

# FCX

## Operating Rules

Version	Date in force	Description
1	5 August 2024	Rules for launch of FCX
2	21 July 2025	Amendments to support Tenders

---

### CONTENTS

CLAUSE	PAGE
1. DEFINITIONS, INTERPRETATION AND STRUCTURE OF THE RULES .....	3
1.1 Rules for interpreting this document.....	3
1.2 Definitions .....	4
1.3 Terms defined in the Corporations Act .....	7
1.4 Settlement Rules .....	7
2. APPLICATION OF THE OPERATING RULES .....	7
2.1 Legal effect .....	7
2.2 Operation of the Rules and Procedures .....	7
2.3 Amendments to the Rules .....	8
2.4 Exercise by FCX of powers .....	8
3. PARTICIPANT ACCESS .....	8
3.1 Participants .....	8
3.2 Authorised Persons .....	9
3.3 Obligations of Participants.....	9
4. TRADING .....	10
4.1 Instruments able to be traded on the Market.....	10
4.2 Trading Windows .....	10
4.2A Tender Windows .....	10
4.3 Order entry and cancellation .....	11
4.4 Auction process – Trading Windows.....	12
4.5 Matching process – Trading Windows .....	12
4.5A Matching process – Tender Windows .....	13
4.6 Fair, orderly and transparent market .....	14
4.7 Deferral or cancellation of Auction Time, Closing Time or matching process.....	14
5. SETTLEMENT OF TRANSACTIONS .....	14
5.1 Settlement of Transactions .....	14
5.2 Settlement and transfer of title.....	15
5.3 Contra Transactions .....	16
5.4 Fair and effective Settlement Facility .....	16
6. SUPERVISION AND ENFORCEMENT .....	16
6.1 Monitoring of Participant's trading .....	16
6.2 Direction to provide assistance, information or documents .....	16
7. DISCIPLINARY PROCESS.....	17
7.1 Disciplinary Action.....	17

7.2	Disciplinary outcomes.....	17
7.3	Register of disciplinary outcomes .....	17
8.	DISPUTES.....	17
9.	LIABILITY OF FCX .....	18
9.1	Exclusion of liability.....	18
9.2	Certain liability not excluded .....	18
9.3	Limitation of liability.....	18
9.4	Extension of liability exclusions and limitations to others.....	18
9.5	Indemnity.....	19
10.	GENERAL .....	19
10.1	Governing law .....	19
10.2	Giving of notice under these Rules .....	19
10.3	Fees and charges.....	19
10.4	GST .....	19
10.5	Information sharing with regulators .....	20

FinClear Pty Ltd (**FCX**) holds an Australian market licence and Australian CS facility licence to operate its Platform for the trading and settlement of financial products.

These Rules are the operating rules for FCX's licensed market under section 793A of the Corporations Act.

Specific provisions under these Rules also comprise the operating rules for FCX's licensed CS facility under section 822A of the Corporations Act.

These Rules should be read in conjunction with the Procedures, the Issuer Rules and the Corporations Act.

## 1. **DEFINITIONS, INTERPRETATION AND STRUCTURE OF THE RULES**

### 1.1 **Rules for interpreting this document**

- (a) Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.
- (b) A reference to:
  - (i) a legislative provision or legislation (including subordinate legislation) is to that provision or legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
  - (ii) a document (including this document) or agreement, or a provision of a document (including this document) or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
  - (iii) a party to this document or to any other document or agreement includes a successor in title, permitted substitute or a permitted assign of that party;
  - (iv) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator, or successor in law of the person; and
  - (v) anything (including a right, obligation, or concept) includes each part of it.
- (c) A singular word includes the plural, and vice versa.
- (d) A word which suggests one gender includes the other genders.
- (e) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (f) If an example is given of anything (including a right, obligation, or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (g) A reference to **information** is to information of any kind in any form or medium, whether formal or informal, written, or unwritten, for example, computer software or programs, concepts, data, drawings, ideas, knowledge, procedures, source codes or object codes, technology, or trade secrets.
- (h) A reference to Business Day is a day that ordinary businesses are open in Sydney, Australia, excluding weekends and public holidays.

- (i) A reference to “\$”, “dollar” or “cent” is to Australian currency unless denominated otherwise.

## 1.2 Definitions

In these Rules, the following defined words have a particular meaning unless the context requires otherwise. When defined words appear in these Rules, they are capitalised.

Defined term	Meaning
Allocation Phase	In the context of a Tender Window, the process through which an Issuer determines which buy Orders and which sell Orders at the Tender Price will match and the extent to which they match (as described in Rule 4.5A).
Allocation Time	In the context of a Tender Window, the time by which an Issuer is required to notify FCX of allocations of buy Orders and sell Orders, as specified in the Procedures.
Applicable Law	Any of the following: (a) any statute, directive, order, enactment, regulation, bylaw, ordinance or subordinate legislation in force from time to time; (b) any binding court order, judgement or decree; (c) any applicable industry code, policy or standard enforceable by law; and (d) any applicable direction, statement of practice, policy, rule or order that is set out by a regulator that is binding.
Auction Time	The time agreed between FCX and the Issuer at which a Trading Window closes and the auction commences under Rule 4.4.
Authorised Person	A person authorised by a Participant to access the Platform on behalf of the Participant.
Cash Token	A token recorded in the Platform which represents the amount of a Participant's entitlement to money standing to the credit of the Client Money Account. For example, if a Participant is entitled to an amount of \$1,000.50 in the Client Money Account, the Participant will also have one or more Cash Tokens equal to that amount.
Client Money Account	An account established and operated by FCX pursuant to section 981B of the Corporations Act (or the conditions of its Australian clearing and settlement facility licence) into which client money received by FCX, including from Participants, is paid.
Closing Time	The time determined by the Issuer at which a Tender Window closes.
Contra Transaction	A transaction in accordance with Rule 5.3 which has the substantive effect of reversing a Transaction.
Corporations Act	<i>Corporations Act 2001</i> (Cth)

Disciplinary Action	An action taken by FCX under Rule 7.1
EOI Phase	(If applicable in respect of a Tender Window), a period prior to period prior to the Open Time during which the Issuer may invite specified Participants to submit indicative bids or offers through the Platform, specifying the price at which they may be prepared to buy or sell (as applicable) the relevant Instrument the subject of the Tender Window.
FCX	FinClear Pty Ltd (ABN 63 607 164 714)
Funding Time	In the context of a Tender Window, the time by which a buying Participant must fund their Wallet after being notified of an allocation, as specified in the Procedures.
Instrument	A security or interest in a managed investment scheme that has been admitted by FCX under the Issuer Rules for trading on the Market.
Issuer	An entity admitted by FCX under the Issuer Rules to have its financial products traded on the Market.
Issuer's Register	The register of members kept by the Issuer as required by sections 168 and 169 of the Corporations Act on the Platform.
Issuer Rules	The rules of FCX under which Issuers are admitted to have their financial products traded on the Market.
Lock	The act undertaken by FCX to reserve any quantity of an Instrument on the Issuer's Register or any Cash Token on the Platform, until such Instrument or Cash Token is dealt with or otherwise released in accordance with these Rules.
Market	The market for the buying and selling of an Instrument operated by FCX through the Platform under its Australian market licence.
Matching Time	The time at which all or part of one Order is matched with all or part of another Order in accordance with Rule 4.5(a) or Rule 4.5A(f) resulting in a Transaction.
Open Time	The time at which a Trading Window or a Tender Window (as applicable) opens, as agreed between FCX and the Issuer.
Order	An instruction to buy or sell an Instrument, or an instruction to cancel a prior instruction to buy or sell an Instrument.
Participant	A person or entity who has been approved by FCX to access the Platform and is allowed to directly participate in the Market and the Settlement Facility under these Rules.
Platform	The systems operated by FCX for the purposes of operating the Market and the Settlement Facility and the provision of other services and functionalities to Issuers, Participants and other users.
Platform Access Terms	The terms to which a Participant, Issuer or Authorised Person accept and agree which govern their access to the Platform, as amended from time to time.

Pre-Match Time	In the context of a Tender Window, the time immediately prior to the matching process occurring where all Wallets of relevant buying Participants are funded for their full allocations.
Price Range	The range between the minimum price and maximum price for an Instrument that may be submitted under an Order in a Trading Window, as agreed between FCX and the Issuer.
Procedures	The procedures made by FCX under Rule 2.2(a), as amended from time to time.
Retail Seller	A Participant who is not a Wholesale Client, who may only access the Market for the purpose of selling an Instrument held by the Participant.
Rules	These operating rules.
Session State	An operational state of the Market as set out in the Procedures.
Settlement Facility	The elements of the Platform which facilitate the settlement of Transactions.
Specified Tender Participant	Means in relation to a Tender Window (or preceding EOI Phase), the Participant invited by the Issuer to participate in the Tender Window (or preceding EOI Phase).
Sufficient Cleared Funds	Cleared funds of a Participant in the Client Money Account of an amount that is sufficient to discharge the Participant's settlement obligation under Rule 5.1 in full, should the Order result in a Transaction.
Tender Price	The price of an Instrument determined by the Issuer for a Tender Window.
Tender Window	The period, determined by the Issuer, during which Orders with respect to an Instrument at the Tender Price may be placed in the Market. The Tender Window commences at Open Time and ends at the Closing Time.
Trade Price	The price determined by FCX following the auction process conducted under Rule 4.4(b).
Trading Window	The period, determined by the Issuer, during which Orders with respect to an Instrument may be placed in the Market. The Trading Window commences at Open Time and ends at Auction Time.
Transaction	Each transaction referred to in Rule 4.5(a) and Rule 4.5A(f).
Transfer	An instrument of transfer in the form set out in the Procedures.
Wallet	A feature on the Platform in which the Cash Tokens and Instruments are represented and which enable a Participant to transact through the Platform.
Wholesale Client	A person who satisfies any of the "wholesale client" test under the Corporations Act.

### 1.3 **Terms defined in the Corporations Act**

Expressions that are not specifically defined in these Rules, but are given a particular meaning in the Corporations Act, have the same meaning as in the Corporations Act.

### 1.4 **Settlement Rules**

For the purposes of section 822A of the Corporations Act, the operating rules of the Settlement Facility comprise the following provisions:

- (a) Rule 1 (*Definitions, Interpretation And Structure Of The Rules*);
- (b) Rule 2 (*Application of Operating Rules*);
- (c) Rule 3 (*Participant access*);
- (d) Rule 5 (*Settlement of transactions*);
- (e) Rule 6 (*Supervision and enforcement*); and
- (f) Rule 7 (*Disciplinary process*),

but only to the extent that the relevant rule relates to the operation of the Settlement Facility.

## 2. **APPLICATION OF THE OPERATING RULES**

### 2.1 **Legal effect**

These Rules have effect as a binding contract under seal between FCX and each Participant, and between each Participant and each other Participant under which each Participant agrees to:

- (a) observe these Rules to the extent that they apply to the Participant; and
- (b) engage in conduct that the Participant is required by the Rules to engage in.

### 2.2 **Operation of the Rules and Procedures**

- (a) FCX may from time to time approve written Procedures in relation to the operation of the Market and the Settlement Facility, and these Rules and the conduct of Participants. These Rules should be read in conjunction with the Procedures and the Corporations Act.
- (b) The Procedures do not form part of these Rules, however if a Rule requires compliance with the Procedures, then failure to comply with the Procedures may be a contravention of the Rule.
- (c) To the extent of any inconsistency between:
  - (i) these Rules and the Procedures, the terms of these Rules will prevail; and
  - (ii) these Rules and the Corporations Act, these Rules should be read down and interpreted in a manner that is consistent with the Corporations Act.
- (d) FCX may waive the obligation of one or more Participants to comply with these Rules and the Procedures, subject to any condition it may impose at its discretion.

## 2.3 **Amendments to the Rules**

- (a) These Rules may only be amended by FCX. Any amendment shall be effective from the date determined by FCX. FCX will take reasonable steps to ensure that any amendment will be notified to Participants prior to the amendment taking effect, but failure to do so will not invalidate any such amendment or delay its operation.
- (b) The conduct of Participants will, unless otherwise specified, be governed and subject to the rules in force at the time of the conduct.

## 2.4 **Exercise by FCX of powers**

- (a) Where a Rule or Procedure provides for FCX to exercise a power or discretion with respect to a matter, FCX may exercise, or decide not to exercise, the power or discretion in its absolute discretion and on any conditions. FCX will, when exercising the discretion, have regard to its obligations as the holder of an Australian market licence and an Australian CS facility licence under the Corporations Act.
- (b) A failure by FCX to exercise, or any delay in exercising, any of its rights, powers or remedies under these Rules does not operate as a waiver of those rights, powers or remedies, whether in whole or in part.
- (c) FCX may at any time vary or revoke a decision under these Rules.

## 3. **PARTICIPANT ACCESS**

### 3.1 **Participants**

- (a) Before being accepted by FCX as a Participant and being granted access to the Market, a Participant must:
  - (i) have set up the Wallet functionality on the Platform and have been approved and granted permission by FCX to utilise the Wallet in connection with the Transactions on the Market; and
  - (ii) have agreed to the Platform Access Terms.
- (b) Unless they are a Retail Seller, a Participant must be a Wholesale Client and must take any steps that FCX reasonably requests in order to evidence that the Participant is a Wholesale Client.
- (c) A Retail Seller may only access the Market for the purpose of selling an Instrument held by the Retail Seller. FCX may impose any restrictions or conditions on the Retail Seller's access to ensure that the Retail Seller may only place sell Orders or enter into Transactions as a seller of Instruments that the Retail Seller holds.
- (d) Each and every time a Participant (other than a Retail Seller) places an Order to buy an Instrument, the Participant represents and warrants to FCX that the Participant:
  - (i) is not a retail client and is not acting as an agent for, or on behalf of, a retail client; and
  - (ii) has not been given money or other property or authority over property (including shares) by a retail client in connection with the settlement of any Transaction which may arise from the Order.
- (e) If a Participant wishes to terminate their access to the Market, the Participant must notify FCX of that termination in writing or through the Platform. Termination will



only be effective when FCX notifies the Participant that their access to the Market has been terminated.

### 3.2 **Authorised Persons**

- (a) A Participant may identify and authorise one or more Authorised Persons to access the Market and give instructions to FCX, including to place Orders on behalf of the Participant. A Participant must notify FCX of any Authorised Person in accordance with the Procedures.
- (b) Before an Authorised Person is granted access to the Market (such access being granted solely for the purpose of acting on behalf of the authorising Participant):
  - (i) the Participant must ensure, and represents and warrants to FCX, that there are documented arrangements and authorities in place between the Participant and the Authorised Person in respect to the Authorised Person's access to the Market and the Authorised Person's authority to place Orders on behalf of the Participant (which will be made available to FCX upon request);
  - (ii) the Authorised Person must have agreed to the Platform Access Terms.
- (c) The Participant is solely responsible and liable for any act or omission of its Authorised Persons in connection with the Market, as if the act or omission is an act or omission of the Participant.
- (d) If a Participant wishes to terminate the authority of an Authorised Person whom the Participant has previously authorised, the Participant must notify FCX of that termination in accordance with the Procedures. In the absence of any such notice, FCX is entitled to assume that the Authorised Person has the authority of the Participant to access the Market on the Participant's behalf and that such authority has not been revoked. It is the Participant's responsibility to manage the permission and access of any Authorised Persons.
- (e) FCX may, at any time in its absolute discretion:
  - (i) restrict the authority of any Authorised Person in respect of any Participant;
  - (ii) revoke the authority of any Authorised Person in respect of any Participant; or
  - (iii) prohibit any Authorised Person or former Authorised Person from accessing the Platform.

### 3.3 **Obligations of Participants**

A Participant must at all times:

- (a) comply, and ensure that each of the Participant's Authorised Persons complies, with these Rules, the Procedures, the Platform Access Terms, any directions or requirements of FCX in connection with the Market or Settlement Facility;
- (b) comply, and ensure that each of the Participant's Authorised Persons complies, with Applicable Laws;
- (c) ensure that the Participant, and each of its Authorised Persons, does not do, or refrains from doing, anything which may result in the Market not being fair and orderly, or the Settlement Facility not being fair and effective, at any time;

- (d) take all reasonable steps to prevent unauthorised access to the Platform by persons other than their Authorised Persons;
- (e) ensure that its operating systems and technology do not interfere with the efficiency and integrity of the Market or Settlement Facility or the proper functioning of the Platform and comply with any minimum operational and system requirements which are set out in the Procedures; and
- (f) notify FCX of matters set out in the Procedures.

## **4. TRADING**

### **4.1 Instruments able to be traded on the Market**

For an Instrument to be traded on the Market:

- (a) the Issuer of that Instrument must have been admitted by FCX under the Issuer Rules and continue to be admitted as an Issuer; and
- (b) FCX must have approved the Instrument for trading on the Market.

### **4.2 Trading Windows**

- (a) The Market is not a continuous market in respect of any Instrument. The Market in respect of an Instrument may operate on Trading Windows, with various Session States, as set out in the Procedures.
- (b) The Issuer determines the Open Time, Auction Time and Price Range for a Trading Window, in accordance with the Issuer Rules.
- (c) FCX will notify Participants of the Open Time, Auction Time and Price Range of each Trading Window for an Instrument in accordance with the Procedures.
- (d) An Issuer or FCX may, at any time before the Auction Time, terminate a Trading Window in accordance with the Issuer Rules. FCX will notify the Participants in accordance with the Procedures. If this occurs:
  - (i) FCX will notify Participants of the closure in accordance with the Procedures;
  - (ii) all Orders submitted will be cancelled; and
  - (iii) there will be no Transactions.

#### **4.2A Tender Windows**

- (a) The Market in respect of an Instrument may operate on Tender Windows, with various Session States, as set out in the Procedures.
- (b) FCX may, on the request of an Issuer, operate one or more EOI Phases prior to the commencement of a Tender Window. During an EOI Phase:
  - (i) the Issuer may invite one or more Specified Tender Participants to submit indicative bids or offers through the Platform, specifying the price at which they may be prepared to buy or sell (as applicable) the relevant Instrument the subject of the Tender Window, so as to assist the Issuer to determine a Tender Price for the proposed Tender Window; and

- (ii) any indicative bids or offers submitted during the EOI Phase are indicative of interest only and are not binding Orders. Any Specified Tender Participant may cancel or amend any indicative bid or offer any time during the EOI Phase.
- (c) The Issuer determines the Specified Tender Participants, Open Time, Closing Time and Tender Price (or Tender Prices) for a Tender Window, in accordance with the Issuer Rules.
- (d) FCX will notify Specified Tender Participants of the Open Time, Closing Time and Tender Price (or Tender Prices) for each Tender Window for an Instrument in accordance with the Procedures. Only Specified Tender Participants are entitled to participate in the Tender Window.
- (e) An Issuer or FCX may, at any time before the Closing Time, terminate a Tender Window in accordance with the Issuer Rules. FCX will notify the Specified Tender Participants in accordance with the Procedures. If this occurs:
  - (i) FCX will notify Specified Tender Participants of the closure in accordance with the Procedures;
  - (ii) all Orders submitted will be cancelled; and
  - (iii) there will be no Transactions.

#### 4.3 **Order entry and cancellation**

- (a) An Order may only be placed, and will only be accepted, in the Market during a Trading Window or a Tender Window for that Instrument, when the relevant Session State for placing Orders is open.
- (b) A Participant may only enter an Order to sell an Instrument if the Participant holds on the Issuer's Register a sufficient quantity of the Instrument to fulfill the Participant's settlement obligation should the Order result in a Transaction. When a Participant enters a sell Order:
  - (i) FCX will immediately Lock the relevant quantity of the Instrument for the purpose of settling any Transaction that may arise from the execution of the Order or, if the required quantity is not available, then the Order will be rejected; and
  - (ii) the Lock on the Instruments will apply until the earlier of:
    - (A) settlement of any Transaction arising from the Order; or
    - (B) the Order is cancelled.

In the case of a Tender Window in respect of which there is more than one Tender Price, and a Participant enters more than one sell Order for different volumes at different Tender Prices, FCX will Lock the quantity of Instruments which is required to settle the sell Order with the highest volume.

- (c) In a Trading Window, a Participant may only enter an Order to buy an Instrument if the Participant has Sufficient Cleared Funds (as represented by Cash Tokens) at the time the Order is placed. When a Participant enters a buy Order:
  - (i) FCX will Lock the relevant quantity of Cash Tokens at the time the Order is placed for the purpose of settling any Transaction that may arise from the execution of the Order; and

- (ii) the Lock on the Cash Tokens will apply until the earlier of:
  - (A) settlement of any Transaction arising from the Order; or
  - (B) the Order is cancelled.

*Note: In the case of a Tender Window – see rule 4.5A.*

- (d) A Participant must not enter a buy Order and a sell Order in the same Trading Window or Tender Window in respect of an Instrument. If this occurs the later Order will be rejected.
- (e) An Order will only be accepted:
  - (i) in the case of a Trading Window - if it is within the specified Price Range for the Trading Window; and
  - (ii) in the case of a Tender Window – if it is at the Tender Price (or, if there is more than one Tender Price, at one of the Tender Prices).
- (f) A Participant may not amend an Order. To make any changes to the terms of an Order already placed, the Participant must cancel that Order and submit a new Order.
- (g) An Order may only be cancelled by a Participant:
  - (i) in the case of a Trading Window - before the Auction Time; and
  - (ii) in the case of a Tender Window – before the Closing Time.

#### **4.4 Auction process – Trading Windows**

- (a) FCX will conduct a single price auction process, which commences at the Auction Time.
- (b) FCX will determine the Trade Price based on the buy and sell Orders in the Market for the relevant Instrument at Auction Time so as to maximise the volume of Instruments that will be traded pursuant to Orders placed in the Trading Window, calculated in accordance with the Procedures.
- (c) When FCX has determined the Trade Price, then through the auction process:
  - (i) subject to paragraph (ii), all buy Orders with a price higher than or equal to the Trade Price, and all sell Orders with a price lower than or equal to the Trade Price will be filled at the Trade Price;
  - (ii) Orders will be filled based on time priority until the remaining volume on the other side of the Market for the relevant Instrument is fully filled. If either the sell Order or the buy Order cannot be fully filled, that Order will be partially filled to the extent of the remaining volume on the other side of the Market;
  - (iii) Orders which are not filled, and any remaining volume of Orders which have been partially filled, will be cancelled by FCX following the Auction Time.

#### **4.5 Matching process – Trading Windows**

- (a) At the completion of the auction process under Rule 4.4(c), FCX will implement the matching process, where FCX will match all or part of a filled buy Order with all or part of a filled sell Order for settlement.

- (b) The matching of all or part of a buy Order with all or part of a sell Order at the Matching Time constitutes a Transaction between the Participant for whom the buy Order was placed and the Participant for whom the sell Order was placed, for the volume of the Instrument determined under Rule 4.4(c), at the Trade Price.

#### **4.5A Allocation Phase and matching process – Tender Windows**

- (a) After the Closing Time, the Issuer will review the buy Orders and sell Orders at the Closing Time. Where the Issuer has specified more than one Tender Price for the Tender Window, the Issuer will determine the relevant Tender Price for the purposes of the Allocation Phase and matching process. Only buy Orders at or below the determined Tender Price, and only sell Orders at or above the determined Tender Price, will be eligible to participate in the Allocation Phase and matching process.
- (b) The Issuer will allocate buy Orders and sell Orders to participate in the matching process (referred to as the Allocation Phase). In determining the allocations in the Allocation Phase, the Issuer may also, at its discretion:
  - (i) scale back (reduce) any buy Order or any sell Order; and
  - (ii) remove any Order.
- (c) The Issuer will then notify FCX of those allocations by no later than the time specified in the Procedures (**Allocation Time**). After receiving this notification, FCX will then notify the relevant buying Participants and relevant selling Participants of their allocations.
- (d) Where a buying Participant is notified of an allocation, the buying Participant must fund their Wallet by the time specified in the Procedures (**Funding Time**) with the relevant quantity of Cash Tokens to cover settlement of any resulting Transaction (and any fees). FCX will then immediately Lock these Cash Tokens for the purpose of settling any Transaction that may arise. If, at or before the Funding Time, all Wallets of the relevant buying Participants are funded for their full allocations (**Pre-Match Time**), FCX will implement the matching process by not later than the time specified in the Procedures.
- (e) If a buying Participant fails to fund their Wallet with the required quantity of Cash Tokens for their full allocation by the Funding Time, the buy Order will be reduced to the level of funding or removed (at the discretion of the Issuer). If this occurs:
  - (i) the Issuer has discretion to address any shortfall between buy Orders and sell Orders prior to the matching process including, without limitation, to, repeat the process under Rule 4.5A(b) above and to arrange for one or more buying Participants to fund their Wallets to cover the shortfall; and
  - (ii) the Issuer will notify FCX of the adjusted allocations no later than the time specified in the Procedures (**Pre-Match Time**).

FCX will then implement the matching process by not later than the time specified in the Procedures.

- (f) The matching of all or part of a buy Order with all or part of a sell Order at the Matching Time constitutes a Transaction between the relevant buying Participant and relevant selling Participant at the Tender Price.

#### 4.6 **Fair, orderly and transparent market**

FCX may take any action it considers reasonable to ensure that the Market is fair, orderly, and transparent, including in an event where the Market or Platform is affected by a system or technological failure. This includes, without limitation:

- (a) cancelling an Order;
- (b) cancelling a Trading Window or Tender Window;
- (c) cancelling the matching process under Rule 4.5 that occurs following the Auction Time or Closing Time (as applicable);
- (d) giving directions to an Issuer, Participant or Authorised Person to act or not to act in a specified way in connection to the Platform or Market;
- (e) directing that one or more Participants undertake a Contra Transaction under Rule 5.3;
- (f) modifying, restricting, or suspending a Participant's or an Authorised Person's access to the Platform or Market either generally or with respect to a particular Instrument, Trading Window or Tender Window; and
- (g) removing from the Platform an announcement lodged by an Issuer.

#### 4.7 **Deferral or cancellation of Auction Time, Closing Time or matching process**

If FCX determines that the Auction Time, Closing Time or matching process should be delayed, or not occur at all (including, for example, as a result of an operational issue with the Platform), FCX may defer or cancel the Auction Time, Closing Time or matching process, and FCX will notify Participants in accordance with the Procedures.

### 5. **SETTLEMENT OF TRANSACTIONS**

#### 5.1 **Settlement of Transactions**

Each Participant which is party to a Transaction which arises under Rule 4.5(a) or Rule 4.2(f) is responsible for meeting the settlement obligations with respect to the Transaction. Relevantly:

- (a) the selling Participant authorises irrevocably FCX, and appoints severally FCX and every director and manager of FCX as its agent, to prepare and complete on its behalf one or more Transfers of the number of Instruments the subject of the Transaction to the buying Participant, and to do all acts that may be required (including the execution of any Transfer if required, and delivery of Transfers to the Issuer) on the selling Participant's behalf to give effect to the Transaction;
- (b) the buying Participant authorises irrevocably FCX, and appoints severally FCX and every director and manager of FCX as its agent, to prepare and complete on its behalf one or more Transfers referred to in paragraph (a), and to do all acts that may be required (including the execution of any Transfer if required, and delivery of Transfers to the Issuer) on the buying Participant's behalf to give effect to the Transaction;
- (c) the buying Participant authorises irrevocably FCX to:
  - (i) release the Lock on the Participant's holding of Cash Tokens under Rule 4.3(c); and

- (ii) deduct the number of Cash Tokens required to settle the Transaction (including without limitation any fees and charges payable to FCX with respect to the Transaction);
- (d) the selling Participant authorises irrevocably FCX to credit the Participant's holding of Cash Tokens with FCX the number of Cash Tokens required to settle the Transaction (less any fees and charges payable to FCX with respect to the Transaction);
- (e) the selling Participant authorises irrevocably FCX to:
  - (i) release the Lock on the Participant's holding of the Instrument under Rule 4.3(b); and
  - (ii) deduct from the selling Participant's holding of the Instrument on the Issuer's Register the number of Instruments the subject of the Transaction;
- (f) each of the buying Participant and selling Participant authorises irrevocably the Issuer and FCX to register the transfer of the Instruments and to update the Issuer's Register to record the buying Participant as the registered holder of the Instruments the subject of the Transaction,

in each case, at the Matching Time for the Transaction.

## 5.2 **Settlement and transfer of title**

- (a) A Transaction is considered to have settled, and legal title to the relevant Instruments the subject of the Transaction will have transferred from the selling Participant to the buying Participant, when all of the steps referred to in Rule 5.1 have completed (as reasonably determined by FCX). The transfer of Instruments is valid and effective for the purposes of any law or instrument governing the way in which the Instruments may be transferred when effected in accordance with these Rules.
- (b) Upon settlement of the Transaction, the buying Participant:
  - (i) accepts the Instruments subject to the terms and conditions on which the selling Participant held them immediately before settlement (where the terms and conditions are the terms and conditions applicable as between the Issuer in relation to, and the holder for the time being of, the Instruments);
  - (ii) where the Instruments are shares, becomes a member of the Issuer and to be bound by the Issuer's constitution; and
  - (iii) where the Instruments are interests in a managed investment scheme, becomes a member of the managed investment scheme and to be bound by the constitution of the managed investment scheme to the extent that:
    - (A) the buying Participant will comply with any requirement imposed on the buying Participant by the constitution; and
    - (B) the buying Participant will not impede compliance by another person with any requirement imposed on the other person by the constitution.
- (c) FCX will, as soon as reasonably practicable, ensure that the relevant Instruments and Cash Tokens are reflected in the relevant Wallets after settlement has occurred. Any delay in the update of the Wallets does not invalidate, nullify or undo the settlement of the Transaction and transfer of title under paragraph (a).

### 5.3 **Contra Transactions**

- (a) Transactions may not be cancelled or reversed. If the conditions set out in the Procedures are met, FCX may direct that one or more Participants undertake a Contra Transaction in accordance with the Procedures.
- (b) A Participant to whom a direction is given under paragraph (a) must assist FCX and do all things FCX reasonably requires to give effect to a Contra Transaction.

### 5.4 **Fair and effective Settlement Facility**

FCX may take any action it considers reasonable to ensure that the Settlement Facility is operated in a fair and effective way, including in an event where the Settlement Facility is affected by a system or technological failure. This includes, without limitation:

- (a) cancelling or suspending the settlement of Transactions; and
- (b) directing that one or more Participants undertake a Contra Transaction under Rule 5.3.

## 6. **SUPERVISION AND ENFORCEMENT**

### 6.1 **Monitoring of Participant's trading**

- (a) FCX will monitor the placement of Orders by Participants and their Authorised Persons during Trading Windows and Tender Windows having regard to its obligation to do all things necessary, to the extent reasonably practicable, to maintain a fair, orderly, and transparent market.
- (b) FCX will monitor the settlement of Transactions by Participants and their Authorised Persons having regard to its obligation to do all things necessary, to the extent reasonably practicable, to ensure that the Settlement Facility operates in a fair and effective way.
- (c) FCX will notify ASIC by the time set out in the conditions of its Australian market licence if FCX has reasonable grounds to suspect that a Participant or Authorised Person has committed, is committing, or is about to commit a significant breach of Part 7.10 of the Corporations Act or these Rules

### 6.2 **Direction to provide assistance, information or documents**

- (a) A Participant must provide all reasonable assistance (and ensure that its Authorised Persons provide all reasonable assistance) which FCX may reasonably request in relation to the Participant's access to the Platform, Market or Settlement Facility, or its placement of Orders, including with respect to any request by FCX for documents or other information relating to their access to the Platform or Market.
- (b) Without limiting Rule 6.2(a), a Participant must comply (and ensure that its Authorised Persons comply) with any direction given by FCX to the Participant in connection with any investigation or enquiry being undertaken by FCX, which FCX considers is reasonably necessary or is appropriate having regard to its obligations as the holder of an Australian market licence and CS facility licence.
- (c) If a Participant fails to comply with paragraph (a) or (b), the Participant may be subject to Disciplinary Action as set out in Rule 7.1.
- (d) A request or direction under this Rule 6.2 will take the form of a notice issued by FCX in accordance with the Procedures.



## **7. DISCIPLINARY PROCESS**

### **7.1 Disciplinary Action**

- (a) If FCX, on reasonable grounds, determines that a Participant has contravened these Rules or breached a provision of Part 7.10 of the Corporations Act, it may take one or more of the actions set out in rule 7.2.
- (b) A determination made by FCX to take action under paragraph (a) is binding and final.
- (c) There is no appeal or review process against a determination under this rule.

### **7.2 Disciplinary outcomes**

If a determination is made by FCX under Rule 7.1, FCX may do one or more of the following:

- (a) FCX may give the Participant a written warning in respect of the matter;
- (b) FCX may order the Participant to pay the reasonable costs of any investigation carried out by FCX in respect of the matter;
- (c) FCX may suspend for a specific period of time or indefinitely or terminate (as FCX determines to be appropriate) access of the Participant or one or more of its Authorised Persons to the Market or Settlement Facility for one or more Instruments;
- (d) FCX may remove or cancel some or all of any Orders placed by the Participant which remain unexecuted; and
- (e) FCX may, subject to consent from the counterparty, cancel some or all of any Transactions executed by the Participant which FCX determines were impacted in some way by the contravention by the Participant.

FCX may publicly announce any Disciplinary Action it has taken against a Participant, including at its discretion, the details of the contravention, the disciplinary outcome, the identity of the Participant, or other detail FCX considers relevant.

### **7.3 Register of disciplinary outcomes**

FCX will maintain a register of Disciplinary Action that it has taken in accordance with the Procedures.

## **8. DISPUTES**

- (a) Any dispute between Participants arising under these Rules may be referred to FCX, and FCX may, at its discretion, undertake an investigation of the dispute including by requesting any further information it may require under Rule 6.2 to assist in the investigation.
- (b) FCX may decide to take any action and give any directions that it reasonably considers to be appropriate in the circumstances having regard to FCX's obligations as the licensed operator of the Market and Settlement Facility, including to direct that one or more Participants undertake a Contra Transaction under Rule 5.3.
- (c) Notwithstanding the above, FCX has no obligation to resolve any dispute between Participants arising under these Rules.

## 9. **LIABILITY OF FCX**

### 9.1 **Exclusion of liability**

FCX is not liable to a Participant or Authorised Person for any direct, indirect or consequential loss, damage or expense arising in any way in relation to:

- (a) the supply of services, goods or products relating to the Platform including, without limitation, any services, goods or products relating to Transactions, the settlement of Transactions or the Issuer's Register;
- (b) the action or omission of any Authorised Person which is outside of any actual or implied authority of, or which is not authorised by, the Participant;
- (c) reliance on any information made available on or via the Platform that was provided by any Issuer, or Participant, or Authorised Persons including, without limitation, any information contained on third party websites that is made available or referred to on or via the Platform or information provided to a Participant that relates to their use of the Platform;
- (d) any system malfunctions such as errors, viruses, worms or other technical anomalies that impact the delivery of products or services provided in connection with the Platform; or
- (e) any action or omission taken by FCX representatives, agents, contractors, officers or employees under or in connection with these Rules.

### 9.2 **Certain liability not excluded**

FCX does not exclude under this Rule 9 any liability arising from conditions and warranties implied by or contained in statute, general law or custom where the exclusion or limitation of that liability would contravene any statute (including the Competition and Consumer Act 2010) or cause any part of this Rule 9 to be void.

### 9.3 **Limitation of liability**

The liability of FCX under any condition or warranty in Rule 9.2 may be limited at the discretion of FCX to:

- (a) in the case of services, the supply of the relevant services again or payment of the cost of having the relevant services supplied again; or
- (b) in the case of goods and products, the repair or replacement of those goods and/or products or the payment of the cost of having the goods and/or products repaired or replaced.

### 9.4 **Extension of liability exclusions and limitations to others**

To the extent permitted by law, each exclusion and limitation in this Rule 9 extends to every related body corporate of FCX and every officer, employee, agent, contractor, delegate, person acting for or on behalf of FCX or related body corporate (**FCX Person**) as if a reference to FCX included a reference to each of them. The benefit of any limitation or exclusion under this Rule 9 in favour of any FCX Person under this Rule 9 is held by FCX for the benefit of the FCX Person and FCX may enforce that benefit on the FCX person's behalf.

## 9.5 **Indemnity**

A Participant must indemnify FCX and each FCX Person to the fullest extent permitted by law in respect of any claim, action or expense arising from, or connected with, any breach of these Rules by the Participant.

## 10. **GENERAL**

### 10.1 **Governing law**

- (a) These Rules and any dispute arising out of or in connection with these Rules is governed by the laws of New South Wales.
- (b) Each party submits to the exclusive jurisdiction of the courts of New South Wales and courts of appeal from them, in respect of any proceedings arising out of or in connection with these Rules.

### 10.2 **Giving of notice under these Rules**

- (a) Where these Rules require a Participant or Authorised Person to notify FCX of a matter, that notice must be given as soon as is reasonably practicable and in accordance with the Procedures.
- (b) Where these Rules require FCX to notify a Participant or Authorised Person of a matter, FCX may give that notice in the manner set out in the Procedures.
- (c) If FCX is required under these Rules to give notice to some or all Participants, accidental omission by FCX to give notice to one or more Participants does not affect the validity or enforceability of any resolution, decision, proceeding or act in connection with which the notice is required.

### 10.3 **Fees and charges**

A Participant must pay to FCX the fees and charges imposed by FCX from time to time in accordance with the Procedures in connection with their participation in the Market or Settlement Facility.

### 10.4 **GST**

- (a) In this Rule 10.4:

**GST** includes:

- (i) any additional tax, penalty, fine, interest or other charge relating to GST; and
- (ii) an amount an entity is notionally liable to pay as GST or an amount which is treated as GST under the GST Law.

**GST Law** means the same as "GST law" means in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Terms defined in the GST Law have the same meaning in this clause unless the context otherwise requires.

- (b) If GST is or will be payable by the supplier or the representative member of the GST group of which the supplier is a member on a supply made under or in connection with this document, to the extent that the consideration otherwise provided for that supply under this document is not stated to include an amount in respect of GST on the supply:

- (i) the consideration otherwise provided for that supply under this document is increased by the amount of that GST; and
  - (ii) the recipient must make payment of the increase as and when the consideration otherwise provided for, or relevant part of it, must be paid or provided or, if the consideration has already been paid or provided, within seven days of receiving a written demand from the supplier.
- (c) If the amount of GST on a supply is or should be different from the amount in respect of GST already recovered by the supplier, as appropriate, the supplier:
  - (iii) may recover from the recipient the amount by which the amount of GST on the supply exceeds the amount already recovered by giving seven days written notice; or
  - (iv) must refund to the recipient the amount by which the amount already recovered exceeds the amount of GST on the supply; and
  - (v) must issue an adjustment note or tax invoice reflecting any adjustment event in relation to the supply to the recipient within 28 days of the adjustment event except where the recipient is required to issue an adjustment note or tax invoice in relation to the supply.

#### 10.5 **Information sharing with regulators**

Where FCX considers it appropriate to do so having regard to its obligations as a licensed financial market or CS facility, FCX may disclose information regarding one or more Participants, Authorised Persons or Issuers to one or more of the following:

- (a) ASIC;
- (b) Reserve Bank of Australia; or
- (c) any other governmental agency or regulatory authority.