

- (a) has applied for admission in accordance with Rules 2.2.1 and 2.2.2;
- (b) meets the technical and performance requirements of this Section;
- (c) meets the stamp duty payment requirements of this Section;
- (d) meets the performance bond requirements of this Section;
- (e) and its Principals meet the capacity requirements of this Section;
- (f) and its Principals meet the business integrity requirements of this Section;
- (g) meets the local establishment requirements of this Section; and
- (h) meets the payment facility requirements of this Section.

2.3.3. An NBP that is admitted as a Participant will be taken to be a Settlement Participant for the purposes of Section 7 of these Rules.

Note: A Settlement Participant must meet the additional technical and payment facility requirements of Section 7A before it will be permitted to settle transactions in Real Time Gross Settlement.

2.4. Admission of NBPs Subject to Restrictions

2.4.1. If:

- (a) an Entity applies for admission as an NBP solely for the purpose of acting as a CHES Offeror in relation to a takeover scheme; and
- (b) the Entity does not meet one or more of the Participation Requirements set out in:
 - (i) Rules 2.3.1(e) and (f), or
 - (ii) Rules 2.3.2(d), (g) or (h), as the case requires,

SCH may, subject to this Rule 2.4, admit the Entity as an NBP notwithstanding that the Entity does not meet those Participation Requirements.

2.4.2. If:

- (a) an Entity applies for admission as an NBP solely for the purpose of processing an Allocation Component in DvP Settlement; and
- (b) the Entity does not meet one or more of the Participation Requirements set out in:

- (i) Rules 2.3.1(b), (d) and (f), or
- (ii) Rules 2.3.2(c), (d), (g) or (h), as the case requires,

SCH may, subject to this Rule 2.4, admit the Entity as an NBP notwithstanding that the Entity does not meet those Participation Requirements.

2.4.3. If SCH admits an Entity as an NBP under Rule 2.4.1 or 2.4.2 notwithstanding that the Entity does not meet one or more Participation Requirements:

- (a) SCH shall by Notice to the Entity impose such Restrictions upon the Entity's participation in CHESSE as SCH thinks necessary or desirable having regard to the purpose for which the Entity applied for admission; and
- (b) those Participation Requirements are waived while the Entity continues to comply with any Restrictions imposed under Rule 2.4.2(a).

2.4.4. Failure to comply with a Restriction imposed under Rule 2.4.3(a) is a contravention of that Rule.

2.5. Participation by Departments and Subsidiaries of ASX

2.5.1. From the CHESSE Implementation Date, each department or subsidiary of ASX that:

- (a) meets the technical and performance requirements of this Section; and
- (b) meets the stamp duty payment requirements of this Section,

is admitted to participate in CHESSE:

- (c) if the department or subsidiary has been allocated a Broker code, as a Broker; or
- (d) otherwise, as an NBP.

2.5A. Participation by an Exchange other than ASX

- 2.5A.1. SCH shall admit an Exchange other than ASX as an NBP if SCH is satisfied that the Exchange:
- (a) has applied for admission in accordance with Rules 2.2.1 and 2.2.2
 - (b) meets the technical and performance requirements of this Section;
 - (c) meets the stamp duty payment requirements of this Section; and
 - (d) meets the Performance Bond requirements of this Section.
- 2.5A.2. An NBP that is admitted as a Participant under Rule 2.5A.1 is not a Settlement Participant for the purposes of Section 7 of these Rules unless SCH determines otherwise.
- 2.5A.3. An NBP that is admitted pursuant to Rule 2.5A.1 may be identified for the purposes of Rules 9.6 and 10.7 as a Recognised Exchange provided:
- (a) recognition for the purposes of this rule is only for financial products of an issuer quoted on that Recognised Exchange;
 - (b) its operating rules appoint that Exchange as a settlement agent for its participating organisations for those financial products;
 - (c) it has in the opinion of SCH from time to time adequate compensation arrangements;
 - (d) it supplies details of such compensation arrangements at least annually to SCH, or at such other times reasonably required by SCH and in the case where such arrangement is to be varied it gives SCH at least 10 Business Days notice of the same; and
 - (e) it enters into and maintains a written agreement satisfactory to SCH with each Participating Organisation for whom it acts as settlement agent.

2.5B. Participation by a Foreign Clearing House

- 2.5B.1. SCH shall admit a Foreign Clearing House as an NBP if SCH is satisfied that the Foreign Clearing House:
- (a) has applied for admission in accordance with Rules 2.2.1 and 2.2.2;
 - (b) is appropriately authorised and continues to remain so authorised to provide clearing and settlement services in the foreign country in which its principal place of business is located;
 - (c) has obtained and continues to hold all necessary regulatory approvals to provide services as a Participant from any relevant governmental agency or regulatory authority in Australia or elsewhere;
 - (d) has not at any time within 5 years before the application:

- (i) been in breach of any licence condition or other regulatory requirement in connection with the provision of clearing and settlement services in the foreign country in which its principal place of business is located or elsewhere; or
 - (ii) faced any disciplinary action in connection with the provision of clearing and settlement services in the foreign country in which its principal place of business is located or elsewhere;
 - (e) is able to comply and remains able to comply with any direction given by SCH or the Commission;
 - (f) has appointed an agent as approved by SCH for service of process in Australia, as provided for in Section 2.11.2;
 - (g) if required by SCH to do so, has provided a legal opinion, from independent lawyers satisfactory to SCH, which deals with such matters as are required by SCH and which is satisfactory to SCH, including the applicant's capacity to be bound by the provisions of these Rules;
 - (h) meets the technical performance requirements of this section;
 - (i) meets the stamp duty payment requirements of this section; and
 - (j) meets the Performance Bond requirements of this section.
- 2.5B.2. SCH may require an applicant which is a Foreign Clearing House to give an additional undertaking governed by Australian law in respect of any matter which SCH deems to be reasonable and any other matter that SCH considers to be in the interest of the public, SCH or other CHESS Users, including without limitation:
- (a) whether the law of the Foreign Clearing House's place of incorporation would recognise the netting arrangements provided for in these Rules;
 - (b) the ranking of creditors on a winding-up of the applicant; or
 - (c) whether ASTC or any other ASX subsidiary will have standing as a creditor in a winding-up of a Foreign Clearing House.
- 2.5B.3. An NBP that is admitted as a Participant under Rule 2.5B.1 will be taken to be a Settlement Participant for the purposes of Section 7 of the Rules.

2.6. Technical and Performance Requirements

- 2.6.1. The technical requirements of this Section are that, to the reasonable satisfaction of SCH:
- (a) as shown by Pre-commencement Testing, the Entity has the capacity to communicate reliably with CHESS in accordance with the EIS; and
 - (b) the Entity has such accounting, settlement and Financial Products recording systems as are necessary for the purposes of the Entity's existing and anticipated operations.

2.6.2. The performance requirements of this Section are that the Entity employs or retains such personnel familiar with the Rules and the Procedures as are necessary to allow the Entity to generate, receive and process Messages in accordance with these Rules and the Procedures.

2.7. Stamp Duty Payment Requirements

2.7.1. The stamp duty payment requirements of this Section are that:

- (a) no prohibition or restriction has been imposed by a State Revenue Authority against the Entity paying stamp duty by lodgement of a periodic return; and
- (b) the Entity employs or retains such personnel, familiar with all stamp duty obligations that will apply to the Entity as a Participant, as are necessary to allow the Entity to comply with those obligations.

2.8. Performance Bond Requirements

2.8.1. The performance bond requirements of this Section are that the Entity has lodged with SCH a Performance Bond that:

- (a) complies with all of the provisions of these Rules that relate to Performance Bonds; and
- (b) is in a form approved by SCH.

Note: Rule 10.19 contains provisions relating to Performance Bonds.

2.9. Capacity Requirements

2.9.1. The capacity requirements of this Section are:

- (a) for a body, that:
 - (i) if the body is a body corporate, the body is not an externally administered body corporate; or
 - (ii) if the body is not a body corporate, the body is not under any equivalent form of insolvent administration;
- (b) for an individual, that:
 - (i) the individual is at least 18 years of age;
 - (ii) the individual is not an insolvent under administration;
 - (iii) no person has been appointed under any Incapacity Law to administer the estate of the individual; and
 - (iv) no order has been made under the Corporations Act prohibiting the individual from managing a corporation;

- (c) for an Entity that consists of two or more partners or trustees, that each of those persons complies with paragraph (a) or (b) as the case requires.

2.10. Business Integrity Requirements

2.10.1. The business integrity requirements of this Section are:

- (a) for a body, that the body has not, at any time within 5 years before the application, been convicted of:
 - (i) serious fraud; or
 - (ii) an indictable offence against any law in connection with business, professional or commercial activities;
- (b) for an individual, that:
 - (i) the individual has not, within 5 years before the application, been convicted of serious fraud or an indictable offence against any law in connection with business, professional or commercial activities;
 - (ii) the individual has not, within 5 years before the application, served any sentence of imprisonment following such a conviction;
 - (iii) SCH has no reason to believe that the individual is not of good fame and character and high business integrity; and
 - (iv) SCH has no reason to believe that the individual will cause the Entity not to carry out its obligations in connection with CHESS efficiently, honestly and fairly; and
- (c) for an Entity consisting of two or more partners or trustees, that each of those persons complies with paragraph (a) or (b), as the case requires.

2.11. Local Establishment Requirements

2.11.1. The local establishment requirements of this Section for an Entity, other than an NBP which is a Foreign Clearing House, are:

- (a) for a body, that the body is formed in Australia; and
- (b) for any Entity, that the Entity carries on business in Australia.

2.11.2. An Entity which is a Foreign Clearing House shall appoint an agent, as approved by SCH, which is resident in Australia for service of process in Australia and shall provide SCH with a copy of the agent's acceptance of such appointment.

2.11.3. If for any reason such agent ceases or intends to cease being agent for the Foreign Clearing House, the Foreign Clearing House shall immediately:

- (a) inform SCH of the intended effective date of ceasing to act;

- (b) appoint as soon as practicable, and in any case before the outgoing agent ceases acting as agent for the Foreign Clearing House, a new agent, as approved by SCH; and
- (c) provide SCH as soon as practicable with a copy of the new agent's acceptance of such appointment.

2.12. Payment Facility Requirements

2.12.1. The payment facility requirements of this Section are that:

- (a) for the purposes of making and receiving payments in respect of payment obligations and entitlements under Section 7 of these Rules, the Entity has in place at all times at least one Payment Facility with a Payments Provider; and
- (b) each Payment Facility is either:
 - (i) held in the name of, and operated for the benefit of, the Entity or a related body corporate within the meaning of Section 50 of the Corporations Act; or
 - (ii) held in the name of a party unrelated to the Entity but operated for the benefit of the Entity, where the party operating the Payment Facility has agreed to be bound by the SCH Business Rules which relate to the operation and suspension of Payment Facilities as if it was an SCH Participant.

2.13. Non-Acceptance of an Application

2.13.1. SCH shall not reject an application made under Rule 2.2.1 unless, before doing so, SCH:

- (a) gives Notice to the applicant of the reasons why it proposes to reject the application;
- (b) affords the applicant a period of 10 Business Days after giving the Notice (or such longer period as the applicant reasonably requires) in which to provide further information or otherwise take steps to address the reasons stated in the Notice; and
- (c) after the end of that period, considers whether any further information provided or steps taken by the applicant address the reasons in the Notice.

2.13.2.1. If, after following the procedure in Rule 2.13.1, SCH is not satisfied that the applicant meets the requirements set out in Rule 2.3.1 or 2.3.2, as the case requires, SCH may give Notice to the applicant rejecting the application and giving reasons why the application is rejected.

2.13.3. An applicant may appeal against a decision to reject its application by giving an Appeal Notice to SCH that:

- (a) identifies the decision against which the appeal is made;

- (b) sets out the grounds of the appeal; and
 - (c) is given no later than 10 Business Days after receipt by the applicant of the reasons for the decision.
- 2.13.4. If SCH receives an Appeal Notice under Rule 2.13.3, SCH shall promptly give a copy of the Appeal Notice to the President of the Appeal Tribunal.
- 2.13.5. If the President of the Appeal Tribunal receives a copy of an Appeal Notice from SCH under Rule 2.13.4, the Appeal Tribunal shall be convened in accordance with Rules 18.7.6 and 18.7.7 and the Appeal shall be conducted in accordance with Rule 18.10 with such modifications as are appropriate in the circumstances.
- 2.13.6. The Appeal Tribunal may:
 - (a) affirm the decision to reject the application; or
 - (b) direct SCH to admit the applicant as an NBP.
- 2.13.7. The determination of the Appeal Tribunal in relation to the application and any determination as to costs payable by the applicant or SCH shall be final and binding upon the applicant and SCH.

SECTION 3A: CHESS DEPOSITARY INTERESTS (CDIs)**3A.1. APPLICATION OF THIS SECTION 3A**

3A.1.1. This Section 3A only applies to, and has effect in relation to, a class of Financial Products of a Principal Issuer that is CHES Approved.

3A.1.2. The SCH Business Rules, to the extent that they are not inconsistent with Section 3A, shall have full force and effect in relation to a class of Principal Securities that is CHES Approved other than as specifically modified by the provisions of this Section 3A.

3A.1.3. Interpretation

For the purposes of Rule 3A.8, “constitution of a Principal Issuer” means:

- (a) in respect of a share, constitution as defined in the Corporations Act; or
- (b) in respect of a Financial Product other than a share, the document which creates the right for a holder of Financial Products to attend and vote at meetings of holders of Financial Products of that class and to appoint proxies in respect of that voting.

3A.2. PREREQUISITES FOR SETTLEMENT OF TRANSACTIONS IN PRINCIPAL SECURITIES**3A.2.1. Prerequisites for CHES Approval of Principal Securities**

If:

- (a) a class of Financial Products of a Principal Issuer is CHES Approved under Rule 3.3.1(a); and
- (b) SCH determines that it is satisfied that the Principal Issuer is capable of complying with these Rules in Section 3A,

the Principal Issuer shall:

- (c) appoint a Depositary Nominee for the purpose of complying with these Rules;
- (d) give Notice to SCH of:
 - (i) the identity of the Depositary Nominee appointed by the Principal Issuer; and
 - (ii) the Transmutation Ratio for the Principal Securities ;
- (e) make arrangements satisfactory to SCH in order that the Principal Issuer complies with the requirements of Rules 3A.4.3 and 3A.5.

3A.2.2. Distribution of Principal Securities as CHES Approved Financial Products

If:

- (a) a Principal Issuer issues a new class of Principal Securities and that class of Principal Securities is CHES Approved in accordance with Rule 3.3.1(a); and

- (b) the Exchange gives the Foreign Issuer approval for quotation of those Principal Securities,

the Principal Issuer shall make arrangements satisfactory to SCH to issue CDIs or make them available in respect of that class of Principal Securities to each person who has:

- (c) an entitlement to those Principal Securities; and
- (d) where applicable, not elected to take a document of Title to those Principal Securities.

3A.2.3. Vesting arrangements for new issue of Principal Securities

If Rule 3A.2.2 applies, the Principal Issuer shall, not later than End of Day on the Despatch Date for the new Principal Securities:

- (a) cause the Title to any Principal Securities that are to be held in the form of CDIs to be vested in the Depository Nominee nominated by the Principal Issuer under Rule 3A.2.1, in a manner recognised by Australian law and all applicable foreign laws;
- (b) immediately give Notice to SCH that Title to the Principal Securities has vested in the Depository Nominee; and
- (c) record:
 - (i) the CDIs corresponding to the Principal Securities on the CHES Subregister or the Issuer Sponsored Subregister, as the case requires; and
 - (ii) the information required to be recorded under these Rules in such manner as to identify each Holder of the CDIs, whether on the CHES Subregister or the Issuer Sponsored Subregister.

3A.3. TRANSMUTATION AND ALTERATIONS OF PRINCIPAL SECURITIES

3A.3.1. Transmutation of Principal Securities to CDIs at Election of Holder

If a Holder of Financial Products that forms part of a class of Principal Securities that:

- (a) is CHES Approved under Rule 3.3.1(a); and
- (b) has been approved for quotation by the Exchange,

gives Notice to the Principal Issuer, at any time after the date of quotation of the Principal Securities, requesting the Transmutation of a quantity of those Principal Securities to CDIs, the Principal Issuer shall, provided the Notice is accompanied by any corresponding documents of Title:

- (c) as soon as possible, cause Title to the quantity of Principal Securities specified in the Notice to be vested in the Depository Nominee for those Principal Securities;

- (d) record:
 - (i) the CDIs corresponding to the Principal Securities on the CDI Register; and
 - (ii) the information required to be recorded under these Rules in such manner as to identify each Holder of the CDIs, on the CDI Register; and
- (e) give Notice to the Holder that the Transmutation has been effected.

3A.3.2. Transmutation of Principal Securities to CDIs for Settlement Purposes

Each Participant that is obliged to deliver a quantity of Principal Securities to another Participant shall, unless otherwise agreed with that Participant, do so by initiating a Message to Transfer the corresponding quantity of CDIs in respect of those Principal Securities.

- 3A.3.3. A Participant shall not deliver a paper-based transfer of Principal Securities to another Participant unless otherwise agreed with that other Participant.

3A.3.4. Participant may initiate a Transmutation on behalf of a person

A Participant that is authorised by a person to do so, may Transmute Principal Securities to CDIs or CDIs to Principal Securities on behalf of the person in any circumstance where Transmutation by that person is permitted under these Rules.

3A.4. CONSEQUENCES OF VESTING TITLE IN DEPOSITARY NOMINEE

3A.4.1. Economic Benefits and Entitlements in relation to Principal Securities

If Title to Principal Securities is vested in a Depositary Nominee under these Rules, all right, title and interest in those Principal Securities is held by the Depositary Nominee subject to the right of any person identified, in accordance with these Rules, as a Holder of CDIs in respect of those Principal Securities to receive all direct economic benefits and any other entitlements in relation to those Principal Securities.

3A.4.2. Identification of CDI Holders

For the purposes of Rule 3A.4.1, a person is (subject to any subsequent disposition) entitled to all direct economic benefits and any other entitlements in relation to Principal Securities vested in a Depositary Nominee under these Rules if:

- (a) in accordance with Rule 3A.2.3, the Principal Issuer has recorded the person in the CDI Register as the holder of CDIs for those Principal Securities; or
- (b) under Rule 3A.3.1, the person is the former Holder of the Principal Securities to which the CDIs relate, or that person's nominee.

3A.4.3. Immobilisation of Principal Securities

A Depositary Nominee that holds Principal Securities under these Rules shall:

- (a) (i) where a Certificate is issued as evidence of title to those Financial Products, make arrangements satisfactory to SCH for any

Certificate representing its holding of Principal Securities to be held by the Principal Issuer for safekeeping; or

- (ii) where the Financial Products are held on account in an Approved Clearing House, ensure that a Segregated Account is maintained in respect of those Financial Products, which shall constitute the Principal Register for the purposes of these Rules;
- (b) not dispose of any of those Principal Securities unless authorised by these Rules; and
- (c) not create any interest (including a security interest) which is inconsistent with the Title of the Depository Nominee to the Principal Securities and the interests of the Holders of CDIs in respect of the Principal Securities unless authorised by these Rules.

3A.5. REGISTERS AND PROCESSING OF TRANSFERS AND TRANSMUTATIONS

3A.5.1. Principal Register

If a class of Principal Securities is CHES Approved under Rule 3.3.1(a), the Issuer of that class of Principal Securities shall establish and maintain a Principal Register in Australia which contains all of the information that would otherwise be required to be kept by the Issuer if it maintained an Australian branch register for those Financial Products.

3A.5.2. CDI Register

If a class of Principal Securities is CHES Approved under Rule 3.3.1(a), the Issuer of that class of Principal Securities shall establish and maintain a CDI Register in Australia that contains all of the information that would otherwise be required to be kept under the Corporations Act as if the Issuer were an Australian listed public company and the CDIs were Financial Products of that company.

3A.5.3. The Issuer shall ensure, at all times that:

- (a) the total number of Financial Products on the CDI Register reconciles to the total number of Financial Products registered in the name of the Depository Nominee on the Principal Register; and
- (b) where applicable, it has one or more Certificates registered in the name of the Depository Nominee in its possession which represent the same number of Financial Products as are registered in the name of the Depository Nominee on the Principal Register.

3A.5.4. Right of Inspection of Principal Register and CDI Register

If:

- (a) a Principal Register is required to be established and maintained by a Principal Issuer under Rule 3A.5.1; or
- (b) a CDI Register is required to be established and maintained by a Principal Issuer under Rule 3A.5.2,

the Principal Issuer shall make that Principal Register or that CDI Register, as the case requires, available for inspection to the same extent and in the same manner as if that register were a register of Financial Products of an Australian listed public company.

3A.5.4A. Rule 3A.5.4 does not apply in respect of a class of Principal Securities issued by a DI Issuer to the extent that the Principal Register need not be available for inspection where that Principal Register is located in a foreign jurisdiction.

3A.5.5. CDI Registers

If a class of Principal Securities:

- (a) has been issued or made available by a Principal Issuer; and
- (b) is CHESS Approved under Rule 3.3.1(a),

the Principal Issuer shall establish and maintain:

- (c) an Issuer Sponsored Subregister; and
- (d) a CHESS Subregister

of CDIs in respect of the Principal Securities as if the CDIs were CHESS Approved Financial Products of an Australian Issuer, issued wholly in uncertificated form.

3A.5.6. Third Party Provider as Agent

Rule 8.1.1 shall not apply in relation to Issuers that are Principal Issuers under Rule 3.3.1(a) of these Rules.

3A.5.7. If a Principal Issuer employs or retains a Third Party Provider to establish and maintain a Principal Register or a CDI Register in respect of a class of its Principal Securities, then for the purposes of, but subject to these Rules, the Third Party Provider is taken to perform those services as the agent of the Principal Issuer.

3A.5.8. Notwithstanding Rule 3A5.3, if a Depository Nominee employs or retains a Third Party Provider to administer the Principal Register, which is not the same Third Party Provider as that retained by the Principal Issuer to establish and maintain a CDI Register, then the Depository Nominee shall ensure that its Third Party Provider provides such information to the Principal Issuer at such times as the Principal Issuer requires for performance of its obligations under Section 3A.

3A.5.9. Power of Attorney

The Depository Nominee appoints the Principal Issuer to be the Depository Nominee's attorney and in the name of the Depository Nominee (or in the name of the Principal Issuer or its delegate) and on the Depository Nominee's behalf:

- (a) to execute any transfer for the purposes of Rule 3A.3; and
- (b) to do all things necessary or desirable to give full effect to the rights and obligations of the Depository Nominee in Section 3A;

and the Depositary Nominee undertakes to ratify and confirm anything done under this power of attorney by the Principal Issuer.

3A.5.9A. The Principal Issuer may in writing:

- (a) delegate its powers to any person for any period;
- (b) at its discretion, revoke any such delegation; and
- (c) exercise or concur in exercising any power despite the Principal Issuer or a delegate of the Principal Issuer having a direct or personal interest in the mode or result of the exercise of that power.

3A.5.10. Indemnity

If a Principal Issuer or its Third Party Provider executes a transfer of Principal Securities on behalf of a Depositary Nominee as transferor or transferee, other than a Transfer which is supported by a Message initiated by a Participant under these Rules, the Principal Issuer warrants to SCH that it shall indemnify:

- (a) the Depositary Nominee;
- (b) SCH;
- (c) the transferor or the beneficial owner of the Principal Securities, as the case requires; and
- (d) each Participant,

against all losses, damages, costs and expenses that they or any of them may suffer or incur as a result of the transfer not being authorised by the transferor or by the beneficial owner of the Principal Securities.

3A.5.10A. SCH holds the benefit of any warranties and indemnities given to it by the Principal Issuer under this Section 3A in trust for the benefit of the Depositary Nominee.

3A.5.11. Principal Issuer and Depositary Nominee not to interfere in Transfer and Transmutation

Unless otherwise permitted under these Rules or the ASX Listing Rules, a Principal Issuer or its Third Party Provider shall not refuse or fail to register, or give effect to, or otherwise interfere with the processing and registration of:

- (a) a paper-based transfer of Principal Securities;
- (b) a Transfer of CDIs;
- (c) a Transmutation of Principal Securities to CDIs;
- (d) a Transmutation of CDIs to Principal Securities;
- (e) a shunt from a DI Register to a Principal Register; or
- (f) a shunt from a Principal Register to a DI Register.

3A.5.12. Unless otherwise permitted under these Rules or the ASX Listing Rules, a Depository Nominee shall not refuse or fail to give effect to, or otherwise interfere with the processing and registration of:

- (a) a paper-based transfer of Principal Securities;
- (b) a Transfer of CDIs;
- (c) a Transmutation of Principal Securities to CDIs;
- (d) a Transmutation of CDIs to Principal Securities;
- (e) a shunt from a DI Register to a Principal Register; or
- (f) a shunt from a Principal Register to a DI Register.

3A.5.13. No Notice of Unregistered Interests

For the purposes of all relevant Australian and foreign laws, neither SCH nor any Depository Nominee is affected by actual, implied or constructive notice of any interest in CDIs other than the Holdings on the CDI Register.

3A.5.14. A Depository Nominee may deal with the registered Holder of CDIs as if, for all purposes, the Holder of CDIs is the absolute beneficial owner of the Principal Securities to which the CDIs relate, without any liability whatsoever to any other person who asserts an interest in the CDIs or in the Principal Securities to which the CDIs relate.

3A.6. CORPORATE ACTIONS

3A.6.1. Application of Rules

The purpose of the following Rules is to ensure that the benefit of all Corporate Actions of a Principal Issuer will enure to the benefit of the relevant Holders of CDIs as if they were Holders of the corresponding Principal Securities, where CHES Approved Principal Securities are held by a Depository Nominee under these Rules.

3A.6.2. Distribution of Dividends to Holders of CDIs

If a class of Principal Securities:

- (a) is CHES Approved under Rule 3.3.1(a); and
- (b) has been issued or made available by a Principal Issuer and Title to those Principal Securities is vested in a Depository Nominee, the Principal Issuer shall distribute any dividend declared in respect of the Principal Securities, to Holders of CDIs, based on relevant Cum Entitlement Balances as at End of Day on the Record Date for the dividend in proportions as determined by the Transmutation Ratio.

3A.6.3. Direction and Acknowledgment by Depository Nominee

For the purposes of:

- (a) the Principal Issuer's constitution; and

-
- (b) all laws governing the entitlement to dividends of a Depositary Nominee of the Principal Issuer,

the Depositary Nominee is taken to have directed the Principal Issuer to distribute any dividend, that would otherwise be payable to it under the Principal Issuer's constitution, in accordance with these Rules.

- 3A.6.4. A Depositary Nominee for a Principal Issuer acknowledges that distribution of a dividend in accordance with these Rules discharges the Principal Issuer's obligation to pay the dividend to the Depositary Nominee.

3A.6.4A. Payment by Depositary Interest Issuer

Rules 3A.6.2, 3A.6.3 and 3A.6.4 apply in respect of a DI as if a reference to “dividend” is a reference to any distribution or payment, whether principal, premium or interest, as defined in the offering memorandum in respect of the Principal Securities.

3A.6.4B. Payment Obligations

Where a DI Issuer makes a payment pursuant to Rule 3A.6.2, that payment shall be made to all Holders of DIs within 5 Business Days of distribution of the relevant payment to the Approved Clearing House.

3A.6.5. Bonus Issues, Rights Issues and Reconstructions

If a class of Principal Securities:

- (a) is CHESSE Approved under Rule 3.3.1(a); and
(b) has been issued or made available by a Principal Issuer; and

Title to those Principal Securities is vested in a Depositary Nominee, the Principal Issuer shall administer all Corporate Actions (including bonus issues, rights issues, mergers and reconstructions) that result in the issue of additional or replacement Financial Products in respect of the Principal Securities so that:

- (c) if the benefits conferred in a Corporate Action are additional or replacement Principal Securities, those Principal Securities are vested in the Depositary Nominee as Holder of the Principal Securities and the benefits are distributed to Holders of CDIs in the form of CDIs corresponding to those Principal Securities;
(d) additional or replacement CDIs are issued to Holders of CDIs based on relevant Cum Entitlement Balances as at End of Day on the Record Date for the Corporate Action on the same terms as would otherwise have applied if the Holders of CDIs were Holders of the Principal Securities; and
(e) the benefit of Corporate Actions is conferred on Holders of CDIs in proportions determined by the Transmutation Ratio.

3A.6.6. Dividend Reinvestment and Bonus Share Plans

If a class of Principal Securities:

- (a) is CHESSE Approved under Rule 3.3.1(a); and

-
- (b) has been issued or made available by a Principal Issuer; and

Title to those Principal Securities is vested in a Depository Nominee, the Principal Issuer shall, in relation to any dividend investment scheme or bonus share plan in respect of those Principal Securities:

- (c) make available to Holders of CDIs, based on relevant Cum Entitlement Balances as at End of Day on the Record Date for determining entitlements, all benefits and entitlements arising under the dividend reinvestment scheme or bonus share plan, as the case requires;
- (d) distribute all benefits and entitlements arising under the dividend reinvestment scheme or bonus share plan, as the case requires, to Holders of CDIs in proportions determined by the Transmutation Ratio;
- (e) ensure that any right under such a plan to elect to receive financial products rather than cash is exercised by Holders of CDIs rather than the Depository Nominee; and
- (f) if a Holder of CDIs elects to receive financial products, issue Principal Securities to the Depository Nominee and distribute corresponding CDIs to the Holder of CDIs.

3A.6.7. Exercise of Holder rights

If a class of Principal Securities:

- (a) is CHES Approved under Rule 3.3.1(a); and
- (b) has been issued or made available by a Principal Issuer; and

Title to those Principal Securities is vested in a Depository Nominee, the Depository Nominee shall exercise any rights vested in it as the Holder of the Principal Securities under any law (including any right to institute legal proceedings as a holder of Financial Products), in accordance with:

- (c) any direction given by a Holder of CDIs; or
- (d) any direction of Holders of CDIs given by ordinary resolution at a meeting of Holders of CDIs.

3A.6.8. Fractional Entitlements

If a Corporate Action gives Holders of CHES Approved Principal Securities a fractional entitlement to additional or replacement financial products, the Principal Issuer shall ensure that:

- (a) the number of additional or replacement financial products issued to the Depository Nominee is calculated as if each Holder of CDIs with respect to the Depository Nominee's Holdings is a Holder of a corresponding number of Principal Securities ; and
- (b) Holders of CDIs receive additional or replacement CDIs reflecting the entitlements so calculated.

3A.6.9. Direction and Acknowledgment by Depository Nominee

A Depository Nominee for a Principal Issuer is taken to have directed the Principal Issuer to administer all Corporate Actions of the Principal Issuer in the manner provided in these Rules.

3A.6.10. A Depository Nominee for a Principal Issuer acknowledges that compliance with these Rules discharges the Principal Issuer's obligation to make the benefit of a Corporate Action available to the Depository Nominee.

3A.6.11. Corporate Actions on CHES to Certificated and Certificated to CHES Transfers

Where, during an ex-period for a Corporate Action, Financial Products which are CHES Approved under this Section 3A are Transmuted in order to give effect to a transfer of those Financial Products, the transmutation of those Financial Products must be effected together with any associated Entitlement.

3A.7. TAKEOVERS**3A.7.1. Depository Nominee to accept only if authorised by Holders of CDIs**

If a takeover offer is received by a Depository Nominee of CHES Approved Principal Securities, the Depository Nominee shall not accept the offer except to the extent that acceptance is authorised by Holders of CDIs with respect to the Principal Securities under these Rules.

3A.7.2. Acceptance with respect to Holders of CDIs on CHES Subregister

If CHES Approved Principal Securities are held by a Depository Nominee and the corresponding CDIs are held on a CHES Subregister, the provisions of the SCH Business Rules governing the processing of takeover acceptances of Financial Products held on a CHES Subregister apply as if the CDIs were Financial Products of a listed public company, and the Depository Nominee shall accept a takeover offer with respect to Principal Securities which it holds if and to the extent to which acceptances are received and processed pursuant to the SCH Business Rules.

3A.7.3. Acceptance with respect to Holders of CDIs on Issuer-Sponsored Subregister

If CHES Approved Principal Securities are held by a Depository Nominee and corresponding CDIs are held on the Issuer Sponsored Subregister, the Depository Nominee shall:

- (a) as soon as possible after the date of receipt of the takeover offer from the offeror, despatch to each Holder of CDIs registered on the CDI Register at the date of the offer, copies of the offer documentation, together with any other documents despatched to target holders of the Principal Securities; and
- (b) ensure that the offer documentation despatched to Holders of CDIs includes a Notice:
 - (i) in a form satisfactory to SCH;

- (ii) informing the Holder of CDIs that they are entitled to accept the offer with respect to the Principal Securities corresponding to their CDI Holding;
- (iii) that acceptance of the offer shall be by completion of the acceptance form in accordance with the offer documentation; and
- (iv) advising the Holder of CDIs of the date by which the acceptance must be received by the offeror's receiving agent to enable the receiving agent to process the acceptances and the Depository Nominee to lodge an acceptance as holder of the Principal Securities prior to close of the offer.

3A.7.4. Where the provisions of Rule 3A.7.3 apply, the Depository Nominee shall ensure that:

- (a) the offeror receives and processes acceptances from Holders of CDIs or appoints a receiving agent in Australia to receive and process acceptances with respect to Holders of CDIs on the Issuer Sponsored Subregister; and
- (b) either the offeror or the offeror's receiving agent provides the Depository Nominee with a clear statement of the number of Principal Securities held by the Depository Nominee with respect to which acceptances of Holders of CDIs have been received, in sufficient time to enable the Depository Nominee to lodge a valid acceptance of the offer with the offeror as holder of the Principal Securities.

3A.7.5. Liability of Depository Nominees

The Depository Nominee has no liability to:

- (a) the Principal Issuer;
- (b) Holders of Principal Securities;
- (c) Holders of CDIs;
- (d) any person claiming an interest in Principal Securities or CDIs; or
- (e) the takeover offeror

with respect to lodging or not lodging takeover acceptances for the whole or any part of its Holding of Principal Securities unless it:

- (f) acts contrary to a report of a receiving agent given under Rule 3A.7.3(e) or contrary to the information supplied to it by SCH regarding takeover acceptances with respect to Holdings on the CHES Subregister for the CDIs;
- (g) acts negligently or in breach of these Rules; or
- (h) negligently fails to lodge the acceptance or acceptances before the close of the offer period.

3A.8. VOTING ARRANGEMENTS**3A.8.1. Principal Issuer to notify Holders of CDIs**

If a meeting is convened of Holders of a class of Principal Securities vested in a Depositary Nominee for a Principal Issuer, the Principal Issuer shall send a Notice of the meeting to each Holder of CDIs at the address recorded in the CDI Register at the same time as Notice of the meeting is sent to Holders of the Principal Securities.

3A.8.2. Holders of CDIs may give Directions to Depositary Nominee

Even if under the constitution of the Principal Issuer, a Depositary Nominee has a right to:

- (a) appoint more than one proxy for the purpose of voting at a meeting of the Principal Issuer; and
- (b) cast different proxy votes for different parts of the Holding,

the Depositary Nominee shall appoint two proxies.

3A.8.3. One of the two proxies so appointed in accordance with Rule 3A.8.2 shall indicate the number of Financial Products in favour of the resolution described in the proxy, and the second proxy shall indicate the number of Financial Products against the resolution described in the proxy.

3A.8.4. The manner in which the number of Financial Products is determined for each proxy is by:

- (a) taking the number of CDIs in favour of the resolution;
- (b) taking the number of CDIs against the resolution;
- (c) applying the transmutation ratio to those CDIs; and
- (d) entering the resultant number of Financial Products on the appropriate proxy.

3A.8.5. If under the constitution of the Principal Issuer, a Depositary Nominee can only appoint a single proxy, the Depositary Nominee shall:

- (a) take the number of CDIs in favour of the resolution;
- (b) take the number of CDIs against the resolution;
- (c) determine the net voting position either in favour of or against the resolution;
- (d) apply the transmutation ratio to those CDIs; and
- (e) accordingly enter the resultant number of Financial Products on the proxy.

3A.8.5A. Where the appointed proxy or proxies are required to vote on multiple resolutions, the Depositary Nominee shall instruct the proxy or proxies to vote in such manner as will in the reasonable opinion of the Depositary Nominee best represent the wishes of the majority of Holders of CDIs.

3A.8.6. Principal Issuer must notify Holders of CDIs of their Rights

The Principal Issuer shall:

- (a) include with the Notice of meeting distributed under Rule 3A.8.1 a Notice in a form acceptable to SCH:
 - (i) informing the Holder of CDIs of his or her right to direct the Depositary Nominee on how it should vote with respect to the resolutions described in the Notice; and
 - (ii) making provision for a direction to be given by the Holder of CDIs in relation to how the Depositary Nominee should so vote;
 - (iii) the time and date by which Holders of CDIs must provide their directions to the Depositary Nominee; and
- (b) make appropriate arrangements to:
 - (i) collect and process any directions by Holders of CDIs; and
 - (ii) provide the Depositary Nominee with a report in writing that clearly shows how the Depositary Nominee must exercise its right to vote by proxy at the meeting, in sufficient time to enable the Depositary Nominee to lodge a proxy for the meeting.

3A.8.7. Depositary Nominee to call for a poll

To the extent that it is able to do so, the Depositary Nominee shall make or join in any demand for a poll in respect of any matter at a meeting of the Principal Issuer in accordance with any report in writing supplied by the Principal Issuer under Rule 3A.8.6(b)(ii).

3A.8.8. Meetings of Holders of CDIs

If it is necessary or appropriate for a meeting of Holders of CDIs to be convened for any purpose, including a purpose specified in these Rules:

- (a) the meeting may be convened by the directors of the Principal Issuer to which the CDIs relate, or in any other manner in which a meeting of holders of Financial Products of the Principal Issuer may be convened under the law of the place of formation of the Principal Issuer;
- (b) the rights of Holders of CDIs to appoint a proxy, to vote on a show of hands, to call for a poll and vote on a poll shall be determined as if the meeting were a meeting of holders of Financial Products of the Principal Issuer;
- (c) the requirements for Notice of the meeting and the rules and procedures for a meeting of Holders of CDIs shall be the requirements, rules and procedures that would apply to a meeting of holders of Financial Products of the Principal Issuer.

3A.8.9. Liability of Depositary Nominees

The Depository Nominee has no liability to:

- (a) the Principal Issuer;
- (b) Holders of Principal Securities;
- (c) Holders of CDIs; or
- (d) any person claiming an interest in Principal Securities or CDIs,

with respect to any conduct or omission of the Depository Nominee at or connected with a meeting of Holders of Securities of a Principal Issuer, unless the Depository Nominee:

- (e) acts contrary to a report of the Principal Issuer given under Rule 3A.8.5;
- (f) acts negligently or in breach of these Rules; or
- (g) negligently fails to vote or lodge forms of proxy before the close of the period within which proxies for the meeting may be lodged.

3A.9. SPECIFIC MODIFICATIONS TO SCH BUSINESS RULES

3A.9.1. Rule 3.1 does not apply.

3A.9.2. Rule 3.2.1(a) is varied by the insertion of the words " or Section 3A;" after "3.1.1"

3A.9.3. Rules 5.2.3, 5.2.4 and 5.2.5 should be read as if references to the "Commission" were references to "SCH" and references to the "Corporations Act" were references to "these Rules".

3A.9.4. The provisions of Rule 5.10 are modified by the provisions of Rule 3A.9.6 below.

3A.9.5. Where SCH Business Rules 6.4 and 6.6 do not relate to held balances, they are replaced by Rules 3A.9.6 and 3A.9.7.

3A.9.6. CHESS to Certificated Transfer

3A.9.6.1. A CHESS to Certificated Transfer of Principal Securities may be initiated by a Participant that transmits a Valid Originating Message to SCH that:

- (a) includes a Participant's PID as that of the Participant Transmitting the Message;
- (b) specifies as the Source Holding, a CHESS Holding Controlled by the Participant;
- (c) specifies the Registration Details to enable registration of the Holder of CDIs on the register of Financial Products of the Principal Issuer, where applicable; and
- (d) specifies the number of Financial Products to be transferred.

3A.9.6.2. If an Originating Message Transmitted to SCH complies with Rule 3A.9.6 and there are sufficient available Financial Products in the Source Holding, SCH shall: