

CHAPTER 4

TRADING RULES

TRADING RULES.

This **Chapter** details the entitlement to trade on the *trading system. Only *APX brokers will be allowed to submit orders to *terminal operators. Only *terminal operators will be allowed to enter orders into the *trading system.

Each *APX broker must ensure that, prior to transacting on behalf of a client, the client has signed a *client agreement form.

Each *APX broker must ensure that it transacts business on the *APX market so as to maintain an orderly market at all times, and must not make a *bid, *offer or any dealing whether as principal or agent that will create a false or misleading appearance with respect to the market or the price of any security.

Trading will occur on the *trading system on the basis of the highest bid, the lowest offer and otherwise in accordance with time priority. The market will be open for trading between 10:00 am and 4:00 pm on each *business day. Prior to opening of trading on each *business day, the *trading system will be in *pre-opening phase, whereby *bids and *offers may be entered but no trading will occur. Following the *pre-opening phase the *trading system will be placed into the *opening phase where all overlapping *bids and *offers will be matched at the *weighted price. The *trading system will then be in *normal trading phase. At the end of the day the *trading system will be placed into the *enquire phase until *pre-opening phase the following day.

Special crossings and short selling will not be allowed in *APX market. Crossings will be allowed, however, existing demand or supply in the market at the crossing price must be satisfied prior to executing a crossing.

*APX may implement trading halts on *securities or may suspend a *security from trading. If a *security has been suspended by *APX, *APX brokers must not trade in that *security.

APX BROKERS ENTITLEMENT TO TRADE ON THE TRADING SYSTEM.

ENTITLEMENT TO TRADE.

- 4.1.** Only *APX brokers, through their *authorised person are entitled to submit *trading messages to a *terminal operator.

SETTLEMENT AGENTS AND SETTLEMENT AGREEMENTS.

- 4.2.1** An *APX broker must either:

4.2.1.1 be approved as a *settlement agent under **Rule 6.27.1**; or

4.2.1.2 enter into a written agreement (“settlement agreement”) with a *settlement agent in the form set out in **Appendix 4-1** as amended from time to time or such other form as is approved by *APX.

- 4.2.2** Non compliance by an *APX broker or a *settlement agent with any term of the *settlement agreement which is set out in **Appendix 4-1** is a breach of this **Rule 4.2.2**.

- 4.2.3** For the avoidance of doubt, if an *APX broker is itself approved as a *settlement agent under **Rule 6.27.1**, then the *APX broker is not required to enter into a settlement agreement with itself.

SUSPENSION OF TRADING PERMISSION.

- 4.3** If a company which is or has been an *APX broker:

- (a) ceases to be an *APX broker in accordance with **Rule 2.16 or 2.17.1**;
- (b) has any of its rights or privileges as an *APX broker suspended in accordance with the Rules;

*APX may suspend the *trading permission of that company broker and may remove from *the trading system all *bids and *offers placed by that company until such time as:

- (c) if the suspension occurred under **Rule 4.3(a)** – the company has its recognition as an *APX broker reinstated by *APX; or
- (d) if the suspension occurred under **Rule 4.3(b)** – the company has all of its other rights and privileges as an *APX broker reinstated by *APX.

TRADING OBLIGATIONS OF APX BROKERS.

RESPONSIBILITY OF APX BROKERS.

- 4.4.1** Each *APX broker is responsible for each *trading message submitted by that *APX broker to a *terminal operator. Without limitation, an *APX broker is responsible for errors contained in its *trading messages and is responsible for *trading messages originating from the *APX broker which are submitted in error or without the authority of the *APX broker.

- 4.4.2** If a *trading message is submitted by an *authorised person of an *APX broker, that *trading message is deemed for all purposes under these Rules to have been submitted with the authority of the *APX broker.

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- 4.4.3** (a) An *APX broker must at all times comply with the *operational requirements which are specified in **Rules 4.4.4 to 4.4.5**. The *operational requirements apply to all *orders.
- (b) *APX may reject a trading message which is not in accordance with the *operational requirements.
- 4.4.4** An *APX broker must have and maintain the necessary resources (organisational and technical) to ensure that:
- (a) *trading messages submitted to the *terminal operators by the *APX broker do not interfere with the efficiency and integrity of the markets provided by *APX; and
- (b) the *APX broker at all times complies with the Business Rules.
- 4.4.5** Without limiting **Rule 4.4.4**, an *APX broker must have systems in place to determine at all times the following information about *trading messages:
- (a) the *order that corresponds to a *trading message;
- (b) the identity and capacity of the person placing each *trading message;
- (c) whether the *trading message was submitted by the *APX broker acting as *principal or as agent for a client.
- 4.4.6** An *APX broker must answer any request by *APX for information regarding compliance by the *APX broker with the *operational requirements. If requested by *APX, an *APX broker must provide certification in the form prescribed by *APX from an appropriately qualified independent person as to compliance by the *APX broker with the *operational requirements.
- 4.4.7** *APX or its agent may conduct an audit of compliance by an *APX broker with the *operational requirements, and that *APX broker must give all reasonable assistance to any duly appointed *representative of *APX appointed to conduct that audit.
- 4.4.8** *APX is responsible for *bids and *offers entered into the *trading system by the *terminal operators.

ORDERLY MARKET.

- 4.5.1** Each *APX broker must ensure that it transacts business on the *APX market so as to maintain an orderly market at all times. For the purpose of discharging this obligation, an *APX broker must:
- (a) comply with instructions and directions issued by the *terminal operators; and
- (b) not intentionally take advantage of:
- (i) a breakdown or malfunction in *APX's procedures or systems;
- (ii) an error made over the *web dissemination page;
- (iii) an error in entries made by *APX within the *trading system.

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4.5.2 *Terminal operators must ensure the conduct of an orderly market at all times.

4.5.3 *APX may, in its absolute discretion, reject trading messages it deems compromise the maintenance of an orderly market.

PREVENTION OF MANIPULATIVE TRADING.

4.6 An *APX broker must not make a *bid or *offer for, or deal in, *securities on the *APX market which would result in a breach of sections 1041A, 1041B or 1041C of the *Act by the *APX broker or a client of the *APX broker.

OBSERVANCE OF THE DEALING RULES.

4.7 Entry of *bids and *offers into the *trading system may be made only by a *terminal operator.

RECORDS AND IDENTIFICATION OF ORDER SOURCE.

4.8.1 In addition to the requirements of **Rule 3.3**, an *APX broker must maintain for a period of seven years, records of the matters referred to in **Rule 4.4.5**. An *APX broker must provide the above records to *APX immediately on request.

4.8.2 The APX must retain each *trading message submitted to the *trading system by an *APX broker which contains the details of the unique identifier allocated pursuant to **Rule 4.13**.

MINIMUM BIDS.

4.9.1 In relation to the *securities of a *listee, *bids and *offers may only be entered on the *trading system in multiples of the minimum *bids as specified by that *listee.

FUNCTIONS, POWERS AND LIABILITY OF THE APX.

EXCHANGE FUNCTIONS.

4.10.1 The functions of *APX include the following:

- (a) to provide facilities for the fair, orderly and transparent trading of *securities under the Rules, including the provision of:
 - (i) facilities for the recording and registration of dealings in *securities traded under the Rules;
 - (ii) information in relation to those transactions,
in accordance with the *Act, the Rules and the contractual obligations of *APX;
- (b) to monitor compliance by *APX brokers and other persons with the Rules and, where necessary, to take disciplinary action for contravention of the Rules;
- (c) to co-operate so far as reasonably possible with *ASIC, in carrying out the functions set out in **Rules 4.10.1(a)** and **(b)** and to provide such assistance as is reasonably required by *ASIC in carrying out its functions under the *Act.

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4.10.2 Official meetings will be held on *trading days. This **Rule** is subject to **Rules 4.11.1 to 4.11.8**.
*Official meetings shall commence at the beginning of the *pre-opening phase and conclude immediately prior to the beginning of the *enquire phase.

APX POWERS.

4.11.1 If *APX reasonably considers that it is necessary for:

- (a) the efficiency and integrity of the markets provided by *APX; or
- (b) the proper functioning of the *trading system;

*APX may:

- (c) suspend the *trading permission of an *APX broker whose actions have, in the opinion of *APX, adversely affected the efficiency or integrity of the *APX markets or the proper functioning of the *trading system; or
- (d) generally suspend access to the *trading system,

until *APX, acting reasonably, is satisfied that the circumstances which gave rise to the suspension have been rectified.

4.11.2 If *APX suspends the *trading permission of an *APX broker under **Rule 4.11.1**, then *APX must immediately *notify that *APX broker about the suspension and inform it of its rights to request a hearing and make submissions to *APX in relation to the suspension.

4.11.3 If an *APX broker requests a hearing under **Rule 4.11.2**, then **Rule 2.19.2** applies to the hearing.

4.11.4 If, after a hearing, *APX decides to continue to suspend the *trading permission of an *APX broker, then:

- (a) *APX must, within 30 days after the conclusion of the hearing, send to the *APX broker at its registered office a copy of the written reasons of *APX for its decision; and
- (b) the *APX broker is deemed by this **Rule** to be a person aggrieved for the purposes of **Rule 2.20.1**.

4.11.5 In the event that access to the *trading system should be generally restricted for whatever reason, *APX may suspend trading on the *trading system and place the system in the *adjust phase. When *APX forms the opinion that *the trading system can be restored to *normal trading, *APX will *notify *APX brokers of the time at which the *trading system will be placed in *pre-opening phase.

4.11.6 If in the opinion of *APX it is appropriate for the maintenance of a fair, orderly and transparent market that the market, or any particular *security, be placed in *pre-opening phase, *APX may declare that the market, or any particular *security, is in *pre-opening phase for a specified period not exceeding 30 minutes.

4.11.7 Where any *terminal operator is unable to enter *bids or *offers into *the trading system but *the trading system has not been suspended, *the terminal operator must notify the *trading governor as soon as practicable.

4.11.8 An *APX broker must notify *APX as soon as practicable if it is unable to submit *trading messages into the *trading system in circumstances where access to the *trading system has not been suspended under **Rules 4.11.1 to 4.11.7**.

LIABILITY OF THE APX.

4.12.1 Nothing in these **Rules 4.12.1 to 4.12.6** excludes, restricts or modifies any condition or warranty implied in the contract constituted by these Rules by any applicable statute (including the *Trade Practices Act 1974*) where to do so would render any part of the Rules void.

4.12.2 Subject to **Rules 4.12.1, 4.12.4 and 4.12.6**, *APX and its subsidiaries, and their respective employees and agents, will have no obligation or liability of any kind to an *APX broker, or to any of its clients in respect to any loss or damage (including consequential loss or damage) which may be suffered or incurred or which may arise directly or indirectly in respect of the supply of goods or services, an *APX broker's use of or inability to use the *trading system, or in respect of a failure, error or omission on the part of *APX or any of its subsidiaries, including any loss or damage in respect of:

- (a) the results of trading on markets provided by *APX, or the suspension, interruption, cancellation or closure of trading on those markets;
- (b) any inoperability or malfunction of equipment, software or any other product supplied to an *APX broker, or in respect of its installation, maintenance or removal;
- (c) the exercise by *APX of a decision making power under the Rules;
- (d) the *web dissemination system,

whether such loss or damage is caused wholly or partially by negligence on the part of *APX, its subsidiaries or any of their respective employees or agents.

4.12.3 *APX and its subsidiaries exclude all conditions and warranties implied by statute, general law or custom except any implied condition or warranty the exclusion of which would contravene any statute or cause any part of these **Rules 4.12.1 to 4.12.5(b)** to be void (“**statutory conditions**”).

4.12.4 To the maximum extent permitted by law, the liability of either or both *APX and its subsidiaries for breach of any statutory condition or directly or indirectly arising out of the performance of the contract constituted by these Rules is limited to either of the following at the discretion of *APX:

- (a) in the case of goods:
 - (i) the replacement of the goods; or
 - (ii) the repair of the goods;
- (b) in the case of services:
 - (i) the supply of the services again; or
 - (ii) the payment of the cost of having the services supplied again.

4.12.5 Each *APX broker indemnifies and agrees to keep indemnified *APX, its subsidiaries and their respective employees, contractors and agents (“**those indemnified**”) from and against any loss (including its legal costs and expenses on a solicitor/client basis) or liability reasonably incurred or suffered by those indemnified arising from any proceedings against those indemnified where such loss or liability arose out of:

- (a) any breach by the *APX broker of its obligations under the Rules; or
- (b) any willful, unlawful or negligent act or omission by an *APX broker.

4.12.6 Nothing in **Rules 4.12.2 to 4.12.4** affects the liability of *APX, its subsidiaries and their respective employees, contractors and agents (each a “Relevant Person”) in respect of:

- (a) any breach by a Relevant Person of its obligations under the Rules;
- (b) any willful, unlawful or negligent act or omission by a Relevant Person; or
- (c) without limitation to paragraphs (a) or (b) above, a defalcation, or fraudulent misuse of securities or documents of title to securities or of other property by a Relevant Person in respect of money, securities, documents of title to securities or other property that, in the course of or in connection with the Relevant Person’s business of dealing in securities, was or were entrusted to or received by that Relevant Person:
 - (i) on behalf of another person; or
 - (ii) because the Relevant Person was a trustee of the money, securities, documents of title or other property.

ALLOCATION OF UNIQUE IDENTIFIERS.

4.13 *APX will allocate a unique identifier to each:

- (a) *APX broker; and
- (b) *authorised person of the *APX broker.

ACTION THE APX WILL TAKE IN RESPECT OF A TAKEOVER.

4.14 When *APX receives information in relation to a:

- (a) *takeover (other than a *scheme);
- (b) a *foreign takeover; or
- (c) a *scheme;

*APX will take the action set out in **Appendix 4-2**.

DEALING IN SECURITIES NOT YET GRANTED OFFICIAL QUOTATION.

DEALINGS IN SECURITIES OF LISTEES FOR WHICH OFFICIAL QUOTATION SOUGHT.

4.15.1 Except as permitted in this **Rule**, an *APX broker is prohibited, either in its own office or elsewhere, from making quotations or dealing in a new issue or placement of *securities (except *fixed interest securities):

- (a) made for the purpose of qualifying a *listee for admission to the *official list of *APX;
or
- (b) for which *official quotation will be sought,

until such *securities have been granted *official quotation.

4.15.2 The exceptions to this **Rule** are:

- (a) an *APX broker may underwrite or sub-underwrite a new issue or placement of *securities;
- (b) an *APX broker may dispose of *securities if those *securities comprise an underwriting or sub-underwriting shortfall;
- (c) where the *securities have been issued on a pro rata basis to security holders;
- (d) where a *listee acquires assets and as part or full consideration, issues new *securities (except *fixed interest securities) to the vendor and the *APX broker has made a prior firm arrangement with the vendor to place these *securities as soon as they are issued. The *APX broker must then ensure that the details of the issue to the vendor are advised to *APX by the *listee immediately the *securities are issued;
- (e) where an *APX broker:
 - (i) makes a placement of new *securities (except *fixed interest securities) for which *official quotation will be sought, and the *APX broker ensures that all investors accepting the *securities are informed in writing that *APX brokers cannot deal in the *securities either as *principal or agent until *official quotation is granted in respect of those *securities; or
 - (ii) accepts selling orders in *securities (except *fixed interest securities) for which *official quotation will be sought, and the *APX broker takes all reasonable steps to ensure that the *securities are not sold before the *securities have been granted official quotation.

DEALINGS IN SECURITIES SUSPENDED FROM OFFICIAL QUOTATION.

4.16 An *APX broker must not deal in *securities which have been suspended from *official quotation of *APX unless prior approval has been given by *APX.

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DEALINGS IN SECURITIES GRANTED OFFICIAL QUOTATION.

DEALING ON THE TRADING SYSTEM.

4.17 Transactions in *securities granted *official quotation must be made on *the trading system in accordance with **Rules 4.20.1 to 4.25.3**.

DEALING ON THE TRADING SYSTEM.

OPEN FOR TRADING.

4.18 Subject to **Rule 4.11.1**, *the trading system shall be open for trading between the hours of 10 am and 4 pm on *business days or as notified by *APX.

SEQUENTIAL NUMBERING OF BIDS AND OFFERS.

4.19 All entered *bids and *offers must be provided with a sequential reference number in terms of time and date of entry.

TRADING PRIORITY ON THE TRADING SYSTEM.

4.20.1 Subject to **Rules 4.22.1 to 4.22.4** and **7.10.1 to 7.10.5** each *bid or *offer price for *securities entered into *the trading system must be placed in priority according to the highest priced *bid and the lowest priced *offer.

4.20.2 An earlier entered *bid price has priority over the same *bid price entered later in time.

4.20.3 An earlier entered *offer price has priority over the same *offer price entered later in time.

PRE-OPENING PHASE.

4.21.1 During *pre-opening phase a *terminal operator may enter *bids and *offers and may amend or cancel *bids or *offers, including those which remain in *the trading system from a previous *business day.

4.21.2 During *pre-opening phase no *bids or *offers may be executed.

4.21.3 Unless a *bid or *offer is amended or cancelled, the *bids and *offers which are in *the trading system at the close of *normal trading on the previous *business day shall retain the priority determined in accordance with the procedures referred to in **Rules 4.20.1 to 4.20.3**.

OPENING PHASE.

4.22.1 During the *opening phase:

- (a) no new *bids or *offers may be entered; and
- (b) no existing *bids or *offers may be amended or cancelled.

4.22.2 All *bids and *offers must, subject to **Rule 4.22.3**, be matched in accordance with the following:

- (a) the priority *bid is paired with the priority *offer so that either the *bid or the *offer is fully satisfied;

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- (b) a new priority of *bids and *offers is determined, ignoring the quantity of *securities previously paired;
- (c) the processes in **Rules 4.22.2(a)** and **(b)** are repeated until the priority *bid price is below the priority *offer price;
- (d) each paired *bid and *offer is then matched at the *weighted price for that pair.

4.22.3 Where the highest *bid price and the lowest *offer price do not match or overlap, those *bids and *offers must not be matched in accordance with **Rule 4.22.2**.

4.22.4 Any *bids or *offers which have not been matched at the completion of the procedures in **Rule 4.22.2** will remain in the system and will be carried through to *normal trading.

NORMAL TRADING.

4.23.1 During *normal trading, the *terminal operators may enter, amend and/or cancel *bids and offers into the *trading system and they will be matched in accordance with the procedures outlined at **Rules 4.20.1** to **4.20.3**.

4.23.2 An *APX broker may withdraw *bids or *offers after the close of *normal trading and re-enter the *bids or *offers so withdrawn on the following *trading day. However, the *bids and *offers withdrawn will lose, at the time of that withdrawal, the priority then held for the purposes of **Rules 4.20.1** to **4.20.3**.

THE ENQUIRE PHASE.

4.24.1 At the expiration of the *normal trading phase, *the trading system will be placed in the *enquire phase until commencement of the *pre-opening phase on the next *trading day.

4.24.2 No *bids, *offers, amendments or cancellations can be entered during the enquire phase.

CROSSING AND “SPECIAL” TRANSACTIONS.

4.25.1 An *APX broker may effect a *crossing during normal trading on *the trading system, only in accordance with this **Rule** and only after firstly satisfying the market in the following ways:

- (a) Where a *bid is entered, the *bid shall be matched with *offers in order of priority from the lowest *offer price, up to and including *offers at the price at which the *APX broker wishes to *cross; or
- (b) Where an *offer is entered, the *offer shall be matched with *bids in order of priority from the highest *bid price down to and including the price at which the *APX broker wishes to *cross.

4.25.2 Any quantity of *securities which remains available after the procedure in **Rules 4.25.1(a)** and **(b)** have been followed, may then be crossed.

4.25.3 An *APX broker can only effect a *crossing during *normal trading.

DEALING ON A DIFFERENT BASIS OF QUOTATION.

GENERAL RULE.

4.26 An *APX broker must, unless **Rule 4.27** applies, deal on *the trading system in a quoted *security on the basis it is quoted.

EXCEPTIONS.

4.27 An *APX broker may trade in parcels of *securities on a basis different to the existing quotation (for example, on a *cum dividend basis when the existing quotation is on an “ex dividend” basis) in accordance with the following:

- (a) an *APX broker must advise the *terminal operator of the different basis of trading;
- (b) immediately, the *terminal operator must announce the different basis of trading to the market;
- (c) trading must not commence until 1 hour after an *APX broker has advised the *terminal operator in accordance with **Rule 4.27(a)**; and
- (d) the trading applies only on the *business day that an *APX broker advised the *terminal operator in accordance with **Rule 4.27(a)**.

DISCLOSURE OF QUANTITY OF SECURITIES BID OR OFFERED.

GENERAL RULE.

4.28 The price and quantity of each *bid and *offer must be displayed on *the trading system.

SHORT SELLING.

GENERAL RULE.

4.29 An *APX broker shall not as *principal or on the behalf of a client effect a *short sale of a *security on *the trading system.

CONDITIONAL TRADING.

CONDITIONAL SALE.

4.30 Notwithstanding any provision of these Rules to the contrary, a *conditional sale will be cancelled in accordance with **Rules 4.31 to 4.34** if the *condition is not fulfilled.

WHEN THE APX MAY DECLARE A CONDITIONAL MARKET.

4.31.1 *APX may declare a market to be a *conditional market if:

- (a) a *listee or vendor has:
 - (i) requested *APX in writing to provide a *conditional market;
 - (ii) specified the *conditions and the date by which each *condition is required to be satisfied; and

- (iii) undertaken to notify *APX immediately of the fulfilment or non-fulfilment of each condition;
- (b) the prospectus offering to which the request for a *conditional market relates:
 - (i) has a total value of not less than the value prescribed by *APX from time to time, being a value which *ASIC has not objected to;
 - (ii) anticipates pre-allotment or pre-transfer trading on an overseas market; and
 - (iii) sets out the responsibility of and procedures for an applicant for *securities pursuant to that prospectus offering to verify his or her holding and describes the basis of pre-allotment or pre-transfer trading in a manner which clearly describes the underlying contingent nature of the issue of *securities until allotment or transfer occurs;
- (c) the *listee or vendor agrees with *APX to observe a *dispatch date stipulated by *APX and being a date not more than 5 *business days after the date of satisfaction of the *conditions;
- (d) an announcement of the basis of quotation as being conditional has been made on *the trading system and over the *web dissemination system; and
- (e) the *listee or vendor provides a market announcement of the *conditions for the *conditional market and any other information required by *Listee Listing Standards **Rule 8.1.1** for release to the market.

4.31.2 *APX will make any declaration pursuant to **Rule 4.31.1** in writing to all *APX brokers.

CONDITIONAL MARKET OPERATION.

4.32.1 A *conditional market will only be permitted to operate:

- (a) if prior to the commencement of the *conditional market:
 - (i) the issue or sale price of the *securities the subject of the prospectus offering has been determined; and
 - (ii) the *listee or vendor has made arrangements satisfactory to *APX to enable applicants for *securities the subject of the prospectus offering to determine their entitlements; and
- (b) for such period of time as is agreed by *APX.

4.32.2 Trading of *securities on a *conditional market will be on a deferred settlement basis as prescribed by *APX.

FULFILMENT OR NON-FULFILMENT OF CONDITION.

4.33.1 If no notification is given to *APX of the fulfilment or non-fulfilment of a *condition on the date by which that *condition was required to be satisfied the *condition will be deemed not to have been fulfilled.

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4.33.2 If **Rule 4.33.1** does not apply, *APX and parties to a *conditional sale are entitled to rely on advice given to *APX pursuant to **Rule 4.31.1(a)(iii)** as to the fulfilment or non-fulfilment (as the case may be) of the *conditions as conclusive evidence of that circumstance.

4.33.3 Immediately on receipt of advice by *APX of fulfilment of all *conditions specified pursuant to **Rule 4.31.1(a)(ii)**, all sales that were conditional become unconditional. *APX will announce that *conditional sales pursuant to **Rules 4.30 to 4.33.4** have become unconditional. Subject to **Rule 4.33.4** the *settlement day of all such contracts shall be the date determined and announced by *APX. The *settlement day will usually be the sixth *business day after the *dispatch date stipulated by *APX pursuant to **Rule 4.31.1(c)**.

4.33.4 Notwithstanding any provision of these Rules to the contrary, parties to a *conditional sale may:

- (a) agree to a particular settlement date which is a date other than the *settlement day so determined and announced by *APX; or
- (b) effect delivery obligations other than on that *settlement day,

provided that the particular settlement date or the date of effecting delivery obligations is not prior to the date of the announcement by *APX pursuant to **Rule 4.33.3** that *conditional sales have become unconditional.

WHEN CANCELLATION IS EFFECTIVE.

4.34 Cancellation of a *conditional sale (and the corresponding conditional purchase) for non-fulfilment of a *condition is effective:

- (a) if notice of non-fulfilment was given to *APX in writing, on receipt of that notice; or
- (b) if no notice of fulfilment or non-fulfilment was received by *APX, on the *trading day immediately following the date on which the *condition was required to be satisfied,

without any liability whatsoever other than for the return of any money paid, or *securities or documents delivered, in connection with settlement of the *conditional sale (and corresponding conditional purchase). The effect of such cancellation is to avoid the contract for the sale and purchase of *securities.

SUSPENSIONS AND TRADING HALTS.

SUSPENSIONS.

4.35.1 *Securities which have been suspended must not be traded by any *APX broker unless prior approval has been given by *APX.

4.35.2 *Bids and *offers in *securities the subject of suspension must be placed in *enquire phase.

4.35.3 At the termination of the period of suspension, trading in the *securities which are the subject of the suspension shall proceed to *normal trading after a period of *pre-opening.

TRADING HALTS.

4.36.1 APX may grant a trading halt:

- (a) on the request of the *listee;
- (b) where a *listee makes an *announcement; or
- (c) if a *listee makes an *announcement:
 - (i) *APX will temporarily halt trading in the *securities of that *listee on *the trading system for 10 minutes; and
 - (ii) each *APX broker must refer all orders in relation to the *securities of that *listee to the relevant clients for new instructions.

4.36.2 If *APX suspends the *securities of a *listee from trading on *the trading system for any reason:

- (a) each *APX broker must refer all orders in relation to those *securities to the relevant clients for new instructions; and
- (b) the *terminal operators must immediately update the details of each order recorded on the trading system to reflect the fact that new instructions have been sought and/or received.

4.36.3 *Securities which have been subject to a temporary trading halt by *APX following an *announcement by the *listee, or because of a requirement of *APX, shall be placed into *pre-opening phase. Where a trading halt occurs within 10 minutes before the end of *normal trading, *APX may advise each *APX broker via the *trading system that *normal trading for the *securities which have been subject to the trading halt is extended for an additional period of up to 60 minutes on that business day.

4.36.4 At the termination of the *pre-opening phase, referred to in **Rule 4.36.3** unless otherwise determined by *APX, *normal trading shall recommence in the *securities which are the subject of the trading halt.

4.36.5 *Securities which have been subject to a trading halt by *APX following a request by the *listee specifying the reasons for the trading halt shall, if *APX agrees, be placed into *pre-opening phase. For the purpose of **Rule 4.36.5**, “pre-opening phase” means a period of time, not exceeding the *business day on which the trading halt was requested, as determined by *APX for that trading halt, when the *terminal operators may enter or cancel *bids or *offers but must not effect transactions on *the trading system.

4.36.6 *APX may terminate the *pre-opening phase referred to in **Rule 4.36.5** at any time.

4.36.7 At the termination of the *pre-opening preferred to in **Rule 4.36.5**, unless otherwise determined by *APX, *normal trading shall recommence in the *securities which are the subject of the trading halt.

ERRORS AND CANCELLATIONS.

CANCELLATION AFTER MATCHING ON THE TRADING SYSTEM.

4.37.1 An *APX broker must ensure that each of its *authorised persons:

- (a) comply with all instructions and directions issued by *terminal operators;
- (b) do not intentionally take advantage of a situation arising as a result of:
 - (i) a breakdown or malfunction in *APX's procedures or systems;
 - (ii) an error made over the *web dissemination system;
 - (iii) an error in entries made by *APX in the *trading system.

4.37.2 Where the *terminal operator becomes aware of any error in the entry of a *bid or *offer, and a transaction is effected in relation to that *bid or *offer, the following provisions apply:

- (a) The *terminal operator must promptly advise the *trading governor by the *trading system of the error and give full details to the *trading governor to enable correct identification of the trade to be cancelled; and
- (b) Where *APX has been advised in accordance with this **Rule 4.37.2(a)**, the trade must be cancelled by the *terminal operator on that *business day.

4.37.3 Subject to **Rule 4.37.2**, a sale must not be cancelled except by agreement between the acquirer and the disposer and with the consent of *APX.

CANCELLATIONS PRIOR TO MATCHING ON THE TRADING SYSTEM PERMITTED.

4.38 An *authorised person of an *APX broker may authorise a *terminal operator to amend, cancel or withdraw any *bid or *offer prior to a transaction being effected on the *trading system.

DISPUTE RESOLUTION.

TRADING GOVERNORS.

4.39 *APX may appoint one or more, employees or agents of *APX as *trading governors for such period and on such terms and conditions as *APX determines.

INVESTIGATION BY TRADING GOVERNOR.

4.40.1 Any dispute arising in relation to any of the *dealing rules must be promptly referred to a *trading governor.

4.40.2 The *trading governor will investigate the dispute and make a determination in respect of it.

4.40.3 To fulfil his or her role pursuant to **Rule 4.40.2**, a *trading governor may enquire into all facts, matters and circumstances relevant to the dispute and for this purpose may take statements (orally or in writing) from persons and generally conduct their inquiries and proceedings for the resolution of the dispute as he or she thinks fit.

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4.40.4 The *trading governor must use all reasonable endeavors to reach a decision on any such dispute before 5.00 pm on the *trading day on which the dispute occurs or if the day on which the dispute arose is not a *trading day or the dispute occurs after 5.00 pm on a *trading day, then before 5.00 pm on the following *trading day.

APPEAL FROM A DETERMINATION OF THE TRADING GOVERNORS.

4.41.1 An *APX broker aggrieved by a determination of a *trading governor may appeal to the *APX Adjudicatory Tribunal.

4.41.2 The *APX Adjudicatory Tribunal must conduct any such appeal in accordance with **Rules 8.27.1 to 8.27.6 and 8.29.1 to 8.29.8.**

4.41.3 Each appeal must not be conducted as a rehearing but the *APX Adjudicatory Tribunal may review any findings reached in the determination of the *trading governor. The *APX Adjudicatory Tribunal may affirm, vary or set aside that determination.

4.41.4 The determination of the *APX Adjudicatory Tribunal will be final and binding on each *APX broker involved in the dispute.

4.41.5 The legal or other costs or expenses incurred by the *APX Adjudicatory Tribunal in hearing an appeal under this **Rule** must be borne by the *APX brokers involved in the dispute, in such proportions as the *APX Adjudicatory Tribunal in its discretion determines.

TAKEOVERS.

DEED OF INDEMNITY.

4.42 An *APX broker acting on behalf of a *bidder in relation to a market bid must obtain from the *bidder a duly completed and executed *deed of indemnity and must immediately provide a copy of it to *APX.

ANNOUNCEMENT.

4.43.1 In addition to the information required by the *Act, an *APX broker must include the following information in an *announcement to *APX in relation to a market bid:

- (a) the number and class of shares in the *target the subject of the market bid;
- (b) the price offered for *securities in the *target the subject of the market bid;
- (c) the date of the commencement and conclusion of the *offer period;
- (d) the number of *securities in the *target that the *bidder is entitled to immediately prior to the announcement;
- (e) a statement as to whether or not the *bidder intends to acquire shares in the *target at official meetings during the day of the *announcement and the 14 days thereafter at the price specified in the announcement or at a higher price;
- (f) if the *bidder does not intend to acquire all the shares offered at official meetings, the maximum number of such shares the *bidder will acquire during that period;

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- (g) the latest time the *APX broker will accept offers to sell shares in the *target. If the offer period is extended, the *announcement of that extension must include the latest time that the *APX broker will accept offers to sell shares in the *target under the extended *offer period.

4.43.2 An *APX broker acting on behalf of a *bidder in relation to a market bid must *announce to *APX:

- (a) an increase to the offer price;
- (b) an extension of the *offer period;
- (c) a withdrawal of the market bid;
- (d) any other variation to the market bid in accordance with the *Act; or
- (e) if it ceases to act on behalf of the *bidder.

ACQUISITION OF SHARES.

4.44.1 When an *APX broker is acting on behalf of an *bidder and the *bidder has:

- (a) made an off-market bid in respect of a class of shares in a *target; or
- (b) made a market bid in respect of a class of shares in a *target,

the *APX broker shall not on behalf of the *bidder offer to buy or buy shares of that class in the *target during the bid period at a price per share which is different from the amount of any consideration:

- (c) which is payable (or deemed under the *Act to be payable) under the off-market bid; or
- (d) which has been specified (or deemed under the *Act to have been specified) in the *announcement,

as the case may be, until an *announcement of the varied price has been made by *APX to the financial market during an *official meeting of *APX. An *announcement of a varied price will not be made to the financial market by *APX until written notice of the varied price is given to *APX.

4.44.2 Where shares of a *target are the subject of a takeover bid, an *APX broker that makes an announcement of a second (or subsequent) and competing *takeover for shares of that *target shall not acquire on behalf of the *bidder (its client) any shares in that *target until the market is informed of the contents of the second (or subsequent) *announcement.

APX BROKERS DEAL AS PRINCIPALS.

4.45 *APX brokers are deemed to deal with each other as principals and are responsible for satisfying the obligations associated with any contract they enter into as a result of the matching of a *bid and *offer on *the trading system as principal.

TERMS OF CONTRACTS.

4.46 Any contract *APX brokers enter into as a result of the matching of a *bid and *offer on the *trading system includes the following terms:

* See Chapter 1 for defined terms.

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- (a) the type of *securities matched;
- (b) the quantity of *securities matched;
- (c) the price at which the *bid and *offer are matched; and
- (d) any other relevant terms under the Rules including the delivery and settlement obligations under **Rules 6.13.1** and **6.13.2**.