

ASX CLEAR (FUTURES) OPERATING RULES

PROCEDURES DETERMINATIONS

AND PRACTICE NOTES

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Rule 72.1(aa) Powers of ASX Clear (Futures) Upon A Default and Determination of A Loss (DM Auction Procedures)

1 Application of DM Auction Procedures

For the purpose of Rule 72.1(aa), the following procedures (referred to in these Procedures as the **General DM Auction Procedures**) will apply to auctions of DM Auction Transactions and to all Bids (as defined in Paragraph 6.2 below) made in respect of such auctions (referred to as **DM Auctions**). The General DM Auction Procedures are supplemented by specific auction terms (referred to in these Procedures as the **Specific DM Auction Terms**), which will be substantially in the form as set out in the Appendix hereto titled "Form of Specific DM Auction Terms". The General DM Auction Procedures and the Specific DM Auction Terms are together referred to as the **DM Auction Procedures**.

In the case of any inconsistency between the Specific DM Auction Terms for a particular DM Auction and the General DM Auction Procedures, the Specific DM Auction Terms will prevail to the extent of the inconsistency. None of the Specific DM Auction Terms or the General DM Auction Procedures prevail over the Recovery Rules.

A summary of the applicable timings and steps to be taken in respect of a DM Auction (referred to in these Procedures as the **DM Auction Process Timeline**) is set out in the Appendix hereto titled "Default Management Auction Process Timeline". The DM Auction Process Timeline is provided by way of guidance only and does not form part of the DM Auction Procedures or override the DM Auction Procedures for any particular DM Auction.

Introduced [XX]

2 Definitions

2.1 Terms to have meanings given to them in the Rules

Terms used and not otherwise defined in these DM Auction Procedures will have the meanings given to them in the Rules.

Introduced [XX]

2.2 References to Paragraphs

Paragraphs of these DM Auction Procedures are referred to as Paragraphs.

Introduced [XX]

2.3 Definition of “Other DM Auction Bidder”

In these DM Auction Procedures, the term “Other DM Auction Bidder” means any client of a Clearing Participant that is not itself a Clearing Participant but which has:

- (a) entered into a written agreement with ASX Clear (Futures) that it will be bound by these DM Auction Procedures;
- (b) entered into a written non-disclosure agreement in the form reasonably requested by ASX Clear (Futures) in respect of its participation in DM Auctions; and
- (c) been accepted in writing by both ASX Clear (Futures) and the relevant Clearing Participant as being ready and able to participate in a DM Auction.

Introduced [XX]

3 Determination of Auction Pools

3.1 Auction Pools

Where ASX Clear (Futures) determines in accordance with its powers under Rule 72.1(aa) of the Rules that a DM Auction is to be held, ASX Clear (Futures) is to determine at its sole discretion the groups of DM Auction Transactions which are to be the subject of each separate auction (each group of DM Auction Transactions referred to as an **Auction Pool**). Without limiting the ways in ASX Clear (Futures) may form an Auction Pool, ASX Clear (Futures) may:

- (a) take into consideration factors such as the type, jurisdiction and value of each DM Auction Transaction; and
- (a)(b) determine that a single DM Auction Transaction is to be split into multiple transactions, with each transaction being included in a different Auction Pool as a separate DM Auction Transaction.

Introduced [XX]

3.2 Expert advice

ASX Clear (Futures) may elect to seek advice or opinions from experts to inform any decision it may make under Paragraph 3.1. Where such expert advice or opinion is sought by ASX Clear (Futures) in accordance with this Paragraph 3.2, ASX Clear (Futures) is not required to act in accordance with any expert advice or opinion that is provided.

Introduced [XX]

4 Participation in DM Auctions

4.1 Purpose of participation in DM Auction

DM Auctions held by ASX Clear (Futures) pursuant to its powers under Rule 72.1(aa) of the Rules will enable:

- (a) the bidders in a DM Auction (where the bidders are Clearing Participants who are participating in the DM Auction in accordance with these DM Auction Procedures); and
- (b) the relevant Clearing Participants of the bidders in a DM Auction (where the bidders are not Clearing Participants but are participating in the DM Auction

in accordance with these DM Auction Procedures on the basis that the relevant Clearing Participant will assume the obligations of the winning bidder).

to enter into the DM Auction Transactions comprised in the relevant Auction Pool with ASX Clear (Futures) at an auction price that is determined in accordance with these DM Auction Procedures (the auction price for the Auction Pool referred to in as the **DM Auction Price**).

Introduced [XX]

4.2 DM Auction Invitees

(a) ASX Clear (Futures) may at its sole discretion invite any:

(i) Clearing Participant, or

(ii) Other DM Auction Bidder,

to make a submission of a Bid (as defined at Paragraph 6.2 below) to enter into each of the DM Auction Transactions comprised in the Auction Pool for a particular DM Auction with ASX Clear (Futures) at the Auction Price.

(b) The distribution of the Specific DM Auction Terms to any of the entities at 4.2(a)(i) or 4.2(a)(ii) above constitutes an invitation of ASX Clear (Futures) to that entity under Paragraph 4.2(a).

(c) Each entity that receives an invitation from ASX Clear (Futures) under this Paragraph 4.2 is to be known as a **DM Auction Invitee** in respect of any DM Auction for which it has received such invitation.

Introduced [XX]

4.3 Disclosure

(a) Subject to Paragraph 4.3(b), a DM Auction Invitee (and its relevant Clearing Participant, if any) may not disclose the Specific DM Auction Terms applying to a DM Auction or any other information that it receives in respect of a DM Auction in its capacity as a DM Auction Invitee (or in its capacity as the Clearing Participant of the DM Auction Invitee, as relevant) other than in accordance with the Rules or the Procedures;

(b) Nothing in Paragraph 4.3(a) will prevent a DM Auction Invitee that is not a Clearing Participant from disclosing the Specific DM Auction Terms or any other information that it receives in respect of a DM Auction in its capacity as a DM Auction Invitee, to its relevant Clearing Participant for the purpose of obtaining the agreement of the Clearing Participant to enter into the DM Auction Transactions which the DM Auction Invitee may acquire in the DM Auction.

Introduced [XX]

4.4 Participating Bidders

A DM Auction Invitee that has received an invitation from ASX Clear (Futures) pursuant to Paragraph 4.2 and has notified ASX Clear (Futures) in writing that it has decided to participate in the relevant DM Auction:

(a) is to be referred to under these DM Auction Procedures as a **Participating Bidder** with respect to that DM Auction, and

(b) _____ may make a submission of a Bid (as defined in Paragraph 6.2 below) with regard to the specific Auction Pool for that DM Auction.

Introduced [XX]

5 Pre-Auction Procedures

5.1 Specific DM Auction Terms

Prior to each DM Auction, ASX Clear (Futures) will provide all DM Auction Invitees with the Specific DM Auction Terms and with any further relevant information relating to the DM Auction that ASX Clear (Futures) deems necessary. The Specific DM Auction Terms will stipulate:

- (a) _____ the DM Auction Transactions comprised within the Auction Pool for that DM Auction;
- (b) _____ the auction currency;
- (c) _____ the scheduled date and time as of which the respective Bids may be submitted for a particular DM Auction (referred to as the **Auction Commencement Date** and **Auction Commencement Time**);
- (d) _____ the scheduled expiration date and time by which the respective Bids have to be submitted in accordance with Paragraph 6 of these General DM Auction Procedures (referred to as the **Expiration Date** and **Expiration Time**);
- (e) _____ the date and time of acceptance of the winning Bid/s and announcement of the winning Bid/s to all Participating Bidders (referred to as the **Acceptance Date** and **Acceptance Time**); and
- (f) _____ the date and time of settlement of the DM Auction (referred to as the **Settlement Date** and the **Settlement Time**);
- (g) _____ indication of whether ASX Clear (Futures) has set a reserve price;
- (h) _____ an estimate of the initial margin that will be required by the winning bidder at the Settlement Time; and
- (i) _____ any other information that ASX Clear (Futures) deems necessary to include in the Specific DM Auction Terms.

Introduced [XX]

5.2 Cancellation of DM Auction or changes to Specific DM Auction Terms

- (a) _____ ASX Clear (Futures) is entitled, at any time prior to the Expiration Time for a DM Auction, to do any of the following in respect of that DM Auction:
 - (i) _____ cancel the DM Auction; or
 - (ii) _____ change the Auction Commencement Date, the Auction Commencement Time, the Expiration Date, the Expiration Time, the Auction Pool that is the subject of the DM Auction, or the bidding procedures contained in Paragraph 6;

provided that at the time of making such change, ASX Clear (Futures) will (if it reasonably deems necessary), extend the Expiration Time to allow for Participating Bidders to exercise the revocation right under DM Auction Paragraph 6.4 (Revocation of Bids following amendment).

- (b) ASX Clear (Futures) will inform all Participating Bidders in a DM Auction about any such changes made in accordance with Paragraph 5.2(a) by way of written notice.

Introduced [XX]

6 Bidding Procedures

6.1 Principles

With respect to each DM Auction the following principles will apply:

- (a) each Participating Bidder is permitted to provide ASX Clear (Futures) with a Bid (as defined in Paragraph 6.2 below) for the Auction Pool;
- (b) each Bid (as defined in Paragraph 6.2 below) must be made in respect of the Auction Pool in its entirety and may not be made in respect of one or more individual components of the Auction Pool.

Introduced [XX]

6.2 Submission of Bids

- (a) Participating Bidders must submit their offered price for an Auction Pool (each such submission referred to as a **Bid**) in accordance with the DM Auction Procedures. In order to be accepted as a valid Bid, each Bid must be:
- (i) expressed as a price per Auction Pool, in the auction currency specified in the Specific DM Auction Terms;
- (ii) submitted through completion of the “DM Auction Bidding Form” contained in the Specific DM Auction Terms and delivery of the form to ASX Clear (Futures) using the method specified in the Specific DM Auction Terms;
- (iii) submitted in the time period from, and including, the relevant Auction Commencement Time to, and including, the relevant Expiration Time (referred to as the Bidding Period); and
- (iv) where the Participating Bidder is not a Clearing Participant, each Bid must be submitted by the Participating Bidder to its relevant Clearing Participant, who will make submission of the Bid to ASX Clear (Futures) in accordance with the DM Auction Procedures.
- (b) By submitting a Bid received from a Participating Bidder to ASX Clear (Futures) in accordance with Paragraph 6.2(a)(iv), a Clearing Participant agrees to assume and be bound by all of the obligations of the Participating Bidder to ASX Clear (Futures) in respect of the underlying DM Auction Transactions in the event that the Bid is determined by ASX Clear (Futures) to be the winning Bid.

Introduced [XX]

6.3 Bid constitutes an irrevocable offer

- (a) A Bid constitutes an offer by the relevant Participating Bidder to enter into the DM Auction Transactions comprised in the relevant Auction Pool (as referred to in the Bid and in compliance with the DM Auction Procedures) with ASX Clear (Futures) at the Auction Price.

(b) Subject to Paragraph 6.4 (Revocation of Bids following amendment), the most recent Bid received by ASX Clear (Futures) from a Participating Bidder (or from the Clearing Participant of a Participating Bidder) in respect of the Auction Pool comprised in a DM Auction will be irrevocable.

Introduced [XX]

6.4 Revocation of Bids following amendment

If:

(a) ASX Clear (Futures) amends the Specific DM Auction Terms or any provisions of the General DM Auction Procedures prior to the Expiration Time of a DM Auction; and

(b) such amendment is, in the reasonable opinion of ASX Clear (Futures), materially prejudicial to any Participating Bidder that has already submitted its Bid(s) before such amendment was announced and became effective,

then such Participating Bidder may revoke its Bid(s) in accordance with this Paragraph 6.4, provided that a revocation of the respective Bid(s) will only become effective if received by ASX Clear (Futures) prior to the Expiration Time (as amended in accordance with Paragraph 5.2(a)).

Introduced [XX]

6.5 No negative Bids

All Bids submitted to ASX Clear (Futures) must be positive Bids. A negative Bid will not be accepted by ASX Clear (Futures) as a valid Bid.

Introduced [XX]

6.6 Bids confidential

All Bids submitted in respect of a DM Auction are confidential and must be made by a confidential means of communication.

Introduced [XX]

6.7 Instructions to be clear and unequivocal

(a) All communications by a Participating Bidder to ASX Clear (Futures) purporting to submit, revise or revoke any Bid in compliance with the DM Auction Procedures must be clear and unequivocal.

(b) ASX Clear (Futures) may reject any communication from a Participating Bidder purporting to submit, revise or revoke any Bid in compliance with the DM Auction Procedures if ASX Clear (Futures) determines, in its discretion, that such communication is not clear and unequivocal.

Introduced [XX]

7 Determination of Winning Bid and Auction Price

7.1 Determination of winning Bid

(a) After the Expiration Time, ASX Clear (Futures) will determine the winning Bid for the Auction Pool in accordance with the auction format specified in Paragraph 8 and in accordance with this Paragraph 7.

(b) If:

- (i) two or more Participating Bidders enter the same Bid for an Auction Pool, and
- (ii) the Bid entered by multiple Participating Bidders is the highest valid Bid received by ASX Clear (Futures).

the winning Bid will be the Bid that was received first by ASX Clear (Futures), unless both Bids are received by ASX Clear (Futures) at the same time, in which case ASX Clear (Futures) will have absolute discretion in determining the winning Bid.

- (c) Regardless of any provisions to the contrary contained in the Specific DM Auction Terms or these General DM Auction Procedures, if the highest Bid received by ASX Clear (Futures) for an Auction Pool is not acceptable to ASX Clear (Futures) in its sole discretion, having regard to its compliance with its obligations as a CS facility licensee, ASX Clear (Futures) may instead select the next highest Bid (or, if the next highest Bid is also not acceptable to ASX Clear (Futures), each subsequent lower Bid until a Bid is deemed acceptable) as the winning Bid in any DM Auction.

Introduced [XX]

7.2 Reserve Price

- (a) ASX Clear (Futures) may at its sole discretion set a reserve price for the Auction Pool comprised in a DM Auction.
- (b) The reserve price for the Auction Pool, if any, will not be disclosed prior to the scheduled Expiration Time in respect of the relevant DM Auction.
- (c) If a reserve price specified for the Auction Pool is higher than the otherwise winning Bid for such Auction Pool, then despite any other provision of these DM Auction Procedures, there is taken to be no winning Bid for such Auction Pool.

Introduced [XX]

7.3 Notification of winning Bid

ASX Clear (Futures) will inform all Participating Bidders at the Acceptance Time on the Acceptance Date whether their Bid(s) qualified as winning Bid(s) with respect to the Auction Pool.

Introduced [XX]

7.4 DM Auction Transactions

Following determination of the winning Bid for the Auction Pool by ASX Clear (Futures), the DM Auction Transactions of that Auction Pool will be established between ASX Clear (Futures) and either:

- (a) the Participating Bidder; or
- (b) where the Participating Bidder is not a Clearing Participant, the Clearing Participant of that Participating Bidder, pursuant to Paragraph 6.2(b);

at the Settlement Time on the Settlement Date against payment of the Auction Price for such Auction Pool in accordance with the standard practices of ASX Clear (Futures).

Introduced [XX]

7.5 Failed Auction

If ASX Clear (Futures) determines that a DM Auction or any part of it has failed for any reason, ASX Clear (Futures) may:

- (a) reallocate the DM Auction Transactions comprising the Auction Pool and hold a further DM Auction in accordance with these DM Auction Procedures; and
- (b) take any such other action as ASX Clear (Futures) determines in its discretion is appropriate.

Introduced [XX]

7.6 Non-disclosure

ASX Clear (Futures) will keep confidential the details of all Bids submitted to it until the Expiration Time. In any event, ASX Clear (Futures) will not disclose:

- (a) the identity of the Participating Bidder that submitted the winning Bid for the Auction Pool to any party;
 - (b) the Auction Price for the Auction Pool, to any party other than the Participating Bidder who submitted the winning Bid; or
 - (c) Bids of Participating Bidders to other Participating Bidders,
- unless it is required to do so by law, regulation or regulators.

Introduced [XX]

8 Auction Format

- (a) Where ASX Clear (Futures) conducts a DM Auction in accordance with these DM Auction Procedures, ASX Clear (Futures) will apply the “Highest Bidder Wins Auction Format” as described in Paragraph 8.1(b). -
- (b) A DM Auction with a “Highest Bidder Wins Auction Format” will be conducted in accordance with the following requirements:-
 - (i) all Bids will be made in accordance with the DM Auction Procedures;
 - (ii) there will be one Auction Pool only comprised in a single DM Auction;
 - (iii) Participating Bidders in respect of that DM Auction are not required to submit a Bid, however, any Bid submitted must be for the Auction Pool as a whole; and
 - (iv) subject to Paragraph 7.1 (Determination of winning Bid) and 7.2 (Reserve Price), the highest valid Bid will be the winning Bid with respect to the Auction Pool and such highest Bid will be the Auction Price for that Auction Pool.

Introduced [XX]

9 Settlement of Auction Price

At the Settlement Time on the Settlement Date, the Participating Bidder that has submitted the winning Bid must pay to ASX Clear (Futures) the Auction Price, together with any applicable Variation Margin associated with the successful Bid.

Introduced [XX]

10 Irregularities

- (a) All questions as to the validity, form and eligibility (including the time of receipt) of any Bid or revision of it, will be determined by ASX Clear (Futures), which determination will be final and binding.
- (b) ASX Clear (Futures) reserves the absolute right to reject at any time any and all Bids that do not comply with these DM Auction Procedures.
- (c) ASX Clear (Futures) reserves the absolute right to waive any requirement under the DM Auction Procedures.
- (d) ASX Clear (Futures) will be under no duty to give notice to Participating Bidders of any irregularities in Bids.

Introduced [XX]

11 Agreements and acknowledgements by Participating Bidders

11.1 Agreements

By submitting a Bid in accordance with the DM Auction Procedures, each Participating Bidder agrees with ASX Clear (Futures) at the time of the submission of its Bid that:

- (a) it accepts the DM Auction Procedures;
- (b) it accepts that ASX Clear (Futures) is under no obligation to accept a Bid which is not made in accordance with the DM Auction Procedures;
- (c) it accepts that ASX Clear (Futures) will not be liable for any Bids that are submitted by a Participating Bidder to a Clearing Participant in accordance with 6.2(a)(iv) and which are not received by ASX Clear (Futures) before the Expiration Time for the relevant DM Auction;
- (d) it accepts the rights of ASX Clear (Futures) set out in DM Auction Paragraph 10 (Irregularities); and
- (e) (it will indemnify on an after tax basis ASX Clear (Futures) against all and any losses, costs, claims, liabilities, expenses, charges, actions or demands which ASX Clear (Futures) may incur or which may be made against ASX Clear (Futures) as a result of:
 - (i) any breach of any of the DM Auction Procedures, or
 - (ii) any breach of the acknowledgements, representations, warranties and undertakings given pursuant to the DM Auction Procedures (including any Bid thereunder) by the Participating Bidder,

up to a maximum capped amount for that Participating Bidder in respect of all DM Auctions which may occur as a result of the applicable Participant's Default, of fifty million dollars (\$50,000,000).

Introduced [XX]

11.2 Acknowledgements

By submitting a Bid in accordance with the DM Auction Procedures, each Participating Bidder acknowledges to ASX Clear (Futures) at the time of the submission of its Bid that:

- (a) it understands that ASX Clear (Futures) may, at its own discretion, extend, re-open, amend or waive any condition of, or cancel the DM Auction at any time in accordance with Paragraph 5.2 (Cancellation of DM Auction or

changes to Specific DM Auction Terms) and that in the event of a cancellation of the DM Auction, the Bids will be cancelled;

- (b) it understands that acceptance by ASX Clear (Futures) of a submitted Bid as a winning Bid will constitute a binding contract regarding the entering into the DM Auction Transactions comprised in the relevant Auction Pool;
- (c) ASX Clear (Futures) will rely upon the truth and accuracy of the representations, warranties and undertakings contained in DM Auction Paragraph 12 (Representations, Warranties and Undertakings of Participating Bidder); and
- (d) a Variation Margin requirement with respect to the respective DM Auction Transactions comprised in the relevant Auction Pool may become due at the relevant Settlement Time.

Introduced [XX]

12 Representations and warranties of Participating Bidder

12.1 By submitting a Bid in accordance with the DM Auction Procedures, each Participating Bidder (and each Clearing Participant of any Participating Bidder that is not a Clearing Participant) represents and warrants to ASX Clear (Futures) at the time of the submission of its Bid, that:

- (a) it will:
 - (i) keep confidential and will not disclose directly or indirectly (other than in accordance with these DM Auction Procedures) the Specific DM Auction Terms or any other information regarding the relevant DM Auction, including any information with respect to the DM Auction Transactions or the Auction Pool;
 - (ii) use any such information at (i) solely for the purpose of evaluating the relevant Auction Pool; and
 - (iii) unless it has provided the winning Bid which has been accepted by ASX Clear (Futures) or is required to retain such information pursuant to law or internal compliance procedures, immediately delete and destroy such information after the respective Expiration Time and promptly certify to ASX Clear (Futures) in writing that such deletion has been completed;
- (b) it has not made and will not make available any information about Bids to, or discuss any Bids with, any other Participating Bidder;
- (c) it has neither taken, nor omitted to take, any action in breach of the DM Auction Procedures;
- (d) it does not engage in any trading activity with the purpose of affecting the value of any DM Auction Transaction or Auction Pool;
- (e) no order has been made or applied for or resolution passed for the suspension of payments or dissolution, termination of existence, liquidation, winding-up, bankruptcy, insolvency, judicial management or curatorship;
- (f) no moratorium in respect of all or any debts or a composition or an arrangement with creditors or any similar proceeding or arrangement by which its assets are submitted to the control of its creditors is ordered, declared or applied for;

- (g) no liquidator, trustee, administrator, receiver, statutory manager or similar officer has been appointed in respect of it or in respect of all or a substantial part of its assets;
- (h) it is able to pay its debts as and when they fall due, will not become unable to pay its debts as a consequence of entering into the DM Auction Transactions; and
- (i) no event has occurred or circumstance arisen with respect to it, which might (whether or not with the giving of notice or the passage of time or the fulfilment of any other requirement) constitute a Default.

12.2 The representation in 12.1(a) above is also made by each Participating Bidder that has not placed a Bid in respect of a particular DM Auction.

12.3 The representations and warranties pursuant to DM Auction Paragraph 12.1 (Representations) will be repeated on the relevant Settlement Date by each Participating Bidder that has placed a Bid in respect of a particular DM Auction.

Introduced [XX]

13 Duty to Inform

If a Participating Bidder is unable to give the agreements, acknowledgements, representations and warranties set out in DM Auction Paragraph 11 (Agreements and acknowledgements by Participating Bidder) and 12 (Representations and warranties of Participating Bidder), such Participating Bidder will notify ASX Clear (Futures) without undue delay informing ASX Clear (Futures) about the relevant circumstances.

Introduced [XX]

14 Governing law; Place of jurisdiction

The rights and obligations arising out of, and in connection with, the DM Auction Procedures will be governed by the law in force in New South Wales.

The exclusive place of jurisdiction for all disputes arising out of, or in connection with, these DM Auction Procedures is New South Wales.

Introduced [XX]

15 Amendment of DM Auction Procedures

ASX Clear (Futures) reserves the right to amend the DM Auction Procedures at any time at its sole discretion.

Introduced [XX]

ANNEX – Form of Specific DM Auction Terms

[Letterhead of ASX Clear (Futures)]

To The DM Auction Invitees

[Date]

SPECIFIC TERMS FOR DM AUCTIONS

You have been invited by ASX Clear (Futures) to participate in a DM Auction (as further described by the details below).

These Specific DM Auction Terms must be read in conjunction with the General DM Auction Procedures as set out in Procedure 72.1(aa) (Default Management Auction Procedures) of the ASX Clear (Futures) Operating Rules – Procedures Determinations and Practice Notes and constitute, in conjunction with the General DM Auction Procedures, the DM Auction Procedures for this DM Auction. In case of any differences between the General DM Auction Procedures and these Specific DM Auction Terms, these Specific DM Auction Terms will prevail. None of the Specific DM Auction Terms or the General DM Auction Procedures prevail over the Recovery Rules.

Each DM Auction Invitee will keep confidential and will not disclose directly or indirectly the Specific DM Auction Terms or any other information regarding the relevant DM Auction, including any information with respect to the DM Auction Transactions or the Auction Pool. It will use any such information solely for the purpose of evaluating the Auction Pool and it will, unless it has provided a winning Bid that has been accepted by ASX Clear (Futures), immediately delete and destroy such information after the respective Expiration Time and will promptly certify to ASX Clear (Futures) in writing that such deletion has been completed.

Notwithstanding the above, a DM Auction Invitee that is not a Clearing Participant may disclose the Specific DM Auction Terms or any other information that it receives in respect of a DM Auction in its capacity as a DM Auction Invitee, to its relevant Clearing Participant for the purpose of obtaining the agreement of the Clearing Participant to enter into the DM Auction Transactions which the DM Auction Invitee may acquire in the DM Auction.

The DM Auction requires DM Auction Invitees to calculate their own valuation of the Auction Pool to determine an appropriate Auction Bid. ASX Clear (Futures) is unable to advise on matters relating to a DM Auction Invitee’s calculation of an Auction Bid.

To ensure fair and equal treatment of all DM Auction Invitees, the answers to questions of relevance to Auction Invitees generally received by ASX Clear (Futures) prior to the relevant Expiration Time of the DM Auction will be disseminated via email on an anonymised basis to all DM Auction Invitees.

General Information:

Auction Pool Code: []

Auction Pool Description: []

Auction Currency: []

DM Auction Transactions: [Refer below] / [Refer to files attached containing last Daily Settlement Prices relevant to each DM Auction Transaction]:

_____ - []

Bidding and Auction Procedure Details:

Reserve Price Set: _____ [Yes/No]

Implied Auction Payment Direction: _____ Participating Bidder (or its Clearing Participant, as applicable) pays ASX Clear (Futures)

Auction Timetable (all times AEST):

Auction Commencement Date / Time: _____ [DD MMMM YYYY, HH: MM HRS]

Expiration Date / Time: _____ [DD MMMM YYYY, HH: MM HRS]

Acceptance Date / Time: _____ [DD MMMM YYYY, HH: MM HRS]

Settlement Date / Time: _____ [DD MMMM YYYY, HH: MM HRS]

(The Settlement Time on the Settlement Date is when the Auction Price will be paid and the DM Auction Transactions in the Auction Pool will be established with the winning bidder (or its Clearing Participant, as applicable). Margin obligations in respect of the DM Auction Transactions apply to the winning bidder (or its Clearing Participant) on and from the Settlement Time on the Settlement Date.)

This Auction Pool at the Settlement Time on the Settlement Date includes only those cash flows scheduled for settlement after the Settlement Date.

DM AUCTION BIDDING FORM

(Please provide bid details in the format below and return to ClearingRiskManagement@asx.com.au)

<u>Participating Bidder Name</u>		
<u>Participating Bidder Invitee Code</u>		
<u>Name of Clearing Participant (if different from Participating Bidder)</u>		
<u>Bid (Price per Auction Pool expressed in Auction Currency)</u>		
<u>Auction Payment Direction</u>	<input type="checkbox"/> <u>Participating Bidder pays ASX Clear (Futures)</u>	<input type="checkbox"/> <u>ASX Clear (Futures) pays Participating Bidder</u>

The sender of this form is authorised to submit this bid on behalf of the Participating Bidder.

ANNEX – Default Management Auction Process Timeline

1 Guidance

This Addendum summarises the applicable timings and steps to be taken in respect of a DM Auction.

The DM Auction Process Timeline is provided by way of guidance only and does not form part of the DM Auction Procedures or override the DM Auction Procedures for any particular DM Auction.

2 DM Auction Process Timeline

<u>Step:</u>	<u>Applicable time:</u>	<u>Action:</u>
<u>1</u>	<u>Prior to the Auction Commencement Time</u>	<u>ASX Clear (Futures) to provide all DM Auction Invitees with the Specific Auction Terms in respect of the DM Auction.</u>
<u>2</u>	<u>At the Auction Commencement Time on the Auction Commencement Date</u>	<u>The DM Auction commences.</u>
<u>3</u>	<u>During the Bidding Period</u>	<u>Participating Bidders to submit Bids for the relevant Auction Pool.</u>
<u>4</u>	<u>Prior to the Expiration Time</u>	<u>ASX Clear (Futures) may change the Auction Commencement Date, Auction Commencement Time, Expiration Date, Expiration Time or bidding procedures.</u> <u>If such changes are in the reasonable opinion of ASX Clear (Futures) materially prejudicial to a Participating Bidder that has already submitted a Bid, the Participating Bidder may with the written consent of ASX Clear (Futures) revoke its Bid, if such revocation is received prior to the Expiration Time (as amended).</u>
<u>5</u>	<u>Expiration Time</u>	<u>Submission of Bids closes.</u>
<u>6</u>	<u>Acceptance Time on the Acceptance Date</u>	<u>ASX Clear (Futures) will inform the winning Participating Bidder of the acceptance of its winning Bid for the Auction Pool and will notify all other Participating Bidders that they did not provide the winning Bid in respect of the Auction Pool.</u>
<u>7</u>	<u>Settlement Time on the Settlement Date</u>	<u>DM Auction Transactions of the Auction Pool are established as of the Settlement Time on the Settlement Date against payment of the Auction Price for such Auction Pool.</u> <u>Any applicable Variation Margin associated with the successful Bid becomes due and payable.</u>

Introduced [XX]

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Schedule 3 Prescribed Times ~~[Deleted]~~

Rule	Description	Time
43.1 and 44.4	Time for payment of Initial margins and Daily Settlement Amounts	AUD-denominated contracts—10:30 am (Sydney time), to be pending RTGS. AUD-denominated contracts—11:00 am (Sydney Time), funds to be cleared. NZD-denominated contracts—11:00 am (Sydney Time), funds to be cleared. US-denominated contracts—12:00 pm (Sydney time), payment to be confirmed via authenticated SWIFT message to Exchange USD Bank. US-denominated contracts—5:00 pm (New York time), funds to be received by Exchange US Correspondent Bank. EUR-denominated contracts—12pm (Sydney time), Payment to be confirmed via authenticated SWIFT message to Exchange EUR Bank. EUR-denominated contracts—Funds to be received by Exchange EUR Correspondent Bank by local cutoff for same day value. GBP-denominated contracts—12pm (Sydney time), Payment to be confirmed via authenticated SWIFT message to Exchange GBP Bank. GBP-denominated contracts—Funds to be received by Exchange GBP Correspondent Bank by local cutoff for same day value. JPY-denominated contracts—10am (Sydney time), Payment to be confirmed via authenticated SWIFT message to Exchange JPY Bank. JPY-denominated contracts—Funds to be received by Exchange JPY Correspondent Bank by local cutoff for same day value.
43A.1	Time for payment of Initial Margins	10:30 am (Sydney Time), to be pending RTGS 11:00 am (Sydney Time), Funds to be cleared

~~Amended 24/09/18~~

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