



NORTHCAPE

CAPITAL

4 December 2025

ASX Limited
39 Martin Place
Sydney NSW 2000
Attention: Andrew Campion
Email: andrew.campion@asx.com.au

Re: Public consultation on shareholder approval requirements under the ASX Listing Rules

Dear Mr. Campion

Thank you for the opportunity to comment on the consultation paper on shareholder approval of dilutive acquisitions and changes in admission status. Northcape Capital (Northcape) is an Australian based fund manager who specialises in managing concentrated Australian and Emerging Markets equity portfolios. Northcape manages over A\$16 billion of investment capital on behalf of a range of global investors. We were a co-signatory of the letter to ASX in April 2025 which raised concern about the Listing Rules highlighted by the James Hardie – Azek acquisition.

Northcape supports ASX's efforts to enhance governance and investor protection and we provide our feedback to the consultation paper's specific questions in the table below:

Shareholder approval for change of admission category to ASX Foreign Exempt Listing

Q#	Consultation Question	Northcape position
1	Should security holder approval be required for a change in admission category from ASX Listing to ASX Foreign Exempt Listing?	Yes. Northcape agrees with proposal to change the listing rules. The introduction of a new security holder approval requirement would provide greater transparency and certainty for the benefit of both listed entities and their security holders via the removal of ASX interpretation. We think that a change in admission status to ASX Foreign Exempt Listing should be achieved via an ordinary resolution at a general meeting of ordinary security holders.
2	Are there any significant unintended consequences or other risks that this change raises that have not been considered in this consultation paper? If so, are there ways that these risks may be satisfactorily addressed while still proceeding with the proposed change?	We agree with the ASX assessment of potential consequences, and we can see no further unintended consequences.

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Shareholder approval for voluntary delisting by a dual listed entity

Q#	Consultation Question	Northcape position
3	Should security holder approval be required for a voluntary delisting by a dual listed entity on ASX?	Voluntary delisting by a dual listed entity on ASX should require shareholder approval for an entity that has its primary listing on ASX. Shareholder approval should not be required where the ASX listing is not the primary listing.
4	If security holder approval is required, should this apply only to a dual listed entity that was first listed on ASX, but not to an entity that was listed on a foreign exchange before listing on ASX?	If we use the primary listing as the criteria for determining that shareholder approval is required, then it should not matter if the entity was first listed on ASX or a foreign exchange.
5	If security holder approval is required, should this be by ordinary resolution? Should a special resolution rather than an ordinary resolution continue to be required if the entity's ordinary securities are not readily able to be traded on another exchange?	Voluntary delisting by a dual listed entity on ASX should be achieved via an ordinary resolution at a general meeting of ordinary security holders.
6	Are there any significant unintended consequences or other risks that this change raises that have not been considered in this consultation paper? If so, are there ways that these risks may be satisfactorily addressed while still proceeding with the proposed change?	We agree with the ASX assessment of potential consequences regarding challenges to attract foreign entities to list on ASX. We believe the ASX position in this consultation paper has the right balance between protecting shareholder rights without restricting the scope of investment opportunities for investors.

Bidder shareholder approval of share issues for takeovers and mergers – Exceptions from Listing Rule 7.1

Q#	Consultation Question	Northcape position
7	Should the current limit on issues of securities without approval under exceptions 6 and 7 in Listing Rule 7.2 be reduced?	Yes, we agree with the ASX proposed position. We also suggest that entities can seek annual pre-approval for a specific limit on issues of securities at an AGM. This would provide the entity with flexibility that has been approved by shareholders.

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		In the absence of this pre-approval, then the ASX proposed limit would apply.
8	If the limit is reduced, should this be to 75%, 50%, 25% or another amount?	We agree with the 25% limit proposed by ASX.
9	Should the current limit (the reverse takeover limit) be kept for entities outside the S&P/ASX 300 and with no more than \$300 million market capitalisation (the same group of entities as for Listing Rule 7.1A)?	Yes, it is appropriate to leave the smaller entities with lighter regulation, especially given many of these companies are actively seeking takeover by foreign entities.
10	Do you think that reducing the limit on issues of securities without approval under exceptions 6 and 7 in Listing Rule 7.2 would make it more difficult for listed bidders to compete in and execute takeovers and mergers? If so, what problems would it create?	Yes, it is likely that takeovers and mergers will face a higher hurdle to proceed. This hurdle is appropriate and will require shareholders to be convinced of the merits of the transaction.
11	What do you think may be the direct and indirect costs of the introduction of a lower limit on issues under exceptions 6 and 7? Would these costs be outweighed by the potential benefits?	We believe the costs of implementing these measures are minor when weighed against the possible long-term harm to equity markets if shareholder rights are ignored. The main expense is obtaining shareholder approval, which is a standard requirement for accessing public market funding. If the transaction has strong financial justification, these approval costs should not materially impact financial outcomes. So far, we have seen little evidence that using exemptions has added value for investors or increased confidence in the Australian equity market. It is our view that in the James Hardie Industries case they have done the opposite.
12	Do you think that exceptions 6 and 7 should be strictly limited to issues under takeovers and mergers conducted under Australian law, with no waivers provided to extend them to takeovers and mergers	Shareholder approval should be required for a major share issue or change of primary listing regardless of whether the transaction is conducted under foreign rules. Waivers reduce transparency, create uncertainty about

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	conducted under the laws of foreign jurisdictions?	when shareholder approval is required, and leave Australian shareholders exposed to the risk of their assumed rights being diminished or ignored.
13	Are there any other significant unintended consequences or other risks that this change raises that have not been considered in this consultation paper? If so, are there ways that these risks may be satisfactorily addressed while still proceeding with the proposed change?	We agree with the ASX assessment of potential consequences, and we can see no further unintended consequences.

Please feel free to contact me concerning any aspect of our submission.

Yours sincerely,



Michael Ryan
Managing Director

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