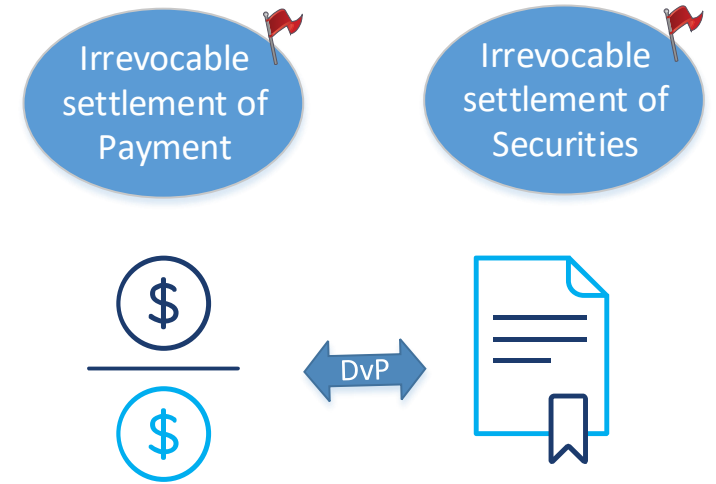




CHES Batch Settlement Operational Overview

CHES performs the following steps each business day to achieve DvP settlement through a multilateral net batch settlement process

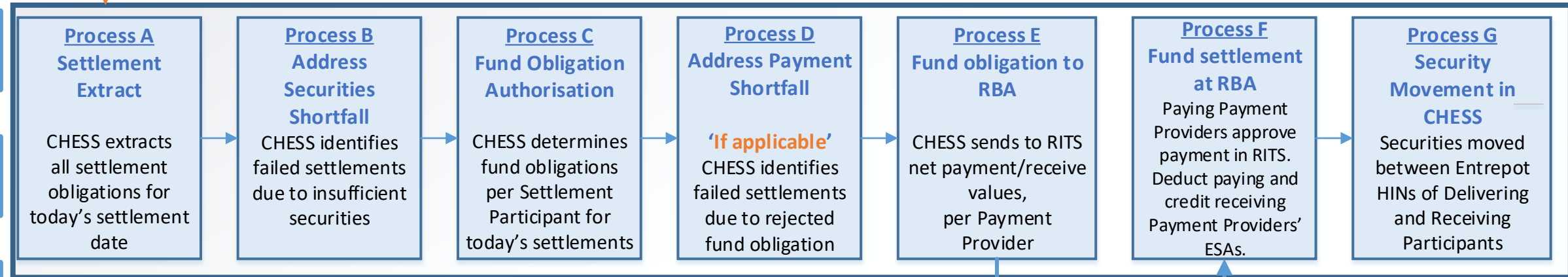
Times referred to are in Sydney time and reflective of a standard daily schedule.
If the times change materially, CHES Helpdesk will notify the market accordingly



11:15am
CUTOFF for request of extension to CHES batch

11:30am
CHES Batch Settlement Commences

~12:30pm*
CHES Batch Settlement Concludes



EXTENSION REQUEST:
Settlement Participants who need additional time to complete pre-batch CHES processing can request an extension
Please call CHES helpdesk 1800 814 051
Have the following information on hand:
- reason for request
- value of outstanding settlements
If an extension is granted ASX will:
- Send CHES Event Notification (MT542)
- Email all Participants to advise extension

During CHES Batch Settlement, CHES - ensures no movement to holding balances can take place that may impact today's settlements
- suspends processing of most settlement related instructions

CHES sends reschedule/fail messages to Settlement Participant

CHES sends initial fund obligations to Payment Providers
REASON "PRIMARY"


ACTION:
Each Payment Provider will review, APPROVE (or REJECT) fund obligations

FALLBACK REQUEST:
If a Payment Provider is **unable to process the request in CHES**, ASX can do this on your behalf.
Please email CHES helpdesk chesshelp@asx.com.au
ASX will provide the information needed to review for approval

CHES:
- Re-calculates participant fund obligations within CHES batch settlement
- Sends reschedule/fail messages to Settlement Participant
- Sends final, updated fund obligations to Payment Providers
REASON "FAILURE"

EXCEPTION:
This process only applies if a Payment Provider REJECTS a fund obligation of a Settlement Participant.
Process D also involves a manual step by ASX in CHES and is not automatic upon payment provider rejection (allowing for validation of a rejection).

CHES Batch requires settlement of funds to take place within the Reserve Bank of Australia RITS system



CHES sends Final settlement messages to confirm transfer of securities and funds

In the final stage of batch processing, CHES
- suspends processing of all settlement instructions
- queues all CHES messages for Trade Notification (MT164)

CHES sends Event Notification message to confirm settlement is complete

CHES resumes normal operation

***Approximate time**
The actual time will differ each day and is dependent on the timing of each batch process



CHESB Batch Settlement scheduled times:

1. Participants may request an extension to CHESB batch by 11:15am
2. CHESB batch commences at 11:30am (Process A). Participants will be notified of any delay
3. Payment Providers are notified by 1:00pm of CHESB fund obligations (Process C)
4. Payment Providers to authorise fund obligations for Participants by 2:30pm (Process C)
5. Registration of net payments within RITS by 3:00pm (Process E)
6. Fund settlement in RITS by 4:30pm (Process F)

CHESB Batch Settlement normally completes by 12:30pm each day, with the times in items 3 – 6 above being fall-back times.

Where there is a technical issue affecting security movements in CHESB (Process G), and fund settlement in RITS (Process F) has already occurred, ASX Settlement intends to complete Batch Settlement as soon as practicable based on the availability of CHESB (i.e. ASX Settlement does not intend to rollback Batch Settlement).

Note that in the case of an emergency situation, ASX Settlement may take actions outside the above scheduled times where necessary to resolve the situation.

ASX Settlement communication approach:

1. Participants will be notified by 12:30pm if there is potential for a delay caused by a pending Payment Provider approval
2. Communication on delays and technical issues will be made via the ASX System Status Page (<https://www2.asx.com.au/markets/market-resources/system-status>) and email updates
3. Where appropriate, seek feedback on impacts and resolution options
4. Commence communication with Participants during high severity incidents, within 1 hour of an identified incident