

**FINAL GOVERNANCE-RELATED PROPOSED AMENDMENTS TO  
THE  
ASX LISTING RULES**

**Chapter 1**

**Listing Rule 1.1 Condition 13**

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*Condition 13*      The entity must provide a statement disclosing the extent to which the entity will follow, as at the date of its admission to the official list, the recommendations set by the +ASX Corporate Governance Council. If the entity does not intend to follow all the recommendations on its admission to the official list, the entity must separately identify ~~the~~ each recommendations that will not be followed and give-state its reasons for not following the ~~m~~ recommendation and what (if any) alternative governance practices it intends to adopt in lieu of the recommendation.

An entity which will be included in the +S & P All Ordinaries Index on admission to the +official list must have an audit committee. If the entity will be included in the +S & P / ASX 300 Index on admission to the +official list it must also comply with the ~~best-practice~~ recommendations set by the +ASX Corporate Governance Council in relation to composition, and operation ~~and responsibility~~ of the audit committee.

Introduced ~~01/01/03~~    Origin: Listing rule 4.10.2    Amended ~~03/05/04, 11/01/10, 1/7/14~~

Note: If the entity is a trust, its audit committee may also be the responsible entity's audit committee.

The statement provided under this condition may incorporate material by reference (for example, on an entity's website or in another part of its annual report) provided that material is freely available and the statement clearly indicates where interested parties can read or obtain a copy of that material.

Cross reference: Listing rules 4.10.3 and 12.7

**Purpose of Amendment:** Condition 13 of Listing Rule 1.1 is being amended to make it clearer what an applicant for listing must disclose if it does not intend to follow a recommendation of the ASX Corporate Governance Council after it is listed and to be consistent with the changes being made to Listing Rules 4.10.3 and 12.7 referred to below.

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**Listing Rule 1.10.2**

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1.10.2 In relation to the entity as a whole:

- rules 3.14, 3.16 (other than 3.16.4), 3.18, 4.7A and 4.9, and any listing rules that ASX specifies either before or after the entity is admitted.

Introduced ~~e1/e7~~/96 Amended ~~e1/e9~~/99, ~~e1/e7~~/00, ~~30/e9~~/01, 1/7/14

Note: If the entity admitted as an ASX Debt Listing is a trust, ASX may specify other rules to suit the circumstances.

**Purpose of Amendment:** Listing Rule 1.10.2 is being amended to clarify that the requirement in Listing Rule 3.16.4 to notify ASX of certain information in relation to employment, service and consultancy agreements with chief executive officers, directors and their related parties does not apply to an ASX Debt Listing. Listing Rule 3.16.4 was only intended to apply to an ASX Listing.

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## Chapter 3

### Listing Rule 3.16.4

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3.16.4 The material terms of any employment, service or consultancy agreement it or a ~~related~~-child entity enters into with:

- its chief executive officer (or equivalent);
- any of its directors; or
- any other person or entity who is a ~~related~~ party of its chief executive officer or any of its directors,

and of any material variation to such an agreement.

Note: The entity may satisfy this obligation by giving a copy of the agreement or variation to ASX or an announcement summarising its material terms.

An entity, however, is not required to disclose under this rule:

- non-executive director fees paid out of a pool of remuneration approved by security holders;
- superannuation contributions in relation to such fees;
- an increase in director fees approved by security holders;
- periodic remuneration reviews in accordance with the terms of an employment, service or consultancy agreement;
- provisions entitling a chief executive officer or director to reimbursement of reasonable out of pocket expenses;
- [provisions requiring the entity to indemnify officers or exempt them from liability that conform with section 199A of the Corporations Act \(or, if the entity is not established in Australia, the laws applicable in the jurisdiction where it is established\);](#)
- [provisions requiring the entity to maintain directors and officers liability insurance that conform with section 199B of the Corporations Act \(or, if the entity is not established in Australia, the laws applicable in the jurisdiction where it is established\);](#)
- provisions (commonly referred to as “access arrangements”) allowing a chief executive officer or director access to entity records for a period of time after they cease to be a chief executive officer or director;
- a bona fide employment, service or consultancy agreement, or any bona fide variation to such an agreement, that it or a ~~related~~-child

entity has entered into with a relative of its chief executive officer, or a relative of any of its directors, that is on arms' length and ordinary commercial terms; or

- if it is a trust, any agreement or variation entered into by the responsible entity of the trust or a related ~~entity~~body corporate where the costs associated with the agreement are borne by the responsible entity or the related ~~entity~~body corporate from out of its own funds rather than from out of the trust.

Introduced 1/5/~~2013~~ - Amended 1/7/14

**Purpose of Amendment:** Listing Rule 3.16.4 requires an entity to notify ASX of the material terms of any employment, service or consultancy agreement it or a related entity enters into with its CEO (or equivalent), a director or any other person or entity who is a related party of the CEO or a director, and also of any material variation to such an agreement. The qualification to the rule makes it clear that it does require disclosure of various standard terms in the service agreements of CEOs and directors.

The amendments to this rule replace the current references to a “related entity” in Listing Rule 3.16.4 with references to a “child entity”, with the exception of the final bullet point to the rule, where those references will be replaced with a reference to a “related body corporate”. The term “related entity” is not defined in the Listing Rules and therefore takes the very broad meaning set out in section 9 of the Corporations Act (see Listing Rule 19.3). The terms “child entity” and “related body corporate” have a more appropriate reach than “related entity”.

In addition, the amendments qualify the exclusion related to directors and officers insurance to require the insurance arrangements to conform with section 199B of the Corporations Act (or, if the entity is not established in Australia, the laws applicable in the jurisdiction where it is established).

They also include a further exclusion for provisions requiring the entity to indemnify officers or exempt them from liability that conform with section 199A of the Corporations Act (or, if the entity is not established in Australia, the laws applicable in the jurisdiction where it is established). These forms of provisions are generally standard in CEO and director service agreements and not the type of contractual arrangements to which Listing Rule 3.16.4 was addressed.

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## Listing Rule 3.19A.2

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3.19A.2 A change to a <sup>+</sup>notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a <sup>+</sup>closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.

Introduced 30/09/01 Amended 01/01/11

Note: An entity is not required to give information to ASX under this rule that, ~~notwithstanding that it has complied with a director has not given to it under the arrangements mentioned in listing rule 3.19B, and of which it does not haveis otherwise does not awarehave. In such a case, the director is personally obliged to give that information to ASX and may breach section 205G of the Corporations Act if they fail to do so.~~

If a director has no interests at the time when the entity is required to complete an Appendix 3X under listing rule 3.19A.1, the entity must lodge an Appendix 3Y when the director first acquires an interest.

Cross reference: Guidance Note 22 ~~-Disclosure of Directors' Interests~~Disclosure of Directors' Interests.

~~If a director has no interests at the time when the entity is required to complete an Appendix 3X under Listing rule 3.19A.1, the entity must lodge an Appendix 3Y when the director first acquires an interest.~~

~~ExampleExamples:~~ The events giving rise to the requirement to give ASX an Appendix 3Y ~~injsn relation to~~ an on market purchase or sale of shares ~~are the trades being effected on the ASX market or Chi-X market a Trading Platform.~~ The entity has five business days after the date the relevant ~~market Trading Platform~~ trades ~~were/wasere~~ effected to give ASX the ~~a~~Appendix.

The events giving rise to the requirement to give ASX an Appendix 3Y ~~injsn relation to an exercise of options are~~ the exercise of ~~the~~options. The entity has five business days after the date the options were exercised to give ASX the Appendix.

**Purpose of Amendment:** this amendment improves the drafting of the notes to Listing Rule 3.19A.2 and updates the example in the notes to Listing Rule 3.19A.2 to reflect the replacement of “Trading Platform” in Listing Rule 19.12 below with the definitions of “ASX market” and “Chi-X market” in Listing Rule 19.12 below.

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## Chapter 4

### Listing Rule 4.7

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#### **Entity to give ASX annual report**

4.7 An entity must give ASX a copy of the following documents.

4.7.1 If the entity is established in Australia, a copy of the +annual report and any concise report provided to +security holders under section 314 of the Corporations Act. This must be given to ASX by the earlier of:

- The first day the entity sends the documents to +security holders under section 315 of the Corporations Act.
- The last day for the documents to be given to +security holders under section 315 of the Corporations Act.

4.7.2 If the entity is not established in Australia but is required by the law of the place of its establishment to prepare an +annual report to its +security holders, a copy of the +annual report provided to +security holders under that law. This must be given to ASX by the earlier of:

- The first day the entity sends the documents to +security holders under that law.
- The last day for the documents to be given to +security holders under that law.

4.7.3 A completed Appendix 4G.

4.7.4 If the entity's +corporate governance statement is not included in its +annual report, a copy of its +corporate governance statement current as at the effective date specified in that statement for the purposes of rule 4.10.3.

The documents referred to in rule 4.7.3 and 4.7.4 (if applicable) must be given to ASX at the same time as the entity gives its +annual report to ASX under rule 4.7.1 or 4.7.2 (as the case may be).

However, an entity need not give ASX any of the above documents ~~+annual report or any concise report if it comprises only documents~~ if they have already been given to ASX under listing rule 4.5. The entity must tell ASX if this is the case.

Introduced e1/e7/96 Origin: Listing Rule 3C(1A)(b) Amended e1/e7/97, e1/e7/98, e1/e9/99, e1/e7/00, 24/10/05, e1/e1/12, 1/7/14 The amendments made on 1/7/14 apply in respect of financial years ending on or after 30 June 2015 (although an entity may adopt the amendments in respect of an earlier financial year, if it wishes to do so, provided it also adopts the amendments made on 1/7/14 to rule 4.10.3 and it reports in relation to the third edition of the ASX Corporate Governance Council's recommendations).

Note: Section 314 entitles an entity to send a concise report to security holders, except those who request the full financial report under section 316.

Note: Listing rule 15.4 requires 2 hard copies of an annual report and any concise report to be given to ASX.

Cross reference: Listing rules 15.3, and 15.4.

**Purpose of Amendment:** This amendment builds upon the changes mentioned below to Listing Rule 4.10.3, which are intended to allow a listed entity to choose whether it includes its corporate governance statement under that rule in its annual report or on its website. It is in keeping with the reforms ~~proposed~~made in the third edition of the ASX Corporate Governance Council’s Principles and Recommendations and, in particular, the Council’s desire to afford greater flexibility to listed entities to make their corporate governance disclosures either in their annual report or on their website.

Under new Listing Rule 4.7.3, regardless of whether an entity chooses to include its corporate governance statement in its annual report or on its website, it must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The reasons for this requirement are explained below.

Under new Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement under Listing Rule 4.10.3 on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

This requirement is intended to cater for the fact that an entity’s website is likely to change over time. Requiring the entity to give a copy of its online corporate governance statement to ASX at the same time as it gives ASX its annual report will ensure that there is a contemporary and permanent record of that statement kept on the ASX Market Announcements Platform. This in turn will improve the ability of investors and other interested parties to locate a copy of that statement in the form it was in as at its effective date and also to follow changes in an entity’s governance practices from year to year.

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**Listing Rule 4.10**

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**Additional information to be included by all entities**

4.10 An entity must include the following information in its annual report. Unless otherwise specified in this rule, ~~t~~The information must be current at a date specified by the entity, which must be on or after the entity’s balance date and not be more than 6 weeks before the report is given to ASX ~~sent to security holders (unless listing rule 4.10.20(a) applies).~~

Introduced ~~e1/e7/96~~ Origin: Listing Rule 3C(3)(e), 3B(2C) Amended ~~e1/e7/97, e1/e7/98, e1/e9/99, 30/e9/01, e1/e6/10, e4/e3/13, 1/7/14.~~

Note: Listing rules 4.10.3 and 4.10.20 specify different dates to the one above at which the information referred to in those rules must be current.

Cross reference: Listing rules ~~4.7, 5.6~~ and 19.11A.

**Purpose of Amendment:** This amendment to the opening paragraph in Listing Rule 4.10 recognises the increasingly common practice of ~~a number of~~ listed entities ~~who file~~ file their annual reports with ASX well before sending the “glossy version” to their security holders. Rather than requiring the information specified in that rule to be current as at a date specified by the entity, which is not “more than 6 weeks before the report is *sent to security holders*”, the rule is ~~to be~~ being modified so that the information must be current as at a date that is on or after the entity’s balance date and not “more than 6 weeks before the report is *given to ASX*”.

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## Listing Rule 4.10.3

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4.10.3 ~~A~~ Either of the following:

- a <sup>+</sup>corporate governance statement that meets the requirements of this rule; or
- the URL of the page on its website where a <sup>+</sup>corporate governance statement that meets the requirements of this rule is located.

The <sup>+</sup>corporate governance statement must disclose~~ing~~ the extent to which the entity has followed the recommendations set by the <sup>+</sup>ASX Corporate Governance Council during the reporting period. If the entity has not followed ~~all of the~~ recommendations for any part of the reporting period, the entity~~its <sup>+</sup>corporate governance statement must separately~~ identify ~~those that~~ recommendations and the period during which it was ~~that have not been~~ followed and give~~state its~~ reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period. ~~— If a recommendation has been followed for only part of the period, the entity must state the period during which it has been followed.~~

The <sup>+</sup>corporate governance statement must also:

- specify the date at which it is current, which must be the entity's balance date or a later date specified by the entity; and
- state that it has been approved by the board of the entity (in the case of a trust, the board of the responsible entity of the trust).

Introduced 1/7/1996. Origin: Listing Rule 3C(3)(j). Amended 1/1/2003, 01/06/2010, 1/5/2013, 1/7/14. The amendments made on 1/7/14 apply in respect of financial years ending on or after 30 June 2015 (although an entity may adopt the amendments in respect of an earlier financial year, if it wishes to do so, provided it also adopts the amendments made on 1/7/14 to rule 4.7 and it reports in relation to the third edition of the ASX Corporate Governance Council's recommendations).

Note: Under listing rule 4.7, if an entity's ~~The~~ corporate governance statement is not included in its annual report, it may ~~must~~ be given to ASX as a separate document report but must be given to ASX at the same time as the annual report. In such a case, the document should ~~and~~ be clearly identified as the entity's corporate governance statement under this rule.

A corporate governance statement may incorporate material by reference (for example, on an entity's website or in another part of its annual report) provided that material is freely available and the statement clearly indicates where interested parties can read or obtain a copy of that material.

**Purpose of Amendment:** This amendment modifies Listing Rule 4.10.3 to give effect to the changes ~~proposed~~made in the third edition of the ASX Corporate Governance Council's Principles and Recommendations and, in particular, to afford greater flexibility to listed entities to make their corporate governance disclosures either in their annual report or on their website.

Under the modified rule, a listed entity will be able to include its corporate governance statement either in its annual report or on its website. In the latter case, its annual report will need to include the URL of the page on its website where its corporate governance statement can be found.

The amendments to the rule also make it clearer what an entity should disclose if it has not followed a recommendation of the ASX Corporate Governance Council for any part of the reporting period. In such a case, the modified rule requires the entity to identify separately the recommendation in question and the period during which it was not followed, and to state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

A requirement is being added that an entity's corporate governance statement must specify the date at which it is current, which must be the balance date or a later date specified by the entity, and state that it has been approved by the board of the entity (in the case of a trust, the board of the responsible entity of the trust). This requirement will apply regardless of whether the entity's corporate governance statement is included in its annual report or on its website.

The flexibility for a listed entity to choose an effective date for a corporate governance statement that is later than its balance date is intended to allow the entity, for example, to choose as the effective date the same date as the directors' declaration under section 298(2)(b) of the Corporations Act. This would allow the board to sign off on the entity's financial statements and its corporate governance statement at the same time.

The requirement for an entity's corporate governance statement to state that it has been approved by the board of the entity (in the case of a trust, the board of the responsible entity of the trust) is intended to ensure that a listed entity's corporate governance statement receives appropriate focus by the board and is not just a "boilerplate" document produced by professional advisers, as some corporate governance statements occasionally appear to be. It also reflects the legal responsibility that the directors of a listed entity have under the general law for ensuring that a listed entity has appropriate governance arrangements in place.

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## Listing Rule 4.10.8

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4.10.8 The number of holders holding less than a +marketable parcel of the entity's +main class of +securities (in the case of +securities over which +CDIs have been issued, including holders of +CDIs), based on the +[closing](#) market price at the specified date.

Introduced [e1/e7/96](#) Origin: Listing Rules 3B(2C)(ii)b, 3C(3)(e)(iii)b Amended [e1/e9/99](#), [1/7/14](#)

**Purpose of Amendment:** This amendment replaces the reference to “market price” in Listing Rule 4.10.8 with a reference to “closing market price”, reflecting the replacement of the former term with the latter term in the definitions in Listing Rule 19.12 (see below).

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## New Listing Rule 4.10.22

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4.10.22 If during the reporting period any +securities were purchased on-market:

- under or for the +terms purposes of an +employee incentive scheme providing for the on-market purchase of +securities by or on behalf of employees or directors or their +related parties; or
- to satisfy the entitlements of the holders of options or performance other rights over to acquire +securities issued granted under the +terms of an +employee incentive scheme providing for the issue of options or performance rights to employees or directors or their +related parties.

the following information:

- (a) the total number of +securities purchased during the reporting period; and
- (b) the average price per +security at which the +securities were purchased during the reporting period; and
- (c) if any of the +securities were purchased on behalf of, or ultimately allocated to, a director or a +related party of a director:
  - the name of the director;
  - if applicable, the name of the +related party; and
  - the number of +securities purchased on behalf of, or ultimately allocated to, the director or +related party.

Introduced 1/7/14. This rule applies in respect of financial years ending on or after 30 June 2015 (although an entity may adopt the amendments in respect of an earlier financial year, if it wishes to do so).

Note: This requirement applies regardless of whether who purchased the +securities were purchased by (whether it was the entity, a child entity, or a third party an independent trustee of an employee incentive scheme to whom the entity or a child entity has directly or indirectly provided funds for that purpose). The disclosure required by this rule may be made in the remuneration report included in the entity's annual report.

Cross reference: listing Listing rule 10.15B.

**Purpose of Amendment:** Concerns have been raised with ASX about the operation of the exception to Listing Rule 10.14, particularly insofar as it allows an entity to acquire shares on behalf of directors or their related parties associates without the approval of the holders of ordinary securities and without the acquisitions being disclosed to the market.

ASX does not agree with the concerns regarding the need for these acquisitions to be approved by security holders but does believe that it would be appropriate for a listed entity to disclose to the market any such purchases it has made.

This amendment will require an entity to disclose in its annual report any on-market purchases of securities over the course of a reporting period under or for the terms purposes of an employee incentive scheme that provides for the purchase of securities by or on behalf of employees or directors or their related parties. It will likewise require an entity to disclose in its annual report any on-market purchases of securities over the course of a reporting period to satisfy the

entitlements of the holders of options or ~~performance~~other rights ~~over~~to acquire securities ~~issued~~granted under ~~the terms of~~ an employee incentive scheme ~~providing for the issue of options or performance rights to employees or~~

To the extent that any such securities are allocated to directors or their related parties associates, those allocations are already required to be notified to the market under Listing Rule 3.19A.

The disclosures required by this rule may be made in the remuneration report included in the annual report.

Whether it is included in the remuneration report or not, requiring such information to be included in an entity's annual report will mean that security holders can take the information into account when they decide whether or not to approve the entity's remuneration report under the "two-strikes rule" (sections 250U-250Y of the Corporations Act).

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**Chapter 5**

**Explanatory Note**

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**Explanatory note**

This chapter sets out additional reporting and disclosure requirements for +mining entities and +oil and gas entities, and other +entities reporting on mining and oil and gas activities.

Information to be given to ASX for release to the market must be given to ASX's ~~+company~~-[market](#) announcements office.

**Purpose of Amendment:** This amendment updates a reference to the company announcements office in the explanatory note to Chapter 5 and replaces it with a reference to the market announcements office.

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## Chapter 6

### Listing Rule 6.22.2

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- 6.22.2 If there is a pro rata issue (except a bonus issue) to the holders of the underlying securities, the exercise price of an option may be reduced according to the following formula.

$$O' = O - \frac{E[P-(S+D)]}{N + 1}$$

O' = the new exercise price of the option.

O = the ~~O~~old exercise price of the option.

E = the number of underlying securities into which one option is ~~E~~exercisable.

Note: E is one unless the number has changed because of a bonus issue.

P = the volume weighted average market ~~P~~price per security (~~weighted by reference to volume~~) of the underlying securities, calculated over ~~during~~ the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the ~~S~~subscription price for a security under the pro rata issue.

D = the ~~D~~ividend (in the case of a trust, Distribution) due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue).

N = the ~~N~~umber of securities with rights or entitlements that must be held to receive a right to one new security.

Introduced 1/7/96. Origin: Appendix 29. Amended 1/7/97, 1/7/98, 1/7/14.

Example: The capital of a company comprises ordinary shares and options over unissued ordinary shares exercisable at \$1.00 each. The company announces a 4:7 pro rata issue. There is no dividend payable. The issue price for the shares under the rights issue is \$2.00. The volume weighted average price that ordinary shares trade at over the 5 trading days ending on the day before the ex rights date or ex entitlement date is \$3.00 after the announcement. To receive one right a shareholder must hold 1.75 ordinary shares ( $7 \div 4 = 1.75$ , which is N). The amount by which the exercise price of an option is to be reduced is calculated as follows:

$$\begin{aligned} O' &= O - \frac{E[P-(S+D)]}{N + 1} \\ &= 1 - \frac{1[3.00 - (2.00 + 0)]}{1.75 + 1} \\ &= 63.6364 \text{ cents} \end{aligned}$$

The new exercise price of the option is 63.6364 cents and the option holder has gained the benefit of any bonus element in the pro rata issue. This benefit is the same as that conferred on shareholders. There is no change in the number of shares to which the option holder is entitled. At the time when the option is exercised, it may be necessary to round up or round down any fraction of a cent remaining after aggregating the exercise price of each of the options exercised by the holder.

**Purpose of Amendment:** This amendment replaces the reference to “market price” in the formula for calculating the reduction in the exercise price of an option when there is a pro rata issue (except a bonus issue) to the holders of the underlying securities, with a reference to the “volume weighted average market price” (VWAP), a new defined term being added in Listing Rule 19.12 (see below).

“Market price” is currently defined in Listing Rule 19.12 to be the closing price on a Trading Platform. VWAP is considered to be a better measure of market value for these purposes than an average of closing prices.

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**Chapter 7**

**Listing Rule 7.1A.3**

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7.1A.3 Any +equity securities issued under rule 7.1A.2 must be in an existing quoted +class of the +eligible entity’s +equity securities and the issue price of each such +security must be no less than 75% of the +volume weighted average market price for +securities in that +class, calculated over the 15 +trading days on which trades in that +class were recorded immediately before:

- (a) the date on which the price at which the +securities are to be issued is agreed; or
- (b) if the +securities are not issued within 5 +trading days of the date in paragraph (a), the date on which the +securities are issued.

Introduced e1/e8/12 Amended e4/e3/13, 1/7/14

Note: Where the equity securities are issued for non-cash consideration, the eligible entity must provide for release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the securities complies with this rule. The valuation may be provided by an independent expert, or by the directors, provided in the latter case that the directors have appropriate expertise to value the relevant kind of non-cash consideration and that the report contains a similar level of analysis and is of a similar standard to an independent expert’s report. ASX has the right under rule 18.7 to require an entity to submit any information given to ASX to the scrutiny of an expert selected by ASX.

**Purpose of Amendment:** This amendment simply adds a cross reference to the new definition of “volume weighted average market price” in Listing Rule 19.12.

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**Listing Rule 7.2 Exception 2**

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*Exception 2* An issue under an underwriting agreement to an underwriter of a +pro rata issue to holders of +ordinary securities if the underwriter receives the +securities within 15 +business days after the close of the offer.

Introduced e1/e7/96 Origin: Listing Rule 3E(6)(c)(ii) Amended e1/e7/97

Note: Exception 2 only applies to the issue to an underwriter under an underwriting agreement of the securities comprising the shortfall from a pro rata issue to holders of ordinary securities. It does not apply to any other issue of securities to the underwriter under an underwriting agreement (for example, in payment of an underwriting fee or other amount due under an underwriting agreement).

**Purpose of Amendment:** This amendment adds an explanatory note to Listing Rule 7.2 Exception 2 to clarify that the exception only applies to the issue to an underwriter under an underwriting agreement of the securities comprising the shortfall from a pro rata issue to holders of ordinary securities. It does not apply to any other issue of securities to the underwriter under an underwriting agreement (for example, in payment of an underwriting fee or other amount due under an underwriting agreement).

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## Listing Rule 7.2 Exception 14

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Exception 14 An issue made with the approval of holders of ordinary securities under listing rule 10.11 or 10.14. The notice of meeting must state that if approval is given under listing rule 10.11 or 10.14 (as the case may be), approval is not required under listing rule 7.1.

Introduced 01/07/00 Amended 1/7/14

Cross reference: rule 10.13.

**Purpose of Amendment:** Listing Rule 7.2 Exception 14 currently excludes issues made with the approval of holders of ordinary securities under Listing Rule 10.11 from the requirement to seek security holder approval under Listing Rule 7.1, on the basis that a second shareholder approval is redundant.

This amendment adds to Listing Rule 7.2 Exception 14 issues made with the approval of holders of ordinary securities under Listing Rule 10.14. These are on par with issues made with the approval of holders of ordinary securities under Listing Rule 10.11 and therefore should also fall within Exception 14.

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**Listing Rule 7.2 Exception 15**

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*Exception 15*

An issue of +securities under a +security purchase plan, excluding an issue to the plan’s underwriters, ~~making offers not exceeding the maximum amount permitted to be issued to existing security holders without the issue of a disclosure document or Product Disclosure Statement in accordance with relief granted by +ASIC.~~ Exception 15 is only available once in any 12 month period and if both of the following apply:

- The number of +securities to be issued is not greater than 30% of the number of fully paid +ordinary securities already on issue.
- The issue price of the +securities is at least 80% of the +volume weighted average +market price for +securities in that +class. ~~The average is~~ calculated over the last 5 days on which sales in the +securities were recorded, either before the day on which the issue was announced or before the day on which the issue was made.

Introduced 31/e3/04 Amended e1/e6/10, 1/7/14

Note: See ASIC class order CO 09/425 which provides relief from the prospectus and Product Disclosure Statement provisions of the Corporations Act for share and interest purchase plans.

**Purpose of Amendment:** This amendment replaces the reference to “market price” in the minimum issue price for securities issued under a securities purchase plan specified in Listing Rule 7.2, with a reference to the “volume weighted average market price” (VWAP), a new defined term being added in Listing Rule 19.12 (see below).

“Market price” is currently defined in Listing Rule 19.12 to be the closing price on a Trading Platform. VWAP is considered to be a better measure of market value for these purposes than an average of closing prices.

The amendment also includes drafting changes to reflect the updated definition of “security purchase plan” in Listing Rule 19.12 (see below)

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**Listing Rule 7.3.3**

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7.3.3 The issue price of the +securities, which must be either:

- a fixed price; or
- a minimum price. The minimum price may be fixed or a stated percentage that is at least 80% of the +volume weighted average +market price for +securities in that +class. ~~The average is~~ calculated over the last 5 days on which sales in the +securities were recorded before the day on which the issue was made or, if there is a prospectus, Product Disclosure Statement or offer information statement relating to the issue, over the last 5 days on which sales in the +securities were recorded before the date the prospectus, Product Disclosure Statement or offer information statement is signed.

Introduced e1/e7/96 Origin: Listing Rule 3E(6)(e)(iii)a & b Amended e1/e7/97, 13/e3/00, 11/e3/02, 1/7/14

**Purpose of Amendment:** This amendment replaces the reference to “market price” in the minimum issue price for securities specified in Listing Rule 7.3.3, with a reference to the “volume weighted average market price” (VWAP), a new defined term being added in Listing Rule 19.12 (see below).

“Market price” is currently defined in Listing Rule 19.12 to be the closing price on a Trading Platform. VWAP is considered to be a better measure of market value for these purposes than an average of closing prices.

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**Listing Rule 7.3A.2**

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7.3A.2 A statement of the risk of economic and voting dilution of existing ordinary security holders that may result from an issue of +equity securities under rule 7.1A.2, including the risk that:

- the +market price for +equity securities in that +class may be significantly lower on the +issue date than on the date of the approval under rule 7.1A; and
- the +equity securities may be issued at a price that is at a discount to the +market price for those +equity securities on the +issue date.

This statement must be accompanied by a table describing the potential dilution of existing ordinary security holders on the basis of at least three different assumed issue prices and values for the variable “A” in the formula in rule 7.1A.2, including at least one example that assumes that “A” is double the number of +ordinary securities on issue at the time of the approval under rule 7.1A and that the price of +ordinary securities has fallen by at least 50%.

Introduced e1/e8/12 Amended e4/e3/13, 1/7/14

**Purpose of Amendment:** This amendment simply removes the cross-references to the defined term “market price”. The references to market price in this rule do not require a definition.

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**Listing Rule 7.3A.6**

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7.3A.6 If the +eligible entity has previously obtained approval under rule 7.1A:

- (a) The total number of +equity securities issued in the 12 months preceding the date of the meeting, and the percentage they represent of the total number of +equity securities on issue at the commencement of that 12 month period.
- (b) Details of all issues of +equity securities by the +eligible entity during the 12 months preceding the date of the meeting, including for each such issue:
  - the number of +equity securities issued;
  - the +class of +equity securities issued, and a summary of the terms of that +class;
  - the names of the persons to whom the entity issued the +securities or the basis on which those persons were determined;
  - the price at which the +equity securities were issued and the discount ~~to +market price~~ (if any) that the issue price represented to +closing market price on the date of issue;
  - if the issue was for cash: the total cash consideration, the amount of that cash that has been spent, what it was spent on, and what is the intended use for the remaining amount of that cash (if any); and
  - if the issue was for non-cash consideration: the non-cash consideration that was paid and the current value of that non-cash consideration.

Introduced e1/e8/12 Amended e4/e3/13, 1/7/14

**Purpose of Amendment:** This amendment replaces the reference to “market price” in Listing Rule 7.3A.6 with a reference to “closing market price”, reflecting the replacement of the former term with the latter term in the definitions in Listing Rule 19.12 (see below).

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**Listing Rule 7.11.2**

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7.11.2 The issue price of each +security must not contain a fraction of a cent unless the minimum bid that may be made under the ASX Operating Rules in relation to +securities of the same +class may contain a fraction of a cent, in which case the issue price may contain the same fraction.

Introduced 01/07/96 Origin: Listing Rule 3E(12(a)(ii)c Amended 01/09/99, 03/05/04, 01/08/12

Note: Bids and Offers may only be entered in ~~a~~-the ASX market ~~Trading Platform~~ in multiples of the Pprice Ssteps set out in the ASX Operating Rules. See ASX Operating Rule 4020.

**Purpose of Amendment:** This amendment updates the note to Listing Rule 7.11.2 to reflect the deletion of the definition of “Trading Platform” and the insertion of the definition of “ASX market” in Listing Rule 19.12.

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**Listing Rule 7.11.3**

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- 7.11.3 The ratio of +securities offered must not be greater than one +security for each +security held. This rule does not apply to a +bonus issue. This rule also does not apply if the following conditions are met.
  - (a) The offer is renounceable.
  - (b) The issue price is not more than the +volume weighted average +market price for +securities in that +class. ~~The average is~~ calculated over the last 5 days on which sales in the +securities were recorded before the day on which the issue was announced.

Introduced e1/e7/96 Origin: Listing Rule 3E(13)(a) Amended e1/e7/00, 1/7/14

Note: If free attaching options are offered, they are not taken into account. However see rule 7.16.

**Purpose of Amendment:** This amendment replaces the reference to “market price” in the minimum issue price for securities under a pro rata issue specified in Listing Rule 7.11.3, with a reference to the “volume weighted average market price” (VWAP), a new defined term being added in Listing Rule 19.12 (see below).

“Market price” is currently defined in Listing Rule 19.12 to be the closing price on a Trading Platform. VWAP is considered to be a better measure of market value for these purposes than an average of closing prices.

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**Listing Rule 7.33**

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**Purchase price under on-market buy-back**

7.33 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 ~~of the~~ market price for securities in that class. ~~The average is~~ 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.

Introduced ~~01/07/96~~ Origin: Listing Rule 3V(7)(b) Amended 11/01/10 ~~1/7/14~~

**Purpose of Amendment:** This amendment replaces the reference to “market price” in the minimum price for a buy-back specified in Listing Rule 7.33, with a reference to the “volume weighted average market price” (VWAP), a new defined term being added in Listing Rule 19.12 (see below).

“Market price” is currently defined in Listing Rule 19.12 to be the closing price on a Trading Platform. VWAP is considered to be a better measure of market value for these purposes than an average of closing prices.

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## Chapter 10

### Listing Rule 10.1

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#### Approval required ~~if test met~~ for certain acquisitions or disposals

10.1 An entity (in the case of a trust, the responsible entity) must ensure that neither it, nor any of its +child entities, +acquires a substantial asset from, or +disposes of a substantial asset to, any of the following +persons without the approval of holders of the entity's +ordinary securities.

10.1.1 A +related party of the entity.

10.1.2 A +child entity subsidiary of the entity.

10.1.3 A +substantial holder in the entity, if the person and the person's +associates have a relevant interest, or had a relevant interest at any time in the 6 months before the transaction, in at least 10% of the total votes attached to the voting +securities in the entity.

~~Note: The relevant interpretation of "associate" for the purposes of this rule is the interpretation in section 12 of the Corporations Act.~~

10.1.4 An +associate of a +person referred to in rules 10.1.1 to 10.1.3.

~~Note: The relevant interpretation of "associate" for the purposes of this rule is the interpretation in section 11 and sections 13 to 17 of the Corporations Act. Section 13 is to be applied as if it was not confined to associate references occurring in Chapter 7.~~

10.1.5 A +person whose relationship to the entity or a +person referred to in rules 10.1.1 to 10.1.4 is such that, in ASX's opinion, the transaction should be approved by +security holders.

If an entity breaks this rule, ASX may require it to take the corrective action set out in rule 10.9.

Introduced ~~01/07/96~~ Origin: Listing Rules 3J(3)(a), (b) Amended ~~01/07/98, 13/03/00, 30/09/01, 1/7/14~~

Cross reference: Rule 10.7 deals with classified assets. Rule 10.8 deals with getting ASX's opinion about the application of rule 10.1. Rule 10.9 deals with corrective action. This remedy is in addition to any other that ASX has for a breach of the listing rules.

**Purpose of Amendment:** These amendments to Listing Rule 10.1 are intended to improve and clarify its drafting. In particular, the notes to Listing Rule 10.1.3 and 10.1.4 explaining the meaning of "associate" are to be deleted on the basis that they are no longer needed, given the new definition of "associate" being added to Listing Rule 19.12 (see below).

ASX would highlight that the note to Listing Rule 10.1.4 currently references the definition of "associate" in sections 11 and 13-17 of the Corporations Act, whereas in ASX's opinion it should reference the definition in sections 12 and 16. This will be corrected by the adoption of the new definition of "associate" in Listing Rule 19.12.

In this regard, the definition of “associate” in section 13 of the Corporations Act is drafted to apply for the particular purposes of chapter 7 of the Corporations Act and relates specifically to persons who are associated with each other in connection with a financial services business. It does not translate well into situations where it needs to be applied under the Listing Rules for more general purposes.

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**Listing Rule 10.12 Exception 1**

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*Exception 1*      The +person receives the +securities under a +pro rata issue.

Introduced ~~e1~~/e7/96    Origin: Listing Rule 3E(8)(a)

Note:    An issue is still treated as a pro rata issue under this rule if offers are not sent to overseas security holders under rule 7.7.

Exception 1 only applies to securities taken up as part of a pro rata issue. It does not apply to a person taking up all or part of the shortfall of a pro rata issue. For example, a director who has taken up their entitlement in a pro rata issue cannot take up shortfall securities under this exception, even if the shortfall is allocated on a pro rata basis to those participating in the shortfall.

**Purpose of Amendment:** This amendment adds an explanatory note to Listing Rule 10.12 Exception 1 to clarify that the exception only applies to securities taken up as part of a pro rata issue. It does not apply to a person taking up all or part of the shortfall of a pro rata issue. For example, a director who has taken up their entitlement in a pro rata issue cannot take up shortfall securities under this exception, even if the shortfall is allocated on a pro rata basis to those participating in the shortfall.

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**Listing Rule 10.12 Exception 4**

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Exception 4      The ~~+person is a person referred to in rule 10.14 and receives the~~ An issue of ~~+securities under an +employee incentive scheme made with the approval of holders of +ordinary securities under that rule 10.14.~~

Introduced 01/07/96   Amended 1/7/14   Origin: Listing Rule 3E(8)(a)d

Exception 4A      A grant of options or other rights to acquire +securities under an +employee incentive scheme, where the +securities to be acquired on the exercise of the options or in satisfaction of the rights are required by the +terms of the scheme to be purchased on-market (as referred to in rule 10.15B).

Introduced 1/7/14

Note: Exception 4A does not apply to on-market purchases of securities of the type referred to in the first limb of listing rule 10.15B. Such purchases do not involve an issue of shares. They therefore are not caught by listing rule 10.11 and no exception to that rule is needed in relation to them.

**Purpose of Amendment:** This amendment simplifies the drafting of Exception 4 to make it consistent with the drafting in Listing Rule 7.2 Exception 14. It also adds an additional exception applying to a grant of options or other rights to acquire securities under an employee incentive scheme, where the securities to be acquired on the exercise of the options or in satisfaction of the rights are required by the terms of the scheme to be purchased on-market (as referred to in Listing Rule 10.15B).

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**Listing Rule 10.12 Exception 8**

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*Exception 8* An issue of +securities under a +security purchase plan, excluding an issue to the plan’s underwriters, ~~making offers not exceeding the maximum amount permitted to be issued to existing security holders without the issue of a disclosure document or Product Disclosure Statement in accordance with relief granted by +ASIC.~~ Exception 8 is only available once in any 12 month period and both of the following must apply:

- The number of +securities to be issued is not greater than 30% of the number of fully paid +ordinary securities already on issue.
- The issue price of the +securities is at least 80% of the +volume weighted average +market price for +securities in that +class. ~~The average is~~ calculated over the last 5 days on which sales in the +securities were recorded before the day on which the issue was announced, or the day on which the issue was made.

Note: See ASIC class order CO 09/425 which provides relief from the prospectus and product disclosure statement provisions of the Corporations Act for share and interest purchase plans.

Introduced e1/e7/00 Amended 31/e3/04, e1/e6/10, 1/7/14

**Purpose of Amendment:** This amendment replaces the reference to “market price” in the minimum issue price for securities issued under a securities purchase plan specified in Listing Rule 10.12 Exception 8, with a reference to the “volume weighted average market price” (VWAP), a new defined term being added in Listing Rule 19.12 (see below).

“Market price” is currently defined in Listing Rule 19.12 to be the closing price on a Trading Platform. VWAP is considered to be a better measure of market value for these purposes than an average of closing prices.

The amendment also includes drafting changes to reflect the updated definition of “security purchase plan” in Listing Rule 19.12 (see below)

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## Listing Rule 10.14

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### Approval required to acquire securities under an employee incentive scheme

10.14 An entity must not permit any of the following +persons to +acquire +securities under an +employee incentive scheme without the approval of holders of +ordinary securities of the +acquisition. ~~The notice of meeting to obtain approval must comply with either rule 10.15 or 10.15A. This rule does not apply to securities purchased on-market under the +terms of a scheme that provides for purchase of +securities by or on behalf of employees or directors.~~

~~Note: The definition of "on-market" for the purposes of this rule is the definition in section 9 of the Corporations Act and is intended to exclude special crossings, crossings during the pre-open phase, the enquire phase, the after-hours adjust phase and trades during the enquire phase.~~

10.14.1 A director of the entity.

10.14.2 An +associate of ~~the~~ a director of the entity.

~~Note: The relevant interpretation of "associate" for the purposes of this rule is the interpretation in section 11 and sections 13 to 17 of the Corporations Act. Section 13 is to be applied as if it was not confined to associate references occurring in Chapter 7.~~

10.14.3 A +person whose relationship with the entity or a +person referred to in rules 10.14.1 or 10.14.2 is, in ASX's opinion, such that approval should be obtained.

Introduced e1/e7/96 Origin: Listing Rules 3E(8)(a)d., 3W(10) Amended e1/e7/00, 30/e9/01, 24/10/05, 1/7/14

Example: An acquisition of securities by a director's private company or family trust will generally be is caught by ~~this~~ rule 10.14.2 or 10.14.3.

Note: Where a single person who fits into a category of persons covered by the rule is to participate in a scheme which is an employee incentive scheme for the purposes of the rule, the entity must seek approval under this rule.

The issue of shares following the exercise of options which have been issued under an employee incentive scheme is not regarded as the acquisition of securities under the scheme.

The notice of meeting to obtain approval must comply with either rule 10.15 or 10.15A.

**Purpose of Amendment:** These amendments:

- remove the exception in what is currently the last sentence of the opening paragraph of Listing Rule 10.14 – this exception is being relocated to a new Listing Rule 10.15B (see below);
- add a cross reference in Listing Rule 10.14.2 to the new definition of “associate” in Listing Rule 19.12; and
- remove the explanatory note to Listing Rule 10.14.2 about the meaning of “associate” on the basis that it is no longer needed, given the new definition of “associate” being added to Listing Rule 19.12 (see below).

In relation to this last point, ASX would again highlight that the explanatory note to Listing Rule 10.14.2 currently references the definition of “associate” in sections 11 and 13-17 of the Corporations Act, whereas in ASX's opinion it should reference the definition in sections 12 and



16. This will be corrected by the adoption of the new definition of “associate” in Listing Rule 19.12.

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**Listing Rule 10.15.3**

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10.15.3 The price (including a statement whether the price will be, or be based on, the +volume weighted average market price or +closing market price), or the formula for calculating the price, for each +security to be +acquired under the scheme.

Introduced ~~e1~~/e7/96 Origin: Listing Rules 3E(8)(a)d.(iii), 3W(10)(iii) Amended 1/7/14

**Purpose of Amendment:** This amendment modifies the reference to “market price” in Listing Rule 10.15.3 to refer to “volume weighted average market price or closing market price”, two new defined terms being added in Listing Rule 19.12 (see below).

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### Listing Rule 10.15A.3

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10.15A.3 The price (including a statement whether the price will be, or be based on, the +volume weighted average market price or +closing market price), or the formula for calculating the price, for each +security to be +acquired under the scheme.

Introduced e1/e7/96 Origin: Listing Rules 3E(8)(a)d.(iii), 3W(10)(iii) Amended 1/7/14

**Purpose of Amendment:** This amendment modifies the reference to “market price” in Listing Rule 10.15.3 to refer to “volume weighted average market price or closing market price”, two new defined terms being added in Listing Rule 19.12 (see below).

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## New Listing Rule 10.15B

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### Exceptions to rule 10.14

10.15B Rule 10.14 does not apply to the following.

- +Securities purchased on-market by or on behalf of directors or their +associates under the +terms of an +employee incentive scheme that provides for the on-market purchase of +securities by or on behalf of employees or directors or their +related parties; or where the +terms of the scheme permit such purchases.
- The issuer of options or performance other rights over to acquire +securities to employees or directors or their +related parties associates under the +terms of an +employee incentive scheme, where the +securities to be granted acquired on the exercise of the options or their satisfaction of the performance rights are required by the +terms of the +employee incentive scheme to be purchased on-market.

Introduced 1/7/14

Note: On-market purchases of securities by or on behalf of directors or their associates under an employee incentive scheme, or to satisfy the entitlements of directors or their associates under options or other rights to acquire securities granted under an employee incentive scheme, are required to be notified to the market under listing rule 3.19A. They will also generally form part of the remuneration of directors and will therefore be disclosed in an entity's remuneration report. They are excluded from listing rule 10.14 on the basis that they do not dilute the interests of other security holders and, because they are effected at market prices, do not raise the same concerns about pricing as an issue of securities.

The definition of "on-market" for the purposes of this rule is the definition in section 9 of the Corporations Act and is intended to exclude block trades, out of hours trades and certain other transactions effected off-market (even though they may ultimately be reported to a market operator).

**Purpose of Amendment:** This new rule:

- replaces the exception in what is currently the last sentence of the opening paragraph of Listing Rule 10.14;
- extends that exception to cover employee incentive schemes that provide for allow purchases by or on behalf of related parties of an employee or associates of a director, as well as purchases by or on behalf of an employee or a director personally (recognising that it is common for employee incentive schemes to provide for the granting of securities to related parties associates of employees or directors, such as companies or trusts they control, as well as to employees or directors personally);
- further extends that exception to cover the issuer of options or performance other rights over to acquire securities to directors or their associates under the terms of an employee incentive scheme that provides for the issue of options or performance rights to employees or directors or their related parties, where the securities to be granted acquired on the exercise of the options or their satisfaction of the performance rights are required by the terms of the scheme to be purchased on-market; and
- updates the original note to Listing Rule 10.14 to reflect the introduction of competitive exchange trading in Australia and the different terminology now used in the ASIC Market Integrity Rules (Competition in Exchange Markets) 2011 to describe off-market

transactions, compared to the way in which they were historically described under the ASX Operating Rules.

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## Listing Rule 10.16

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### **No underwriting by directors and associates**

10.16 An entity must not permit any of the following persons to underwrite a +dividend or distribution plan.

10.16.1 A director of the entity (in the case of a trust, the responsible entity).

10.16.2 An +associate of a director of the entity (in the case of a trust, of the responsible entity).

~~Note: The relevant interpretation of “associate” for the purposes of this rule is the interpretation in section 11 and sections 13 to 17 of the Corporations Act. — Section 13 is to be applied as if it was not confined to associate references occurring in Chapter 7.~~

10.16.3 A +person whose relationship with the entity or a +person referred to in rules 10.16.1 or 10.16.2 is, in ASX’s opinion, such that the +person should not underwrite the plan.

Introduced ~~01/07/96~~ Origin: Listing Rule 3E(8)(b) Amended ~~01/07/98, 30/09/01, 17/14~~

**Purpose of Amendment:** This amendment adds a cross reference to the new definition of “associate” in Listing Rule 19.12. It also removes the explanatory note to Listing Rule 10.16.2 about the meaning of “associate” on the basis that it is no longer needed, given the new definition of “associate” being added to Listing Rule 19.12 (see below).

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## Listing Rule 10.17

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### *Payments to directors*

10.17 An entity must not increase the total aggregate amount of directors' fees payable to all of its non-executive directors by it or any of its <sup>+</sup>child entities without the approval of holders of its <sup>+</sup>ordinary securities. ~~This rule does not apply to the salary of an executive director. However, an executive director's salary or director's fees must not include a commission on, or percentage of, operating revenue.~~

~~10.17.1~~—The notice of meeting must include the following:

- the amount of the increase;~~—~~
- the maximum aggregate amount of directors' fees that may be paid to all of the entity's non-executive directors;~~as a whole;~~
- details of any payments or other benefits that have been paid or provided by the entity or any <sup>+</sup>child entity, with the approval of the holders of the entity's <sup>+</sup>ordinary securities, to the entity's non-executive directors over and above their directors' fees at any time within the preceding 3 years; and ~~Example: <sup>±</sup>securities issued to a non-executive director under rule 10.11 or 10.14 with the approval of the holders of the entity's <sup>±</sup>ordinary securities. at any time within the preceding 3 years; and~~
- a <sup>+</sup>voting exclusion statement.

~~10.17.2~~—~~If a non-executive director is paid, he or she must be paid a fixed sum.~~

For the purposes of ~~this Rule 10.17~~, the "total amount of directors' fees payable" means all fees payable by the entity or any of its <sup>+</sup>child entities to a non-executive director for acting as a director of the entity or any <sup>+</sup>child entity (including attending and participating in any board committee meetings) and includes superannuation contributions ~~made by the entity or any of its <sup>+</sup>child entities~~ for the benefit of a non-executive directors and any fees which a non-executive director agrees to sacrifice for other benefits on a pre-tax basis. It does not include reimbursement of genuine out-of-pocket expenses for attending board or board committee meetings, genuine "special exertion" fees paid in accordance with the entity's constitution, or payments or other benefits that have been approved by the holders of the entity's <sup>+</sup>ordinary securities (for example, <sup>+</sup>securities issued to a non-executive director under rule 10.11 or 10.14 with the approval of the holders of the entity's <sup>+</sup>ordinary securities).

Introduced ~~01/07/96~~ Origin: Listing Rule 3L(7) Amended ~~01/06/10, 1/7/14~~

Note 1: This rule does not apply to the director's fees paid to a non-executive director of a child entity who is not also a director of the entity.

Note 2: For the avoidance of doubt, directors' fees sacrificed to pay for the purchase of securities in the entity (whether under an employee incentive scheme of the type referred to in rule 10.15B or otherwise) must come out of the total amount of directors' fees approved by the holders of its ordinary securities under rule 10.17.

Note 3: ASX does not regard acting as a director of a child entity or attending and participating in normal board committee meetings (such as an audit, nomination, remuneration or risk committee) of the entity or a child entity as a "special exertion" by a director

and therefore the fees paid by an entity or any of its child entities to a non-executive director for such services must come out of the total amount of directors' fees approved by the holders of its ordinary securities under rule 10.17.

10.17A The total amount of directors' fees paid ~~by an~~ **to the directors of an entity by the entity** or any of its <sup>+</sup>child entities must not exceed the total amount of directors' fees approved by the holders of its <sup>+</sup>ordinary securities under rule 10.17.

Introduced 1/7/14

Note: This rule does not apply to the director's fees paid to a non-executive director of a child entity who is not also a director of the entity.

10.17B Rules 10.17 and 10.17A do not apply to the remuneration of an executive director. However, an executive director's remuneration must not include a commission on, or percentage of, operating revenue.

Introduced 1/7/14

**Purpose of Amendment:** Listing Rule 10.17 is being updated to improve its drafting and clarify its intent.

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**Chapter 12**

**Listing Rule 12.7**

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12.7 An entity which was included in the +S & P All Ordinaries Index at the beginning of its financial year must have an audit committee during that year. If the entity was included in the +S & P / ASX 300 Index at the beginning of its financial year it must also comply with the recommendations set by the ±ASX Corporate Governance Council in relation to composition, and operation ~~and responsibility~~ of the audit committee for the whole of that financial year, unless it had been included in that index for the first time less than 3 months before the beginning of that financial year. An entity that is included in the +S & P / ASX 300 Index for the first time less than 3 months before the first day of its financial year but did not comply with the recommendations set by the ±ASX Corporate Governance Council in relation to composition, and operation ~~and responsibility~~ of the audit committee at that date must take steps so that it complies with those recommendations s within 3 months of the beginning of the financial year.

Introduced 1/1/2003. Origin: Listing rule 4.10.2. Amended 3/5/2004, 11/01/2010, 1/5/13, 1/7/14

Note: If the entity is a trust, its audit committee may also be the responsible entity's audit committee.

The S & P / ASX 300 Index is reviewed semi-annually.

If an entity was included in the index on the first day of its financial year but is subsequently not included in the index following a review, it must comply with this rule for the whole of the financial year. If an entity was not included in the index on the first day of its financial year but is subsequently included in the index following a review, it need not comply with this rule for that financial year.

Entities which are included in the S & P/ASX 300 Index for the first time have a transitional period to constitute an audit committee that complies with the recommendations of the ASX Corporate Governance Council.

Examples: (1) An entity has a balance date of 30 June. It is included in the S & P/ASX 300 Index for the first time in September 2010. It will be required to have an audit committee that complies with the recommendations of the ASX Corporate Governance Council constituted by no later 1 July 2011.

(2) An entity has a balance date of 31 March. It is included in the S & P/ASX 300 for the first time in early March 2010. It will be required to have an audit committee that complies with the recommendations of the ASX Corporate Governance Council constituted by no later than 1 July 2010.

Cross reference: Listing rule 4.10.3.

**Purpose of Amendment:** This amendment makes some minor drafting corrections to Listing Rule 12.7. In particular, it removes the references to the recommendations set by the ASX Corporate Governance Council in relation to the “responsibility” of an audit committee. The recommendations set by the ASX Corporate Governance Council in relation to audit committees relate to the composition and operation of the committee rather than its responsibility.

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## Chapter 14

### Listing Rule 14.2

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#### Requirements for proxy forms

14.2 A notice of meeting must include a proxy form which ~~must satisfy~~satisfies the following rules.

14.2.1 The proxy form must, in respect of each resolution, provide for the +security holder to direct the proxy:

- to vote for the resolution;
- ~~to~~ vote against ~~each~~ the resolution; or
- to abstain from voting on the resolution; ~~or~~
- ~~to allow the proxy to vote or abstain from voting on the resolution in their discretion.~~

Introduced ~~01/07/96~~ Origin: Listing Rule 3K(4) Amended 1/7/14

Note: The form may also provide ~~for that in the absence of such a direction the proxy is authorised to vote or abstain from voting on any resolution in their discretion for the security holder to abstain from voting on each resolution or for the proxy to exercise a discretion to vote for or against each resolution.~~

14.2.2 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 Chair is appointed proxy by default, the form must also include a statement as to how the Chair of the meeting intends to vote undirected proxies. ~~[Deleted]~~

Introduced ~~01/07/14~~ ~~96~~ Origin: Listing Rule ~~3K(4)~~ ~~Amended 01/07/98, 30/09/01~~ ~~Deleted 11/01/10~~

Note: An entity may wish to include in a proxy form an acknowledgement to the effect that the statement as to how the Chair of the meeting intends to vote undirected proxies necessarily expresses the Chair's intention at a particular point in time and that, in exceptional circumstances, the Chair's intention may change subsequently. If there is a change to how the Chair intends to vote undirected proxies, ASX would expect the entity to make an immediate announcement to the market stating that fact and explaining the reasons for the change.

14.2.3A ~~[Deleted] If both the following apply, a proxy form must satisfy rule 14.2.3B.~~

- ~~The Listing Rules require a resolution in the notice of meeting to include a +voting exclusion statement, and the Chair of the meeting is a person whose vote would be disregarded under rule 14.11.1 in respect of that resolution.~~
- ~~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 Chair is appointed proxy by default.~~

14.2.3B ~~[Deleted] The proxy form must include the following.~~

- ~~• A statement as to how the Chair of the meeting intends to vote undirected proxies.~~
- ~~• A statement to the following effect.~~

~~If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in the box.~~

~~By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution/s and that votes cast by the Chair of the meeting for those resolutions other than as proxy holder will be disregarded because of that interest.~~

~~If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.~~

Introduced 30/09/01 Amended 24/10/05 Deleted 1/7/14

Note:— If Rule 14.2.3B applies to more than one resolution, the rule is satisfied if either the required statement appears once and is expressed to relate to all of the relevant resolutions, or alternatively, the required statement is repeated for each resolution to which it applies.

Failure to comply with the rule will mean that undirected proxy votes that would otherwise default to the Chair of the meeting must be excluded from voting.— It will not make the resolution to which the rule applies invalid.

The purpose of rule 14.2.3 is to ensure the informed consent of shareholders voting by proxy.— Accordingly, companies should clearly indicate in their notices of meeting if the Chair of the meeting will be other than the Chair of the company.

Note: Section 224(1) of the Corporations Act prevents votes being cast on a resolution by or on behalf of related parties or their associate, where the effect of the resolution is to permit a financial benefit to that person.— Section 224(2)(a) allows a vote to be cast by the related party or associate as proxy, where the appointment as proxy is in writing and specifies how the proxy is to vote on the proposed resolution.

**Purpose of Amendment:** This amendment requires a proxy form to give a security holder the ability to direct their proxy to abstain from voting on a resolution ~~or to vote or abstain from voting on a resolution in the proxy's discretion~~. It also requires, if the proxy form specifies that the chair of the meeting is appointed as proxy if a security holder does not appoint another person to act as their proxy or the chair is appointed proxy by default, that the proxy form also include a statement as to how the chair intends to vote undirected proxies.

In addition it removes the requirement for a so-called “chairman’s box” in a proxy form that currently appears in Listing Rules 14.2.3A and 14.2.3B. ASX has received feedback that the requirement to tick the chairman’s box is often overlooked by security holders when they

complete their proxy forms, meaning that their votes are not taken into account on resolutions to which voting exclusions apply under the Listing Rules.

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**Listing Rule 14.11**

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**Voting exclusion statement**

14.11 If a rule requires a notice of meeting to include a +voting exclusion statement, the notice of meeting must contain a statement to the following effect.

*The entity will disregard any votes cast on a resolution by:*

- *the (named) person (or class of persons) excluded from voting; and*
- *an +associate of that person (or those persons).*

*However, the entity need not disregard a vote if:*

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

Introduced 01/07/1996. Amended 1/5/2013, 1/7/14.

~~Note: For the purposes of this rule, "associate" has the meaning given in sections 12 and 16 of the Corporations Act. —Section 12 is to be applied as if it was not confined to associate references occurring in Chapter 6 and on the basis that the entity is the "designated body" for the purposes of that section. Where the named person in the voting exclusion statement is a director or officer of the entity or of a child entity, "associate" also includes a related party of that director or officer.~~

Cross reference: listing rule 14.2.3.

**Purpose of Amendment:** This amendment adds a cross reference to the new definition of "associate" in Listing Rule 19.12. It also removes the explanatory note about the meaning of "associate" from Listing Rule 14.11 on the basis that it is no longer needed, given the new definition of "associate" ~~being added to Listing Rule 19.12 (see below).~~

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## Listing Rule 14.11.1

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- 14.11.1 The +person excluded from voting must be named in the notice of meeting.  
The +persons who must be named are the following.

Rule	Disregard votes cast by:
6.20.3	a +person who may participate in the proposed issue Introduced e1/e7/96
6.22.2A	a +person who may participate in the proposed issue Introduced e1/e7/97
6.23	a +person who holds an option that is the subject of the approval Introduced e1/e7/96
7.1 and 7.1A	<del>A</del> -a +person who may participate in the proposed issue and a +person who might obtain a benefit, except a benefit solely in the capacity of a holder of +ordinary securities, if the resolution is passed.  Introduced e1/e7/96 Origin: Listing Rule 3E(6)(c)(viii) Amended e1/e7/97, 30/e9/01, 1/7/14  Note:  The voting exclusion statement for rules 7.1 and 7.1A excludes from voting “a person who may participate in the proposed issue”. Where the names of the proposed persons to whom the entity will issue the securities are not known and identified, but the proposed issue is a general offer to apply for equity securities open to the public or a section of the public, or where the approval is an approval at large for the issue of equity securities up to a certain limit, then the words “a person who may participate in the proposed issue” require more than the mere possibility that the person will participate in the proposed issue. For a person’s vote to be excluded in these circumstances, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue, security holders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted. There is no reason to exclude their vote. See <i>Stratford Sun Limited v OM Holdings Limited</i> [2011] FCA 1275.
7.2 Exception 9	a director of the entity - in the case of a trust, the responsible entity - (except one who is ineligible to participate in any +employee incentive scheme in relation to the entity)  Introduced e1/e7/96 Origin: Listing Rule 3E(6)(c)(viii)b.iii Amended e1/10/96, e1/e7/98, 24/10/05
7.4	a +person who participated in the issue Introduced e1/e7/96 Origin: Listing Rule 3E(6)(d)(vi)
7.26	a +person whose shares are to be cancelled or liability released or waived  Introduced e1/e7/96 Origin: Listing Rule 3J(32)(a)(i)c, 3J(32)(a)(iii)c
7.27	Introduced e1/e7/96 Origin: Listing Rule 3J(32)(b)(ii) Deleted e1/e7/00

7.37	Introduced <a href="#">e1/e7/96</a> Origin: Listing Rule 3W(1)(a)(ii)b Amended <a href="#">e1/10/96</a> , <a href="#">e1/e7/98</a> Deleted <a href="#">e1/e7/00</a>
7.38	Introduced <a href="#">e1/e7/96</a> Origin: Listing Rule 3W(2)(c)(i)b Amended <a href="#">e1/e7/98</a> Deleted <a href="#">e1/e7/00</a>
10.1	a party to the transaction Introduced <a href="#">e1/e7/96</a> Origin: Listing Rule 3J(3)(d)
10.5	a party to the transaction Introduced <a href="#">e1/e7/96</a>
10.9	a party to the transaction Introduced <a href="#">e1/e7/96</a>
10.11	a <sup>+</sup> person who is to receive <sup>+</sup> securities in relation to the entity Introduced <a href="#">e1/e7/96</a> Origin: Listing Rule 3E(8)(a)c.iii  Note: Where a person might obtain a benefit if the resolution is passed, except a benefit solely in the capacity of a holder of ordinary securities, ASX will normally require the votes of that person to be disregarded as approval under listing rule 10.11 is effective as approval under listing rule 7.1 if the requirements of rule 7.2 exception 14 are satisfied. If ASX does so before the notice of meeting is sent out, that person must be named in the notice.
10.14	<u>any</u> director of the entity – in the case of a trust, the responsible entity – <del>(except one who is ineligible to participate in <u>any the</u> <sup>+</sup>employee incentive scheme <u>in respect of which the approval is sought in relation to the entity</u>)</del> and, if ASX has expressed an opinion under rule 10.14.3 that approval is required for participation in <del>an the</del> <sup>+</sup> employee incentive scheme by anyone else, that person. Introduced <a href="#">e1/e7/96</a> Origin: Listing Rules 3E(8)(a)d.(v), 3W(10)(vi) Amended <a href="#">e1/10/96</a> , <a href="#">e1/e7/98</a> , <a href="#">24/10/05</a> , <a href="#">1/7/14</a>
10.17	a director of the entity – in the case of a trust, the responsible entity. Introduced <a href="#">e1/e7/96</a> Amended <a href="#">e1/e7/98</a> , <a href="#">24/10/05</a>
10.19	an officer of the entity or any of its <sup>+</sup> child entities who is entitled to participate in a <sup>+</sup> termination benefit. Introduced <a href="#">e1/e7/96</a> Origin: Listing Rule 3J(16)(b)
11.1	<del>A</del> <u>a</u> <sup>+</sup> person who might obtain a benefit, except a benefit solely in the capacity of a holder of <sup>+</sup> ordinary securities, if the resolution is passed Introduced <a href="#">e1/e7/96</a> Amended <a href="#">30/e9/01</a> , <a href="#">1/7/14</a>
11.2	<del>A</del> <u>a</u> <sup>+</sup> person who might obtain a benefit, except a benefit solely in the capacity of a holder of <sup>+</sup> ordinary securities, if the resolution is passed Introduced <a href="#">e1/e7/96</a> Origin: Listing Rule 3S(2)(a) Amended <a href="#">30/e9/01</a> , <a href="#">1/7/14</a>

11.4	<p>a party to the transaction to acquire the asset</p> <p>Introduced <del>01/07/96</del></p>
in all cases	<p><del>A</del>-a *person whose votes, in ASX's opinion, should be disregarded.</p> <p>Introduced <del>01/07/96</del> Amended 1/7/14</p> <p>Example: ASX may require the votes of a person who might obtain a benefit if the resolution is passed, except a benefit solely in the capacity of a holder of ordinary securities, to be disregarded. If ASX does so before the notice of meeting is sent out, that person must be named in the notice.</p>

**Purpose of Amendment:** This amendment corrects some minor typographical errors and clarifies which parties are to be covered by a voting exclusion statement for the purposes of Listing Rule 10.14.

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**Chapter 15**

**Listing Rule 15.5**

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15.5 A document given to ASX must be on the entity’s letterhead, unless a form prescribed by the listing rules or an Australian law is used. The document or form must be dated and authorised by an identified, authorised officer of the entity. If a document cannot conveniently be put in letter form, the entity must give ASX a covering letter with it.

Introduced ~~e1/e7~~/96 Origin: Listing Rule 3J(i)(c)

~~Note:—ASX will supply bar codes for attachment to each release.~~

Example: An annual report, prospectus or Product Disclosure Statement would be given to ASX under cover of a letter.

**Purpose of Amendment:** This amendment corrects a note to Listing Rule 15.5. ASX no longer supplies bar codes for attachment to market releases.

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## Listing Rule 15.7

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### **Entity not to release information to others before ASX**

15.7 An entity must not release information that is for release to the market to any person until it has given the information to ASX and has received an acknowledgement that ASX has released the information to the market.

Introduced 01/07/96 Origin: Listing Rule 3(1)(f)

Note: This rule prohibits an entity giving information to the media even on an embargoed basis.

~~The market announcements office sends an acknowledgement by fax after releasing information to the market.~~

Cross reference: Listing rule 15.8.

**Purpose of Amendment:** This amendment corrects a note to Listing Rule 15.7. ASX no longer sends acknowledgements of market releases by fax.

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**Chapter 17**

**Listing Rule 17.5**

+++++

**Failure to lodge documents**

17.5 If an entity fails to give ASX the documents required under rules 4.2A, 4.3A, 4.4A, 4.5, 4.7B, 5.1, 5.2, ~~5.3~~, 5.4 ~~OR 5.5~~ or the +annual report required under rule 4.7, ASX will suspend its +securities from +quotation on the +trading day after the date on which the documents were due. ASX will not waive this rule.

Introduced: 1/7/96. Origin: Procedures 8(a)(i), 8(b). Amended 1/9/99, 31/3/2000, 1/7/2000, 1/1/2003, 11/6/10, 1/7/14.

Note: The entity's securities are suspended before trading commences.

**Purpose of Amendment:** This amendment corrects an omission from the consequential changes made to the Listing Rules in conjunction with the new reporting rules for mining entities and oil and gas entities that came into effect on 1 December 2013.

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**Chapter 18**

**Listing Rule 18.1.2**

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**18.1.2 ASX will publish waivers periodically.**

Introduced 1/7/96. Origin: Foreword.

Note: ~~ASX publishes a waiver register monthly, approximately on the 10th of the month. It normally includes waivers granted in the previous month. The register includes a brief description of the waivers that have been granted and the names of the entities granted the waivers. The register is also available on the ASX website at [www.asx.com.au](http://www.asx.com.au).~~ Details of waivers granted are usually published on the ASX website twice monthly in the form of a waivers register. The waivers register includes the name of the entity which received the waiver, the terms and conditions of the waiver and brief reasons why it was granted.

**Purpose of Amendment:** This amendment updates a note to Listing Rule 18.1.2 to reflect ASX’s current processes for publishing waivers.

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## Chapter 19

### Listing Rule 19.12

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19.12 The following expressions have the meanings set out below.

Introduced 1/7/1996. Origin: Definitions.

## Expressions

## meanings

...  
associate

has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if paragraph 12(1)(a) included a reference to the Listing Rules and on the basis that the entity is the “designated body” for the purposes of that section.

A +related party of a director or officer of the entity or of a +child entity is to be taken to be an associate of the director or officer unless the contrary is established.

Introduced 1/7/14

Note: One way in which it may be established that a related party of a director or officer is not their associate is for the director, officer or related party in question to give a statutory declaration or some other form of certification to the entity to that effect.

...  
ASX market

the market for trading in securities operated in Australia by ASX.

Introduced 1/7/14

...  
Chi-X market

the market for trading in securities operated in Australia by Chi-X Australia Pty Ltd.

Introduced 1/7/14

...  
closing market price

in relation to particular securities on a particular day, the published closing price for those securities on the +ASX market on that day.

Introduced 1/7/14

...  
Chi-X market

the market for trading in securities operated in Australia by Chi-X Australia Pty Ltd.

Introduced 1/7/14

...

corporate governance statement

the statement referred to in rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the +ASX Corporate Governance Council during a particular reporting period.

Introduced 1/7/14. This definition applies in respect of financial years ending on or after 30 June 2015.

...

employee incentive scheme

(a) a scheme for the issue or +acquisition of +equity securities in the entity to be held by, or for the benefit of, participating employees or non-executive directors of the entity or a related entity or their associates; or

(b) a scheme which, in ASX's opinion, is an employee incentive scheme.

Introduced 01/07/96 Amended 30/09/01

Note: The fact that an employee incentive scheme may also provide for the participation of consultants and contractors, as well as employees and non-executive directors, does not prevent it from being an employee incentive scheme for the purposes of the Listing Rules.

Cross reference: Definition of terms of the scheme.

...

market price

the closing price on a +Trading Platform, excluding special-crossings, overnight sales and exchange traded option-exercises

Introduced 1/7/14.

marketable parcel

the meaning in the procedures of the ASX Operating Rules.

Amended 11/03/04, 17/12/10

Note: The meaning of "marketable parcel" in the ASX Operating Rules Procedures is, in relation to:

1. Equity ~~s~~Securities (but not rights to subscribe for Equity Securities or options over Equity Securities), a parcel of securities of not less than \$500 based on:
  - (a) the closing price on a Trading Platform, if the Equity Securities are quoted; or
  - (b) the price paid on issue if the Equity Securities are unquoted; and
2. Rights to subscribe for Equity Securities, a parcel of rights which, if taken up in full, would result in a parcel of Equity ~~s~~Securities which would not be less than \$500 based on:
  - (a) the closing price on a Trading Platform of the Equity Securities at the time of purchase of the rights, if the Equity ~~–~~ Securities are quoted; or
  - (b) the total application moneys payable in relation to the exercise of the rights, if the Equity Securities are unquoted;
3. Options over unissued Equity Securities, a parcel of options which, if exercised in full, would result in a parcel of Equity Securities which would not be less than \$500 based on:
  - (a) the closing price on a Trading Platform of the Equity Securities at the time of purchase of the options, if the Equity Securities are quoted; or
  - (b) the total moneys payable on the exercise of the options, if the Equity Securities are unquoted; ~~or~~
4. Loan Securities other than redeemable preference shares with a fixed and certain date for redemption, 1 security with a face value of not less than \$100; ~~and~~
5. Warrants, a parcel of Warrants where the value of the Underlying Instruments equals or exceeds \$500. ~~or~~

...

net tangible asset  
backing

~~backing~~ for the purpose of rule 4.12 in relation to a <sup>+</sup>class of <sup>+</sup>securities,

$$\frac{(A - I - L)}{N}$$

A = total ~~A~~assets. In calculating this, the value of investments at the end of the month are calculated at "net market value" (that is, the amount which could be expected to be received from the disposal of an asset in an orderly market after deducting costs expected to be incurred in realising the proceeds of the disposal). The value of investments, except quoted <sup>+</sup>securities of listed entities, is calculated at cost or valuation. Valuation must not exceed the recoverable amount.

Note: The net market value definition is taken from Australian Accounting Standard AASB 1023.

I = intangible assets.

L = total ~~L~~liabilities ranking ahead of, or equally with, claims of that <sup>+</sup>class of <sup>+</sup>securities. In calculating this, total liabilities include each of the following.



- Provisions for tax on realised income and gains.
- Provisions for tax on estimated unrealised income and gains. Alternatively, the entity may disclose the net tangible asset backing per +security before and after providing for the estimated tax on unrealised income and gains.
- Provisions for declared, but unpaid, dividends or distributions if the +securities are still quoted on a basis that includes the dividend or distribution on the date on which the net tangible asset backing is reported.
- Provisions for unpaid management fees earned.

Example: Liabilities ranking ahead of, or equally with, fully paid ordinary shares in a parent entity will include all liabilities, preference share entitlements, and outside equity interests.

N = total Number of +securities on issue in that +class. In calculating this, partly paid +securities which are in that +class when paid up are taken into account by assuming that the unpaid amount is paid.

...

promoter

(a) Aa +person ~~(or associate of a +person)~~ who has had a material involvement in, or who has provided~~s~~ a service to the entity ~~(or to a +related party of the entity)~~ in relation to<sub>u</sub> either of the following ~~or who, in the opinion of ASX, is involved in or has had any influence in either of the following.~~

- The entity's promotion or listing; or
- The entity's initial public offering.

Note: The relevant interpretation of "associate" for the purposes of this paragraph is the interpretation in section 11 and sections 13 to 17 of the Corporations Act. Section 13 is to be applied as if it was not confined to associate references occurring in Chapter 7.

(b) Unless ASX decides otherwise, a +substantial holder in the entity, ~~(or associate of a +substantial holder)~~ if the person and the person's +associates have a relevant interest in at least 10% of the voting +securities at any time in the 12 months before the date of the application for admission to the +official list.

Introduced 01/07/98—Amended 13/03/00, 01/07/00

Note: The relevant interpretation of "associate" for the purposes of this paragraph is the interpretation in section 12 of the Corporations Act.

(c) a +person whose relationship with the entity or a +person referred to in (a) or (b) above is, in ASX's opinion, such that the +person should be considered to be a promoter of the entity.

Introduced 1/7/98 Amended 13/3/00, 1/07/00, 1/7/14

...

~~S~~security ~~P~~urchase  
~~P~~lan

~~an issue of securities under a security purchase plan, excluding an issue to the plan's underwriters, providing for the making by an entity of offers of securities not exceeding an amount as determined by ASIC from time to time to its existing security holders which do not require the issue of a disclosure document or Product Disclosure Statement in accordance with the relief granted by ASIC.~~

Introduced 01/06/10 Amended 1/7/14

Note: As at 1/7/14, such relief was provided in Class Order [CO 09/425] Share and interest purchase plans.

~~Introduced 01/06/10 Amended 1/7/14~~

...

~~trading participant~~

~~the meaning in the ASX Operating Rules.~~

~~Note: ASX market rule 2.10 states that a trading participant is a participant which has trading permission in respect of one or more products or trading platforms.~~

~~Trading Platform~~

~~the meaning in the ASX Operating Rules.~~

~~Amended 11/03/04, 03/05/04, 01/01/12~~

~~Note: The ASX Operating Rules state that "Trading Platform" means a platform made available by ASX to Trading Participants (defined in the ASX Operating Rules) for the entry of Trading Messages (defined in the ASX Operating Rules), the matching of Orders (defined in the ASX Operating Rules), the advertisement of invitations to trade and the reporting of transactions. Parts of the Trading Platform may be referred to as 'a Trading Platform' or 'the relevant Trading Platform'.~~

...

volume weighted  
average market price

in relation to particular securities for a particular period, the volume weighted average price of trading in those securities on the +ASX market and the +Chi-X market over that period, excluding block trades, large portfolio trades, permitted trades during the pre-trading hours period, permitted trades during the post-trading hours period, out of hours trades and exchange traded option exercises.

Introduced 1/7/14.

Trading on the ASX market and Chi-X market includes trades executed on those markets and trades reported to those markets (other than block trades, large portfolio trades, permitted trades during the pre-trading hours period, permitted trades during the post-trading hours period, out of hours trade and exchange traded option exercises). The terms "block trades", "large portfolio trades", "permitted trades during the pre-trading hours period", "permitted trades during the post-trading hours period" and "out of hours trades" have the same meaning as in the ASIC Market Integrity Rules (Competition in Exchange Markets) 2011. These types of trades are excluded as they are not necessarily representative of market trading.

**Purpose of Amendment:** These amendments to Listing Rule 19.12:

- add a new definition of “associate” for the purposes of Listing Rules (more specifically, Listing Rules 10.1, 10.10, 10.14, 10.16, 14.11.1 and the definition of “promoter” in Listing Rule 19.12);
- add a new definition of “corporate governance statement” so as to facilitate the revisions being made to Listing Rules 4.7 and 4.10.3;
- make some minor drafting corrections to the definition of “employee incentive scheme”;
- delete the definition of “market price” and replace it with a definition of “closing market price”;
- correct some typographical errors in the definition of “marketable parcel”;
- make some minor drafting corrections to the definition of “net tangible asset backing”;
- make changes to the definition of “promoter” to improve its drafting and to acknowledge and incorporate the new definition of “associate”;
- make some minor drafting corrections to the definition of “security purchase plan”;
- remove a redundant definition of “trading participant”;
- replace the definition of “Trading Platform” with new definitions of “ASX market” and “Chi-X market”; and
- add a new definition of “volume weighted average market price” for the purposes of Listing Rules (more specifically, Listing Rules 6.22.2, 7.1A.3, 7.2 Exception 15, 7.3.1, 7.11.3, 7.33, 10.12 Exception 8, 10.15.3 and 10.15A.3). This definition picks up trading on both the ASX and Chi-X markets.

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## Appendix 4G

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Insert the attached Appendix 4G after Appendix 4F.

**Purpose of Amendment:** This amendment inserts a new Appendix 4G into the Listing Rules. Under changes being made to Listing Rule 4.7 (see above), a listed entity will be required to complete an Appendix 4G and give it to ASX at the same time as it gives its annual report to ASX.

The Appendix 4G is intended to address a number of issues that ASX ~~perceives~~perceived with the ~~current~~ corporate governance reporting framework, ~~as~~ embodied in the current version of Listing Rule 4.10.3 and the second edition of the Principles and Recommendations of the ASX Corporate Governance Council. These include:

- The ~~current~~second edition of the ASX Corporate Governance Council Recommendations ~~suggests~~suggested a number of matters that ought to be disclosed outside of the entity's corporate governance statement in its annual report. In some cases, the Recommendations ~~state~~stated that the information "should be publicly available, ideally by posting it on the company's website in a clearly marked corporate governance section" (see, for example, Recommendations 1.1, 3.1, 3.2, 5.1, 6.1 and 7.1 and the corresponding guides to reporting on those matters in Recommendations 1.3, 3.5, 5.2, 6.2 and 7.4). In other cases, the Recommendations simply ~~suggests~~suggested that certain matters should be disclosed without recommending where that disclosure should be made (see, for example, Recommendations 1.2 and 2.5 and the corresponding guides to reporting on those matters in Recommendations 1.3 and 2.6).

An entity that ~~complies~~complied with ~~a~~a recommendation in the second edition of the ASX Corporate Governance Council ~~Recommendation~~Recommendations technically ~~is~~was not required to make any further disclosure about that matter in its corporate governance statement under Listing Rule 4.10.3, since that rule only ~~requires~~required disclosure where an entity ~~does~~did not follow a particular Recommendation. In practice, this ~~can~~could mean that an entity ~~complies~~complied with a Recommendation (for example to have an audit committee and to disclose its charter) without identifying where it has disclosed information relevant to that Recommendation (in the example given, where it has disclosed the charter of its audit committee). This ~~can~~could make it difficult and/or time consuming to locate disclosures made in connection with the second edition of the ASX Corporate Governance Council Recommendations.

- Compounding the issue in the previous bullet point, while the various guides to reporting in the ~~current~~second edition of the ASX Corporate Governance Council Recommendations generally ~~recommend~~recommended that most governance disclosures ~~are~~should be made in a discrete corporate governance statement in the entity's annual report, there ~~are~~were some Recommendations (see for example Recommendations 3.3 and 3.4 and the corresponding guide to reporting on those matters in Recommendation 3.5) where the disclosure ~~is~~was simply recommended to be in the entity's annual report. For instance, a significant number of listed entities ~~do~~previously did not disclose in their corporate governance statement the number of women directors on their board (ASX Corporate Governance Council Recommendation 3.4). ASX assumes that this is on the basis that this information ~~will be~~was apparent from

the director profiles usually included elsewhere in an annual report. This ~~leads~~led to the need to review the width and breadth of the annual report, rather than a discrete corporate governance statement, to locate all of the disclosures relevant to governance matters. Again, this ~~can~~could make it difficult and/or time consuming to locate disclosures made in connection with the second edition of the ASX Corporate Governance Council Recommendations.

- ASX has noticed some instances in the past where corporate governance statements ~~appear~~appeared to be pro forma or standardised documents produced by professional advisers, leading to some doubt as to whether they ~~reveal~~revealed an accurate and granular picture of the actual governance practices adopted by the entity. The issues identified in the two bullet points above ~~make, however, made~~ it more difficult to identify cases where that might be so.

ASX considers that without some pre-emptive remedial action, the flexibility being introduced by the third edition of the ASX Corporate Governance Council Principles and Recommendations and the associated changes to ASX's Listing Rules to allow listed entities to choose to make their governance disclosures in their annual report or on their website could exacerbate the issues identified above.

Appendix 4G seeks to address these issues by providing a key to where the relevant governance disclosures can be found.

The Appendix 4G is not intended to replace, or in any way detract from, the requirement for listed entities to include a corporate governance statement in their annual report or on their website under ~~listing rule~~Listing Rule 4.10.3 – simply to ensure that the disclosures made in accordance with that rule or in connection with the third edition of the ASX Corporate Governance Council Recommendations are readily identifiable and easily located.

ASX considers that the new Appendix 4G will deliver significant benefits for all key stakeholders:

1. **Benefits for listed entities:** by particularising each ASX Corporate Governance Council Recommendation that needs to be reported against, the Appendix 4G will assist entities to comply with their obligations under Listing Rule 4.10.3 and provide them with a documented verification process to confirm their compliance with that Listing Rule.

Given the significant criminal and civil liabilities that can attach to a listed entity and its directors and officers if the entity's annual report contains false or misleading information (see, for example, sections 1041E, 1308(2) and 1309 of the Corporations Act), ASX would expect most listed entities to be conducting a detailed verification exercise in relation to their annual reports to confirm that the statements in the annual report have a reasonable basis in fact and are not misleading. The Appendix 4G will aid that exercise, in so far as the annual report includes disclosures made in connection with the ASX Corporate Governance Council Recommendations.

2. **Benefits for investors:** the Appendix 4G will provide investors with improved disclosure about whether or not listed entities have followed specific ASX Corporate Governance Council Recommendations and make it easier for them to identify and locate corporate governance disclosures. This will empower investors to better assess the governance practices of listed entities and, in turn, help investors to make more informed investment decisions.

3. ***Benefits for ASX and the market generally*** - the Appendix 4G will facilitate a quick real time review of corporate governance disclosures by ASX Listings Compliance advisers and therefore enable faster detection and correction of instances of material non-compliance with Listing Rule 4.10.3.

Under Listing Rule 4.7, a listed entity is not required to provide an Appendix 4G to ASX until it lodges the annual report for its first financial year ending on or after 30 June 2015. It may choose to lodge an Appendix 4G in respect of an earlier financial year, if it wishes to do so, provided it has early-adopted the changes to Listing Rules 4.7 and 4.10.3 and it is reporting against the third edition of the ASX Corporate Governance Council Recommendations.

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[Appendix 4G attached]

~~**Note:** the proposed Appendix 4G is not included in this consultation version of ASX's proposed Listing Rule changes. The Appendix 4G will need to be updated for the final version of the third edition of the Corporate Governance Council's *Corporate Governance Principles and Recommendations*. This document is expected to be published in March 2014.~~