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29 July 2026

Attention: Gavin Skene, acting group executive, listings

Email: ListingsPolicy@asx.com.au

RE: Shareholder approval of dilutive acquisitions and changes in admission status

Dear Gavin,

Thank you for the opportunity to comment on ASX's proposed amendments to the ASX Listing Rules following the October 2025 consultation over shareholder approval for certain categories of transactions. Ownership Matters (OM) is an Australian owned governance advisory firm serving institutional investors that was formed in 2011. The views in this submission are those of OM and not its clients.

OM is generally supportive of the proposed Listing Rule amendments with some caveats:

- **'Prescribed transaction' changes:** OM strongly supports the proposed changes arising from the amendments to exceptions 6 & 7 to Listing Rule 7.2. These changes would remove the exception to Listing Rule 7.1 currently available to listed entities in the S&P/ASX 300 allowing them to issue securities equivalent to just under 100% of existing securities on issue to fund a takeover without seeking shareholder approval. The proposed threshold for S&P/ASX 300 entities which would require shareholder approval for security issues of more than 25% of existing securities on issue to fund takeovers balance flexibility for issuers with maintaining the capacity for shareholders to protect the nature of their property being arbitrarily changed without their consent. OM also supports ASX's intention to retain the current 'reverse takeover' threshold of 100% on security issuance without shareholder approval for all entities in all circumstances.
- OM also supports the proposed ability for a listed entity in the S&P/ASX 300 to periodically seek shareholder approval by ordinary resolution of a threshold above 25% for a period of up to three years as well as the capacity for an already-listed entity to amend its constitution to set a higher limit then 25% on a permanent basis. This is because in these cases shareholders will have an opportunity to make a genuine choice as to whether they are willing to allow a management team greater freedom; on this basis however OM does *NOT* support the potential, implicit in the proposed new regime, for an entity prior to listing to incorporate a threshold for takeover issuance above 25% into its constitution. This would render moot the ability of post-IPO shareholders to have control over dilutive takeover proposals. An entity should not be able to list on ASX with such a clause in its constitution; this would still enable management post-listing the ability to seek shareholder consent for a higher threshold either for three years by ordinary resolution or for an indefinite period through constitutional amendment.
- **Change of listing category:** OM also supports the proposed Listing Rule 18.10 which would require shareholder approval of an entity changing its status from that of an ASX Listing to an ASX Foreign Exempt Listing. This is appropriate given such a change may have a

material impact on the rights and protections available to shareholders, especially of entities domiciled in a non-Australian jurisdiction where Australia's takeover rules would not apply. Given the material potential impact on shareholder rights of a change in listing category, which is analogous to a constitutional change (noting many ASX-listed entities have constitutions effectively incorporating the ASX Listing Rules by reference), OM still maintains that the approval threshold for a change in listing status should be a special resolution rather than an ordinary resolution.

- **Delisting amendments:** OM also supports the new proposed Listing Rule 17.11A which effectively codifies ASX's existing approach as to when, and what type, of shareholder approval will be required for an entity to delist from ASX. The proposed Listing Rule 17.11B for entities whose ASX-listing is effectively a secondary listing, allowing them to delist without shareholder approval under certain specified conditions, also appears reasonable.

In relation to the specific consultation questions:

- **Question 2:** The proposed changes to Guidance Note 21 in relation to the lower threshold for takeover issuances for S&P/ASX 300 entities should make it clear that the ASX reserves the right to require shareholder approval for an issuance of securities to fund a takeover above the 25% limit if it occurs shortly before an entity's inclusion in the Index is announced. There is typically a period of several business days between the announcement of Index inclusion and formal inclusion and ASX should insist as a matter of routine that any transaction announced in this window should be subject to the S&P/ASX 300 entity 25% threshold; similarly given market participants are often aware of when an entity is likely to be included in an index ASX should have the discretionary ability to intervene to require shareholder approval when a transaction is announced in the weeks prior to S&P/ASX 300 rebalance announcement dates.
- **Question 3:** OM supports the proposed implementation date of 21 October 2026.
- **Question 4:** OM also supports a standardised time limit of 12 months from securityholder approval of security issuances under Listing Rules 7.1 & 7.4.

Please do not hesitate to contact us in relation to any matter raised in this submission.

Yours sincerely,

Dean Paatsch & Martin Lawrence

Ownership Matters Pty Ltd