Short summaries of Listing Rule policy

This document sets out a short summary of the policy underlying various Listing Rules that are commonly referred to in correspondence with ASX.

These short summaries are used in ASX's published waiver decisions. The summaries have been collected in one place for ease of reference and to assist listed entities and their advisers when making submissions to ASX about the Listing Rules.

These summaries have been developed over time by Listings Supervision and will continue to evolve. New summaries will be added as and when they are developed for rules that do not currently have a summary.

The summaries do not replace or override the Listing Rules themselves or the Guidance Notes (which continue to be the primary reference point for commentary about the policy underlying the Listing Rules and how Listings Supervision interprets them). The summaries do not cover every policy consideration that may be relevant to a particular rule.

Rule	Underlying policy
Introduction	
The principles on which the Listing Rules are based	The Listing Rules serve the interests of listed entities and investors, both of whom have a vital interest in maintaining the reputation and integrity of the ASX market and ensuring that it is internationally competitive and facilitates efficient capital raising. The principles which underpin the obligations imposed on listed entities by the Listing Rules include: • An entity should satisfy appropriate minimum standards of quality, size and operations before it is admitted to the official list and disclose sufficient information about itself to allow an informed market in its securities once they are quoted. • Sufficient investor interest in an entity's securities should be demonstrated before it is admitted to the official list and its securities are quoted. • Securities should be issued in circumstances, and have rights and obligations attaching to them, that are fair to new and existing security holders. • Timely disclosure should be made of information which may have a material effect on the price or value of an entity's securities. • Financial statements should be produced in accordance with acceptable accounting and auditing standards. • An entity should disclose information about its corporate governance practices and explain any departure from generally accepted standards of good corporate governance. • The practices adopted in relation to meetings of security holders should allow security holders the opportunity to express their views openly to the board and management. • Certain significant transactions should require security holder approval. In accepting the benefits of access to the ASX market, listed entities and their officers should also recognise that they assume a concomitant

Rule	Underlying policy
	responsibility to the market and investors in that market. In addition to complying with their obligations under the Listing Rules, they are expected to comply with the general law and to maintain high standards of corporate integrity and accountability.
Application of Listing Rules	The Listing Rules are not intended to be applied in a mechanistic or legalistic way. They are to be interpreted: • in accordance with their spirit, intention and purpose; • by looking beyond form to substance; and • in a way that best promotes the principles on which they are based (see **Listing Rule 19.2**). ASX has an absolute discretion concerning the admission of an entity to the official list and the quotation of its securities. ASX also has broad discretions under the Listing Rules whether to require or waive compliance with the Listing Rules in a particular case, to remove an entity from the official list and to suspend its securities from quotation. In exercising these discretions, ASX takes into account the principles mentioned above on which the Listing Rules are based and the imperative of maintaining the reputation, integrity and efficiency of the ASX market. ASX recognises that the Listing Rules necessarily cast a wide net. In an appropriate case, ASX may entertain an application for a waiver from compliance with a Listing Rule where: • the applicant can clearly demonstrate that it will suffer a commercial detriment or other disadvantage if the waiver is not granted; • ASX is satisfied that granting the waiver is not inconsistent with its statutory obligations as a licensed market operator, the principles on which the Listing Rules are based or the policy underlying the particular rule sought to be waived; and • ASX is also satisfied that granting the waiver will not adversely affect the reputation, integrity or efficiency of the ASX market. If ASX decides to grant a waiver, it may do so on conditions. The conditions must be complied with for the waiver to be effective. Waivers are published by ASX periodically and are also advised to ASIC.
Chapter 1 - Admissions	
1.1	Listing Rule 1.1 requires an entity seeking admission to meet various conditions before it is admitted. ASX must be satisfied that an entity meets appropriate minimum standards of quality, size and operations before it is admitted as an ASX Listing.
1.1 condition 1	Listing Rule 1.1 condition 1 requires an entity's structure and operations to be appropriate for a listed entity. In assessing whether this requirement is met, ASX has regard to the principles on which the Listing Rules are based, as set out in the introduction to the Listing Rules.

Rule	Underlying policy
1.1 condition 2	Listing Rule 1.1 condition 2 requires an entity seeking admission to have a constitution consistent with the Listing Rules. An entity should not be prohibited or prevented from complying with the Listing Rules by operation of its constituent document.
1.1 condition 3	Listing Rule 1.1 condition 3 requires an entity seeking admission to issue a regulated prospectus or product disclosure statement, unless ASX agrees to accept an information memorandum that complies with the content requirements in Listing Rule 1.4. This documentation provides an appropriate starting point for continuous disclosure after an entity is admitted, which is necessary to keep the market adequately informed.
1.1 condition 5(c)	Listing Rule 1.1 condition 5(c) requires that if an entity seeking admission is a trust, no-one must be under an obligation to buy-back units in the trust or to allow a security holder to withdraw from the trust. In the ordinary course, the security holder must exit their investment in the trust by selling in the market. This preserves the entity's spread and asset base and preserves the depth of ASX's market.
1.1 condition 6	Listing Rule 1.1 condition 6 requires that an entity seeking admission must apply for and be granted quotation of all securities in its main class (other than securities classified as restricted securities). This rule helps ensure transparency and certainty as to the number of securities available to be traded in the market and therefore maintains the integrity of the ASX market.
1.1 condition 7	Listing Rule 1.1 condition 7 requires that at least 20% of the main class of securities of an entity seeking admission can be traded and are not held by security holders who are affiliated with the entity. This demonstrates that there is sufficient liquidity in the entity's securities for it to be suitable for listing.
1.1 condition 8	Listing Rule 1.1 condition 8 requires an entity seeking admission to demonstrate that there are at least 300 non-affiliated security holders, each of whom holds a parcel of the main class of securities that are not restricted or subject to voluntary escrow with a value of at least $2,000. This demonstrates that there is sufficient investor interest in its securities for it to be suitable for listing.
1.1 condition 9	Listing Rule 1.1 condition 9 requires an entity seeking admission to satisfy either the profit test under Listing Rule 1.2 or the asset test under Listing Rule 1.3. An entity must have a minimum level of profits, net tangible assets, or market capitalisation before it will be eligible for admission.
1.1 condition 11	Listing Rule 1.1 condition 11 requires an entity seeking admission to ensure that the consideration for a classified asset purchased in proximity to listing is in the form of restricted securities in certain circumstances. This rule is aimed at delaying the benefit flowing to the vendors of classified assets until the value of the classified asset is reflected in the market price of the entity's securities, with a longer time period applying to vendors who are related parties or promoters. The difference in treatment for related parties and promoters reflects the fact that they typically have a bigger economic stake in, and a closer understanding of the underlying value of, the undertaking being listed than other unrelated security holders.
1.1 condition 12	Listing Rule 1.1 condition 12 requires that if an entity seeking admission has options on issue (including options in the form of performance rights), the exercise price must be at least 20 cents in cash. The options the entity has on issue at admission should not undermine Listing Rule 2.1 condition 2, which requires the issue price or sale price of all the securities for which a listing applicant is seeking quotation (except options) to be at least 20 cents in cash. These requirements together help ensure that the entity's ordinary securities have a minimum value suitable for an entity seeking admission.
1.1 condition 16	Listing Rule 1.1 condition 16 requires an entity seeking admission to provide a statement disclosing the extent to which it will follow the recommendations set out in the ASX Corporate Governance Principles and Recommendations on an 'if not, why not' basis. An entity should disclose information about its corporate governance practices and explain any departure from generally accepted standards of good corporate governance.
1.1 condition 17	Listing Rule 1.1 condition 17 requires that an entity which will be included in the S&P All Ordinaries Index on admission must have an audit committee. If the entity will be included in the S&P/ASX 300 Index upon admission, it is required to comply with the recommendations set out in the ASX Corporate

Rule	Underlying policy
	Governance Principles and Recommendations in relation to composition and operation of the audit committee. This supports an additional level of oversight of financial disclosures by directors of entities in the S&P/ASX 300 and S&P All Ordinaries indices.
1.1 condition 18	Listing Rule 1.1 condition 18 requires that an entity which will be included in the S&P/ASX 300 Index on admission must have a remuneration committee comprised solely of non-executive directors. This helps reduce the potential for, and perceptions of, conflicts of interest associated with the operation of remuneration committees in providing advice to the board on the remuneration arrangements of executive directors of an entity in the S&P/ASX 300 Index.
1.1 condition 19	Listing Rule 1.1 condition 19 requires an entity seeking admission to have a trading policy that complies with Listing Rule 12.9. This helps listed entities manage the risk of insider trading, informs the market about the standards adopted by an entity, and allows the market to assess whether the trading policy is fit-for purpose.
1.1 condition 20	Listing Rule 1.1 condition 20 requires that an entity seeking admission must satisfy ASX that each director or proposed director, the CEO or proposed CEO and the CFO or proposed CFO of the entity at the date of listing is of good fame and character. This assists in maintaining the reputation and integrity of the ASX market.
1.2.4	Listing Rule 1.2.4 requires an entity seeking admission under the profit test to have at least $1 million of aggregated profit from continuing operations for the last 3 full financial years. The requirement demonstrates that the entity has an established track record of profitability.
1.2.5	Listing Rule 1.2.5 requires an entity seeking admission under the profit test to have at least $500,000 of aggregated profit from continuing operations for 12 months to a date no more than 2 months before the date the entity applied for admission. The requirement demonstrates that the entity has a recent record of profitability prior to admission.
1.3.1	Listing Rule 1.3.1 requires an entity seeking admission under the assets test to have net tangible assets of at least $4 million or a market capitalisation of at least $15 million, unless it is an investment entity (which is subject to a higher net tangible asset threshold). These are the minimum standards for listing under the assets test.
1.3.2(b)	Listing Rule 1.3.2(b) requires an entity seeking admission under the assets test that has half or more of its total tangible assets in cash or in a form readily convertible to cash to have commitments consistent with its business objectives to spend at least half of its cash and assets in a form readily convertible to cash set out in its prospectus, product disclosure statement or information memorandum. This rule is intended to prevent the listing of an entity that is essentially a cash box, whose primary asset is cash with no commitment that it will be used for a stated purpose. It is in the interest of the market to list entities with stated plans or businesses, and investors should have a reasonable degree of certainty as to how funds will be invested.
1.3.3(c)	Listing Rule 1.3.3(c) requires an entity seeking admission to have working capital of at least $1.5 million, as shown in its reviewed pro forma statement of financial position under Listing Rule 1.3.5(d). This ensures that entities listing on ASX have a minimum level of working capital at the point of listing. This provides greater confidence that the entity will have sufficient resources on listing to carry on its business for a reasonable period of time.
1.3.4(a)	Listing Rule 1.3.4(a) requires that an investment entity that is not a pooled development fund must have net tangible assets of at least $15 million. This is a minimum requirement to enable a diversified portfolio of investments appropriate for an investment entity.

Rule	Underlying policy
1.4.1	Listing Rule 1.4.1 requires that a company seeking admission that is permitted to provide an information memorandum in lieu of a prospectus or product disclosure statement must include a statement in the information memorandum that it contains all the information that would be required under section 710 of the Corporations Act if the information memorandum were a prospectus offering for subscription the same number of securities for which quotation will be sought. This provides an appropriate starting point for continuous disclosure after an entity is admitted, which is necessary to keep the market adequately informed.
1.4.2	Listing Rule 1.4.2 requires that a trust seeking admission that is permitted to provide an information memorandum in lieu of a prospectus or product disclosure statement must include a statement in the information memorandum that it contains all the information that would be required under section 1013C of the Corporations Act if the information memorandum were a product disclosure statement offering for subscription the same number of financial products for which quotation will be sought. This provides an appropriate starting point for continuous disclosure after an entity is admitted, which is necessary to keep the market adequately informed.
1.4.3	Listing Rule 1.4.3 requires that an entity seeking admission that is permitted to provide an information memorandum in lieu of a prospectus or product disclosure statement must ensure that the information memorandum is signed by all directors and proposed directors. This provides an appropriate starting point for continuous disclosure after an entity is admitted, which is necessary to keep the market adequately informed.
1.4.4	Listing Rule 1.4.4 requires that an entity seeking admission that is permitted to provide an information memorandum in lieu of a prospectus or product disclosure statement must ensure that the information memorandum states the date it was signed. This is intended to replicate a requirement for disclosure documents under the Corporations Act. This provides an appropriate starting point for continuous disclosure after an entity is admitted, which is necessary to keep the market adequately informed.
1.4.5	Listing Rule 1.4.5 requires that an entity seeking admission that is permitted to provide an information memorandum in lieu of a prospectus or product disclosure statement must ensure that the information memorandum sets out the full particulars of the nature and extent of any interest now, or in the past 2 years, of every director or proposed director. This provides an appropriate starting point for continuous disclosure after an entity is admitted, which is necessary to keep the market adequately informed.
1.4.6	Listing Rule 1.4.6 requires that an entity seeking admission that is permitted to provide an information memorandum in lieu of a prospectus or product disclosure statement must ensure that the information memorandum sets out the full particulars of the nature and extent of any interest now, or in the past 2 years, of every expert. This provides an appropriate starting point for continuous disclosure after an entity is admitted, which is necessary to keep the market adequately informed.
1.4.7	Listing Rule 1.4.7 requires that an entity seeking admission that is permitted to provide an information memorandum in lieu of a prospectus or product disclosure statement must ensure that the information memorandum states that the entity has not raised capital in the 3 months preceding the date of issue of the information memorandum and will not raise capital in the 3 months after the date of issue of the information memorandum. This statement is intended to demonstrate that the entity has no need for capital. If an entity needs to raise capital at or around the time of its listing, it should do so under a prospectus or product disclosure statement.
1.4.8	Listing Rule 1.4.8 requires that an entity seeking admission that is permitted to provide an information memorandum in lieu of a prospectus or product disclosure statement must ensure that the information memorandum contains a statement that a supplementary information memorandum will be issued if the entity becomes aware of any new material information. This provision replicates the requirements of the Corporations Act in respect of

Rule	Underlying policy
	supplementary disclosure documents. This provides an appropriate starting point for continuous disclosure after an entity is admitted, which is necessary to keep the market adequately informed.
1.8 condition 1	Listing Rule 1.8 condition 1 requires that an entity seeking admission as an ASX Debt Listing must seek quotation of debt securities only that are 'financial products' as defined in the Corporations Act. An entity seeking admission as an ASX Debt Listing should seek quotation of debt securities only because an entity seeking quotation of equity securities should apply for admission as an ASX Listing or an ASX Foreign Exempt Listing. The requirement that debt securities must be 'financial products' helps ensure that the debt securities fall within a recognised definition under the Corporations Act. This protects the interests of investors and maintains the integrity of the ASX market.
1.8 condition 2	Listing Rule 1.8 condition 2 requires that an entity seeking admission as an ASX Debt Listing must be a public company, a government borrowing authority, a public authority or a person approved by ASX. A debt issuer and its debt securities should be subject to appropriate regulation.
1.8 condition 3	Listing Rule 1.8 condition 3 requires that an entity seeking admission as an ASX Debt Listing must have net tangible assets of $10 million or if the entity is a trustee, the trust must have net tangible assets of $10 million, or the debt securities for which the entity is seeking quotation must be unconditionally and irrevocably guaranteed by a guarantor meeting the same minimum net tangible assets threshold mentioned above, or the debt securities for which the entity is seeking quotation must be rated at least 'investment grade'. These are the minimum standards for listing as an ASX Debt Listing.
1.8 condition 7	Listing Rule 1.8 condition 7 requires that an entity seeking admission as an ASX Debt Listing which is a foreign entity must be registered as a foreign company under the Corporations Act. ASX Debt Listings should be subject to appropriate regulation.
1.8 condition 8(b)	Listing Rule 1.8 condition 8(b) requires that an entity seeking admission as an ASX Debt Listing that is a trust must be a special purpose trust constituted solely for the purpose of issuing the class or classes of debt securities to be quoted on ASX. This is an investor protection mechanism which reduces the number of potential claimants on the assets of the trust, primarily preserving them for the benefit of holders of the quoted debt securities.
1.8 condition 8(c)	Listing Rule 1.8 condition 8(c) requires that an entity seeking admission as an ASX Debt Listing that is a trust must be a registered scheme if it seeks to quote retail debt securities, unless it has an exemption from ASIC. ASX Debt Listings should be subject to appropriate regulation.
1.8 condition 11	Listing Rule 1.8 condition 11 requires that an entity seeking admission as an ASX Debt Listing must be approved as an issuer of quoted securities or as a foreign issuer of CHESS Depositary Interests under the operating rules of an approved clearing and settlement facility. This supports orderly settlement of securities quoted on the ASX market.
1.11 condition 1	Listing Rule 1.11 condition 1 requires an entity seeking admission as an ASX Foreign Exempt Listing to be a foreign entity and to have as its overseas home exchange a stock exchange or market that is acceptable to ASX. An entity that meets these criteria may be permitted to list equity securities on ASX and be exempt from complying with most of ASX's Listing Rules, provided it complies with primarily the listing rules of its home exchange.
1.13	Listing Rule 1.13 requires an entity seeking admission under the assets test as an ASX Foreign Exempt Listing to have net tangible assets of at least

Rule	Underlying policy
	$2,000 million or a market capitalisation of at least $2,000 million, unless it is a qualifying NZ entity (which is subject to a different threshold). The entity must have a minimum level of net tangible assets or market capitalisation before it will be eligible for admission as an ASX Foreign Exempt Listing.
Chapter 2 - Quotation	
2.1 condition 1	Listing Rule 2.1 condition 1 requires that the terms of the main class of securities of an entity seeking admission (or of debt securities for an entity seeking admission as an ASX Debt Listing) comply with Chapter 6 of the Listing Rules, which sets out the rights and obligations that must be attached to an entity's securities. This helps ensure that the securities have rights and obligations attached to them that are fair to new and existing security holders.
2.1 condition 2	Listing Rule 2.1 condition 2 requires that the issue or sale price of securities for which an entity is seeking quotation at admission must be at least 20 cents, other than restricted securities (after the escrow period ends) and securities issued under an employee incentive scheme. This helps ensure that the entity's quoted securities have a minimum value suitable for an entity seeking admission.
2.1 condition 3	Listing Rule 2.1 condition 3 requires the securities or the CHESS Depositary Interests of an entity seeking admission to be approved under the operating rules of an approved clearing and settlement facility. This supports orderly settlement of securities quoted on the ASX market.
2.1 condition 4	Listing Rule 2.1 condition 4 requires an entity seeking quotation of partly paid securities at admission to have a defined call program for those securities setting out the date and amount of each proposed call. This provides certainty for investors regarding calls on those securities.
2.4	Listing Rule 2.4 requires that an entity must apply for quotation of all additional securities that it issues in its main class and any other class of securities that is quoted or intended to be quoted on ASX. This helps ensure fungibility of the entity's securities and provides certainty as to the number of securities available to be traded in the market.
2.5 condition 3	Listing Rule 2.5 condition 3 requires the quoted securities or the CHESS Depositary Interests of an entity to be approved under the operating rules of an approved clearing and settlement facility. This supports orderly settlement of securities quoted on the ASX market.
2.5 condition 4	Listing Rule 2.5 condition 4 requires an entity seeking quotation of partly paid securities to have a defined call program setting out the date and amount of each proposed call. This provides certainty for investors regarding calls on those securities.
2.5 condition 6	Listing Rule 2.5 condition 6 requires an entity seeking quotation of a class of equity securities, or other securities with rights of conversion to equity, to have at least 100,000 securities in that class on issue and at least 50 holders with a marketable parcel, except where the securities would be in the same class as fully paid ordinary securities (ignoring they do not rank equally for the next dividend or any right to participate in a concurrent offer) and there are at least 1 million securities, or where the securities are partly paid securities that meet specified conditions. This demonstrates that there is sufficient investor interest for the securities to be quoted and supports liquidity in the entity's securities on the secondary market.
2.7	Listing Rule 2.7 requires an entity to give to ASX an Appendix 2A form when seeking quotation of securities. This increases transparency as to the number of securities available to be traded on the market.
2.8	Listing Rule 2.8 requires an entity to apply for quotation of securities within prescribed timeframes. This provides certainty as to the number of securities available to be traded on the market.
Chapter 3 – Continuous Disclosure	

Rule	Underlying policy
3.1	Listing Rule 3.1 requires an entity to immediately inform ASX of any information that a reasonable person would expect to have a material effect on the price or value of the entity's securities, subject to the exception set out in Listing Rule 3.1A. This maintains an informed market. Continuous disclosure preserves the integrity and efficiency of the ASX market and other markets that trade in ASX quoted securities or derivatives of those securities.
3.1A	Listing Rule 3.1A is an exception to Listing Rule 3.1. Listing Rules 3.1, 3.1A and 3.1B form an integrated set of rules intended to strike an appropriate balance between the interests of the market in receiving information that will affect the price or value of, or which is needed to correct or prevent a false market in, an entity’s securities at the earliest reasonable time, and the interests of the entity in not having to disclose information prematurely or where it would clearly be inappropriate to do so.
3.1B	Listing Rule 3.1B requires an entity to immediately give ASX information that ASX asks for to correct or prevent a false market. Listing Rules 3.1, 3.1A and 3.1B form an integrated set of rules intended to strike an appropriate balance between the interests of the market in receiving information that will affect the price or value of, or which is needed to correct or prevent a false market in, an entity’s securities at the earliest reasonable time, and the interests of the entity in not having to disclose information prematurely or where it would clearly be inappropriate to do so.
3.8A	Listing Rule 3.8A requires an entity to provide certain notifications to ASX regarding any buy-back that it undertakes in the form required by ASX. This helps maintain an informed market.
3.10.3	Listing Rule 3.10.3 requires an entity to tell ASX of a proposed issue of securities in the form required by ASX. This helps maintain an informed market.
3.10.3A	Listing Rules 3.10.3A, 3.10.3B and 3.10.3C together require an entity to tell ASX of the issue of equity securities, and issues of debt securities that are intended to be quoted on ASX, in the form required by ASX. This helps ensure that ASX and the market have reasonably up-to-date information about the issued equity securities and quoted debt securities of an entity.
3.10.3B	Listing Rules 3.10.3A, 3.10.3B and 3.10.3C together require an entity to tell ASX of the issue of equity securities, and issues of debt securities that are intended to be quoted on ASX, in the form required by ASX. This helps ensure that ASX and the market have reasonably up-to-date information about the issued equity securities and quoted debt securities of an entity.
3.10.3C	Listing Rules 3.10.3A, 3.10.3B and 3.10.3C together require an entity to tell ASX of the issue of equity securities, and issues of debt securities that are intended to be quoted on ASX, in the form required by ASX. This helps ensure that ASX and the market have reasonably up-to-date information about the issued equity securities and quoted debt securities of an entity.
3.10.3E(a)	Listing Rule 3.10.3E(a) requires an entity to tell ASX of the cessation of equity securities and quoted debt securities in the form required by ASX. This helps ensure that ASX and the market have reasonably up-to-date information about the issued equity securities and quoted debt securities of an entity.
3.10.4	Listing Rule 3.10.4 requires an entity to tell ASX of the lodging of any disclosure document or PDS or the issuing of an information memorandum and to give a copy to ASX before it is issued to prospective investors. This helps maintain an informed market.
3.13.3	Listing Rule 3.13.3 requires an entity to provide ASX with a copy of the contents of any prepared announcement (including any prepared address by the chairperson or CEO) that will be delivered at a meeting of security holders, no later than the start of the meeting. This helps maintain an informed market.
3.16	Listing Rule 3.16 requires an entity to tell ASX of a change in certain officeholders and the material terms of any employment, service or consultancy agreement with its CEO, any director or any other related party of its CEO or a director. This helps maintain an informed market.

Rule	Underlying policy
3.17.1	Listing Rule 3.17.1 requires an entity to give ASX a copy of documents sent to its security holders generally or in a class. This helps maintain an informed market.
3.18	Listing Rule 3.18 requires an entity with loans included in its assets to tell ASX of further information if ASX asks. This helps maintain an informed market.
3.19	Listing Rule 3.19 requires an entity to notify the market if the entity becomes aware that a holding of securities has come within 5 percentage points of, or equals or exceeds, an ownership or control restriction as set out in its constitution or a law (other than the Corporations Act or Foreign Acquisitions and Takeovers Act). This helps maintain an informed market.
3.19A	Listing Rule 3.19A requires an entity to tell ASX of a director's notifiable interests no more than five business days after the director becomes or ceases to be a director, and no more than five business days after a change in their notifiable interests occurs. Timely disclosure of this information promotes transparency and helps maintain an informed market.
3.19B	Listing Rule 3.19B requires an entity to make and enforce arrangements with a director to ensure that the director discloses to the entity all of the information required for the entity to comply with Listing Rule 3.19A. This supports Listing Rule 3.19A, which promotes transparency and helps maintain an informed market.
3.20.2	Listing Rule 3.20.2 requires an entity to give ASX at least 4 business days' notice of a proposed record date or any change to a proposed record date for a corporate action. Adequate notice of record dates for corporate actions or changes to those dates ensures that investors are able to determine their entitlements, trading can take place on a basis where participants in the market have certainty as to whether they will be entitled to participate in the corporate action, and ASX's trading and settlement systems can accommodate the proposed corporate action. This helps ensure an orderly market is maintained.
Chapter 4 – Periodic Disclosure	
4.2A	Listing Rule 4.2A requires an entity established in Australia to give to ASX the documents which it lodges under section 320 of the Corporations Act, and for a foreign entity to give to ASX the equivalent accounts and other documents required by the law of its home jurisdiction. Additional information is required to be given to ASX in a prescribed format. The prescribed format is intended to facilitate the ready understanding and comparison of information provided by different entities. This supports the continuous disclosure regime and enhances the quality and relevance of information provided to the market.
4.2B	Listing Rule 4.2B requires an entity to give to ASX the information and documents required under Listing Rule 4.2A immediately when they are ready and no later than the time it lodges its accounts with ASIC or the regulatory authorities in the jurisdiction in which it is established. It must do so no later than 2 months (or 75 days for mining or oil and gas exploration entities) after the end of the accounting period. This supports the continuous disclosure regime and ensures the timely provision of relevant information to the market.
4.3A	Listing Rule 4.3A requires an entity (except a mining or oil and gas exploration entity) to give to ASX a preliminary final report in a prescribed format. The prescribed format is intended to facilitate the ready understanding and comparison of information provided by different entities. This supports the

Rule	Underlying policy
	continuous disclosure regime and enhances the quality and relevance of information provided to the market.
4.3B	Listing Rule 4.3B requires an entity (except a mining or oil and gas exploration entity) to give to ASX the information and documents required by Listing Rule 4.3A immediately when they are ready and no later than the time it lodges its accounts with ASIC or the regulatory authorities in the jurisdiction in which it is established. It must do so no later than 2 months after the end of its accounting period. This supports the continuous disclosure regime and ensures the timely provision of relevant information to the market.
4.5.1	Listing Rule 4.5.1 requires an entity established in Australia to give ASX a copy of the documents that it must lodge annually with ASIC under section 319 of the Corporations Act. The entity must give the documents to ASX when it lodges the documents with ASIC and no later than 3 months after the end of the full year accounting period. This time limit is independently imposed by ASX and applies even if an entity has obtained relief from ASIC from the time limit applying under the Corporations Act. This supports the continuous disclosure regime by requiring audited full year financial information to be provided on a timely basis.
4.5.2	Listing Rule 4.5.2 requires an entity not established in Australia to provide a copy of the accounts and other documents it must lodge with ASIC under section 601CK of the Corporations Act. The accounts must be audited, and the audit report must be given to ASX with the accounts. The entity must give the documents to ASX when it lodges the documents with ASIC and no later than 3 months after the end of the accounting period. This time limit is independently imposed by ASX and applies even if an entity could lodge at a later time under the Corporations Act or has obtained relief from ASIC from the time limit applying under the Corporations Act. This supports the continuous disclosure regime by requiring audited full year financial information to be provided on a timely basis.
4.5.3	Listing Rule 4.5.3 requires an entity not established in Australia to provide annual financial information to ASX even if it is not required to prepare and lodge annual financial information with ASIC under the Corporations Act. This supports the continuous disclosure regime by ensuring the entity gives ASX audited full year financial information in the same form and timeframe as other foreign entities.
4.7.1	Listing Rule 4.7.1 requires an entity established in Australia to give ASX a copy of its annual report and any concise report provided to its security holders under section 314 of the Corporations Act. This helps maintain an informed market.
4.7.2	Listing Rule 4.7.2 requires an entity not established in Australia to give ASX a copy of its annual report if it is required by the law of the place of its establishment to prepare an annual report for security holders. This helps maintain an informed market.
4.7.3	Listing Rule 4.7.3 requires an entity to lodge a completed Appendix 4G at the same time as its annual report. This helps ensure that disclosures made in accordance with Listing Rule 4.10.3 are readily identifiable and easily located.
4.7.4	Listing Rule 4.7.4 requires an entity to lodge a copy of its corporate governance statement with ASX at the same time it lodges its annual report with ASX if the entity chooses to include its corporate governance statement on its website rather than in its annual report. This helps ensure there is a contemporary and permanent record of an entity's corporate governance statement kept on the ASX Market Announcements Platform. This assists investors and other interested parties to follow changes in an entity's governance practices from year to year.
4.7B	Listing Rule 4.7B requires start-up entities to give ASX quarterly cashflow reports in the form of Appendix 4C when available for release to the market and in any event within 1 month after the end of each quarter of its financial year. The information is in a prescribed format to facilitate the ready understanding and comparison of information provided by different entities. This assists the market to understand the extent to which the entity is

Rule	Underlying policy
	achieving its business objectives and goals, and helps provide a high level of transparency about an entity's operating model, use of funds, and liquidity position.
4.7C	Listing Rule 4.7C requires an entity that is required to give ASX an Appendix 4C for a particular quarter to also give ASX an activity report for that quarter at the same time as its Appendix 4C. This robust disclosure framework gives start-up entities a vehicle to communicate developments in their business to the market on a regular basis.
4.10.3	Listing Rule 4.10.3 requires an entity to include in its annual report or on its website, a corporate governance statement that meets the requirements of the rule. This helps ensure that the market receives a reasonable level of information about the corporate governance practices an entity has adopted to promote meaningful dialogue between the market and the entity and to assist security holder and investor decision making.
4.10.4	Listing Rule 4.10.4 requires an entity to include information in its annual report about substantial holders in the entity. This enables security holders to better understand the entity's capital structure and identify persons potentially able to exercise influence or undertake a control transaction.
4.10.7	Listing Rule 4.10.7 requires an entity to include a distribution schedule of holders of each class of quoted security in its annual report. This provides the market with a periodic snapshot and transparency of the security holder register of the entity.
4.10.8	Listing Rule 4.10.8 requires an entity to include the number of security holders with less than a marketable parcel of the entity's main class of securities in its annual report. This provides the market with a periodic snapshot and transparency of the security holder register of the entity.
4.10.9	Listing Rule 4.10.9 requires an entity to include details of the 20 largest holdings of each class of quoted securities in its annual report. This provides the market with a periodic snapshot and transparency of the security holder register of the entity.
4.10.18	Listing Rule 4.10.18 requires an entity to disclose in its annual report whether there is a current on-market buy-back. This reminds the market of the present capacity of an entity to buy back securities.
4.10.19	Listing Rule 4.10.19 requires a start-up entity to disclose in its first 2 annual reports after admission whether it used the cash and assets readily convertible into cash that it had at the time of admission in a way that was consistent with its business objectives and, if not, how the cash and assets were used. This assists the market to understand the extent to which the entity achieved its business objectives.
4.10.22	Listing Rule 4.10.22 requires an entity to disclose in its annual report any on-market purchases of securities by the entity on behalf of participants in an employee incentive scheme over the course of a reporting period. This helps maintain an informed market.
4.12	Listing Rule 4.12 requires an investment entity to tell ASX the net tangible asset backing of its quoted securities as at the end of each month immediately it is available for release to the market and in any event not later than 14 days after the end of that month. This helps ensure the timely disclosure of information to maintain an informed market.
Chapter 5 - Additional reporting on mining and oil and gas production and exploration activities	
5.1	Listing Rule 5.1 requires a mining producing entity to give to ASX a quarterly activity report no later than 1 month after the end of each quarter. This provides a robust disclosure framework that gives mining producing entities a vehicle to communicate developments in their business to the market on a regular basis.
5.2	Listing Rule 5.2 requires an oil and gas producing entity to give to ASX a quarterly activity report no later than 1 month after the end of each quarter. This provides a robust disclosure framework that gives oil and gas producing entities a vehicle to communicate developments in their business to the

Rule	Underlying policy
	market on a regular basis.
5.3	Listing Rule 5.3 requires a mining exploration entity to give to ASX a quarterly activity report at the same time it gives to ASX its Appendix 5B form for that quarter. This provides a robust disclosure framework that gives mining exploration entities a vehicle to communicate developments in their business to the market on a regular basis.
5.4	Listing Rule 5.4 requires an oil and gas exploration entity to give to ASX a quarterly activity report at the same time it gives to ASX its Appendix 5B form for that quarter. This provides a robust disclosure framework that gives oil and gas exploration entities a vehicle to communicate developments in their business to the market on a regular basis.
5.5	Listing Rule 5.5 requires a mining exploration or oil and gas exploration entity to give ASX quarterly cashflow reports in the form of Appendix 5B when available for release to the market and in any event within 1 month after the end of each quarter. The information is in a prescribed format to facilitate the ready understanding and comparison of information provided by different entities. This assists the market to understand the extent to which the entity is achieving its exploration objectives, and helps provide a high level of transparency about an entity's operating model, use of funds, and liquidity position.
5.6	Listing Rule 5.6 requires all public reports that include a statement relating to an exploration target, exploration results, mineral resources or ore reserves to comply with Appendix 5A, which contains the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). This helps maintain consistency and quality of reporting of mining activities by listed entities.
5.15(b)	Listing Rule 5.15(b) requires an entity not to disclose a production target based solely or in part on historical estimates or foreign estimates of mineralisation, other than qualifying foreign estimates. Where mineralisation has not been confirmed to the standards required by the JORC Code, there will be significant uncertainty regarding the entity's ability to achieve the production target. The disclosure of a production target in these circumstances is therefore likely to be misleading.
Chapter 6 – Securities	
6.1	Listing Rule 6.1 requires the terms that apply to each class of equity securities to be appropriate and equitable. This helps protect the interests of investors and maintains the integrity of the market.
6.2	Listing Rule 6.2 requires an entity to have only 1 class of ordinary securities unless ASX approves the terms of an additional class or the additional class is of partly paid securities which, if fully paid, would be in the same class as ordinary securities. This helps prevent confusion and also limits impediments to takeovers.
6.3	Listing Rule 6.3 requires preference securities to only have voting rights in limited circumstances. This supports the principle that holders of ordinary securities should exercise control over an entity.
6.5	Listing Rule 6.5 requires preference securities to carry an entitlement to a commercial rate of return in preference to holders of ordinary securities, which is appropriate given their debt-like characteristics. This is a minimum characteristic of a preference security.
6.6	Listing Rule 6.6 requires preference securities to carry an entitlement to a return of capital in preference to holders of ordinary securities when the entity is wound up or ended, which is appropriate given their debt-like characteristics. This is a minimum characteristic of a preference security.
6.7	Listing Rule 6.7 requires a holder of preference securities to be entitled to the same rights of a holder of ordinary securities in relation to receiving

Rule	Underlying policy
	notices, reports and audited accounts, and attending meetings. This helps protect the interests of preference security holders.
6.8	Listing Rule 6.8 requires each holder of an ordinary security and each holder of a preference security to be entitled to 1 vote on a show of hands. This helps support efficient voting at meetings when the outcome is clear.
6.9	Listing Rule 6.9 requires that on a poll each holder of an ordinary security or preference security must be entitled to 1 vote for each fully paid security and a fraction for each partly paid security. This helps ensure that the voting entitlements of security holders are proportional to their economic interest in the entity.
6.10	Listing Rule 6.10 requires an entity not to remove or change a security holder's right to vote in respect of particular securities, subject to various exceptions. This rule supports shareholder democracy by preventing an entity from interfering arbitrarily with the voting rights of voting securities.
6.10.3	Listing Rule 6.10.3 is an exemption from Listing Rule 6.10 and applies where a person becomes the holder of the securities after the time determined under the Corporations Regulations as the ‘specified time’ for deciding who holds securities for the purposes of the meeting. This recognises the primacy of the Corporations Act.
6.10.4	Listing Rule 6.10.4 is an exemption from Listing Rule 6.10 and applies in cases where the right is removed or changed under Australian law or under a provision in the entity's constitution that is required for compliance with Australian law. This recognises the primacy of Australian law.
6.11	Listing Rule 6.11 requires that a holder of a partly paid security must not be entitled to a greater proportion of a distribution or issue of bonus securities than the proportion which is paid up. This rule helps maintain the balance between the rights of holders of fully paid securities and holders of partly paid securities.
6.12	Listing Rule 6.12 requires that a security holder must not be divested of any equity securities subject to the exceptions set out in Listing Rule 6.12. This protects security holder rights.
6.13	Listing Rule 6.13 requires an entity not to hold a security interest over particular securities or dividends it pays on them, subject to exceptions set out in Listing Rule 6.13. This helps to protect the integrity of ASX's market.
6.16	Listing Rule 6.16 requires that option terms must permit the rights of an option holder to be changed to comply with the Listing Rules applying to a reorganisation of capital. This enhances compliance with Listing Rule 7.22, and helps ensure that options can have their terms changed in compliance with the Listing Rules in force at the time of the reorganisation of capital.
6.18	Listing Rule 6.18 requires an option not to be exercisable over a percentage of an entity's capital. This helps ensure an acceptable capital structure and supports other Listing Rules, principally Listing Rule 7.1.
6.19	Listing Rule 6.19 requires that option terms set out an option holder's rights to participate in a new issue without exercising the option, or state that there are no such rights. This helps inform both holders of issued securities and holders of the options of the potential participation of option holders in new issues.
6.20	Listing Rule 6.20 requires that an option not confer a right to participate in a new issue without exercising the option unless the option was issued pro rata to all security holders or the issue of the option was approved by security holders. This helps maintain an appropriate balance between rights of holders of issued securities and holders of options.
6.21	Listing Rule 6.21 requires that an option not confer a right to a change in the exercise price or a change in the number of securities issued on exercise

Rule	Underlying policy
	unless the right is permitted under Listing Rule 6.22. An option's terms must contain a statement of any rights the option holder has to a change in the exercise price of the option, or a change to the number of underlying securities over which the option can be exercised. This helps maintain an appropriate balance between rights of holders of issued securities and holders of options.
6.22	Listing Rule 6.22 requires that an option which confers the right to a change in exercise price or a change in the number of securities issued on exercise must do so only in accordance with the circumstances set out in Listing Rule 6.22. This helps maintain an appropriate balance between the rights of holders of issued securities and the holders of options, and provides certainty to investors as to the terms of the options and how the option terms may be varied.
6.23.2	Listing Rule 6.23.2 requires approval of holders of issued ordinary securities for the cancellation of an option for consideration. This helps maintain an appropriate balance between rights of holders of issued securities and holders of options.
6.23.3	Listing Rule 6.23.3 requires that a change affecting an option cannot be made if it has the effect of reducing the exercise price, increasing the period for exercise or increasing the number of securities received on exercise. Changing these fundamental features affects the value of the option and a decision whether to buy, hold, sell, or exercise the option depends upon these features being known with certainty. These features also have the potential to affect the market in an entity's ordinary securities.
6.23.4	Listing Rule 6.23.4 requires that changes not prohibited under Listing Rule 6.23.3 can be made with the approval of holders of issued ordinary securities. This helps maintain an appropriate balance between the rights of holders of issued ordinary securities and the holders of options.
6.24	Listing Rule 6.24 requires that an entity must follow mandatory timetables in Appendix 6A for various corporate actions, including dividends or distributions. Compliance with timetables maintains an orderly market as investors are able to determine their entitlements, trading can take place on a basis where participants in the market have certainty as to whether they will be entitled to participate in the corporate action, and ASX's trading and settlement systems can accommodate the proposed corporate action.
App 6A clause 1	Appendix 6A clause 1 requires an entity to announce a dividend or distribution rate before the record date. This maintains an informed market.
App 6A clause 5.2	Appendix 6A clause 5.2 requires an entity to send a notice to each holder of quoted options at least 20 business days before the conversion date or expiry date of options. This provides option holders with a basis for an informed decision to exercise options and maintains an informed market.
Chapter 7 – Changes in capital and new issues	
7.1	Listing Rule 7.1 requires an entity to adhere to an aggregate limit on the number of equity securities it can issue, or agree to issue, over any 12 month period without obtaining prior security holder approval. Subject to a number of exceptions in Listing Rule 7.2, the limit is approximately 15% of its fully paid ordinary issued capital. This seeks to balance the interests of an entity in being able to raise capital flexibly and the interests of its security holders in not being unfairly diluted.
7.1A	Listing Rule 7.1A allows an eligible entity to seek security holder approval by way of special resolution at its annual general meeting to have additional placement capacity to issue equity securities of an existing quoted class up to approximately 10% of its fully paid ordinary issued capital. The approval ceases to be valid on the earlier of the date that is 12 months after the annual general meeting at which approval is obtained, the entity’s next annual general meeting or security holders approving a change of activities under Listing Rule 11.1.2 or a disposal of its main undertaking under Listing Rule 11.2. This seeks to balance the interests of an entity in being able to raise capital flexibly and the interests of security holders in not being unfairly

Rule	Underlying policy
	diluted, while making it easier for small to mid-cap entities to raise additional equity capital.
7.1B.1	Listing Rule 7.1B.1 requires an issue of convertible securities to be treated as an issue of the maximum number of ordinary securities the convertible securities may convert into for Listing Rule 7.1 and 7.1A purposes. This helps support the policy underlying Listing Rules 7.1 and 7.1A.
7.2 exception 6	Listing Rule 7.2 exception 6 is an exception to Listing Rules 7.1 and 7.1A and applies to an issue of securities under a takeover bid or under a merger by way of scheme of arrangement under the Corporations Act. The exception does not apply if the issue is being made to fund a reverse takeover. The exception is available in recognition that a takeover or acquisition by way of a scheme of arrangement could be difficult to complete in circumstances where the entity is required to seek approval from its security holders before it can issue securities under the takeover or scheme. A requirement for security holder approval could also put the entity at a competitive disadvantage to an unlisted bidder or acquirer in a contested takeover or acquisition.
7.2 exception 7	Listing Rule 7.2 exception 7 is an exception to Listing Rules 7.1 and 7.1A and applies to an issue of securities to fund the consideration payable under a takeover bid or under a merger by way of scheme of arrangement under the Corporations Act. The exception does not apply if the issue is being made under a reverse takeover. The exception is available in recognition that a takeover or acquisition by way of a scheme of arrangement could be difficult to complete in circumstances where the entity is required to seek approval from its security holders before it can issue securities to fund the takeover or scheme. A requirement for security holder approval could also put the entity at a competitive disadvantage to an unlisted bidder or acquirer in a contested takeover or acquisition.
7.2 exception 9 (a) and (b)	Listing Rule 7.2 exceptions 9(a) and (b) are exceptions to Listing Rules 7.1 and 7.1A. These are technical exceptions intended to ensure that the Listing Rules deal appropriately with convertible securities. If at the time convertible securities are issued, the entity complied with the Listing Rules (or the securities were taken to be approved in connection with the entity’s listing), any subsequent conversion of the convertible securities in accordance with their terms will fall outside of Listing Rules 7.1 and 7.1A.
7.3.4	Listing Rule 7.3.4 requires a notice of meeting with a resolution to approve an issue or agreement to issue equity securities under Listing Rule 7.1 to include the date or dates on or by which the entity will issue the securities, which must be no later than the applicable period referred to in Listing Rule 7.3.4. This strikes a balance between giving entities the time practically necessary to complete an issue of equity securities, and ensuring that the securities are issued within a reasonable time frame after security holder approval so that the approval is not rendered stale by subsequent events.
7.3.6	Listing Rule 7.3.6 requires a notice of meeting with a resolution to approve an issue or agreement to issue equity securities under Listing Rule 7.1 to include the purpose of the issue, including the intended use of funds raised. This helps ensure security holders can make a properly informed judgement in relation to the resolution.
7.3.9	Listing Rule 7.3.9 requires a notice of meeting with a resolution to approve an issue or agreement to issue equity securities under Listing Rule 7.1 to include a voting exclusion statement. This prohibits certain persons who may benefit from the proposed issue from voting in favour of the resolution, given they may receive a benefit from the passing of the resolution that will not accrue to other security holders.
7.5.4	Listing Rule 7.5.4 requires a notice of meeting with a resolution to approve an issue or agreement to issue equity securities under Listing Rule 7.4 to include the date or dates on which the securities were or will be issued. If the securities have not yet been issued, the date by which the entity will issue the securities must be no later than 3 months after the date of the meeting. This strikes a balance between giving entities the time practically necessary to complete an issue of equity securities, and ensuring that the securities are issued within a reasonable timeframe after security holder approval so that the approval is not rendered stale by subsequent events.

Rule	Underlying policy
7.5.8	Listing Rule 7.5.8 requires a notice of meeting with a resolution to approve an issue or agreement to issue equity securities under Listing Rule 7.4 to include a voting exclusion statement. This prohibits certain persons who participated in the issue or who are a counterparty to the agreement from voting in favour of the resolution, as they may receive a benefit that other security holders do not receive.
7.6	Listing Rule 7.6 prohibits an entity from issuing or agreeing to issue any equity securities without security holder approval for 3 months after it is told in writing by a person or persons holding more than 50% that they intend to call, or request the directors to call, a meeting to appoint or remove the directors of the entity (or the responsible entity of an entity that is a trust), subject to the exceptions in Listing Rule 7.6. This prevents the directors or responsible entity from issuing securities with a view to altering the outcome of the meeting to appoint or remove directors (or the responsible entity).
7.8.2	Listing Rule 7.8.2 requires that an entity may only make an issue under a dividend or distribution plan if the plan allows participants to choose whether to participate for part or all of their holdings, subject to the exceptions in Listing Rule 7.8.2. This helps ensure that all investors are treated equally and that security holders have the freedom to decide what proportion of their holding should be reinvested and which part should be received in cash.
7.9	Listing Rule 7.9 requires an entity not to issue or agree to issue equity securities, without the approval of the holders of its ordinary securities, for 3 months after it is told in writing that a person is making, or proposes to make, a takeover offer for securities in the entity, subject to the exceptions in Listing Rule 7.9. This prevents the entity from issuing securities with a view to altering the outcome of the takeover.
7.11.3	Listing Rule 7.11.3 requires that an entity must not make a pro-rata offer at a ratio greater than 1 for 1 except where the pro-rata offer is renounceable and the issue price is not more than the volume weighted average market price for securities in that class (calculated over the last five days on which sales in the securities were recorded before the day on which the issue was announced). This enables smaller holders to either maintain their proportionate holding in the entity without requiring an excessive outlay of funds or being significantly diluted, or to realise value by selling renounceable rights.
7.14	Listing Rule 7.14 requires that an entity must not have a record date for any purpose until at least 3 business days after its last record date for another corporate action. This enables ASX to establish a market around entitlements and maintain orderly trading and settlement of securities.
7.15	Listing Rule 7.15 requires an entity to set a record date to determine entitlements at least 4 business days after a meeting at which approval is sought for an offer or issue of securities. This provides security holders with an opportunity to adjust their holding to participate in an offer or issue of securities.
7.16	Listing Rule 7.16 requires that an entity must not issue options if it would have more options on issue than underlying securities, except where the offer is of 1 ordinary security and 1 option for each ordinary security. This supports acceptable capital structures and limits excessive amounts of options on issue that may confuse investors and create market uncertainty.
7.21	Listing Rule 7.21 requires that an entity must not reorganise its capital if the reorganisation would have the effect of conferring a benefit on its convertible security holders that its ordinary security holders would not also receive. This maintains the balance between the rights of holders of ordinary securities and the holders of other securities on issue and maintains the integrity of the ASX market.
7.22	Listing Rule 7.22 requires that option terms must permit the rights of the option holder to be changed to comply with the Listing Rules that apply to a reorganisation of capital. This helps maintain the balance between the rights of holders of issued securities and holders of options.
7.24	Listing Rule 7.24 requires that partly paid shares must be reorganised in the same proportion as other classes of shares in a reorganisation of capital. The total amount payable on partly paid shares must not be cancelled or reduced. This helps maintain the balance between the rights of holders of fully paid securities and holders of partly paid securities and the integrity of the ASX market.

Rule	Underlying policy
7.24A	Listing Rule 7.24A requires an entity not to return capital to holders of restricted securities, whether in cash or in specie. This rule supports the escrow regime in Chapter 9 and is aimed at preventing the holder from being able to realise any financial benefit from their restricted securities during the escrow period. This helps ensure that holders of restricted securities do not receive any financial benefit until there has been a sufficient period of time for the value of the entity or the value of any assets sold to the entity or services provided to the entity (as the case may be), to be reflected in the market price of the listed entity's securities.
7.25	Listing Rule 7.25 requires that an entity must not issue bonus securities or reorganise its capital if this would decrease the trading price of its main class of securities below 20 cents. This helps ensure that an entity's ordinary securities have a minimum value suitable for a listed entity.
7.26.1	Listing Rule 7.26.1 requires a limited liability company to only cancel forfeited shares if the cancellation is approved by holders of ordinary securities. The notice of meeting must include details of the forfeited shares, including the amount called but unpaid and the amount uncalled, along with the outstanding liability of the former holder and the actions the company will take to recover this amount. This supports the binding nature of call obligations for partly paid shares issued by limited liability companies and helps ensure that cancellations can only occur with the consent of ordinary security holders.
7.26.2	Listing Rule 7.26.2 requires that a limited liability company may only cancel forfeited shares if, under the company's constitution, the holder of a partly paid share remains liable for any amount called but unpaid, despite the fact that the shares have been forfeited, unless approved by holders of ordinary shares pursuant to Listing Rule 7.26.3. This supports the binding nature of call obligations for partly paid shares issued by limited liability companies.
7.29	Listing Rule 7.29 requires that a company may only buy back shares on-market if transactions in the company's shares have been recorded on the ASX on at least 5 days in the 3 months before it buys back the shares. This helps ensure a buy-back is not conducted in an illiquid stock.
7.33	Listing Rule 7.33 requires that a company may only buy back shares under an on-market buy-back at a price which is not more than 5% above the volume weighted average market price for securities in that class, calculated over the last 5 days on which sales in the shares were recorded before the day on which the purchase under the buy-back was made. This helps limit the impact that the buy-back has on the market price and supports the integrity of the market.
7.39	Listing Rule 7.39 requires an auction of forfeited shares to be conducted subject to certain terms and at the entity's home branch or at another place within the capital city of an Australian state or territory which investors can conveniently attend. This provides an appropriate degree of publicity for any auction of the forfeited securities.
7.40	Listing Rule 7.40 requires an entity to follow mandatory timetables set out in Appendix 7A for various corporate actions. Compliance with timetables maintains an orderly market as investors are able to determine their entitlements, option holders are provided with the basis of an informed decision to exercise their options, trading may take place on a basis where participants in the market have certainty as to whether they will be entitled to participate in the corporate action, and ASX's trading and settlement systems can accommodate the proposed corporate action.
App 7A Clause 11	Appendix 7A Clause 11 requires an entity to follow the timetable for reorganisation of capital where it buys back shares under an equal access scheme. This maintains an orderly market.
Chapter 8 – Transfers and registrations	
8.2	Listing Rule 8.2 requires an entity to provide an issuer sponsored subregister for securities except where Listing Rule 8.2.1 allows for a certificated subregister. These arrangements support orderly settlement of securities quoted on the ASX market.

Rule	Underlying policy
8.5	Listing Rule 8.5 requires an entity to send a holding statement for a new holding on an issuer sponsored subregister within 5 business days of creation of the holding. This helps ensure investors are informed of holdings and supports the integrity of the ASX market.
8.6	Listing Rule 8.6 requires an entity to send a routine transaction statement for a changed holding on an issuer sponsored subregister within 5 business days after the end of the month in which there is a change of the holding, subject to the exceptions set out in Listing Rule 8.6.1. This helps ensure investors are informed of holdings and supports the integrity of the ASX market.
8.10	Listing Rule 8.10 requires an entity not to interfere with registration of a transfer document relating to quoted securities, subject to a number of exceptions set out in that rule. This supports the principle that quoted securities should be freely transferable. The rule also inhibits the ability of an issuer to cause disruption to the settlement cycle.
8.11	Listing Rule 8.11 requires an entity not to require a statutory declaration or other document in connection with ownership restrictions of its securities before registering a transfer document. This protects the integrity of the ASX market, and prevents a delay in the settlement of transfers.
8.21	Listing Rule 8.21 requires an entity to comply with the time limits set out in Appendix 8A. This supports the ASX Settlement Operating Rules and maintains an orderly market.
Chapter 9 – Restricted securities	
9.1	Listing Rule 9.1 requires an entity that issues restricted securities, or which has restricted securities on issue, to make certain arrangements to prevent those securities from being sold by their holders. These escrow arrangements align the economic interests of restricted security holders and incoming investors and prevent the escrowed person from being able to realise windfall profits at the expense of incoming investors. The escrow period is intended to give the market a reasonable opportunity to value the asset or entity (as the case may be) and reflect that in the market price of the listed entity's securities. Related parties, promoters and professional advisers or consultants who perform a quasi-promoter role are subject to a longer period of escrow than other parties. This is because they are usually likely to have a bigger economic stake in, and have a closer and deeper understanding of the underlying value of, the undertaking than other unrelated security holders.
Chapter 10 – Transactions with persons in a position of influence	
10.1	Listing Rule 10.1 requires an entity to obtain the approval of security holders for an acquisition or disposal of a substantial asset from or to a person in a position to exercise influence over the entity. This protects security holders from a value-shifting transaction between an entity and a person in a position to exercise influence over the entity without the disinterested security holders having approved that transaction with the benefit of full information. This supplements the related party provisions of the Corporations Act (or, in the case of a foreign entity, the related party provisions of the law of their home jurisdiction).
10.7	Listing Rule 10.7 requires the consideration for an acquisition of a classified asset to which Listing Rule 10.1 applies to be restricted securities in the entity. This requirement does not apply if, and to the extent that, the consideration is a reimbursement of expenditure incurred by the vendor in developing the classified asset. Escrow arrangements help prevent the escrowed person from being able to realise windfall profits at the expense of other investors. The escrow period is intended to give the market a reasonable opportunity to value the asset and reflect that in the market price of the listed entity's securities.
10.11	Listing Rule 10.11 requires an entity to obtain the prior approval of security holders for an issue of equity securities to persons in a position of influence,

Rule	Underlying policy
	subject to exceptions outlined in Listing Rule 10.12. This is directed at mitigating potential conflicts of interest and preventing persons in a position of influence from obtaining securities on advantageous terms and increasing their holding proportionate to the holdings of other security holders, without the prior and informed consent of ordinary security holders. This protects ordinary security holders' interests by supplementing the related party provisions of the Corporations Act (or, in the case of a foreign entity, the related party provisions of the law of their home jurisdiction).
10.13.5	Listing Rule 10.13.5 requires that an issue of securities approved by security holders under Listing Rule 10.11 must be issued by the date stated in the notice of meeting (and in any event by no later than 1 month after the date of the meeting). This helps strike a balance between giving entities the time practically necessary to complete an issue of equity securities, and ensuring that the securities are issued within a reasonable timeframe after security holder approval, so that it is less likely that the circumstances in which the issue is made will have changed materially from those prevailing at the time the approval was given.
10.14	Listing Rule 10.14 requires an entity to obtain the prior approval of security holders for a director or their associate to acquire equity securities under an employee incentive scheme. This is directed at mitigating potential conflicts of interest and preventing persons in a position of influence from obtaining securities on advantageous terms under an employee incentive scheme and increasing their holding proportionate to the holdings of other security holders, without the prior and informed consent of the ordinary security holders. This protects ordinary security holders' interests by supplementing the related party provisions of the Corporations Act (or, in the case of a foreign entity, the related party provisions of the law of their home jurisdiction).
10.17	Listing Rules 10.17 and 10.17A require an entity to obtain security holder approval before increasing the total amount of directors' fees paid to its non-executive directors. This provides security holders with an opportunity to review and approve any increase in the total remuneration paid to directors other than increases to the salary of an executive director.
10.17A	Listing Rules 10.17 and 10.17A require an entity to obtain security holder approval before increasing the total amount of directors' fees paid to its non-executive directors. This provides security holders with an opportunity to review and approve any increase in the total remuneration paid to directors other than increases to the salary of an executive director.
10.18	Listing Rule 10.18 requires an entity to ensure that no officer of the entity or a child entity is entitled to termination benefits (or any increase in them) if a change occurs in the shareholding or control of the listed entity. This helps prevent the use of termination payments as a poison pill or golden parachute and supports the takeover regime in the Corporations Act.
10.19	Listing Rule 10.19 requires an entity to ensure that no officer of the entity or a child entity is entitled to termination benefits if the value of those benefits exceeds 5% of equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules. This enables security holders to review and approve termination benefits above a specified threshold.
Chapter 11 – Significant transactions	
11.1	Listing Rule 11.1 requires that if an entity proposes to make a significant change to the nature or scale of its activities, it must provide full details to ASX as soon as practicable and before making the change. This ensures that ASX is made aware of, and given sufficient information about, proposed transactions that may result in a significant change to the nature or scale of a listed entity's activities so that ASX can give proper consideration to whether the transaction involves a back door listing in respect of which it should exercise its discretion under Listing Rules 11.1.2 and 11.1.3 to require security holder approval and re-compliance with ASX's admission and quotation requirements, and whether the transaction raises other concerns that warrant ASX exercising its discretion under Listing Rules 11.1.2 and/or 11.1.3, in each case before the transaction is consummated. This is appropriate

Rule	Underlying policy
	given ASX's role in assessing compliance with admission requirements.
11.1.1	Listing Rule 11.1.1 requires an entity to give ASX information regarding a proposed significant change to the nature or scale of an entity's activities and its effect on future potential earnings, and any information that ASX asks for. This ensures that ASX is made aware of, and given sufficient information about, a proposed transaction that may result in a significant change to the nature or scale of a listed entity's activities before the transaction is consummated.
11.1.2	Listing Rule 11.1.2 provides that if an entity proposes to make a significant change to the nature or scale of its activities ASX may require it to get approval of ordinary security holders. This empowers ASX to require a transaction to be approved by the entity's ordinary security holders before it is consummated to ensure their interests are safeguarded if the transaction is significant enough to require re-compliance with admission requirements or involves a fundamental change in the nature of the entity's main undertaking.
11.1.3	Listing Rule 11.1.3 provides that if an entity proposes to make a significant change to the nature or scale of its activities ASX may require it to re-comply with Chapters 1 and 2 of the Listing Rules as if it were applying for admission to the official list. This helps ensure that the important controls and protections that are built into ASX's admission and quotation requirements are not circumvented.
11.2	Listing Rule 11.2 requires an entity that proposes to dispose of its main undertaking to get the approval of ordinary security holders. The principle underlying Listing Rule 11.2 is that a disposal by a listed entity of its main undertaking is such a transformative transaction, and results in such a major change to the nature of the security holders' investment in the entity, that in all cases it is appropriate for ordinary security holders to have to approve it.
11.4	Listing Rule 11.4 requires an entity not to enter into or permit certain transactions that would be likely to result in a major asset of the entity becoming listed, subject to exceptions set out in Listing Rule 11.4.1. The purpose of Listing Rule 11.4 is to ensure that an entity's ordinary security holders are treated fairly in any spin-out and have an opportunity to participate in any premium that it may generate.
Chapter 12 – On-going requirements	
12.7	Listing Rule 12.7 requires an entity that is included in the S&P All Ordinaries Index at the beginning of its financial year to have an audit committee. An entity that is included in the S&P / ASX 300 Index at the beginning of its financial year must also comply with the recommendations set out in the ASX Corporate Governance Principles and Recommendations in relation to the composition and operation of the audit committee, subject to reasonable transitional arrangements. This supports an additional level of oversight of financial disclosures by directors of entities in the S&P/ASX 300 and S&P All Ordinaries indices.
12.8	Listing Rule 12.8 requires an entity included in the S&P/ASX 300 Index at the beginning of its financial year to have a remuneration committee comprised solely of non-executive directors for the entire duration of that financial year. This rule helps reduce the potential for, and perceptions of, conflicts of interest associated with the operation of remuneration committees in providing advice to the board on the remuneration arrangements of executive directors of an entity in the S&P/ASX 300 Index.
12.9	Listing Rule 12.9 requires an entity to have a trading policy that complies with the requirements of Listing Rule 12.12 and to give this trading policy to the market announcements office for release to the market. This helps listed entities manage the risk of insider trading, informs the market about the standards adopted by an entity, and allows the market to assess whether the trading policy is fit-for purpose.
12.10	Listing Rule 12.10 requires an entity that makes a material change to its trading policy to release a copy of its amended trading policy to the market

Rule	Underlying policy
	within 5 business days of the material changes taking effect. This ensures that material changes to the trading policy are notified to the market in a timely manner.
12.11	Listing Rule 12.11 requires an entity to give its trading policy to ASX immediately on request by ASX. This supports ASX's supervision of the Listing Rules.
12.12	Listing Rule 12.12 requires an entity's trading policy to include mandatory content. This prescribes the minimum requirements of a trading policy.
Chapter 14 – Meetings	
14.2.1	Listing Rule 14.2.1 requires that a notice of meeting must include a proxy form which provides for each security holder to direct the proxy to vote for, against or abstain on each resolution. This ensures that all security holders can express their views on every resolution included in or with a notice of meeting for a security holders' meeting.
14.2.2	Listing Rule 14.2.2 requires that if the proxy form specifies that the chair of the meeting is appointed as proxy if the security holder does not appoint another person to act as the security holder's proxy or the chairman is appointed proxy by default, the proxy form must also include a statement as to how the chair intends to vote undirected proxies. This ensures that security holders are informed as to how the chair intends to vote if the chair is appointed as their proxy, and assists security holders to decide whether they should take active steps to vote their securities.
14.3	Listing Rule 14.3 requires an entity to accept nominations for election of directors up to 35 business days before the date of a general meeting at which directors may be elected unless the entity's constitution provides otherwise. This provides certainty about the timeframe for candidates to be nominated and supports security holder democracy.
14.4	Listing Rule 14.4 requires that directors not hold office past the third annual general meeting following their appointment, or for more than 3 years – whichever is longer. A board-appointed director must not hold office without re-election past the next annual general meeting after the director's appointment. The rule does not apply to a managing director. This helps ensure directors are accountable to security holders through the board election process, prevents the entrenchment of directors and helps support security holder democracy.
14.5	Listing Rule 14.5 requires that an entity which has directors must hold an election of directors at each annual general meeting. This provides an opportunity for security holders to consider a change of the composition of the board. This helps ensure directors are accountable to security holders and helps support security holder democracy.
14.6	Listing Rule 14.6 requires that a notice of meeting must include everything that the Listing Rules require it to include in order for the approval of security holders to be effective for the purpose of the Listing Rules. This supports the effective operation of the Listing Rules.
14.7	Listing Rule 14.7 requires that if a notice of meeting states that an entity will do something that the Listing Rules require it to do, the entity must do that thing. This supports the effective operation of the Listing Rules.
14.10	Listing Rule 14.10 requires that securities held by or for an employee incentive scheme must only be voted on a resolution under the Listing Rules if and to the extent that they are held for the benefit of a nominated participant in the scheme who is not excluded from voting on the resolution under the Listing Rules and who has directed how the securities are to be voted. This prevents the voting of unallocated or undirected securities from being influenced by the board or management.
14.11	Listing Rule 14.11 provides that if a rule requires a notice of meeting to include a voting exclusion statement, the notice of meeting must contain a

Rule	Underlying policy
	statement to the effect outlined in the rule. The voting exclusion statement clearly explains who is excluded from voting.
Chapter 15 - Requirements for Documents	
15.7	Listing Rule 15.7 requires an entity to give information that is for release to the market to ASX first, and to receive an acknowledgement that ASX has released the information to the market, before that information is given to any other person. This helps ensure that all investors have equal access to the information.
15.11.1	Listing Rule 15.11.1 requires an entity’s constitution to be consistent with the Listing Rules if the entity amends its constitution. This does not apply where the provisions of Appendix 15A or 15B are included in its constitution. This supports compliance with the Listing Rules. An entity should not be prohibited or prevented from complying with the Listing Rules by operation of its constituent document.
15.12	Listing Rule 15.12 requires an entity's constitution to contain certain provisions dealing with restricted securities for so long as the entity has restricted securities on issue. These provisions are intended to ensure that the entity has the power to take steps to prevent the transfer of restricted securities during an escrow period, and to ensure that, during a breach of the escrow requirements or of the Listing Rules relating to restricted securities, the holder of those securities does not receive any dividends or distributions, or exercise voting rights, in respect of those securities for so long as the breach continues. This supports the enforceability of the escrow regime.
15.13	Listing Rule 15.13 requires an entity's constitution not to permit the divestment of holdings that are less than a marketable parcel unless the constitution provides for the matters set out in Listing Rule 15.13 or Listing Rule 15.13A. This balances the interests of small holders against the interests of a listed entity in not having to incur the costs associated with uneconomic holdings.
15.14	Listing Rule 15.14 requires a trust not to have enforceable holding limits in its constitution. This rule supports a free market in control, subject to applicable law.
15.15	Listing Rule 15.15 requires a foreign company not include provisions relating to takeovers or substantial holdings in its constitution. Takeovers of foreign companies should be regulated by the company’s domestic law.
15.16	Listing Rule 15.16 requires management agreements for an investment entity (except a pooled development fund) to provide that: (a) the manager may only end the management agreement if it has given at least 3 months’ notice; (b) if the term of the agreement is fixed, it must not be for more than 5 years; and (c) if the agreement is extended past five years, it will end on 3 months’ notice after an ordinary resolution is passed to end it. This helps ensure security holders are given adequate notice of any termination of the management agreement and that they have the power to end a management arrangement after a reasonable fixed term, and prevents the entrenchment of a manager for an excessively long period. This supports an active market for corporate control.
Chapter 17 – Trading halts, suspension, removal	
17.4	Listing Rule 17.4 requires that ASX will suspend quotation of an entity's securities 5 business days after it receives a copy of the compulsory acquisition notice following a takeover bid that is sent to holders of securities in the bid class. This helps provide certainty in the takeover process.
17.4A	Listing Rule 17.4A requires that ASX will suspend quotation of an entity's securities 5 business days after it receives written notice from the entity of either of the matters set out in the rule in relation to a compulsory acquisition under Part 6A.2 of the Corporations Act. This helps provide certainty in the compulsory acquisition process.