

SCH Business Rules

Section 9: Brokers

9.20. Establishing a Payment Facility

- 9.20.1. A Broker that is a Settlement Participant shall establish at least one Payment Facility to facilitate DvP Settlement.
- 9.20.1A An NSSP shall not establish a Payment Facility.
- 9.20.2. A Broker that establishes a Payment Facility shall give Notice to SCH in the form prescribed by SCH from time to time.
- 9.20.3. A Payment Facility will not be available to facilitate DvP Settlement until a Payments Provider acknowledges to SCH that it will operate the Payment Facility on behalf of the Broker.
- 9.20.4. Unless SCH permits otherwise, a Broker shall not establish more than 4 Payment Facilities to facilitate DvP Settlement.
- 9.20.5. Each Payment Facility must be linked to at least one CHESSE Holding.
- 9.20.6. A CHESSE Holding must not be linked to more than one Payment Facility.
- 9.20.7. A Broker shall use the same Payment Facility to facilitate settlement of all Broker / Broker transactions that are novated to CCP under Rule 7.4.
- 9.20.8. If:
 - (a) a Broker Transmits a Valid Message in relation to a DvP Settlement Instruction that:
 - (i) specifies a HIN for a CHESSE Holding; or
 - (ii) incorporates a Standing Settlement HIN for a CHESSE Holding; and
 - (b) a Payment Facility for that Holding has not been established,SCH shall reject the Message.

SCH Business Rules

Section 10: NON BROKER PARTICIPANTS

10.21. Establishing a Payment Facility

- 10.21.1. An NBP shall establish at least one Payment Facility to facilitate DvP Settlement.
- 10.21.2. An NBP that establishes a Payment Facility shall give Notice to SCH in the form prescribed by SCH from time to time.
- 10.21.3. A Payment Facility will not be available to facilitate DvP Settlement until a Payments Provider acknowledges to SCH that it will operate the Payment Facility on behalf of the NBP.
- 10.21.4. Unless SCH permits otherwise, an NBP shall not establish more than 4 Payment Facilities to facilitate DvP Settlement.
- 10.21.5. Each Payment Facility must be linked to at least one CHES Holding.
- 10.21.6. A CHES Holding must not be linked to more than one Payment Facility.
- 10.21.7. If:
 - (a) an NBP Transmits a Valid Message in relation to a DvP Settlement Instruction that:
 - (i) specifies a HIN for a CHES Holding; or
 - (ii) incorporates a Standing Settlement HIN for a CHES Holding; and
 - (b) a Payment Facility for that Holding has not been established,SCH shall reject the Message.

SECTION 18: DISCIPLINARY PROCEEDINGS**18.1. Establishment of the Disciplinary Panel**

18.1.1. The Board will establish a Disciplinary Panel from which members of the Disciplinary Tribunal and Appeal Tribunal are to be chosen in accordance with these Rules.

18.1.2. The Board may appoint as a member of the Disciplinary Panel:

- (a) a member of an Industry Group; or
- (b) any other person of good reputation and high business integrity.

18.1.3. The Board will appoint persons to the Disciplinary Panel from time to time so that:

- (a) the Disciplinary Panel has not less than 6 members; and
- (b) there is at least one member of the Disciplinary Panel appointed from each Industry Group.

18.1.4. The Board may determine the period for which, and the terms and conditions (including as to remuneration) on which persons are appointed to the Disciplinary Panel.

18.1.5. If:

- (a) a member of the Disciplinary Panel is asked to serve on the Disciplinary Tribunal or Appeal Tribunal; and
- (b) at any time while the member serves on that Tribunal, the member becomes aware of any material interest the member has in the subject matter of proceedings before that Tribunal,

the member shall forthwith declare the existence of that interest, and decline to serve on the relevant Tribunal.

18.1.6. If a member of the Disciplinary Panel serves on the Disciplinary Tribunal in relation to a Proceeding, that member shall not serve on the Appeal Tribunal if an Appeal is lodged in relation to that Proceeding.

18.2. Establishment of the Disciplinary Tribunal and Appeal Tribunal

18.2.1. Rules 18.2.2 to 18.2.5 apply in relation to the establishment and convening of the Disciplinary Tribunal and the Appeal Tribunal.

18.2.2. The Board will appoint:

- (a) a person eligible to be a member of the Disciplinary Panel as the President of the Disciplinary Tribunal;
- (b) a person eligible to be a member of the Disciplinary Panel as the Deputy President of the Disciplinary Tribunal;
- (c) a person eligible to be a member of the Disciplinary Panel as the President of the Appeal Tribunal; and

- (d) a person eligible to be a member of the Disciplinary Panel as the Deputy President of the Appeal Tribunal,

and will determine the period for which, and the terms and conditions (including as to remuneration) on which the Presidents and Deputy Presidents will hold office.

- 18.2.3. If for any reason (including conflict of interest) the President of a Tribunal is unable or unwilling to perform any of the functions of the President in relation to a Proceeding or Appeal, the Deputy President of the Tribunal may act in the President's place in relation to that Proceeding or Appeal.

- 18.2.4. If for any reason (including conflict of interest) the President and the Deputy President of a Tribunal are both unable or unwilling to perform the functions of the President in relation to a Proceeding or Appeal, the Board may nominate a member of the Disciplinary Panel who shall act in the President's place in relation to that Proceeding or Appeal.

18.3. Expedited Disciplinary Procedure

- 18.3.1. If under Section 17, SCH:

- (a) receives information from a Participant; or
- (b) inspects any Records of a Participant,

and in the reasonable opinion of the Board, the information or inspection discloses any contraventions of a CHESSE Provision by the Participant, the Board may, in respect of each contravention:

- (c) censure the Participant; and/or
- (d) impose a fine not exceeding \$10,000 on the Participant.

- 18.3.2. If under Section 17, SCH:

- (a) receives information from, or inspects Records of an Issuer; or
- (b) receives a report from an independent auditor or other independent expert,

and in the reasonable opinion of the Board, the information, the Records or the report discloses any contraventions of a CHESSE Provision by the Issuer, the Board may in respect of each contravention:

- (c) censure the Issuer; and
- (d) if, because of the conduct constituting the contravention, SCH has suffered loss or damage, direct the Issuer to pay to SCH an amount not exceeding the amount of that loss or damage; or
- (e) if, because of the conduct constituting the contravention, a Participant has suffered loss or damage, direct the Issuer to pay to the Participant an amount not exceeding the amount of that loss or damage.

- 18.3.3. Under Rule 18.3.2, the Board:
- (a) shall not direct an Issuer to pay sums exceeding a total of \$10,000 for a single contravention; but
 - (b) may give more than one direction in respect of a single contravention.
- 18.3.4. If the Board imposes a penalty on, or gives any directions to, a CHES User under Rule 18.3.1 or 18.3.2, the CHES User may by Notice to SCH within 10 Business Days of receiving Notice of the penalty or direction elect for the matter to be dealt with as a Proceeding before the Disciplinary Tribunal.
- 18.3.5. If SCH receives a Notice from a CHES User under Rule 18.3.4:
- (a) any penalty imposed or direction given by the Board is set aside;
 - (b) SCH shall give a Contravention Notice in respect of the believed contravention in accordance with Rule 18.4.1 or 18.4.2, as the case requires; and
 - (c) thereafter, the believed contravention will be dealt with by way of a Proceeding.
- 18.3.6. SCH shall not take any enforcement action in relation to a penalty or direction under Rule 18.3.1 or 18.3.2 until expiry of the period of 10 Business Days referred to in Rule 18.3.4.

18.4. Commencement of Disciplinary Proceedings

- 18.4.1. If the Board has reason to believe that a Participant has contravened a CHES Provision, SCH may give the Participant a Contravention Notice that complies with Rule 18.4.3.
- 18.4.2. If the Board has reason to believe that an Issuer has contravened a CHES Provision, SCH may give the Issuer a Contravention Notice that complies with Rule 18.4.3.
- 18.4.3. A Contravention Notice to be given to a CHES User shall:
- (a) specify the CHES Provision believed to have been contravened;
 - (b) set out particulars of the believed contravention;
 - (c) state that the Board will request the President of the Disciplinary Tribunal to nominate a date, time and place for the hearing of the Proceeding; and
 - (d) state that reasonable notice will be given to the CHES User of the date, time and place for the hearing.
- 18.4.4. SCH shall promptly give a copy of the Contravention Notice to the President of the Disciplinary Tribunal and request that the President appoint a date, time and place for the hearing of the Proceeding.

- 18.3.3. Under Rule 18.3.2, the Board:
- (a) shall not direct an Issuer to pay sums exceeding a total of \$10,000 for a single contravention; but
 - (b) may give more than one direction in respect of a single contravention.
- 18.3.4. If the Board imposes a penalty on, or gives any directions to, a CHES User under Rule 18.3.1 or 18.3.2, the CHES User may by Notice to SCH within 10 Business Days of receiving Notice of the penalty or direction elect for the matter to be dealt with as a Proceeding before the Disciplinary Tribunal.
- 18.3.5. If SCH receives a Notice from a CHES User under Rule 18.3.4:
- (a) any penalty imposed or direction given by the Board is set aside;
 - (b) SCH shall give a Contravention Notice in respect of the believed contravention in accordance with Rule 18.4.1 or 18.4.2, as the case requires; and
 - (c) thereafter, the believed contravention will be dealt with by way of a Proceeding.
- 18.3.6. SCH shall not take any enforcement action in relation to a penalty or direction under Rule 18.3.1 or 18.3.2 until expiry of the period of 10 Business Days referred to in Rule 18.3.4.

18.4. Commencement of Disciplinary Proceedings

- 18.4.1. If the Board has reason to believe that a Participant has contravened a CHES Provision, SCH may give the Participant a Contravention Notice that complies with Rule 18.4.3.
- 18.4.2. If the Board has reason to believe that an Issuer has contravened a CHES Provision, SCH may give the Issuer a Contravention Notice that complies with Rule 18.4.3.
- 18.4.3. A Contravention Notice to be given to a CHES User shall:
- (a) specify the CHES Provision believed to have been contravened;
 - (b) set out particulars of the believed contravention;
 - (c) state that the Board will request the President of the Disciplinary Tribunal to nominate a date, time and place for the hearing of the Proceeding; and
 - (d) state that reasonable notice will be given to the CHES User of the date, time and place for the hearing.
- 18.4.4. SCH shall promptly give a copy of the Contravention Notice to the President of the Disciplinary Tribunal and request that the President appoint a date, time and place for the hearing of the Proceeding.

- 18.4.5. If the President of the Disciplinary Tribunal receives a Contravention Notice from SCH in relation to a Proceeding, subject to Rules 18.2.3 and 18.2.4, the President shall as soon as practicable:
- (a) nominate two members of the Disciplinary Panel who, together with the President, shall constitute the Disciplinary Tribunal for the purposes of the Proceeding;
 - (b) appoint a date, time and place for the hearing of the Proceeding; and
 - (c) give reasonable Notice to the Parties of the date, time and place for the hearing.
- 18.4.6. The President shall ensure that a Disciplinary Tribunal constituted under Rule 18.4.5 does not consist of persons who are all from the same Industry Group.
- 18.4.7. The hearing of a Proceeding shall be conducted in accordance with Rule 18.10.

18.5. Penalties

- 18.5.1. If the Disciplinary Tribunal determines that a Participant has contravened a CHESSE Provision, the Disciplinary Tribunal may do any one or more of the following:
- (a) censure the Participant;
 - (b) direct SCH to publish to Participants or the public the name of the Participant and any information concerning:
 - (i) the contravention; and
 - (ii) any penalty imposed or direction given;
 - (c) impose a fine not exceeding \$100,000 on the Participant;
 - (d) direct the Participant to institute or upgrade, in a form satisfactory to SCH, subject to the directions of the Disciplinary Tribunal, an education or compliance program designed to prevent future contraventions by the Participant;
 - (e) impose Restrictions on the Participant's participation in CHESSE for a period not longer than 1 year;
 - (f) suspend the Participant from participation in CHESSE on such terms as the Tribunal thinks fit, for a period not longer than 1 year; or
 - (g) if the Participant is a clearing participant of ASX under ASX Business Rule 2.1A.3, direct SCH to give Notice of the contravention and any penalty imposed or direction given to each trading participant of ASX with whom the Participant has entered into a Clearing Agreement.

Note: Rule 19.4 sets out the effect of Restrictions and Rule 19.5 sets out the effect of Suspension.

18.5.2. If the Disciplinary Tribunal determines that an Issuer has contravened a CHESSE Provision, the Disciplinary Tribunal may do any one or more of the following:

- (a) censure the Issuer;
- (b) direct SCH to publish to Participants or the public the name of the Issuer and any information concerning:
 - (i) the contravention; and
 - (ii) any penalty imposed or direction given;
- (c) direct the Issuer to institute or upgrade, in a form satisfactory to SCH, subject to any directions of the Disciplinary Tribunal, an education or compliance program designed to prevent future contraventions by the Issuer;
- (d) if, because of the conduct constituting the contravention, SCH has suffered any loss or damage which was reasonably foreseeable at the time when the conduct occurred, direct the Issuer to pay to SCH an amount not exceeding the amount of that loss or damage; or
- (e) if, because of the conduct constituting the contravention, a Participant has suffered any loss or damage which was reasonably foreseeable at the time when the conduct occurred (but not including loss or damage as a consequence of any fine, penalty, fee or charge imposed on the Participant by SCH or ASX), direct the Issuer to pay to the Participant an amount not exceeding the amount of that loss or damage.

18.5.3. The total of the amounts which the Disciplinary Tribunal directs an Issuer to pay under Rule 18.5.2 in respect of each contravention must not exceed \$100,000.

18.5.4. If the Disciplinary Tribunal determines that any contravention by a Participant:

- (a) involved a failure to act honestly and fairly;
- (b) was or could reasonably be considered likely to have been prejudicial to the interests of SCH or other CHESSE Users; or
- (c) involved or formed part of a substantial or consistent failure to comply with one or more CHESSE Provisions,

the Disciplinary Tribunal may, in addition to any:

- (d) direction to publish information; or
- (e) fine imposed on the Participant,

terminate the Participant's participation in CHESSE.

18.6. Disciplinary Register and Publication of Determinations

18.6.1. SCH shall set up and maintain a Disciplinary Register for recording details of contraventions by Participants determined to have occurred.

- 18.6.2. Subject to Rule 18.7.1, if a Tribunal determines that a contravention by a Participant has occurred, SCH shall, whether or not any penalty was imposed, enter the following details in the Disciplinary Register:
- (a) the name of the Participant;
 - (b) the CHESS Provision determined to have been contravened;
 - (c) summary details of the contravention; and
 - (d) summary details of any penalty imposed.
- 18.6.3. A copy of the Disciplinary Register will be kept at the principal place of business of SCH and shall be open for inspection by any person during normal business hours.
- 18.6.4. SCH may provide a copy of any part of the Disciplinary Register to any person who:
- (a) requests the copy; and
 - (b) pays any reasonable fee required by SCH.

18.7. Appeals

- 18.7.1. If the Disciplinary Tribunal determines that a contravention by a CHESS User has occurred, SCH shall not:
- (a) if the CHESS User is a Participant, record details of the determination in the Disciplinary Register; or
 - (b) take any enforcement action in relation to any penalty imposed or direction given by the Disciplinary Tribunal,
- until:
- (c) if there is an Appeal, the Appeal is determined or withdrawn; or
 - (d) in any other case, the expiry of the time allowed for giving an Appeal Notice.
- 18.7.2. If the Disciplinary Tribunal determines that a contravention by a CHESS User has occurred, the CHESS User may Appeal against the determination, including the nature of any penalty imposed or direction given, by giving an Appeal Notice to SCH that complies with Rule 18.7.4.
- 18.7.3. If the Board is dissatisfied with a determination of the Disciplinary Tribunal, including the nature of any penalty imposed or direction given, SCH may appeal to the Appeal Tribunal by giving the other Party to the Proceeding an Appeal Notice that complies with Rule 18.7.4.
- 18.7.4. An Appeal Notice shall:
- (a) identify the determination or part of a determination against which the Appeal is made;

- (b) set out the grounds of Appeal; and
- (c) be given no later than 10 Business Days after receipt by the appellant Party under Rule 18.10.14 of the determination and written reasons of the Disciplinary Tribunal.

18.7.5. If SCH:

- (a) receives an Appeal Notice from a CHESS User; or
- (b) gives an Appeal Notice to a CHESS User,

SCH shall promptly give a copy of the Appeal Notice to the President of the Appeal Tribunal and request that the President appoint a date, time and place for the hearing of the Appeal.

18.7.6. If the President of the Appeal Tribunal receives a copy of an Appeal Notice from SCH, subject to Rules 18.2.3 and 18.2.4, the President shall, as soon as practicable:

- (a) nominate two members of the Disciplinary Panel who, together with the President, shall constitute the Appeal Tribunal for the purposes of the Appeal;
- (b) appoint a date, time and place for the hearing of the Appeal; and
- (c) give reasonable Notice to the Parties of the date, time and place for the hearing.

18.7.7. The President shall ensure that an Appeal Tribunal constituted under Rule 18.7.6 does not consist of persons who are all from the same Industry Group.

18.8. Hearing and Determination of Appeals

18.8.1. An Appeal shall be conducted in accordance with Rule 18.10.

18.8.2. The Appeal shall not be conducted as a re-hearing of the Proceeding, but the Appeal Tribunal may review, and depart from, any findings of the Disciplinary Tribunal.

18.8.3. The Appeal Tribunal may:

- (a) affirm;
- (b) vary in any respect, including as to any penalty imposed or direction given; or
- (c) set aside and substitute with another determination,

the determination of the Disciplinary Tribunal to which the Appeal relates.

18.8.4. If the Appeal Tribunal determines that a contravention by a CHESS User has occurred and varies or sets aside the determination of the Disciplinary Tribunal:

- (a) where the CHESS User is a Participant, the details recorded in the Disciplinary Register shall relate to the determination of the Appeal Tribunal; and
- (b) SCH shall take enforcement action in accordance with the determination of the Appeal Tribunal.

18.8.5. If an Appeal is allowed in full, the reasonable costs of the appellant Party shall be borne by the other Party. In any other case, the Appeal Tribunal may, in its discretion, direct a Party to pay the reasonable costs, or a specified part or proportion of the costs, of the other Party to the Appeal.

18.9. Disciplining of Brokers or Participating Organisation of an Exchange other than ASX - Consultation with the relevant Exchange

18.9.1. A Tribunal shall not impose a penalty on, or give directions to, a Broker or a participating organisation of an Exchange other than ASX involving:

- (a) termination of;
- (b) suspension from; or
- (c) conditions or restrictions on,

participation in CHESS without first giving the relevant Exchange a reasonable opportunity to appear before the Tribunal and make submissions as to the penalty that should be imposed, or the directions that should be given.

18.9.2. If a Tribunal imposes a penalty on, or gives directions to, a Broker or a participating organisation of an Exchange other than ASX involving:

- (a) termination of;
- (b) suspension from; or
- (c) conditions or restrictions on,

participation in CHESS, SCH shall, before taking any action to give effect to that penalty:

- (d) give notice of the penalty or directions to the relevant Exchange; and
- (e) afford the Exchange a reasonable time in which to take action to reduce or avoid any risk of impairment to the efficient operation of the Exchange that may result from the enforcement of the penalty or compliance with the directions.

18.10. Hearings before Tribunals

18.10.1. Rules 18.10.2 to 18.10.14 apply in relation to hearings of Proceedings and Appeals.

18.10.2. The President of a Tribunal may cancel a hearing date for which Notice has previously been given and appoint a substitute hearing date provided reasonable Notice of the substitute hearing date is given to the Parties.

18.10.3. A Tribunal may adjourn and re-convene a hearing as it thinks fit.

18.10.4. Subject to Rules 18.10.5 and 18.10.6, hearings before a Tribunal shall take place in private.

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- 18.10.5. At a hearing, a Tribunal:
- (a) shall permit each Party to a hearing to:
 - (i) appear in person, together with 1 representative; or
 - (ii) be represented by 2 representatives,
 - (b) shall permit each Party to the hearing and each representative of that Party to make submissions at the hearing; and
 - (c) may permit more than 2 representatives of each Party to be present.
- 18.10.6. A Party may be represented at a hearing by:
- (a) an officer or employee of the Party;
 - (b) a barrister or solicitor of a Supreme Court of a State or Territory or of the High Court of Australia;
 - (c) if the Party is an Issuer, the Issuer's Third Party Provider;
 - (d) any other professional adviser whose knowledge or qualifications are, in the opinion of the Tribunal, relevant to the hearing; or
 - (e) any other person approved by the Tribunal.
- 18.10.7. If a Party does not wish to appear at a hearing before a Tribunal, that Party may, not less than 10 Business Days before the day of the hearing (or such lesser time as is reasonable having regard to the prior notice of the hearing which was given to the Party), lodge with the President of the Tribunal a written submission in relation to the Proceeding or Appeal, as the case requires.
- 18.10.8. Hearings before a Tribunal shall be conducted:
- (a) with as little formality and technicality, and with as much expedition, as a proper consideration of the matters before the Tribunal permits; and
 - (b) subject to the provisions of this Section, as the Tribunal thinks fit.
- 18.10.9. The Tribunal may cause a transcript of proceedings at a hearing to be taken. If a transcript is taken, the Tribunal must make the transcript available to the Parties.
- 18.10.10. In a hearing, the Tribunal shall:
- (a) determine matters before it without bias;
 - (b) give each Party a fair hearing; and
 - (c) otherwise observe the rules of natural justice.
- 18.10.11. The Tribunal may obtain such legal or other professional advice as it requires, and may have its advisers present at a hearing.

- 18.10.12. Each member of a Tribunal shall exercise one vote and determinations of the Tribunal shall be by majority. The President of the Tribunal shall not have a casting vote.
- 18.10.13. If a Tribunal imposes a fine or directs that a payment be made (including payment of any costs), the Tribunal may specify a date by which payment must be made.
- 18.10.14. The Tribunal shall, within 15 Business Days after the conclusion of a hearing, give its determination and written reasons to each Party and, where a Broker or a participating organisation of an Exchange other than ASX is a Party, to the relevant Exchange.
- 18.10.15. Subject to Rule 18.8.5, each Party to a Proceeding or Appeal shall bear its own costs in relation to the Proceeding or Appeal.

18.11. Indemnification of Members of Tribunals

- 18.11.1. To the fullest extent permitted by law, SCH shall indemnify:
- (a) each member of the Disciplinary Tribunal;
 - (b) each member of the Appeal Tribunal; and
 - (c) each officer of SCH acting in connection with a Proceeding or Appeal,
- against any liability arising in connection with a Proceeding or Appeal.

18.12. Enforcement Action - Issuer's Failure to Pay or Failure to Comply with a Direction

- 18.12.1. Subject to any right of appeal, if an Issuer fails to pay any:
- (a) fee or charge in accordance with the Fees and Charges Schedule; or
 - (b) amount payable under a direction given by the Board or a Tribunal,
- within 20 Business Days after the amount becomes payable:
- (c) the Issuer shall pay interest (at a rate determined by the Board) from the day that fee, charge or amount becomes payable; and
 - (d) SCH may give Notice to the relevant Exchange and the Issuer of its intention to suspend CHES Approval of the Issuer's Financial Products until the fee, charge or amount and interest is paid.
- 18.12.2. If an Issuer fails to comply with any other direction of the Board or a Tribunal under this Section, SCH may give Notice to the relevant Exchange and the Issuer of its intention to suspend CHES Approval of the Issuer's Financial Products.
- 18.12.3. If:
- (a) SCH gives Notice to an Exchange and an Issuer under Rule 18.12.1(d) or 18.12.2; and
 - (b) 10 Business Days after the Notice is given, the Issuer has not:
 - (i) paid the fee, charge or amount and interest; or

- (ii) complied with the direction,
as the case requires,

SCH may suspend CHES Approval of the Issuer's Financial Products.

18.12.4. If:

- (a) SCH gives Notice to an Exchange and an Issuer under Rule 18.12.1(d) or 18.12.2; and
- (b) within 10 Business Days after the Notice is given, the Issuer:
 - (i) pays the fee, charge or amount and interest; or
 - (ii) complies with the direction;as the case requires,

SCH shall give Notice to that Exchange and the Issuer that it does not intend to suspend CHES Approval of the Issuer's Financial Products.

18.12.5. If:

- (a) SCH suspends CHES Approval of an Issuer's Financial Products under Rule 18.12.3; and
- (b) 60 Business Days after the suspension, the Issuer has not:
 - (i) paid the fee, charge or amount and interest; or
 - (ii) complied with the direction;as the case requires,

SCH may, by Notice to the Issuer and the relevant Exchange, revoke CHES Approval of the Issuer's Financial Products and such revocation shall take effect from End of Day on the last day of the suspension.

18.12.6. If SCH revokes CHES Approval of an Issuer's Financial Products under Rule 18.12.5, the Issuer may appeal against the revocation by giving an Appeal Notice to SCH that:

- (a) identifies the decision against which appeal is made;
- (b) sets out the grounds of the appeal; and
- (c) is given no later than 10 Business Days after the revocation takes effect.

18.12.7. If SCH receives an Appeal Notice under Rule 18.12.6, SCH shall promptly give a copy of the Appeal Notice to the President of the Appeal Tribunal.

- 18.12.8. If the President of the Appeal Tribunal receives a copy of an Appeal Notice from SCH under Rule 18.12.7, subject to Rule 18.2.3 and 18.2.4 the President shall, as soon as practicable:
- (a) nominate two members of the Disciplinary Panel who, together with the President shall constitute the Appeal Tribunal for the purposes of the Appeal;
 - (b) appoint a date and time for the hearing of the Appeal (which shall be no later than 10 Business Days after the date SCH receives the Appeal Notice);
 - (c) nominate a place for the hearing of the Appeal; and
 - (d) give reasonable Notice to the Parties of the date, time and place for the hearing.
- 18.12.9. The President shall ensure that an Appeal Tribunal constituted under Rule 18.12.8 does not consist of persons who are all from the same Industry Group.
- 18.12.10. An Appeal against revocation of CHES Approval of an Issuer's Financial Products under Rule 18.12.5 shall be conducted in accordance with Rule 18.10 with such modifications as are appropriate in the circumstances.
- 18.12.11. The Appeal Tribunal may:
- (a) affirm the decision to revoke CHES Approval of an Issuer's Financial Products; or
 - (b) direct SCH to remove the revocation.
- 18.12.12. The determination of the Appeal Tribunal in relation to an Appeal against a revocation of CHES Approval under this Rule 18.12 and any determination as to costs payable by the Issuer or SCH shall be final and binding upon the Issuer and SCH.

SCH Business Rules

Section 19: RESTRICTIONS ON OR SUSPENSION OR TERMINATION OF PARTICIPATION

19.2. Restriction, Suspension or Termination of Participation

19.2.1. If the Board is satisfied that:

- (a) there has been an Event of Non-compliance by a Participant;
- (b) a Broker or an NBP has not become a Settlement Participant by 9 April 1996, or such later date as may be determined by SCH; or
- (c) a Payments Provider that provides a Payment Facility for a Participant has not authorised a net payment obligation under Section 7 of these Rules,

the Board may:

- (d) impose Restrictions on;
- (e) suspend for a period determined in accordance with Rule 19.2.2 and 19.2.3; or
- (f) terminate,

the participation of that Participant.

19.2.2. Unless Rule 19.2.3 applies, a period of suspension under Rule 19.2.1(b) shall not be more than 30 Business Days.

19.2.3. If, before the expiration of a period of suspension, or an extension of that period under this Rule 19.2:

- (a) the non-compliant Participant makes a written request to SCH for an extension (or further extension) of the period of suspension; or
- (b) the Board reasonably believes that an extension (or further extension) of the period of suspension is necessary or desirable,

the Board may extend or further extend the period of suspension for no more than 30 Business Days on each occasion.

SECTION 21: INTERPRETATION AND DEFINITIONS

21.1. General Principles of Interpretation

21.1.1. In these Rules, unless the context otherwise requires:

- (a) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any statutory instrument issued under, that legislation or legislative provision;
- (b) a reference to the Articles, the ASX Articles, the ASX Business Rules, the Listing Rules, these Rules, the Procedures, the Fees and Charges Schedule or the EIS is a reference to those Articles or Rules, the Procedures, the Schedule or the EIS as modified or amended from time to time.
- (c) the singular includes the plural and vice-versa;
- (d) a word denoting a person includes a corporation, firm, association, authority or government;
- (e) a word denoting any gender includes all genders;
- (f) if a word or expression is given a particular meaning, another part of speech or grammatical form of that word or expression has a corresponding meaning; and
- (g) a reference to power includes a reference to authority and discretion.

21.1.2. Words and expressions carrying a particular meaning in a particular context in the Articles, the ASX Articles, the Listing Rules, the ASX Business Rules or the Corporations Act will unless otherwise specified in these Rules have the same meaning in an equivalent context in these Rules.

Note: For example, the terms listed below have the meanings given to them in the Corporations Act, the Listing Rules and the ASX Business Rules, as the case requires:

<u>Corporations Act</u>	<u>Listing Rules</u>	<u>ASX Business Rules</u>
<ul style="list-style-type: none"> • Australian bank • controlled entity • defeating condition • director • externally administered body corporate • financial market • insolvent under administration • bid period • parent entity • principal register • • proportional takeover scheme • register • securities • takeover bid 	<ul style="list-style-type: none"> • employee scheme 	<ul style="list-style-type: none"> incentive • BBS System • BBS transaction • delivery order • clearing participant • DNS • marketable parcel • marking body • member organisation • settlement obligation • trading participant

21.2. Headings

21.2.1. In these Rules, headings are for convenience of reference only and do not affect interpretation.

21.3. Conduct Acts and Omissions

21.3.1. In these Rules, a reference to conduct or engaging in conduct includes a reference to doing or refusing to do any act, including the making of, or the giving effect to a provision of, an agreement.

21.3.2. In these Rules, conduct engaged in on behalf of a person:

- (a) by an officer, employee, Third Party Provider or other agent of the person within the scope of the actual or apparent authority of the officer, employee, Third Party Provider or other agent; or
- (b) by any other person at the direction or with the consent or agreement (whether express or implied) of an officer, employee, Third Party Provider or other agent of the person, where the giving of the direction, consent or agreement is within the scope of the actual or apparent authority of the officer, employee, Third Party Provider or other agent,

is taken to have been engaged in also by the person.

21.3.3. If for the purposes of these Rules in respect of conduct engaged in by a person, it is necessary to establish the state of mind of the person, it is sufficient to show that an officer, employee, Third Party Provider or other agent of the person, being an officer, employee, Third Party Provider or other agent by whom the conduct was engaged in within the scope of the actual or apparent authority of that officer, employee, Third Party Provider or other agent, had that state of mind.

21.3.4. A reference in Rule 21.3.3 to the state of mind of a person includes a reference to the knowledge, intention, opinion, belief or purpose of the person and the person's reasons for the person's intention, opinion, belief or purpose.

21.3.5. In these Rules, unless the contrary intention appears, a reference to doing any act or thing includes a reference to causing, permitting or authorising the act or thing to be done.

21.4. Regard to be had to Purpose or Object of Rules

21.4.1. In the interpretation of a Rule, a construction that would promote the purpose or object underlying the Rules (whether that purpose or object is expressly stated in the Rules or not) is to be preferred to a construction that would not promote that purpose or object.

21.5. Examples

21.5.1. If these Rules include an example of the operation of a Rule:

- (a) the example is not to be taken to be exhaustive; and
- (b) if the example is inconsistent with the Rule, the Rule prevails.

21.6. Change of Name

21.6.1. If:

- (a) the name of a body is changed in accordance with the law (whether or not the body is incorporated); or
- (b) the name of an office is changed by law,

then a reference in these Rules to the body or office under the former name, except in relation to matters that occurred before the change took effect, is taken as a reference to the body or office under the new name.

21.7. Notice, Notification and Service of Documents

21.7.1. In these Rules, a reference to notifying a person of any matters includes a reference to:

- (a) giving Notice of those matters to the person; or
- (b) Transmitting a Message containing those matters to the person.

21.7.2. For purposes of these Rules, a Message which is Transmitted by SCH or a CHESS User shall be taken to be received when the Message is made available for collection in the Message collection facility provided in CHESS for Messages passing between SCH and CHESS Users.

21.7.3. If any Rule requires or permits the giving of Notice of any matters to a person, the Rule requires or permits the giving to that person of a written document containing those matters.

21.7.4. For the purposes of any Rule that requires or permits a document to be given to a person, whether the expression 'serve', 'give' or 'send' or any other expression is used, the document may be given:

- (a) to a natural person:
 - (i) by delivering it to the person personally;
 - (ii) by leaving it at, or by sending it by courier or post to, the address of the place of residence or business of the person last known to the person serving the document; or
 - (iii) by sending it by facsimile to the person's facsimile number last notified to the person giving the document.
- (b) to a body:
 - (i) by leaving it at, or sending it by courier or post to, the head office, a registered office or a principal place of business of the body, or
 - (ii) by sending it by facsimile to the body's facsimile number last notified to the person giving the document; or
- (c) to a partnership or trust:
 - (i) by delivering it to a partner or a trustee personally;

- (ii) by leaving it at, or by sending it by courier or post to, the address of the place of business of the partnership or trust last known to the person serving the document; or
- (iii) by sending it by facsimile to the facsimile number of the partnership or trust last notified to the person giving the document.

21.7.5. For the purposes of Rule 21.7.4:

- (a) a document sent by post shall be taken to be received on the second Business Day after the document, in a correctly addressed and stamped envelope or other covering, is put in the post;
- (b) a document sent by courier shall be taken to be received at the time of delivery to the correct address; and
- (c) a document sent by facsimile shall be taken to be received when the sender's facsimile machine indicates a successful transmission to the correct facsimile number.

21.7.6. Nothing in Rule 21.7.4 prevents documents being sent or given to, or served on, a person in any other manner required or permitted by law.

21.7.7. If under these Rules SCH is to give any Notice to:

- (a) all CHESSE Users;
- (b) all Participants; or
- (c) all Issuers,

accidental omission by SCH to give Notice to one or more CHESSE Users, Participants or Issuers does not affect the validity and enforceability of any resolution, decision, proceeding or act in connection with which the Notice was to have been given.

21.7.8. Without limiting any other provision of this Rule 21.7, any Notice to be given by a Participant to SCH under any of Rules 19.1.1(a)(vi) or (vii) or Rules 19.1.1(b)(iii) or (iv) shall be given to the Prescribed Person.

21.8. Defects, Irregularities and Deficiencies

21.8.1. A decision, resolution, proceeding or act of SCH or the Board under these Rules is not invalidated by any:

- (a) defect;
- (b) irregularity; or
- (c) deficiency,

of notice or time unless:

- (d) a CHES User concerned by the defect, irregularity or deficiency requests the Board to resolve that the decision, resolution, proceeding or act is invalid;
- (e) the Board reasonably believes that the defect, irregularity or deficiency has caused or may cause substantial injustice which cannot reasonably be avoided; and
- (f) the Board accordingly resolves that the decision, resolution, proceeding or act is invalid.

21.9. SCH Regulated Transfers

21.9.1. For the purposes of the definition of "ASTC-regulated transfer" in Regulation 1.0.02 of the Corporations Regulations, an SCH Regulated Transfer is an ASTC-regulated transfer.

21.9A. Definition of "Transaction" for the Purposes of the Corporations Regulations

21.9A.1. For the purposes of Regulations 7.5.40 and 7.5.41 of the Corporations Regulations, "transactions (as defined in the operating rules)" are those transactions that are novated to CCP and netted in accordance with Section 7 of the Rules.

21.9B SCH Business Rules

21.9B.1 For the purposes of the Corporations Act, the SCH Business Rules are the ASTC operating rules.

21.9.C CHES Subregister

21.9C.1 For the purposes of the definition of "ASTC subregister" in Regulation 7.11.01 of the Corporations Regulations, a CHES Subregister is an ASTC subregister.

21.10. Originating Messages

21.10.1. If, under these Rules:

- (a) the Controlling Participant for a CHES Holding Transmits a Message to SCH; and
- (b) as a consequence of that Message being processed, SCH or a CHES User Transmits another Message (whether or not that consequential Message also results from the processing of any intervening Message),

then in these Rules, the Message Transmitted by the Controlling Participant is referred to as the Originating Message for each consequential Message.

21.11. Entering and Deducting Financial Products from Holdings

21.11.1. In these Rules, a reference to entering a number of Financial Products into a Holding is a reference to:

- (a) if the Holding does not exist at the time of the entry, establishing the Holding with a Holding Balance equal to that number of Financial Products; or

- (b) if the Holding already exists at the time of the entry, adding that number of Financial Products to the Holding Balance of the Holding.

21.11.2. In these Rules, a reference to deducting a number of Financial Products from a Holding is a reference to:

- (a) if the Holding Balance of the Holding is equal to that number, removing the Holding from the register; and
- (b) if the Holding Balance of the Holding is greater than that number, subtracting that number of Financial Products from the Holding Balance.

21.12. Meaning of Reservation and Release of Financial Products for Subposition Purposes

21.12.1. For the purposes of these Rules, a number of Financial Products in a CHESS Holding are reserved in a Subposition if:

- (a) the Subposition is created over that number of Financial Products; or
- (b) an existing reservation in a Subposition of Financial Products in that Holding is increased by that number of Financial Products.

21.12.2. For the purposes of these Rules, a number of Financial Products in a CHESS Holding are released from a Subposition if:

- (a) the Subposition over that number of Financial Products is removed; or
- (b) where the total number of Financial Products in the Holding that are reserved in the Subposition exceeds the number of Financial Products specified to be released, the Subposition reservation is reduced by that specified number of Financial Products.

21.12A Clearing Participants under the ASX Business Rules

21.12A.1 A reference in Section 7 of these Rules to a selling Broker or buying Broker is a reference to the clearing participant of ASX that has a settlement obligation in respect of a Broker/Broker transaction under the ASX Business Rules.

21.13. Definitions

21.13.1 In these Rules, unless the context otherwise requires:

ABN	stands for Australian Business Number and means a person's number as shown in the Australian Business Register;
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Acceptable Clearing and Settlement Service

means a clearing and settlement service which, in the opinion of the Commission, has:

- (a) adequate rules or procedures relating to the operation of the service, including effective risk management procedures;
- (b) adequate arrangements for supervision and regulation of the facility; and
- (c) sufficient resources to conduct the facility and perform the supervisory and regulatory function;

Acceptance Form

means a document that enables a person to communicate to an Issuer an election in relation to a Corporate Action, including (without limitation):

	<ul style="list-style-type: none">(a) an entitlement & acceptance form;(b) a provisional letter of allotment; and(c) an application form (whether or not attached to a prospectus);
Accrued DvP Settlement Instruction	means an Accrued Settlement Instruction with a Settlement Amount that is scheduled to settle in DvP Settlement;
Accrued Settlement Instruction	means a Settlement Instruction generated by SCH to effect a distribution of Financial Products arising from a Corporate Action;
Accumulation Account	means a Holder Record maintained in CHESSESS by a Broker for the purpose of facilitating settlement of transactions in CHESSESS Approved Financial Products with non-Participant clients;
Accumulation Holding	means a Holding of Financial Products for which the Holder Record is an Accumulation Account;
Admission Form	means an admission form, as specified by SCH from time to time, for use by an NBP seeking to become a Participant in CHESSESS;
AIC	stands for Access Identification Code and means a unique code allocated by SCH under Rule 4.4.2;
AIF	stands for Automated Information Facility and means the service so designated that is offered by the Reserve Bank of Australia in connection with RITS/RTGS;
AIS	means ASX International Services Pty Limited ABN 62 089 068 913;
Allocation Component	means, without limitation, in respect of an Offer: <ul style="list-style-type: none">(a) a Firm Allocation Component;(b) a book-build; or(c) a placement;

Allocation Interest	means a journal entry on a CHESSE or Issuer operated record: <ul style="list-style-type: none">(a) representing a CHESSE Approved Security applied for, or to be applied for, under an Offer; and(b) by which the Issuer calculates the number of CHESSE Approved Financial Products to be issued or disposed under Rule 5A.17;
Appeal	means an appeal to the Appeal Tribunal against: <ul style="list-style-type: none">(a) a determination of the Disciplinary Tribunal under Section 18;(b) rejection of an application for Participation under Section 2;(c) action taken against a Participant under Section 19; or(d) revocation or impending revocation of CHESSE Approval of a class of an Issuer's Financial Products under Section 3 or Section 18;
Appeal Notice	means a Notice given under Rule 2.12.3, 3.5.5, 3.5.6, 18.7.2, 18.7.3, 18.12.6 or 19.8.1;
Appeal Tribunal	means the tribunal established under Section 3 or Section 18 for the purpose of hearing Appeals;
Applications Close Date	means the date by which a person must submit an Acceptance Form to an Issuer if the person wishes to subscribe for new or additional Financial Products;
Approved Agent	means a person who has such qualifications for the purposes of Section 17 as the Board or SCH determines and who is appointed by the Managing Director.
Approved Clearing House	means a settlement and deposit system for the safe custody, delivery and payment of Principal Securities or Participating Foreign Securities, approved by SCH for the purposes of establishing a Segregated Account;
Articles	means the constitution of ASTC;
ASTC	means ASX Settlement and Transfer Corporation Pty Ltd (ABN 49 008 504 532);

ASX	means Australian Stock Exchange (ABN 98 008 624 691);
ASX Articles	means the constitution of ASX;
ASX Business Rules	means the Business Rules of ASX;
ASX World Link service	has the same definition as that set out in the World Link Agreement;
ASX World Link Agreement	means the agreement between AIS and a Broker for participation in the ASX World Link service as displayed on the World Link Website from time to time;
At Call Funds	means \$10 million or such other amount made available to CCP by a financial institution or such other source available to CCP from time to time to meet an increased net payment obligation of CCP in the event of the Failure of one or more Net Broker Settlement Instructions;
Authorised Copy	in relation to documents specified under Section 9 of these Rules, means a true and complete copy of the document in a form authorised by SCH;
Authorised Person	means any person who has actual authority of the CHESS User to cause Messages to be Transmitted by that CHESS User;
Available Credit	in Section 7A, has the meaning given in Rule 7A.17.3;
Available Financial Products	means Financial Products that are: <ul style="list-style-type: none">(a) not in a Locked Holding;(b) in the case of Financial Products in an Issuer Sponsored Holding, not reserved under the Listing Rules for the benefit of an Offeror in relation to a takeover scheme;(c) in the case of Financial Products in a CHESS Holding, not reserved in a Subposition;