

# CHESS SETTLEMENT SERVICE SCHEDULE – AUSTRALIA

This document constitutes a Service Schedule as referred to in the Conditions and sets out the service specific terms on which the Bank provides the Customer with a “Payment Facility” and acts as a “Payments Provider” under the ASX Settlement Operating Rules (**Rules**) for the provision of CHESS settlement services.

This Service Schedule supplements the Conditions.

Notwithstanding clause 12.8(b) of the Conditions, in the event of any inconsistency between this Service Schedule and any other terms or conditions that may apply to the Account or Service, the terms of this Service Schedule will take priority for the provision of CHESS settlement services.

In this Service Schedule, the “Bank” means Australia and New Zealand Banking Group Limited ABN 11 005 357 522. The Bank is the member of the Reserve Bank Information and Transfer System (**RITS**).

## 1. DEFINITIONS

1.1 Unless defined in this Service Schedule, capitalised terms used in this Service Schedule have the meanings given to them in:

- (a) the Definitions Schedule; or
- (b) the Rules.

1.2 In this Service Schedule:

**ASX Insolvency Event**, in relation to a body corporate, means the happening of any of these events:

- (a) an application is made to a court for an order or an order is made that the body corporate be wound up;
- (b) an application is made to a court for an order appointing a receiver, receiver and manager, liquidator or provisional liquidator in respect of the body corporate, or one of them is appointed, whether or not under an order;
- (c) a mortgagee takes possession of, or takes any step to dispose of, all or a substantial part of the assets or undertakings of the body corporate;
- (d) the body corporate enters into, or resolves to enter into, a scheme of arrangement or composition with, or assignment for the benefit of, all or any class of its creditors, or it proposes a reorganisation, moratorium or other administration involving any of them;

- (e) the body corporate resolves to wind itself up, or otherwise dissolve itself, or gives notice of intention to do so;
- (f) the body corporate is or states that it is unable to pay its debts when they fall due;
- (g) as a result of the operation of section 459F(1) of the Corporations Act or any corresponding legislation, the body corporate is taken to have failed to comply with a statutory demand;
- (h) the body corporate is, or makes a statement from which it may be reasonably deduced that the body corporate is, the subject to an event described in section 459C(2)(b) or section 585 of the Corporations Act or any corresponding legislation;
- (i) the body corporate takes any step to obtain protection or is granted protection from its creditors, under any applicable legislation or an administrator is appointed to the body corporate;
- (j) the Reserve Bank of Australia, the Australian Prudential Regulation Authority, a State Supervisory Authority or another body (if any) responsible for the prudential supervision of the body corporate assumes management and control of that body corporate; or
- (k) anything analogous or having a substantially similar effect to any of the events specified above happens under the law of any applicable jurisdiction

**ASX Settlement** means ASX Settlement Pty Limited ABN 49 008 504 532.

**Business Day** means a day other than:

- (a) a Saturday, Sunday, New Year’s Day, Good Friday, Easter Monday, Christmas Day, Boxing Day; and
- (b) any other day which ASX Settlement determines is not a Business Day.

**CHESS** means the Clearing House Electronic Sub-register System.

**Customer Net Funds**, in relation to any Payment Facility, means the net amount determined by ASX Settlement in accordance with the Rules which represents the sum of all payments less the sum of all receipts for all transactions included for payment on a particular Settlement Day relating to that Payment Facility.

**Settlement Account** has the meaning it is given in clause 5.1(b).

**Settlement Day** means a Business Day on which settlement of transactions under CHES is to occur.

- 1.3 For the avoidance of doubt, the definition of "Authority" in the Definitions Schedule is, in respect of the Service under this Service Schedule, taken to include ASX Settlement.

## 2. ASSISTANCE

Without prejudice to any other provisions in this Service Schedule, the Customer agrees to, upon request by the Bank (acting reasonably), use its best efforts to do all things necessary or desirable to assist the Bank in performing its obligations as a Payments Provider for the Customer under the Rules.

## 3. RELIANCE ON INFORMATION FROM ASX SETTLEMENT

The Customer acknowledges that, in connection with the Bank's role as Payments Provider under the Rules, ASX Settlement may send information, directions or instructions directly to the Bank, including but not limited to the notification referred to in clause 4.1 and 5.5. The Customer agrees that:

- (a) the Bank may rely on such information, directions or instructions without reference to the Customer;
- (b) the Bank is not required to take any steps to independently verify the information or confirm the validity of any information, direction or instruction from ASX Settlement, and the Bank is entitled to assume that any information provided to it by ASX Settlement is accurate; and
- (c) it is the Customer's standing instruction to the Bank to perform its obligations as a Payments Provider based on the information provided to it by ASX Settlement and in accordance with any direction or instruction from ASX Settlement to the Bank.

## 4. NET FUNDS NOTIFICATIONS

4.1 The Customer acknowledges that:

- (a) the Bank will be notified directly by ASX Settlement of the Customer Net Funds to be received into or paid from the Payment Facility on the Settlement Day (**Net Funds Notification**);
- (b) it is the responsibility of the Customer to verify and confirm the accuracy of the Net Funds Notification from ASX Settlement;
- (c) on any Settlement Day, the Customer must:
  - (i) notify the Bank immediately if the Customer considers that the Customer Net Funds notified to the Bank in the Net Funds Notification for that Settlement Day is incorrect; and

- (ii) reply as soon as practicable to any request made by the Bank for confirmation of Customer Net Funds to be paid into or received from the Settlement Account on any Settlement Day.

- 4.2 The Customer must immediately notify the Bank of any ASX Insolvency Event in respect of the Customer or any event which would, or would be likely to, impede or prevent the Customer from complying with its obligations as a Settlement Participant.

## 5. PAYMENT FACILITY

5.1 The Customer must:

- (a) be a Settlement Participant of ASX Settlement; and
- (b) nominate to the Bank at least one Account for the receipt and payment of Customer Net Funds in respect of a Payment Facility (**Settlement Account**).

5.2 The Customer unconditionally and irrevocably authorises and directs the Bank to pay out from, and receive into, the Settlement Account the Customer Net Funds notified to the Bank in the Net Funds Notification on any Settlement Day without prior reference to the Customer. The Bank will, and is entitled to, receive or make the relevant payment in accordance with its obligation as a Payments Provider, irrespective of any contrary instruction from the Customer.

5.3 The Customer must ensure that the Settlement Account contains sufficient Cleared Funds or it has adequate credit arrangements in place to enable the Bank to pay the Customer Net Funds on any Settlement Day, unless the Bank has received notification from ASX Settlement cancelling settlement.

5.4 The Customer:

- (a) must notify the Bank immediately following receipt of the Net Funds Notification if it suspects or has any concern that sufficient Cleared Funds or adequate credit arrangements in place will not be available;
- (b) acknowledges that, if the Bank reasonably has any concern that sufficient Cleared Funds or adequate credit arrangements will not or may not be available, the Bank must notify ASX Settlement, and such notice may include the nature of any credit concerns, the extent and status of discussions with the Customer, actions and deliverables that must be completed by the Customer, and other information reasonably requested by ASX Settlement; and
- (c) acknowledges that:
  - (i) the Bank will, by the time required by ASX Settlement, notify ASX Settlement where the Bank reasonably believes that Cleared Funds

are not available (including if the Bank has not received any response from the Customer in respect of any concern that the Bank has raised regarding the availability of Cleared Funds or adequate credit arrangements); and

- (ii) that such a notification under this paragraph may result in the suspension of the Customer's status as a Settlement Participant, and may result in settlement failure or cancellation.

- 5.5 To the extent that the Customer operates an Account as a Client Trust Account (as defined in the Rules), the Customer acknowledges that ASX Settlement will notify the Bank of the amount that is required to be paid into, or received from, the Client Trust Account concurrent with Batch Settlement (as defined in the Rules) on any Settlement Day (**Trust Amount**). The Customer agrees that the Bank will make payment to and from the Client Trust Account of the Trust Amount without prior reference to the Customer.
- 5.6 Notwithstanding the obligations of the Bank as a Payments Provider, the Customer (and not the Bank) is responsible for meeting all settlement obligations under the Rules. The provision of a Payment Facility does not involve or constitute the assumption by the Bank of any settlement obligation or otherwise of the Customer.

## 6. TERMINATION AND SUSPENSION

- 6.1 Without limiting any other rights under the Conditions:
- (a) the Service under this Service Schedule shall be suspended or varied as the case may be on the occurrence of any of the following events:
    - (i) the Bank is suspended by ASX Settlement as a Payments Provider; or
    - (ii) conditions are imposed by ASX Settlement on the Bank; and
  - (b) the Bank may terminate the Service under this Service Schedule with immediate effect if it ceases to be a Payments Provider under the Rules.
- 6.2 The Bank will, to the extent permitted by Law, advise the Customer as soon as practicable if the Service is suspended or terminated.

## 7. CONFIDENTIALITY

The Customer acknowledges and agrees that the Bank may disclose any information relating to or in connection with the Payment Facility and the Settlement Account to ASX Settlement.