

## SCH Business Rules

---

7A.16.5. Where SCH has cancelled a Reservation of Financial Products in relation to an RTGS Instruction pursuant to Rule 7A.16.4(b), that RTGS Instruction will, to the extent legally permissible, remain in the Feeder System Queue and be recycled for testing under this Rule 7A.16.

### **7A.17. Debit Cap Testing**

7A.17.1. This Rule 7A.17 applies at any time when a Participant's Net Position Record records an active CHES Debit Cap.

7A.17.2. Payment of the amount of a Payment Obligation identified in an RTGS Instruction will be Debit Cap Compliant only if the Available Credit at that time recorded against the applicable Net Position Record exceeds the amount of the Payment Obligation.

7A.17.3. For the purposes of this Section 7A:

- (a) Available Credit in relation to a Net Position Record shall:
  - (i) be determined by deducting from the CHES Debit Limit at the relevant time, the sum of:
    - (A) the amount of the balance recorded as a debit against the Net Position Record at that time; and
    - (B) the amount of the balance recorded as a credit against any linked Cash Sub-record that at that time is designated as an Excluded Cash Sub-record; and
  - (ii) not take account of any Payment Obligation identified in an RTGS Instruction that is in the RTGS Settling Phase at that time, where the relevant Participant is the payee on settlement; and
- (b) the debit balance recorded against a Net Position Record at any time will be taken to include the amount of any Payment Obligation:
  - (i) at that time in the RTGS Settling Phase;
  - (ii) where the relevant Participant is the payer on settlement; and
  - (iii) that is indicatively recorded as an unsettled debit against that Net Position Record.

7A.17.4. If Rule 7A.17.1 applies and, within the Scheduled Time, SCH determines that:

- (a) payment of the amount of any Payment Obligation identified in an RTGS Instruction is Debit Cap Compliant; and
- (b) if that RTGS Instruction is a DvP RTGS Instruction, Rules 7A.16.1(a) and (b) are satisfied,

SCH shall cause an electronic communication to be generated to record indicatively as an unsettled debit against the Net Position Record of the Participant that is the payer on settlement, an amount of funds equal to the amount of that Payment Obligation.

**7A.18. Retesting in Feeder System Queue**

An RTGS Instruction that:

- (a) is held in the Feeder System Queue; and
- (b) fails to meet any applicable testing criteria within CHES, including but not limited to those set out in Rules 7A.16 and 7A.17,

will:

- (c) not progress to the RTGS Settling Phase as contemplated by Rule 7A.19; and
- (d) remain in the Feeder System Queue, awaiting retesting in CHES.

**7A.19. RTGS Settling Phase**

7A.19.1. The RTGS Settling Phase, in relation to an RTGS Instruction held in the Feeder System Queue, follows the satisfactory completion of testing in CHES and will be taken to have commenced immediately SCH has:

- (a) in the case of a DvP RTGS Instruction, Reserved the number of Financial Products; or
- (b) in any other case, recorded as an unsettled debit against the affected Net Position Record of the RTGS Participant that is the payer, an amount equal to the amount of the Payment Obligation,

identified in that RTGS Instruction.

*Note: A Net Position Record cannot be marked as contemplated by Rule 7A.19.1(b), when Rule 7A.17 applies, unless SCH has determined the payment to be Debit Cap Compliant: see Rules 7A.17.2 and 7A.17.4. SCH will, in the ordinary course, indicatively mark the payment against the payer's Net Position Record after completing all relevant aspects of intra-CHES testing for any RTGS Instruction.*

7A.19.2. Completion of the RTGS Settling Phase for an RTGS Instruction is conditional on the performance, by the RTGS Payments Provider for the RTGS Participant that is the payer on settlement, of the Payment Obligation owed by that Participant.

7A.19.3. Each RTGS Payments Provider irrevocably and severally undertakes, where:

- (a) it maintains the affected Payment Facility for each of the payer and payee RTGS Participants in relation to a Payment Obligation identified in an RTGS Instruction; and
- (b) the RTGS Instruction settles in accordance with the Rules under Rule 7A.22,

to give effect to the irrevocable settlement between the Participants of that Payment Obligation:

- (c) for the benefit of each of them; and
- (d) as contemplated in the Rules, including without limitation Rule 7A.24.

**7A.20. CHESSE Controlled Authorisation of Payment**

7A.20.1. The procedures in this Rule 7A.20 apply to any RTGS Instruction that has entered the RTGS Settling Phase where:

- (a) a Debit Cap has been, and remains, activated for the Net Position Record of the RTGS Participant that is identified as the payer of the Payment Obligation; and
- (b) SCH has determined, within the Scheduled Time, that the payment is Debit Cap Compliant.

7A.20.2. When the RTGS Participant that is the payer, and the RTGS Participant that is the payee, of a Payment Obligation identified in an RTGS Instruction have the same Payments Provider in relation to their respective affected Payments Facilities, and Rule 7A.20.1 applies, the condition in Rule 7A.19.2 shall, without more, be taken to be satisfied.

7A.20.3. Where the RTGS Participant that is the payer, and the RTGS Participant that is the payee, of a Payment Obligation identified in an RTGS Instruction have different Payment Providers in relation to their respective affected Payments Facilities:

- (a) SCH shall send a message across the Feeder System interface to RITS/RTGS that:
  - (i) reports to RITS/RTGS on behalf of the relevant RTGS Payments Providers, a request to settle a funds transfer, in an amount equal to the amount of the Payment Obligation identified in that RTGS Instruction, from the RTGS Payments Provider for the payer Participant to the RTGS Payments Provider for the payee Participant; and
  - (ii) requests RITS/RTGS to generate a settlement message to the Feeder System if that is done; and
- (b) if SCH receives, within the Scheduled Time, a message in terms of Rule 7A.20.3(a)(ii), the condition in Rule 7A.19.2 is satisfied.

7A.20.4. (a) If, on any RTGS Business Day:

- (i) RITS/RTGS, or its interface with the Feeder System, fails; or
- (ii) the RITS/RTGS database is corrupted,

the Reserve Bank of Australia has advised that it will provide an RTGS Contingency Report to SCH before RTGS End of Day on that day.

- (b) If an RTGS Contingency Report advises SCH that a request for a funds transfer requested under Rule 7A.20.3(a)(i) is accepted, that advice shall be taken to:
  - (i) be final; and

- (ii) satisfy the condition in Rule 7A.19.2 in relation to the relevant RTGS Instruction.

**7A.21. AIF Controlled Authorisation of Payment**

7A.21.1. The procedures in this Rule 7A.21 apply to any RTGS Instruction that, within the Scheduled Time, has entered the RTGS Settling Phase, where the relevant RTGS Payments Provider determines credit decisions for the RTGS Participant that is identified as the payer of the Payment Obligation through the AIF.

7A.21.2. Where the RTGS Participant that is the payer, and the RTGS Participant that is the payee, of a Payment Obligation identified in an RTGS Instruction have the same Payment Provider in relation to their respective affected Payment Facilities:

(a) SCH shall send a message across the Feeder System interface with RITS/RTGS to reach the Payments Provider through the AIF that:

- (i) notifies the funds transfer details of the Payment Obligation identified in the RTGS Instruction;
- (ii) requests the RTGS Payments Provider to perform the Payment Obligation; and
- (iii) requests RITS/RTGS, if so instructed by that Payments Provider, to generate a settlement message to the Feeder System; and

(b) if SCH receives, within the Scheduled Time, a message in terms of Rule 7A.21.2(a)(iii), the condition in Rule 7A.19.2 shall be taken to be satisfied.

7A.21.3. Where the RTGS Participant that is the payer, and the RTGS Participant that is the payee, of a Payment Obligation identified in an RTGS Instruction have different Payments Providers in relation to their respective affected Payments Facilities:

(a) SCH shall send a message across the Feeder System interface with RITS/RTGS that:

- (i) requests, if applicable, a RITS Presettlement Advice to be generated in respect of the Payment Obligation identified in that RTGS Instruction and sent through the AIF to the RTGS Payment Provider for the payer Participant;
- (ii) reports to RITS/RTGS on behalf of the relevant RTGS Payments Providers, a request to settle a funds transfer in an amount equal to the amount of the Payment Obligation, from the RTGS Payments Provider for the payer Participant to the RTGS Payments Provider for the payee Participant; and
- (iii) requests RITS/RTGS to generate a settlement message to the Feeder System if that is done; and

## SCH Business Rules

---

- (b) if SCH receives, within the Scheduled Time, a message in terms of Rule 7A.21.3(a)(iii), the condition in Rule 7A.19.2 is satisfied.

7A.21.4. (a) If, on any RTGS Business Day:

- (i) RITS/RTGS, or its interface with the Feeder System, fails; or
- (ii) the RITS/RTGS database is corrupted,

the Reserve Bank of Australia has advised that it will provide an RTGS Contingency Report to SCH before RTGS End of Day on that day.

- (b) If an RTGS Contingency Report advises SCH that a request for a funds transfer requested under Rule 7A.21.2(a)(ii) or Rule 7A.21.3(a)(ii) is accepted, that advice shall be taken to:

- (i) be final; and
- (ii) satisfy the condition in Rule 7A.19.2 in relation to the relevant RTGS Instruction.

### **7A.22. Real Time Gross Settlement**

7A.22.1. If and only if SCH has, in relation to an RTGS Instruction, satisfied itself within the Scheduled Time:

- (a) in terms of Rule 7A.19.2; and
- (b) if that RTGS Instruction is a DvP RTGS Instruction, that Financial Products will be delivered in performance of the relevant Delivery Obligation,

SCH shall cause to be generated:

- (c) electronic communications within CHESSE that simultaneously:
  - (i) adjust the Net Position Record for the RTGS Participant that is the payer by debiting an amount equal to the amount of that Payment Obligation; and
  - (ii) adjust the Net Position Record for the RTGS Participant that is the payee by crediting an amount equal to the amount of that Payment Obligation,

and the Payment Obligation under that RTGS Instruction is settled; and

- (d) at the same time, in the case of a DvP RTGS Instruction, Communications that simultaneously:
  - (i) deduct the number of Financial Products specified in the relevant RTGS Instruction from the Source Holding specified in that RTGS Instruction; and
  - (ii) enter the number of Financial Products specified in the relevant RTGS Instruction into the Target Holding specified in that RTGS Instruction,

## **SCH Business Rules**

---

and the Delivery Obligation under that RTGS Instruction is settled,

with the result that, as between the counterparties, the RTGS Settling Phase for the RTGS Instruction is completed:

(e) in CHES at the time of those adjustments; and

(f) with the effect set out in Rule 7A.23.

7A.22.2. A Communication generated under Rule 7A.22.1(d) in relation to an RTGS Instruction effects a Settlement Transfer by SCH in accordance with that RTGS Instruction that is taken to be a proper SCH transfer for the purposes of the Corporations Law.

7A.22.3. A Settlement Transfer in accordance with Rule 7A.22.2 is taken to be effected:

(a) in the case of an RTGS Instruction designated as On-Market where only one Participant is a Broker, by the Broker; and

(b) in any other case, by the delivering Participant.

7A.22.4. If SCH, in accordance with a Settlement Instruction which initiates a Foreign to Foreign Allocation, Transfers Financial Products to a Target Holding pursuant to Rule 7A.22 and the Target Holding has a Residency Indicator of "F", those Financial Products shall have the status of Confirmed FOR Financial Products.

### **7A.23. Final Discharge of Obligations**

7A.23.1. On settlement under Rule 7A.22 of the Payment Obligation identified in an RTGS Instruction:

(a) each obligation of a Participant to make payment under that RTGS Instruction is discharged irrevocably in full; and

(b) each entitlement of a Participant to receive payment under that RTGS Instruction is satisfied irrevocably in full.

7A.23.2. On settlement under Rule 7A.22 of the Delivery Obligation identified in an RTGS Instruction:

(a) each obligation of a Participant to deliver Financial Products or Entitlements under that RTGS Instruction is discharged irrevocably in full; and

(b) each entitlement of a Participant to receive Financial Products or Entitlements under that RTGS Instruction is satisfied irrevocably in full.

### **7A.24. Obligations of RTGS Payment Providers**

7A.24.1. An RTGS Payments Provider shall make available to each RTGS Participant that:

(a) is the payee of a Payment Obligation that has settled in accordance with the Rules on a particular RTGS Business Day; and

(b) operates a Payment Facility with the RTGS Payments Provider that is linked to the Net Position Record against which that Payment Obligation has been recorded as a credit on settlement,

## **SCH Business Rules**

---

for value on that RTGS Business Day (at times agreed between them), the gross amount of that Payment Obligation:

- (c) in clear funds; and
- (d) in the account designated by the RTGS Account Identifier specified, or taken to be specified, for that Participant in that RTGS Instruction.

7A.24.2. Nothing in Rule 7A.24.1 will be construed to negate or exclude any right of set-off or other right that may arise, other than under the Rules, as between a Participant and its RTGS Payments Provider.

### **7A.25. Failed RTGS Instructions**

7A.25.1. All RTGS Instructions that are Recorded for Real Time Gross Settlement on a particular RTGS Business Day and that:

- (a) are held unsettled, for whatever reason, in the Feeder System Queue at RTGS End of Day on that day; or
- (b) have not been sent to the Feeder System Queue by RTGS End of Day,

will be:

- (c) Failed in respect of that RTGS Business Day (and the counterparties notified within the Scheduled Time); and
- (d) unless Rule 7A.25.2 applies, rescheduled for Real Time Gross Settlement on the next RTGS Business Day, recorded as 'ready to settle'.

7A.25.2. If:

- (a) within the Scheduled Time, SCH receives from a Participant a Valid Switch to Scheduled Settlement Message that relates to a Failed RTGS Instruction; and
- (b) the requirements of Rule 7A.9 are otherwise satisfied,

SCH shall, subject to and in accordance with Rule 7A.9, switch that Settlement Instruction to Scheduled Settlement.

*Note: Refer to Rule 7A.9.9 in relation to processing constraints applicable to switches.*

### **7A.26. Consequences of Failed RTGS Instruction**

7A.26.1. If a Settlement Instruction relating to an On-Market Transaction is Failed under Rule 7A.25.1, the Participant that is:

- (a) in the case of a Failed RTGS Instruction that results from insufficient Financial Products, the delivering Participant;
- (b) in the case of a Failed RTGS Instruction that results from insufficient funds, the Participant that is on settlement the payer of that Payment Obligation; or

## **SCH Business Rules**

---

- (c) in the case of a Failed RTGS Instruction that results from a failure to authorise settlement processing in terms of Rule 7A.15.4, a Participant that has failed to supply authorisation,

is liable to pay a fee to SCH, calculated in accordance with the Fees and Charges Schedule.

- 7A.26.2. Despite Rule 7A.26.1, Fail administration fees will not be levied where the Failed RTGS Instruction is due solely to the operations of the CHESSE Feeder System, including partial or total failure, malfunction, overload or the unavailability at any relevant time of RITS/RTGS, the AIF or communications with the relevant RTGS Payments Provider.

### **7A.27. Settlement Reporting to Payments Providers**

- 7A.27.1. Within the Scheduled Time on each RTGS Business Day, SCH shall make available to each RTGS Payments Provider an RTGS Settlement Report for that day in respect of each RTGS Participant for which it maintains a Payment Facility linked to an active Net Position Record.

### **7A.28. Settlement Reporting to Participants**

- 7A.28.1. Within the Scheduled Time, SCH shall Notify a Participant of:
  - (a) each RTGS Instruction that has been settled to which the Participant is a counterparty;
  - (b) on each RTGS Business Day, the net movement of funds for each Net Position Record and linked Cash Sub-record that is active in relation to that Participant; and
  - (c) on each RTGS Business Day, the net movement of Financial Products for each Holding controlled by the Participant, from or to which Financial Products have been delivered in Real Time Gross Settlement.

### **7A.29. Financial Products Distributions**

- 7A.29.1. If a Parent Settlement Instruction Recorded in the CHESSE Feeder System:
  - (a) is to settle in Real Time Gross Settlement 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, and
  - (c) has not settled under this Section 7A by End of Day on the Record Date for the Corporate Action,



## SCH Business Rules

---

SCH shall, within the Scheduled Time:

- (d) generate an Accrued Settlement Instruction to initiate a Settlement Transfer under Section 7; and
- (e) notify the Settlement Instruction to each counterparty Participant.

7A.29.2. A Settlement Instruction generated under Rule 7A.29.1 shall be processed for settlement in Scheduled Settlement utilising the Payment Facility referred to in Rule 7A.4.3(c) and otherwise in accordance with Rule 7.34 and Section 7 generally.

*Note: Refer to Rule 7A.4.3 in relation to use of the same Payment Facility maintained for the Participant by the RTGS Payments Provider for settlement of both the Parent Settlement Instruction and the Accrued Settlement Instruction.*

### **7A.30. Cash Distributions**

7A.30.1. Rule 7.35 applies, as if incorporated in full in this Section 7A, to a Parent Settlement Instruction that:

- (a) is Recorded to settle in Real Time Gross Settlement on a Cum Entitlement basis;
- (b) has an Entitlement to:
  - (i) a dividend;
  - (ii) interest; or
  - (iii) a capital return; and
- (c) has not settled in full by End of Day on the Record Date for the Corporate Action,

except that references in Rule 7.35 to Scheduled Settlement are to be construed as if they were references to Real Time Gross Settlement.

### **7A.31. Cash Adjustments For Limited Liability Calls and Renounceable Rights**

7A.31.1 Rules 7.36 and 7.37 apply, as if incorporated in full in this Section 7A, to a Parent Settlement Instruction that:

- (a) is Recorded to settle in Real Time Gross Settlement on or before End of Day on the last Business Day on which SCH 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,

## **SCH Business Rules**

---

except that references in Rule 7.37 to Scheduled Settlement are to be construed as if they were references to Real Time Gross Settlement.

### **7A.32. Cash Adjustments for No Liability Calls, Options and Convertible Notes**

7A.32.1. Rule 7.38 applies, as if incorporated in full in this Section 7A, to a Parent Settlement Instruction that:

- (a) is Recorded to settle in Real Time Gross Settlement before End of Day on the last Business Day that SCH 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 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,

except that references in Rule 7.38 to Scheduled Settlement are to be construed as if they were references to Real Time Gross Settlement.

### **7A.33. Reconstructions**

7A.33.1. Rule 7.39 applies, as if incorporated in full in this Section 7A, to a Parent Settlement Instruction Recorded for Real Time Gross Settlement where:

- (a) SCH receives notification from the Exchange of:
  - (i) a Reconstruction that affects a class of CHESSE Approved Financial Products; and
  - (ii) the effective date and the Despatch Date for that Reconstruction;
- (b) the Security Code for that class will continue following the Reconstruction; and
- (c) the Parent Settlement Instruction does not settle in Real Time Gross Settlement by End of Day on the 5th Business Day after the effective date,

except that references in Rule 7.39 to Scheduled Settlement are to be construed as if they were references to Real Time Gross Settlement.

### **7A.34. Buyer's Right to Entitlement**

## **SCH Business Rules**

---

- 7A.34.1. Rule 7.39A applies, as if incorporated in full in this Section 7A, to a Parent Settlement Instruction Recorded in the CHESSE Feeder System that:
- (a) is Recorded to settle in Real Time Gross Settlement 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,

except that references in Rule 7.39A to Scheduled Settlement are to be construed as if they were references to Real Time Gross Settlement.

### **7A.35. SLS Loans**

- 7A.35.1. Subject to Rule 7A.35, SCH may generate an SLS Settlement Instruction to settle in Real Time Gross Settlement in accordance with this Section 7A.
- 7A.35.2. Rules 7.41 and 7.42 apply, as if incorporated in full in this Section 7A, to any Settlement Instruction generated under Rule 7A.35.1, except that references in those Rules to Scheduled Settlement are to be construed as if they were references to Real Time Gross Settlement.

**SECTION 8: ISSUERS****8.1. Observance of Rules**

8.1.1. If an Issuer employs or retains any Third Party Provider to perform any of its obligations or take any action under these Rules, the Issuer shall ensure that the obligations are performed, or the actions are taken, in accordance with these Rules.

*Note: Refer also to Rule 4.5 and Rule 21.3*

**8.2. Subregisters of CHES Approved Financial Products**

8.2.1. Subject to Rule 8.2.2, when SCH gives CHES Approval to a class of an Issuer's Financial Products under Rule 3.1, the Issuer:

- (a) irrevocably authorises SCH to establish and administer a CHES Subregister in respect of that class of Financial Products; and
- (b) acknowledges that SCH acts as its agent in administering that CHES Subregister in accordance with these Rules.

8.2.2. When SCH gives CHES Approval to a class of an Issuer's Financial Products under Rule 3.3.2, the Issuer:

- (a) shall establish an Issuer Operated Subregister; and
  - (b) may request that SCH establish and administer a CHES Subregister,
- in respect of that class of Financial Products.

*Note: Rule 8.2.2 applies only to unquoted Financial Products that are the subject of an employee incentive scheme, refer SCH Business Rule 3.3.2.*

8.2.3. Unless otherwise agreed between an Issuer and SCH, in addition to a CHES Subregister established in accordance with Rule 8.2.1, the Issuer shall administer an Issuer Operated Subregister.

8.2.4. Subject to Rule 8.2.2, an Issuer may:

- (a) commence; or
- (b) cease,

operating an Issuer Operated Subregister, after the date on which a class of its Financial Products become CHES Approved.

8.2.5. Where an Issuer intends to commence operating an Issuer Operated Subregister other than due to Conversions of Financial Products from the Certificated Subregister to the Issuer Sponsored Subregister, the Issuer shall give Notice of the date of commencement to:

- (a) SCH; and

- (b) each Holder of Financial Products in that class.
- 8.2.6. Where an Issuer invites Holders to convert on an individual basis from the Certificated Subregister to the Issuer Sponsored Subregister, unless Rule 8.2.7 applies, the Issuer must require Holders to return Certificates to the Issuer for cancellation before effecting such conversions.
- 8.2.7. Subject to Rule 8.2.2, if an Issuer intends to cease operating an Issuer Operated Subregister in respect of a class of CHESS Approved Financial Products other than because the Financial Products have lapsed, expired, matured or been redeemed, paid-up, or reconstructed, unless Rule 8.2.7 applies, the Issuer shall:
- (a) take such steps as may be necessary to effect the orderly closure of the Issuer Operated Subregister; and
- (b) give at least 20 Business Days Notice of the date of closure to:
- (i) SCH; and
- (ii) each Holder of Financial Products in that class.
- 8.2.8. If an Issuer intends to cease operating a Certificated Subregister in respect of a class of CHESS Approved Financial Products because it is Converting the Financial Products on the Certificated Subregister to Financial Products on the Issuer Sponsored Subregister then, other than where the Financial Products have been paid up or reconstructed, it shall give 20 Business Days Notice of its intention to:
- (a) cease operating the Certificated Subregister; and
- (b) commence operating the Issuer Sponsored Subregister;
- to SCH and each Holder of Financial Products in that class.

### **8.3. Subregisters to Remain Open**

- 8.3.1. On any Business Day, an Issuer:
- (a) shall not close an Issuer Operated Subregister for a class of its CHESS Approved Financial Products; and
- (b) shall process Messages in accordance with these Rules.

### **8.3A. Restrictions on an Issuer's Ability to Nominate a Specified Time for Determining Voting Entitlements**

- 8.3A.1. An Issuer of a class of CHESS Approved Financial Products shall not specify a time for the purpose of determining voting entitlements at a meeting of Holders under Regulation 7.11.37 and 7.11.38 of the Corporations Regulations unless the time so specified:
- (a) (i) is End of Day on:
- the Trading Day prior; or
  - 2 Trading Days prior,

to the meeting; or

- (ii) fall on a day other than a Trading Day; and
- (b) is no more than 48 hours before the meeting.

*Note: In order to obtain data on CHESS Holders at the nominated specified time, Issuers will need to Transmit a Message to SCH requesting a Demand Report in accordance with Rule 4.8 that specifies a Reporting Point of End of Day on:*

- *if the nominated time is End of Day on a Trading Day, that Trading Day; or*
- *if the nominated time falls on a day other than a Trading Day, the Trading Day immediately prior to that day.*

*For example if the nominated time is 10am on Easter Sunday, the Issuer would need to request a report from CHESS nominating End of Day on the previous Thursday as the Reporting Point.*

#### **8.4. Collection of Messages from SCH**

8.4.1. An Issuer shall collect Messages from SCH at least once each Business Day.

#### **8.5. Electronic Access by Brokers to Issuer Sponsored Holdings**

8.5.1. If:

- (a) an Issuer receives a Valid Message Transmitted by SCH under Rule 6.5.2;
- (b) that Message specifies that the Originating Message was Transmitted by a Broker; and
- (c) that Message specifies an SRN allocated by the Issuer to the Holder of an Issuer Sponsored Holding;

then, in the absence of knowledge to the contrary, the Issuer is entitled to assume that the Broker specified in the Message is authorised by the Holder of that Issuer Sponsored Holding to Transfer or Convert Financial Products from that Holding to a CHESS Holding.

#### **8.5A. Electronic Access to Certificated Holdings - Quotation of SRNs**

8.5A.1. Subject to Rule 8.5A.2, an Issuer may, in relation to a class of its Financial Products, require that an SRN be specified in any Message initiating a Certificated to CHESS Transfer or Conversion of Financial Products in that class by:

- (a) if any Financial Products in that class are currently held on a Certificated Subregister, giving Notice of the requirement to SCH in the form prescribed by SCH from time to time;
- (b) otherwise, giving Notice of the requirement to SCH:
  - (i) in the form prescribed by SCH from time to time; and

- 
- (ii) not less than 10 Business Days before the date that class of Financial Products becomes CHESSE Approved under Section 3 of these Rules.
  - 8.5A.2. Except if SCH otherwise agrees, an Issuer shall not give Notice to SCH requiring that an SRN be specified in any Message initiating a Certificated to CHESSE Transfer or Conversion of its Financial Products unless each SRN recorded, or to be recorded, on the Issuer's register for the purpose of identifying the Holder of a Certificated Holding is:
    - (a) identical to the SRN printed, or to be printed, on any Certificate issued to that Holder; or
    - (b) linked in the Issuer's register records to the SRN printed on any Certificate issued to that Holder.
  - 8.5A.3. If, in relation to a class of its Financial Products, an Issuer gives Notice to SCH requiring that an SRN be specified in any Message initiating a Certificated to CHESSE Transfer or Conversion of Financial Products in that class, the requirement takes effect:
    - (a) where any Financial Products in that class are held on a Certificated Subregister, from Start of Day on a date determined by SCH provided that date is no more than 11 Business Days after the date the Issuer gives Notice to SCH under Rule 8.5A.1;
    - (b) otherwise, from the CHESSE Commencement Date for that class.
  - 8.5A.4. If, in relation to a class of an Issuer's Financial Products, SCH receives Notice from the Issuer requiring that an SRN be specified in any Message that initiates a Certificated to CHESSE Transfer or Conversion of those Financial Products, SCH shall give Notice to each Participant of the requirement not less than 7 Business Days before the requirement takes effect.
  - 8.5A.5. If:
    - (a) in relation to a class of its Financial Products, an Issuer has given Notice to SCH requiring that an SRN be specified in any Message initiating a Certificated to CHESSE Transfer or Conversion of Financial Products in that class;
    - (b) SCH has not revoked the requirement for quotation of an SRN in relation to that class of Financial Products under Rule 8.5A.7;
    - (c) the Issuer:
      - (i) at the request of a Holder; or
      - (ii) otherwise, consolidates into a single Certificated Holding two or more existing Certificated Holdings of the same Holder;
    - (d) that consolidation requires the Issuer to:
      - (i) allocate a new SRN for that Holder; or
      - (ii) re-allocate an existing SRN as the sole SRN for that Holder; and

- 
- (e) the Issuer is unable in its register records to link the Holder's post-consolidation SRN to any pre-consolidation SRNs printed on existing Certificates held by the Holder;

the Issuer shall:

- (f) prior to giving effect to the consolidation, recall any Certificates despatched to the Holder in respect of the existing Certificated Holdings that are to be consolidated; and
- (g) within 3 Business Days of giving effect to the consolidation, despatch to the Holder such Certificates specifying the current SRN of the Holder as are required.

8.5A.6. If:

- (a) in relation to a class of its Financial Products, an Issuer has given Notice to SCH requiring that an SRN be specified in any Message initiating a Certificated to CHESS Transfer or Conversion of Financial Products in that class; and
- (b) that Issuer:
  - (i) is aware of any fact or matter; or
  - (ii) takes, or intends to take, any action,that will or may affect its capacity to comply with Rule 8.5A.2,

the Issuer shall promptly give Notice to SCH.

8.5A.7. If:

- (a) an Issuer has given Notice to SCH under Rule 8.5A.6; or
- (b)
  - (i) in relation to a class of its Financial Products, an Issuer has given Notice to SCH requiring that an SRN be specified in any Message initiating a Certificated to CHESS Transfer or Conversion of Financial Products in that class; and
  - (ii) SCH, on reasonable grounds, believes that the Issuer is unable to satisfy the requirements of Rule 8.5A.2,

SCH may revoke the requirements for quotation of an SRN in Certificated to CHESS Transfer or Conversions of Financial Products in that class.

8.5A.8. If SCH revokes the requirement for quotation of an SRN under Rule 8.5A.7, SCH shall give Notice to:

- (a) the Issuer of the class of Financial Products to which the revocation applies; and
- (b) each Participant.



8.5A.9. If SCH revokes the requirement for quotation of an SRN under Rule 8.5A.7, that revocation shall take effect at the time Notice is given to the Issuer under Rule 8.5A.8.

## **8.6. Electronic Access by Brokers to Certificated Holdings**

8.6.1. If:

- (a) an Issuer receives a Valid Message Transmitted by SCH under Rule 6.6.2;
- (b) that Message specifies that the Originating Message was Transmitted by a Broker; and
- (c) that Message specifies:
  - (i) the Certificate Number of a Certificate issued by the Issuer for Financial Products in a Certificated Holding;
  - (ii) the Marking Number of a Marked Transfer raised in respect of a Certificate issued by the Issuer for Financial Products in a Certificated Holding;
  - (iii) a Held Balance Reference Number previously allocated by the Issuer to that Broker under Rule 8.7.1 in respect of a Certificate; or
  - (iv) Certificated Holding details supplied by the Issuer under Rule 8.8.1, and
- (d) where:
  - (i) the Issuer of the Financial Products specified in the Message has given Notice to SCH requiring that an SRN be specified in any Message initiating a Certificated to CHESS Transfer or Conversion of Financial Products in that class;
  - (ii) the requirement for quotation of an SRN has taken effect under Rule 8.5A.3; and
  - (iii) SCH has not revoked the requirement to quote an SRN under Rule 8.5A.7;

that Message further specifies the SRN allocated by the Issuer to the Holder of a Certificated Holding,

then, in the absence of knowledge to the contrary, the Issuer is entitled to assume that the Broker specified in the Message is authorised by the Holder of the Certificated Holding or Held Balance, as the case requires, to Transfer or Convert Financial Products from that Holding or that Held Balance to a CHESS Holding.

8.6.2. If a Broker cancels a Certificate, Marked Transfer or other Registrable Transfer Document under Rule 9.8.1, the Issuer of the Financial Products specified on that Certificate, Marked Transfer or Registrable Transfer Document shall recognise and accept that cancellation.

**8.7. Allocation of Held Balance Reference Numbers to Participants**

8.7.1. If pursuant to a Valid Originating Message that complies with Rule 6.6.1 Transmitted by a Participant, SCH Transmits to an Issuer a Valid Message requesting:

- (a) a Transfer of some of the Financial Products represented by a Certificate; and
- (b) that the balance of the Financial Products represented by that Certificate be held on the Certificated Subregister pending further Transfer or Conversion,

then if the Issuer authorises the Transfer, the Issuer shall allocate a Held Balance Reference Number in respect of that Certificate.

8.7.2. If an Issuer allocates a Held Balance Reference Number under Rule 8.7.1:

- (a) the Issuer shall notify SCH; and
- (b) SCH shall notify the Participant that requested the Held Balance,

of that Held Balance Reference Number.

8.7.3. If:

- (a) an Issuer allocates a Held Balance Reference Number in respect of a Certificate under Rule 8.7.1; and
- (b) after a period of 1 month from the date the Issuer allocated the Held Balance Reference Number, a number of Financial Products remain in the Held Balance,

the Issuer shall, within 3 Business Days of the expiry of that period, despatch a Certificate in respect of those Financial Products to the Participant that originally requested the Held Balance.

**8.8. Certificated Holding Details**

8.8.1. If, to enable a Transfer or Conversion to be initiated:

- (a) a Broker requests an Issuer to provide details in respect of a Certificated Holding of Financial Products that have been:
  - (i) allocated under an employee incentive scheme; or
  - (ii) Removed from a Foreign Register;
- (b) a Certificate for those Financial Products has not been issued;
- (c) the Issuer has not previously provided Certificated Holding details in respect of those Financial Products in writing to that Broker or to the Holder of those Financial Products; and
- (d) in the case of Financial Products issued under an employee incentive scheme subject to a lien by that Issuer, the Issuer has relinquished or is willing to relinquish its lien,

the Issuer shall provide to the Broker in writing sufficient Certificated Holding details to enable the Broker to initiate the Transfer or Conversion.

### **8.9. Registration of Proper SCH Transfers**

8.9.1. An Issuer shall not prevent, delay or in any way interfere with the registration of a proper SCH Transfer.

### **8.10. Standing Instructions**

8.10.1. An Issuer shall continue to apply a Standing Instruction in relation to a Holding that has been Converted unless:

- (a) the Conversion will result in the Converted Financial Products being entered into an existing Holding in respect of which a contrary Standing Instruction is recorded;
- (b) an election for any part of that Holding in respect of a shareholders' dividend plan has been made; or
- (c) the Issuer of the Financial Products in that Holding offers more than one shareholders' dividend plan and an election for any part of the Holding has been made in respect of more than one of those plans.

### **8.11. Nomination of Branch Registers**

8.11.1. An Issuer is entitled to register a Holder on its principal register if any CHES to Issuer Sponsored or CHES to Certificated Transfer or Conversion initiated in accordance with Section 6:

- (a) fails to nominate a branch register; or
- (b) nominates a non-existent branch register.

### **8.12. Issuer Reporting to Certificated or Issuer Sponsored Holders**

8.12.1. If, in relation to Financial Products other than rights:

- (a) a number of Financial Products are entered into a Certificated Holding; or
- (b) some but not all of the Financial Products in a Certificated Holding are deducted from that Holding and the Participant that controls the Holding has not requested that a Held Balance Reference Number be allocated in respect of the Holding Balance,

the Issuer of the Financial Products shall, within the Scheduled Time, send a Certificate to the Holder of that Holding.

8.12.2. If Financial Products other than rights are:

- (a) entered into; or
- (b) deducted from,

---

an Issuer Sponsored Holding, the Issuer of those Financial Products shall send a Holding statement to the Holder of that Holding within the time specified in Listing Rule 8.6.1.

**8.13. Divestment or Forfeiture of Financial Products in a CHESSE Holding**

8.13.1. An Issuer shall not divest a Holder of Financial Products or forfeit a Holder's Financial Products while those Financial Products are in a CHESSE Holding.

8.13.2. If:

- (a) in accordance with an Issuer's constitution, the Issuer requires a Holder of that Issuer's Financial Products to dispose of those Financial Products;
- (b) the Issuer has given a Notice of Divestment that complies with Rule 8.13.3 in respect of those Financial Products to the Holder and the Controlling Participant for that Holding;
- (c) the time specified in that Notice has passed; and
- (d) those Financial Products remain in the CHESSE Holding of that Holder,

the Issuer may initiate a Holding Adjustment to move the Financial Products from that CHESSE Holding to an Issuer Sponsored or Certificated Holding for the purpose of Divestment by the Issuer.

8.13.3. A Notice of Divestment given under Rule 8.13.2(b):

- (a) shall specify the number and class of Financial Products to which the Notice applies and the time by which the Holder must dispose of those Financial Products;
- (b) shall state that if any of those Financial Products remain in a CHESSE Holding of that Holder after the time specified in the Notice, the Issuer may, without further Notice, move such of those Financial Products as remain in that CHESSE Holding from that CHESSE Holding to an Issuer Sponsored or Certificated Holding for the purpose of Divestment by the Issuer; and
- (c) may form part of a Notice of Divestment given to the Holder under the Issuer's constitution.

8.13.4. If:

- (a) an Issuer's constitution or the law permits an Issuer to forfeit Financial Products that are held in a CHESSE Holding; and
- (b) the Issuer has given a Notice that complies with Rule 8.13.5 in respect of those Financial Products to the Holder and Controlling Participant for that Holding,

the Issuer may initiate a Holding Adjustment to move the Financial Products from that CHESSE Holding to an Issuer Sponsored or Certificated Holding for the purpose of forfeiture by the Issuer.

- 8.13.5. A Notice given under Rule 8.13.4(b):
- (a) shall specify the number and class of Financial Products to which the Notice applies;
  - (b) shall specify the date after which the Issuer may, without further Notice, move Financial Products from the Holder's CHES Holding to an Issuer Sponsored or Certificated Holding for the purpose of forfeiture by the Issuer; and
  - (c) may form part of a Notice of forfeiture given to the Holder under the Issuer's constitution.
- 8.13.6. An Issuer whose Financial Products are included in Schedule 1 may initiate a Holding Adjustment in accordance with Rule 8.20.4(a) without giving Notice under Rule 8.13.2(b).

**8.13A. Access of Holdings by Issuers to Correct an error**

If, as the result of an error, it is necessary for an Issuer to Transmit a Message to rectify that error that has the effect of deducting Financial Products from, or transferring Financial Products to a Holding, the Issuer shall notify the relevant Holder and SCH of the action taken by the Issuer and the reason for that action within 2 Business Days of Transmitting the Message.

**8.14. Reconciliations and Reporting of Errors Anomalies or Irregularities**

- 8.14.1. An Issuer is responsible for ensuring that the total number of Financial Products held on each Subregister being maintained in respect of a class of that Issuer's CHES Approved Financial Products can be reconciled to the total issued capital for that class.
- 8.14.2. An Issuer shall promptly give Notice to SCH in respect of a class of CHES Approved Financial Products if:
- (a) the total number of Financial Products in that class held on a CHES Subregister as reported to the Issuer by SCH, when added to the total number of Financial Products in that class held on the Issuer Operated Subregisters, does not reconcile to the total number of issued Financial Products in that class; or
  - (b) the Issuer becomes aware of any errors, anomalies or irregularities in Reports Transmitted to the Issuer by SCH concerning individual or aggregate Holdings held on a CHES Subregister.
- 8.14.3. If SCH suspects on reasonable grounds that there is an error, anomaly or irregularity in the total number of Financial Products held in Holdings on the CHES Subregister for a class of an Issuer's CHES Approved Financial Products, SCH may by Notice request that Issuer to reconcile, as at a date specified in the Notice, the total issued capital in respect of that class to the total number of Financial Products held on each Subregister being maintained for Financial Products in that class.
- 8.14.4. If SCH gives Notice to an Issuer under Rule 8.14.3, the Issuer shall provide SCH with a copy of the completed reconciliation within 2 Business Days of the Issuer receiving that Notice or by such later time as SCH specifies in the Notice.

8.14.5. If:

- (a) a Notice given to SCH by an Issuer under Rule 8.14.2; or
- (b) a reconciliation performed by an Issuer under Rule 8.14.3

reveals an error, anomaly or irregularity that necessitates a change to any Holding Balance of a CHESS, Issuer Sponsored, or Certificated Holding, the Issuer and SCH shall comply with Rule 11.11 or 11.13, as the case requires, in taking any action to correct that error, anomaly or irregularity.

#### **8.14A. Access to CHESS Holdings by Issuers**

An Issuer shall not:

- (a) Transmit a Message that initiates a Holding Adjustment or a Financial Products Transformation in relation to a CHESS Holding; or
- (b) take any other action that has the effect of deducting Financial Products from or transferring Financial Products to a CHESS Holding,

unless it is entitled to Transmit that Message or take that action.

#### **8.15. Issuer Liabilities for Holding Locks, Holding Adjustments and Financial Products Transformations**

8.15.1. If an Issuer gives Notice requesting the application or removal of a Holding Lock and SCH acts on the request, the Issuer shall indemnify the Controlling Participant against all losses, damages, costs and expenses that the Controlling Participant or the Holder of the Locked Holding may suffer or incur because the Issuer was not entitled to make the request.

8.15.2. If an Issuer Transmits a Message that initiates a Holding Adjustment or a Financial Products Transformation in relation to a CHESS Holding, and SCH acts on the Message, the Issuer shall indemnify the Controlling Participant against all losses, damages, costs and expenses that the Controlling Participant or the Holder may suffer or incur because the Issuer was not entitled to Transmit the Message.

*Note: Rule 8.15.2 does not provide the sole remedy in respect of access by an Issuer to a Holding where it has no entitlement to do so. Without limitation, SCH may take separate disciplinary action where it believes an Issuer has breached Rule 8.14A.*

8.15.3. A Controlling Participant in whose favour an indemnity is given under Rule 8.15.1 or 8.15.2 holds the benefit of the indemnity and any amount recovered under it in trust for the Holder to the extent that the indemnity or the recovery relates to the Holder's losses, damages, costs or expenses.

8.15.4. If an Issuer makes a payment to the Controlling Participant in discharge of its liability under Rule 8.15.1 or Rule 8.15.2, the Issuer is subrogated to all rights which the Controlling Participant may have against any other person with respect to the matter which was the subject of its claim against the Issuer.

8.15.5. Subject to Rules 8.15.1 and 8.15.2, if:

- 
- (a) an Issuer Transmits a Message;
  - (b) the Message contains a mistake due to the wilful default or negligence of the Issuer; and
  - (c) SCH or a CHESSE User suffers loss as a consequence of the mistake,
- the Issuer is liable to compensate SCH or the CHESSE User, as the case requires, for that loss.

**8.16. Numbering of Shares**

8.16.1. For the purpose of Section 1070B(2)(c) of the Corporations Act, if the issued shares of an Issuer are CHESSE Approved Financial Products held:

- (a) in a Certificated Holding, where each Certificate is:
  - (i) distinguished by a number; and
  - (ii) that number is recorded in the register of members;
- (b) in an Issuer Sponsored Holding; or
- (c) in a CHESSE Holding,

none of those shares is required to have a distinguishing number.

**8.17. No Requirement to Issue Certificates in respect of Issuer Sponsored and CHESSE Holdings**

8.17.1. If:

- (a) an allotment;
- (b) an issue;
- (c) the making available; or
- (d) a Transfer,

of a CHESSE Approved Security will result in the CHESSE Approved Security being entered into an Issuer Sponsored Holding or a CHESSE Holding, the Issuer is not required to complete and deliver any document under Section 1071H(1) or 1071H(3) of the Corporations Act, as the case requires.

**8.18. Numbering of Certificates**

8.18.1. If an Issuer maintains a Certificated Subregister for a class of CHESSE Approved Financial Products, the Issuer shall ensure that:

- (a) all Certificates issued for Financial Products in that class are uniquely numbered; and

- (b) the Certificate numbers printed on all Certificates are accurately recorded on the Issuer's register.

### **8.19. Notice to SCH of Changed Circumstances**

8.19.1. An Issuer shall promptly give Notice to SCH if:

- (a) the Issuer changes its name or address;
- (b) the Issuer becomes an externally administered body corporate; or
- (c) the Issuer takes a step or becomes aware that another person has taken a step that is intended to lead to it becoming externally administered.
- (d) the Issuer's Financial Products are subject to any change of jurisdictional nexus for stamp duty purposes; or
- (e) the Issuer effects any change of Third Party Provider.

### **8.20. Schedule of Financial Products Subject to Foreign Ownership Restrictions.**

8.20.1. An Issuer whose Financial Products are CHESS Approved may request SCH to include a class of its Financial Products which is subject to aggregate foreign ownership restrictions pursuant to legislation or under the Issuer's constitution, in Schedule 1.

8.20.2. If an Issuer requests inclusion of a class of its Financial Products in Schedule 1 pursuant to Rule 8.20.1, the Issuer agrees, in respect of those Financial Products:

- (a) to accept electronic notification of the residency status of Holders on the CHESS Subregister;
- (b) to accept electronic notification of the residency status of transferees specified in CHESS to Issuer Operated Subregister Transfers;
- (c) to give effect to and recognise the status of Foreign to Foreign Allocations effected through CHESS; and
- (d) to monitor the Foreign Ownership Percentage Level on a daily basis by requesting a Foreign Holding Net Movement Report in respect of each Business Day, and where the Issuer determines it is necessary, take such action as is required under Rule 8.20.4; and

acknowledges that the Issuer bears sole responsibility for monitoring the Foreign Ownership Percentage Level.

*Note: The obligations of an Issuer whose Financial Products are included in Schedule 1, as outlined in Rules 8.20, 8.21 & 8.22, are in addition to the statutory contract between an Issuer and SCH under Section 1.5.*

8.20.3. If SCH receives a request under Rule 8.20.1 and is satisfied that an Issuer is capable of complying with the requirements of Rule 8.20.2, SCH shall include the Issuer's Financial Products in Schedule 1 as FOR Financial Products and give Notice of that inclusion to Participants.



- 8.20.4. If an Issuer whose Financial Products are included in Schedule 1 determines that the Foreign Ownership Percentage Level in respect of those Financial Products has been exceeded, that Issuer shall, notwithstanding the provisions of Rule 8.13:
- (a) initiate a Holding Adjustment to move the Excess Financial Products from the CHES Holding which contains the Excess Financial Products to an Issuer Operated Subregister within the Scheduled Time; and
  - (b) in conjunction with a Notice of Divestment issued pursuant to Rule 8.13.3, promptly notify the Holder of the number of Excess Financial Products which have been converted to the Issuer Operated Subregister.
- 8.20.5. If an Issuer whose Financial Products are included in Schedule 1:
- (a) determines that the Foreign Ownership Percentage Level has been exceeded; and
  - (b) fails to comply with the requirements of Rule 8.20.4(a), and
- as a result, some or all of the Excess Financial Products on the CHES Subregister are Transferred to other Holders as Confirmed FOR Financial Products, then the Issuer:
- (c) shall accord the Excess Financial Products which have been so Transferred the status of Confirmed FOR Financial Products; and
  - (d) may, without prejudicing the Holders of those Confirmed FOR Financial Products, take such action as it considers necessary to reduce the aggregate limit of foreign ownership below the Foreign Ownership Percentage Level.
- 8.20.6. If an Issuer whose Financial Products are included in Schedule 1:
- (a) has moved Excess Financial Products to an Issuer Operated Subregister pursuant to Rule 8.20.4(a); and
  - (b) later determines that the Foreign Ownership Percentage Level will not be exceeded by according some or all of those Financial Products the status of Confirmed Foreign Financial Products,
- the Issuer shall, at intervals determined by the Issuer in accordance with its constitution or any relevant legislation, accord those Financial Products the status of Confirmed Foreign Financial Products on the Issuer Operated Subregister.
- 8.20.7. If an Issuer whose Financial Products are included in Schedule 1 takes action pursuant to Rule 8.20.6 the Issuer shall promptly notify the relevant Holder of the number of Financial Products which have been accorded the status of Confirmed FOR Financial Products.
- 8.20.8. An Issuer whose Financial Products are included in Schedule 1 shall not divest any Holder of Confirmed FOR Financial Products.

## **8.21. Force Majeure**

- 8.21.1. If, due to any circumstance that falls within paragraph (a) of the definition of State of Emergency, an Issuer whose Financial Products are included in Schedule 1 is unable to comply with the requirements of Rule 8.20.2(d) or Rule 8.20.4, it shall immediately

notify SCH that it is unable to comply and request that SCH take action pursuant to Rule 11.1.4(b).

*Note: An Issuer will be liable for any failure or inability by a Third Party Provider to comply with the Rules.*

*Rule 11.1.4(b) enables an Issuer of FOR Financial Products who is unable to monitor its Foreign Ownership Percentage Level and/or remove Excess Financial Products from the CHESSE Subregister to request SCH to apply a Holding Lock to a Holding where that Holding may contravene the Foreign Ownership Percentage Level.*

## **8.22. Removal of a Class of Financial Products from Schedule 1**

8.22.1. If:

- (a) an Issuer whose Financial Products are included in Schedule 1 requests that SCH remove a class of its Financial Products from Schedule 1; or
- (b) SCH thinks it necessary or desirable having regard to:
  - (i) the integrity, reliability and efficiency of CHESSE; or
  - (ii) the protection of CHESSE Participants from the risk of loss,

SCH shall:

- (c) give no less than 5 Business Days notice to the Issuer and Participants of its intention to remove those Financial Products from Schedule 1; and
- (d) at the expiry of the Notice period, remove those Financial Products from Schedule 1.