

## Chapter 7

### Changes in capital and new issues

#### Table of Contents

The main headings in this chapter	Rules
New issues	7.1 – 7.9
Rules that apply to all *pro rata issues	7.11
Rules that apply to all entitlements issues	7.12 – 7.15
Rules that apply to issues of options	7.16
Rules that apply to any issue in a different entity	7.17
Reorganisations of capital	7.18 – 7.26
On-market buy-backs	7.29 – 7.33
Buy-backs not under the Corporations Act	7.36
Forfeited shares	7.39
Compliance with timetables	7.40

#### Explanatory note

This chapter deals principally with entities changing their capital, either by issuing \*securities or reorganising existing capital (including reconstructions and buy-backs). Because of the complexity that often surrounds issues and reorganisations, entities are encouraged to discuss proposals with ASX before finalising them.

This chapter also contains rules that apply to an issue of \*securities in a different entity.

Timetables relating to changes in capital are in Appendix 7A.

#### New issues

##### Issues exceeding 15% of capital

7.1 Subject to rules 7.1A and 7.1B, without the approval of the holders of its \*ordinary securities, an \*entity must not issue or agree to issue more \*equity securities than the number calculated according to the following formula.

$$(A \times B) - C$$

where:

A = the number of fully paid \*ordinary securities on issue at the commencement of the relevant period,

- plus the number of fully paid +ordinary securities issued in the relevant period under an exception in rule 7.2 other than exception 9, 16 or 17,
- plus the number of fully paid +ordinary securities issued in the relevant period on the +conversion of +convertible securities within rule 7.2 exception 9 where:
  - the +convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
  - the issue of, or agreement to issue, the +convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4,
- plus the number of fully paid +ordinary securities issued in the relevant period under an agreement to issue +securities within rule 7.2 exception 16 where:
  - the agreement was entered into before the commencement of the relevant period; or
  - the agreement or issue was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4,
- plus the number of any other fully paid +ordinary securities issued in the relevant period with approval under rule 7.1 or rule 7.4,

Note: This may include fully paid ordinary securities issued in the relevant period under an agreement to issue securities within rule 7.2 exception 17 where the issue is subsequently approved under rule 7.1.

- plus the number of partly paid +ordinary securities that became fully paid in the relevant period,
- less the number of fully paid +ordinary securities cancelled in the relevant period;

B = 15%;

C = the number of +equity securities issued or agreed to be issued in the relevant period that are *not* issued:

- with the approval of the holders of its +ordinary securities under rule 7.1 or rule 7.4;
- under rule 7.1A.2; or
- under an exception in rule 7.2; and

“relevant period” means:

- if the entity has been admitted to the official list for 12 months or more, the 12 month period immediately preceding the date of the issue or agreement; or
- if the entity has been admitted to the official list for less than 12 months, the period from the date the entity was admitted to the official list to the date immediately preceding the date of the issue or agreement.

Introduced 01/07/96 Origin: Listing Rules 3E(6)(a)(i), 3E(6)(b), 3E(6)(c)(i) Amended 01/07/97, 01/07/98, 01/08/12, 04/03/13, 01/12/19

Note: Where security holders approve an issue of or agreement to issue securities under rule 7.1, the securities must be issued within the applicable 3 or 6 month period referred to in rule 7.3.4 or else the approval will lapse. If the approval lapses, the securities can no longer be counted in variable A above as securities issued with an approval under rule 7.1 and must instead be counted in variable C above.

Securities issued without security holder approval with the benefit of a waiver from rule 7.1 are usually treated as being issued with security holder approval under rule 7.1 unless the terms of the waiver provide otherwise.

Where an eligible entity obtains security holder approval to increase its issuance capacity under rule 7.1A, any ordinary securities issued under that additional issuance capacity will not be counted in variable “A” in the formula in rule 7.1 until their issue has been approved subsequently under rule 7.4, or 12 months has passed since their issue.

### Additional issuance capacity for eligible entities

7.1A Subject to rule 7.1B, an \*eligible entity may seek the approval of the holders of its \*ordinary securities by special resolution passed at an annual general meeting to have the additional capacity to issue \*equity securities under this rule 7.1A.

Introduced 01/08/12

7.1A.1 An approval under this rule 7.1A commences on the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following.

- (a) The date that is 12 months after the date of the annual general meeting at which the approval is obtained.
- (b) The time and date of the entity's next annual general meeting.
- (c) The time and date of the approval by holders of the \*eligible entity's \*ordinary securities of a transaction under rule 11.1.2 or rule 11.2.

Introduced 01/08/12 Amended 01/12/19

7.1A.2 In addition to issues under rule 7.1, an \*eligible entity which has obtained the approval of the holders of its \*ordinary securities under this rule 7.1A may, during the period of the approval, issue or agree to issue a number of \*equity securities calculated in accordance with the following formula:

$$(A \times D) - E$$

where:

A = has the same meaning as in rule 7.1;

D = 10%;

E = the number of \*equity securities issued or agreed to be issued under rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by the holders of its \*ordinary securities under rule 7.4; and

“relevant period” has the same meaning as in rule 7.1.

Introduced 01/08/12 Amended 04/03/13, 01/12/19

Note: Securities issued with security holder approval under rule 7.1 are not considered to have been issued or agreed to be issued under rule 7.1A. Securities issued without security holder approval with the benefit of a waiver from listing rule 7.1 are treated as being issued with security holder approval under rule 7.1 unless the terms of the waiver provide otherwise.

Where an eligible entity obtains security holder approval to increase its issuance capacity under rule 7.1A:

- any ordinary securities issued under that additional issuance capacity are not counted in variable “A” in the formula in rule 7.1 until their issue has been approved subsequently under rule 7.4, or 12 months has passed since their issue; and
- any securities issued under that additional issuance capacity are counted in variable “E” until their issue has been approved subsequently under rule 7.4 or 12 months has passed since their issue.

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 issued for a cash consideration per \*security which is not 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 by the entity and the recipient of the \*securities; or
- (b) if the \*securities are not issued within 10 \*trading days of the date in paragraph (a), the date on which the \*securities are issued.

Introduced 01/08/12 Amended 04/03/13, 01/07/14, 01/12/19

7.1A.4 When an entity issues any \*equity securities under rule 7.1A, the entity must:

- (a) state in its announcement of the proposed issue under rule 3.10.3 or in its application for quotation of the \*securities under rule 2.7 that the \*securities are being issued under rule 7.1A; and
- (b) give to ASX immediately after the issue a list of names of the persons to whom the entity issued the \*equity securities and the number of \*equity securities issued to each. This list is not for release to the market.

Introduced 01/08/12 Amended 04/03/13, 01/12/19

### **Rules applicable to placements under Rules 7.1 and 7.1A**

7.1B The following rules apply for the purposes of rules 7.1 and 7.1A.

Introduced 01/08/12

7.1B.1 In working out:

- (a) the number of \*equity securities that an entity may issue or agree to issue under rule 7.1 (including the amount “C” referred to in that rule) or that an \*eligible entity may issue or agree to issue under rule 7.1A.2 (including the amount “E” referred to in that rule); or
- (b) whether a transaction is a \*reverse takeover for the purposes of these rules by reference to the number of \*equity securities that are issued or to be issued by the entity under or to fund the \*reverse takeover,

unless ASX determines otherwise, apply the following rules:

- (c) if the \*equity securities are fully paid \*ordinary securities, each \*security is counted as one;
- (d) if the \*equity securities are partly paid \*securities, each \*security is counted as the maximum number of fully paid \*ordinary securities into which it can be paid up;
- (e) if the \*equity securities are \*convertible securities, each \*security is counted as the maximum number of fully paid \*ordinary securities into which it can be converted; and
- (f) in any other case, each \*security is counted as ASX decides.

Introduced 01/08/12 Amended 04/03/13, 01/12/17, 1/12/19

Note: Guidance Note 21 *The Restrictions on Issuing Equity Securities in Chapter 7 of the Listing Rules* has guidance on how this rule is applied by ASX.

7.1B.2 [Deleted]

Introduced 01/08/12 Deleted 01/12/19

7.1B.3 In working out if there is an issue of \*equity securities, the sale or reissue of forfeited \*equity securities is treated as an issue of \*equity securities.

Introduced 01/08/12

7.1B.4 An issue is taken to be made under rule 7.1 rather than under rule 7.1A.2 unless rule 7.1B.5 applies.

Introduced 1/12/19

7.1B.5 An issue is taken to be made under rule 7.1A.2 rather than under rule 7.1 if:

- (a) the issue complies with all of the requirements in rule 7.1A; and
- (b) either:

- (i) the entity has stated in its announcement of the proposed issue under rule 3.10.3 or in its application for quotation of the securities under rule 2.7 that the issue is being, or has been, made under rule 7.1A.2; or
- (ii) ASX determines that the issue should be taken to have been made under rule 7.1A.2; and
- (c) ASX has not determined that the issue should be taken to have been made under rule 7.1.

Introduced 01/12/19

### **Exceptions to rule 7.1 and rule 7.1A**

7.2 Rule 7.1 and rule 7.1A do not apply in any of the following cases.

Amended 01/08/12

#### ***Exception 1***

An issue of \*securities to holders of \*ordinary securities made under a \*pro rata issue and to holders of other \*equity securities to the extent that the terms of issue of the \*equity securities permit participation in the \*pro rata issue.

Introduced 01/07/96 Origin: Listing Rule 3E(6)(c)(ii) Amended 01/07/97, 01/12/19

Note: An issue is not precluded from being a pro rata issue for purposes of the listing rules because security holders with addresses outside Australia and New Zealand are excluded from the issue under rule 7.7.1 or because security holders are allowed to subscribe for a greater number of securities than their entitlement under rule 7.11.4 (see the definition of "pro rata issue" in rule 19.12).

Cross reference: rules 6.19 and 6.20.

#### ***Exception 2***

An issue of \*securities under an agreement to \*underwrite the shortfall on:

- a \*pro rata issue to holders of \*ordinary securities; or
- a \*pro rata issue to holders of \*ordinary securities and to holders of other \*equity securities to the extent that the terms of issue of the \*equity securities permit participation in the \*pro rata issue.

The entity must:

- have disclosed:
  - the name of the <sup>+</sup>underwriter(s),
  - the extent of the <sup>+</sup>underwriting;
  - the fee, commission or other consideration payable to the <sup>+</sup>underwriter(s); and
  - a summary of the significant events that could lead to the <sup>+</sup>underwriting being terminated;

in the Appendix 3B lodged under rule 3.10.3 in relation to the \*pro rata issue or, if the <sup>+</sup>underwriting was entered into after the Appendix 3B was lodged, by market announcement as soon as practicable following the entry of the <sup>+</sup>underwriting agreement; and

- make the issue not later than 15 \*business days after the close of the offer.

Introduced 01/07/96 Origin: Listing Rule 3E(6)(c)(ii) Amended 01/07/97, 14/04/14, 01/12/19

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

The obligation to disclose details of the underwriting does not extend to sub-underwriting arrangements (see the definition of “underwrite” in rule 19.12).

The reference to the “extent of the underwriting” means the amount or proportion of the issue that is underwritten.

The reference to the “fee, commission or other consideration payable” includes any applicable discount the underwriter receives to the issue price payable by participants in the issue.

*Exception 3*

An issue of \*securities to make up the shortfall on:

- a \*pro rata issue to holders of \*ordinary securities; or
- a \*pro rata issue to holders of \*ordinary securities and to holders of other \*equity securities to the extent that the terms of issue of the \*equity securities permit participation in the \*pro rata issue.

The directors of the entity (or, in the case of a trust, the \*responsible entity of the trust) must have stated as part of the offer that they reserve the right to issue the shortfall and what their allocation policy will be in relation to the shortfall. The entity must make the issue to make up the shortfall not later than 3 months after the close of the offer and the issue price must not be less than the price at which the \*securities were offered under the \*pro rata issue.

Introduced 01/07/96 Origin: Listing Rule 3E(6)(c)(vi) Amended 01/07/98, 24/10/05, 14/04/14, 01/12/19

*Exception 4*

An issue of \*securities under:

- a \*dividend or distribution plan; or
- an agreement to +underwrite the shortfall on a \*dividend or distribution plan where:
  - details of the +underwriting agreement were disclosed prior to the date for payment of the \*dividend or distribution in accordance with rule 3.10.9; and
  - the entity makes the issue within 15 \*business days after the date for payment of the \*dividend or distribution.

Exception 4 is only available where the \*dividend or distribution plan does not impose a limit on participation.

Introduced 01/07/96 Origin: Listing Rule 3E(6)(c)(vii)a & b Amended 01/07/98, 11/03/02, 31/03/04, 01/12/19

Note: Exception 4 only applies where security holders are able to elect to receive all of their dividend or distribution as securities. For example, Exception 4 would not apply in the following circumstances:

- The entity has specified a dollar limit on the level of participation e.g. security holders can only participate to a maximum value of \$x in respect of their entitlement.
- The entity has specified a maximum number of securities that can participate in the plan e.g. security holders can only receive securities in lieu of dividend payable for x number of securities.

*Exception 5*

An issue of \*securities under a \*security purchase plan that satisfies the conditions in ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 or that would otherwise satisfy those conditions but for the fact that the entity’s securities have been suspended from trading on ASX for more than a total of 5 days during the 12 months before the day on which the offer is made under the plan or, if the securities have been quoted on ASX for less than 12 months, during the period of quotation.

Exception 5 is only available once in any 12 month period and if:

- the number of +securities to be issued is not greater than 30% of the number of fully paid +ordinary securities already on issue; and
- the issue price of the +securities is at least 80% of the +volume weighted average market price for +securities in that +class, 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.

Exception 5 does not apply to an issue of +securities under an agreement to +underwrite the shortfall on a +security purchase plan.

Introduced 31/03/04 Amended 01/06/10, 01/07/14, 01/12/19

Note: ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 provides relief from the prospectus and PDS provisions of the Corporations Act for qualifying share and interest purchase plans. Where the conditions in that class order are not satisfied, the entity will generally need to prepare a disclosure document or PDS for an offer of securities under a security purchase plan.

**Exception 6**

An issue of +securities under a takeover bid or under a merger by way of scheme of arrangement under Part 5.1 of the Corporations Act. Exception 6 is not available if the issue is being made under a +reverse takeover.

Introduced 01/07/96 Origin: Listing Rule 3E(6)(c)(iv) Amended 01/07/97, 13/03/00, 30/09/01, 01/12/17, 01/12/19

Note: "Takeover bid" has the same meaning as in section 9 of the Corporations Act. The reference to a "merger" by way of scheme of arrangement under Part 5.1 of the Corporations Act covers any form of business combination effected via such a scheme.

**Exception 7**

An issue of +securities to fund the cash consideration payable under a takeover bid or under a merger by way of scheme of arrangement under Part 5.1 of the Corporations Act where the terms of the issue are disclosed in the takeover or scheme documents. Exception 7 is not available if the issue is being made to fund a +reverse takeover.

Introduced 01/07/96 Origin: Listing Rule 3E(6)(c)(v) Amended 01/07/97, 01/09/99, 13/03/00, 30/09/01, 01/12/17, 01/12/19

Note: "Takeover bid" has the same meaning as in section 9 of the Corporations Act. The reference to a "merger" by way of scheme of arrangement under Part 5.1 of the Corporations Act covers any form of business combination effected via such a scheme.

**Exception 8**

An issue of +securities that is approved for the purposes of Item 7 of section 611 of the Corporations Act.

Introduced 31/03/04 Amended 01/12/19

Cross reference: rule 4.10.22

**Exception 9**

An issue of +securities as a result of the +conversion of +convertible securities. The entity must have issued the +convertible securities:

- (a) before it was listed and disclosed the existence and material terms of the +convertible securities in the +prospectus, +PDS or +information memorandum lodged with ASX under rule 1.1 condition 3; or
- (b) after it was listed and complied with the listing rules when it did so.

In the case of (a) above, the issue is taken to have been approved under rule 7.1.

Introduced 01/07/96 Origin: Listing Rule 3E(6)(c)(iii) Amended 01/07/98, 01/12/19

Note: An option is a convertible security for the purposes of the Listing Rules.

**Exception 10**

An issue of +securities under an agreement to +underwrite the shortfall on an exercise of options. Exception 10 is only available if:

- (a) the entity issued the options:
  - (i) before it was listed and disclosed the existence and material terms of the options in the \*prospectus, \*PDS or \*information memorandum lodged with ASX under rule 1.1 condition 3; or
  - (ii) after it was listed and complied with the listing rules when it did so;
- (b) details of the \*underwriting agreement are disclosed prior to the expiry of the options in accordance with rule 3.11.3; and
- (c) the \*underlying securities are issued within 15 \*business days after expiry of the options.

Introduced 01/07/96 Amended 01/12/19

**Exception 11**

An issue of preference shares which do not have any rights of \*conversion into another \*class of \*equity security. The preference shares must comply with chapter 6.

Introduced 01/07/96 Origin: Listing Rule 3E(6)(f) Amended 01/12/19

**Exception 12**

The reissue or sale of forfeited shares within 6 weeks after the day on which the call was due and payable.

Introduced 01/07/96 Origin: Listing Rule 3E(6)(h) Amended 01/12/19

**Exception 13**

An issue of \*securities under an \*employee incentive scheme if within 3 years before the \*issue date:

- (a) in the case of a scheme established before the entity was listed — a summary of the \*terms of the scheme and the maximum number of \*equity securities proposed to be issued under the scheme were set out in the \*prospectus, \*PDS or \*information memorandum lodged with ASX under rule 1.1 condition 3; or
- (b) the holders of the entity's \*ordinary securities have approved the issue of \* equity securities under the scheme as an exception to this rule. The notice of meeting must have included:
  - a summary of the \*terms of the scheme.
  - the number of \*securities issued under the scheme since the entity was listed or the date of the last approval under this rule;
  - the maximum number of \*equity securities proposed to be issued under the scheme following the approval; and
  - a \*voting exclusion statement.

Exception 13 is only available if and to the extent that the number of \*equity securities issued under the scheme does not exceed the maximum number set out in the entity's \*prospectus, \*PDS or \*information memorandum (in the case of (a) above) or in the notice of meeting (in the case of (b) above).

Exception 13 ceases to be available if there is a material change to the terms of the scheme from those set out in the entity's \*prospectus, \*PDS or \*information memorandum (in the case of (a) above) or in the notice of meeting (in the case of (b) above).

Introduced 01/07/96 Origin: Listing Rule 7.2 Exception 8(a) & (b); Listing Rule 3E(6)(c)(viii)b  
Amended 01/07/00, 11/03/02, 31/04/04, 04/03/13, 19/12/16, 01/12/19

**Exception 14**

An issue of \*securities made with the approval of the holders of the entity's \*ordinary securities under rule 10.11 or 10.14.

Introduced 01/07/00 Amended 01/07/14, 01/12/19

Cross reference: rules 10.13 and 10.15.



**Exception 15** A grant of options or other rights to acquire \*equity securities under an \*employee incentive scheme, where the \*equity 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 10.16(b)).

Introduced 01/12/19

Cross reference: Rule 4.10.22

Note: Exception 15 does not apply to on-market purchases of equity securities of the type referred to in rule 10.16(a). Such purchases do not involve an issue of equity securities. They therefore are not caught by rule 7.1 and no exception to that rule is needed in relation to them.

**Exception 16** An issue of \*securities under an agreement to issue \*securities. The entity must have entered into the agreement:

(a) before it was listed and disclosed the existence and material terms of the agreement in the \*prospectus, \*PDS or \*information memorandum lodged with ASX under rule 1.1 condition 3; or

(b) after it was listed and complied with the listing rules when it did so.

In the case of (a) above, the issue is taken to have been approved under rule 7.1.

Introduced 01/09/99 Amended 01/12/19

**Exception 17** An agreement to issue \*equity securities that is conditional on the holders of the entity's \*ordinary securities approving the issue under rule 7.1 before the issue is made. If an entity relies on this exception it must not issue the \*equity securities without such approval.

Introduced 01/12/19

### **Notice requirements for approval under rule 7.1**

7.3 For the holders of \*ordinary securities to approve an issue or agreement to issue under rule 7.1, the notice of meeting must include each of the following.

Amended 01/08/12

7.3.1 The names of the persons to whom the entity will issue the \*securities or the basis upon which those persons were or will be identified or selected.

Note: In the case of an issue under a reverse takeover, it is sufficient to describe the class or classes of security holders in the reverse takeover target who will be issued securities in the entity.

7.3.2 The number and class of \*securities the entity will issue.

Note: Where the number of securities to be issued is not fixed, this may be expressed as a maximum number or as a formula.

7.3.3 If the \*securities are not fully paid \*ordinary securities, a summary of the material terms of the \*securities.

7.3.4 The date or dates on or by which the entity will issue the \*securities. This must be:

- if the \*securities are being issued under, or to fund, a \*reverse takeover, no later than 6 months after the date of the meeting;
- if court approval of a reorganisation of capital (in the case of a trust, interests) is required before the issue, no later than 3 months after the date of the court approval; or
- otherwise, no later than 3 months after the date of the meeting.

Note: If the issue requires approval under chapter 10, the time limit under that chapter for issue of the securities must be complied with.

- 7.3.5 The price or other consideration the entity will receive for the \*securities;  
Note: Where the price at which the securities will be issued is not fixed, this may be expressed as a minimum amount or as a formula.
- 7.3.6 The purpose of the issue, including the intended use of any funds raised by the issue.
- 7.3.7 If the \*securities are being issued under an agreement, a summary of any other material terms of the agreement.
- 7.3.8 If the \*securities are being issued under, or to fund, a \*reverse takeover, information about the \*reverse takeover.
- 7.3.9 A \*voting exclusion statement.
- Introduced 01/07/96 Origin: Listing Rule 3E(6)(e)(viii) Amended 01/07/97, 13/03/00, 30/09/01, 11/03/02, 31/03/04, 01/08/12, 04/03/13, 01/07/14, 01/12/17, 01/12/19.

### Notice requirements for approval under rule 7.1A

- 7.3A For the holders of \*ordinary securities of an \*eligible entity to approve the \*eligible entity having the additional capacity to issue \*equity securities under rule 7.1A, the notice of meeting must include each of the following.
- 7.3A.1 A statement of the period for which the approval will be valid (as set out in rule 7.1A.1).
- 7.3A.2 A statement of the minimum price at which the \*equity securities may be issued under rule 7.1A.2 (as set out in rule 7.1A.3).  
Note: Securities can only be issued under rule 7.1A for a cash consideration.
- 7.3A.3 A statement of the purposes for which the funds raised by an issue of \*equity securities under rule 7.1A.2 may be used.  
Note: Securities can only be issued under rule 7.1A for a cash consideration.
- 7.3A.4 A statement of the risk of economic and voting dilution to 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 fully paid \*ordinary securities on issue at the time of the approval under rule 7.1A and that the price of fully paid \*ordinary securities has fallen by at least 50%.
- 7.3A.5 Details of the \*eligible entity’s allocation policy for issues under rule 7.1A.2.
- 7.3A.6 If the \*eligible entity has issued or agreed to issue any \*equity securities under rule 7.1A.2 in the 12 months preceding the date of the meeting:
- (a) the total number of \*equity securities issued or agreed to be issued under rule 7.1A.2 in that 12 month period and the percentage they represent of the total number of \*equity securities on issue at the commencement of that 12 month period;
  - (b) for each such issue:

- the names of the persons to whom the entity issued or agreed to issue the \*securities or the basis on which those persons were identified or selected;
- the number and class of \*equity securities issued or agreed to be issued;
- the price at which the \*equity securities were issued or agreed to be issued and the discount (if any) that the issue price represented to \*closing market price on the date of the issue or agreement; and
- the total cash consideration received or to be received by the entity, 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 \*eligible entity has agreed before that 12 month period to issue any \*equity securities under rule 7.1A.2 but as at the date of the meeting not yet issued those \*equity securities, a statement giving all material details of that agreement and an explanation why the \*equity securities have not yet been issued.

7.3A.7 If at the time of dispatching the notice the entity is proposing to make an issue of equity securities under rule 7.1A.2, a \*voting exclusion statement.

Introduced 01/08/12 Amended 04/03/13, 01/07/14, 01/12/19

### **Subsequent approval of an issue of securities**

7.4 An issue of, or agreement to issue, \*securities made without approval under rule 7.1 is treated as having been made with approval for the purpose of rule 7.1 if each of the following apply.

7.4.1 The issue or agreement did not breach rule 7.1.

7.4.2 The holders of the entity's \*ordinary securities subsequently approve it.

Introduced 01/07/96 Origin: Listing Rule 3E(6)(d)

Note: Where security holders approve an agreement to issue securities under rule 7.4, the securities must be issued within 3 months of that approval or else the approval will lapse (see rule 7.5.4). If the approval lapses, the securities can no longer be counted as securities issued with an approval under rule 7.4 in variable A in the formula in rule 7.1 above and must instead be counted in variable C in that formula. Likewise, they can no longer be counted as securities issued with an approval under rule 7.4 in variable A in the formula in rule 7.1A.2 above and must instead be counted in variable E in that formula.

An issue made in accordance with rule 7.1A can be approved subsequently under rule 7.4 and, if it is, the issue will then be excluded from variable E in rule 7.1A.2. Such issues do not breach rule 7.1 and therefore satisfy the requirement in rule 7.4.1 above.

7.5 For the holders to approve the issue or agreement subsequently under rule 7.4, the notice of meeting must include each of the following.

7.5.1 The names of the persons to whom the entity issued or agreed to issue the \*securities or the basis on which those persons were identified or selected.

7.5.2 The number and class of \*securities the entity issued or agreed to issue.

Note: Where the securities have not yet been issued and the number of securities to be issued is not fixed, this may be expressed as a maximum number or as a formula.

7.5.3 If the \*securities are not fully paid \*ordinary securities, a summary of the material terms of the \*securities.

7.5.4 The date or dates on which the \*securities were or will be issued. If the securities have not yet been issued, the date of issue must be no later than 3 months after the date of the meeting.

7.5.5 The price or other consideration the entity has received or will receive for the issue.

Note: Where the securities have not yet been issued and the price at which the securities will be issued is not fixed, this may be expressed as a minimum amount or as a formula.

- 7.5.6 The purpose of the issue, including the use or intended use of any funds raised by the issue.
- 7.5.7 If the +securities were or will be issued under an agreement, a summary of any other material terms of the agreement.
- 7.5.8 A +voting exclusion statement.

Introduced 01/07/96 Origin: Listing Rule 3E(6)(d) Amended 04/03/13, 01/12/19

### **No issue without approval before a meeting to appoint or remove directors or responsible entity**

- 7.6 An entity must not issue or agree to issue any +equity securities, without the approval of the holders of its +ordinary securities, for 3 months after it is told in writing by a person or persons holding more than 50% of the +ordinary securities that they intend to call, or request the directors to call, a general meeting to appoint or remove directors of the entity (or, if the entity is a trust, that they intend to call, or request the +responsible entity of the trust to call, a general meeting to appoint or remove the +responsible entity of the trust). This rule does not apply to an issue or agreement to issue in any of the following cases.

Introduced 01/07/96 Origin: Listing Rule 3E(9) Amended 01/07/98, 30/09/01, 01/12/19

Note: An approval by security holders of an eligible entity under rule 7.1A for the entity to have the additional issuance capacity under that rule for a period of 12 months is not an approval for the purposes of rule 7.6.

A notice proposing a resolution to approve an issue of equity securities under this rule must include a voting exclusion statement (see rule 14.11.1).

*Exception 1* An issue notified to ASX, or made under an agreement to issue notified to ASX, before the entity was told.

Introduced 01/12/19

*Exception 2* A +pro rata issue to holders of +ordinary securities and to holders of other +equity securities to the extent that the terms of issue of the +equity securities permit participation in the +pro rata issue.

Introduced 01/12/19

*Exception 3* An issue made under a +dividend or distribution plan that is in operation at the time the entity was told.

Introduced 01/12/19

*Exception 4* An issue made under a takeover bid or under a merger by way of scheme of arrangement under Part 5.1 of the Corporations Act.

Introduced 01/12/19

Note: "Takeover bid" has the same meaning as in section 9 of the Corporations Act. The reference to a "merger" by way of scheme of arrangement under Part 5.1 of the Corporations Act covers any form of business combination effected via such a scheme.

*Exception 5* An issue made on the exercise of rights of +conversion.

Introduced 01/12/19

*Exception 6* An agreement to issue +equity securities that is conditional on the holders of its +ordinary securities approving the issue before the issue is made. If an entity relies on this exception it must not issue the +equity securities without such approval.

Introduced 01/12/19

*Exception 7*            An issue made after the person or persons tell the entity in writing that they are no longer intending to call, or request the directors (or, if the entity is a trust, the \*responsible entity of the trust) to call, a general meeting to appoint or remove directors of the entity (or, if the entity is a trust, to appoint or remove the \*responsible entity of the trust).

Introduced 01/12/19

*Exception 8*            An issue made with the approval of the person or persons.

Introduced 01/12/19

Note: An issue that falls within an exception above and therefore does not require security holder approval under rule 7.6 may still require security holder approval under rule 7.1, 10.11 or 10.14.

## Issues to Australian and New Zealand holders and overseas holders

7.7        If an entity proposes a \*pro rata issue, it must offer the \*securities to all holders with registered addresses in Australia or New Zealand.

7.7.1     An entity must also offer the \*securities to all holders with registered addresses *outside* Australia and New Zealand. However, this rule does not apply in relation to a particular place if each of the following conditions is met.

- (a)        The entity decides that it is unreasonable to make the offer having regard to each of the following.
- The number of holders in the place where the offer would be made.
  - The number and value of \*securities the holders would be offered.
  - The cost of complying with the legal requirements, and requirements of a regulatory authority, in the place.
- (b)        The entity sends each holder to whom it will not offer the \*securities details of the issue and advice that the entity will not offer \*securities to the holder.
- (c)        In the case of a renounceable \*pro rata issue, the entity also does each of the following.
- Appoints a nominee to arrange for the sale of the entitlements that would have been given to those holders and to account to them for the net proceeds of the sale.
  - Advises each holder not given the entitlements that a nominee in Australia will arrange for sale of the entitlements and, if they are sold, for the net proceeds to be sent to the holder.

Introduced 01/07/96    Origin: Listing Rules 3E(10)(b), 3E(11)    Amended 01/08/12

Cross reference: rule 15.10.

## Issues under a dividend or distribution plan

7.8        An entity may only make an issue under a \*dividend or distribution plan if each of the following conditions is met.

7.8.1     The \*securities rank equally with a \*class of quoted \*securities (ignoring the fact that they do not rank equally for the next dividend – in the case of a trust, next distribution – and any right to participate in a concurrent offer).

Introduced: 01/07/96    Origin: Listing Rule 3J(29)(a)

7.8.2     The plan allows participants to choose whether to participate for part or all of their holdings. However, the plan may limit participation on the following terms:

- (a)        the limit is a number of \*securities, or a sum of money, that is the same for all holders (except a brokers' \*clearing account, a trustee or a nominee); and

- (b) if the \*securities are held in a brokers' \*clearing account, or by a trustee or nominee, the broker, trustee or nominee must be allowed to participate for each \*person whose \*securities are held in that way.

Introduced 01/07/96 Origin: Listing Rule 3J(29)(b)

Example: The exception for clearing accounts enables transferees to participate despite the temporary holding of the securities by the broker.

## Issues during a takeover

- 7.9 An entity must not issue or agree to issue \*equity securities, without the approval of the holders of its \*ordinary securities, for 3 months after it is told in writing that a \*person is making, or proposes to make, a \*takeover for \*securities in it. This rule does not apply to an issue or agreement to issue in any of the following cases.

Introduced 01/07/96 Origin: Listing Rule 3R(3) Amended 01/07/97, 01/07/98, 01/09/99, 13/03/00, 01/12/19

Cross reference: Rule 7.1 allows issues of up to 15%. However this rule stops any issue except as provided in it.

Note: An approval by security holders of an eligible entity under rule 7.1A for the entity to have the additional issuance capacity under that rule for a period of 12 months is not an approval for the purposes of rule 7.9.

A notice proposing a resolution to approve an issue of equity securities under this rule must include a voting exclusion statement (see rule 14.11.1).

**Exception 1** An issue notified to ASX, or made under an agreement to issue notified to ASX, before the entity was told.

Introduced 01/07/96 Origin: Listing Rule 3R(3) Amended 01/07/98, 01/09/99

**Exception 2** A \*pro rata issue to holders of \*ordinary securities and to holders of other \*equity securities to the extent that the terms of issue of the \*equity securities permit participation in the \*pro rata issue.

Introduced 01/07/96 Origin: Listing Rule 3R(3) Amended 01/12/19

**Exception 3** An issue made under a \*dividend or distribution plan that is in operation at the time the entity was told.

Introduced 01/07/96 Origin: Listing Rule 3R(3) Amended 01/12/19

**Exception 4** An issue made under a takeover bid or under a merger by way of scheme of arrangement under Part 5.1 of the Corporations Act.

Introduced 01/07/96 Origin: Listing Rule 3R(3) Amended 13/03/00, 30/09/01, 01/12/19

Note: "Takeover bid" has the same meaning as in section 9 of the Corporations Act. The reference to a "merger" by way of scheme of arrangement under Part 5.1 of the Corporations Act covers any form of business combination effected via such a scheme.

**Exception 5** An issue made on the exercise of rights of \*conversion.

Introduced 01/07/96 Origin: Listing Rule 3R(3) Amended 01/12/19

**Exception 6** An agreement to issue \*equity securities that is conditional on the holders of the entity's \*ordinary securities approving the issue before the issue is made. If an entity relies on this exception it must not issue the \*equity securities without such approval.

Introduced 30/09/01

**Exception 7** An issue made after the person tells the entity in writing that it is no longer making, or proposing to make, a \*takeover for \*securities in it.

Introduced 01/12/19

**Exception 8** An issue made with the approval of the person.

Introduced 01/12/19

Note: An issue that falls within an exception above and therefore does not require security holder approval under rule 7.9 may still require security holder approval under rule 7.1, 10.11 or 10.14.

## No interference etc with issue of securities

7.10 Introduced 01/07/96 Origin: Listing Rule 3D(1C) Deleted 24/10/05

## Rules that apply to all pro rata issues

7.11 An entity that makes a \*pro rata issue of its securities must also meet each of the following requirements.

Amended 01/12/19

7.11.1 The basis for deciding the entitlement must not change during the offer period.

Introduced 01/07/96 Origin: Listing Rule 3E(12)(a)(ii)b

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 the ASX market in multiples of the price steps set out in the ASX Operating Rules. See ASX Operating Rule 4020.

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, calculated over the last 5 days on which sales in the \*securities were recorded before the day on which the issue was announced.

Introduced 01/07/96 Origin: Listing Rule 3E(13)(a) Amended 01/07/00, 01/07/14

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

7.11.4 The \*disclosure document, \*PDS or offer may allow offerees to subscribe for a greater number of \*securities than their entitlement only if subscriptions in excess of entitlements are made out of the shortfall.

Introduced 01/07/96 Origin: Listing Rule 3E(13)(b) Amended 13/03/00, 11/03/02, 01/12/19

7.11.5 The offer must not include alternatives, except to allow full or part payment on acceptance.

Introduced 01/07/96 Origin: Listing Rule 3E(13)(h)

7.11.6 The offer must be pro rata without restriction on the number of \*securities to be held before entitlements accrue.

Introduced 01/12/19

## Rules that apply to all entitlements issues

7.12 [Deleted].

Introduced 01/07/96 Origin: Listing Rule 3E(12)(a)(v)b Amended 01/07/00, 24/10/05 Deleted 01/12/19

- 7.13 If an entity is undertaking more than 1 \*corporate action, it must not have a \*record date to identify holders entitled to participate in a subsequent one until it has updated its register in relation to the preceding one.
- Introduced: 01/07/96 Origin: Listing Rule 3A(5)(d)
- Example: Following a bonus issue, the entity must have entered the bonus securities into the uncertificated holdings of the holders, and issued certificates in relation to its certificated subregister, before the record date for determining those entitled to a proposed pro rata issue.
- 7.14 An entity must not have a \*record date for any purpose until at least 3 \*business days after its last \*record date. This rule does not prevent an entity having identical \*record dates for different purposes.
- Introduced 01/07/96 Origin: Listing Rule 3A(5)(e) Amended 01/02/99, 14/04/14, 07/03/16
- 7.15 If an entity must get the approval of holders of \*ordinary securities to make an offer, or issue \*securities, the \*record date to decide entitlements must be at least 4 \*business days after the date of the meeting.
- Introduced 01/07/96 Origin: Listing Rule 3E(13)(c) Amended 01/02/99, 14/04/14, 07/03/16

## Rules that apply to issues of options

- 7.16 An entity must not issue options if it would have more options on issue than \*underlying securities, except under an offer of one \*ordinary security and one option for each \*ordinary security.
- Introduced 01/07/96 Origin: Listing Rule 3E(13)(g) Amended 01/07/97

## Rules that apply to any issue in a different entity

- 7.17 If an entity offers its \*security holders an entitlement to \*securities in another entity, it must meet the following requirements.
- 7.17.1 The offers must be pro rata, or made in another way that, in ASX's opinion, is fair in all the circumstances.
- 7.17.2 The \*record date to decide entitlements must be at least 4 \*business days after the \*disclosure document, \*PDS or \*information memorandum for the offer is given to ASX.
- 7.17.3 There must be no restriction on the number of \*securities which a holder must hold before the entitlement accrues. This rule does not apply if the resulting holding would be less than a holding with a value of \$500 and no facility to round up is offered.
- Introduced 01/07/96 Origin: Listing Rule 3E(15)(a) Amended 01/12/19
- Cross reference: rule 11.4.

## Reorganisations of capital

### General rule for an orderly market

- 7.18 If an entity proposes to reorganise its capital (in the case of a trust, interests) in any way, it must consult ASX to ensure that an orderly market is maintained in its \*securities.
- Introduced 01/07/96 Origin: Listing Rule 3N(1)(b)
- Cross reference: chapter 8.

### Notifying ASX

- 7.19 An entity that has applied to a court for approval of a reorganisation of its capital (in the case of a trust, interests) must tell ASX of each of the following steps.



- 7.19.1 Court approval. It must do so immediately after the court has approved the application.
- 7.19.2 If the court order will be lodged with a regulatory authority, the date when the court order will be lodged with the regulatory authority. It must do so at least 24 hours before the court order is lodged.
- 7.19.3 Lodgement of the court order with the regulatory authority. It must do so immediately after it is lodged with the regulatory authority. The entity must give ASX a copy of the court order at the same time.
- Introduced 01/07/96 Origin: Listing Rule 3N(2) Amended 01/07/98
- Cross reference: rule 3.10.1.

### **Reorganisation of shares and units**

- 7.20 If an entity proposes to reorganise its capital, (in the case of a trust, interests) it must tell +equity security holders in writing each of the following.
- 7.20.1 The effect of the proposal on the number of +securities and the amount unpaid (if any) on the +securities.
- 7.20.2 The proposed treatment of any fractional entitlements arising from the reorganisation.
- 7.20.3 The proposed treatment of any +convertible securities on issue.
- Introduced 01/07/96 Origin: Listing Rule 3N(1)(a) Amended 01/07/98
- Note: The definition of convertible securities includes options.

### **Reorganisation of convertible securities (except options)**

- 7.21 An entity which has +convertible securities (except options) on issue may only reorganise its capital (in the case of a trust, interests) if, in respect of the +convertible securities, the number of +securities or the +conversion price, or both, is reorganised so that the holder of the +convertible securities will not receive a benefit that holders of +ordinary securities do not receive. This rule does not prevent a rounding up of the number of +securities to be received on conversion if the rounding up is approved at the +security holders' meeting which approves the reorganisation.
- Introduced 01/07/96 Origin: Listing Rules 3N(3)(a)

### **Reorganisation of options**

- 7.22 An entity with options on issue must comply with the following rules in relation to the way the options are treated under a reorganisation.
- 7.22.1 *In a consolidation of capital* – the number of options must be consolidated in the same ratio as the ordinary capital and the exercise price must be amended in inverse proportion to that ratio.
- Introduced: 01/07/96 Origin: Listing Rule 3N(4)(a)
- Example: Company A consolidates 2 fully paid ordinary shares of into 1 fully paid ordinary share. Every 2 options exercisable at \$1.00 each are consolidated into 1 option exercisable at \$2.00 for 1 fully paid ordinary share.
- 7.22.2 *In a sub-division of capital* – the number of options must be sub-divided in the same ratio as the ordinary capital and the exercise price must be amended in inverse proportion to that ratio.
- Introduced: 01/07/96 Origin: Listing Rule 3N(4)(b)
- Example: Company A splits 1 fully paid ordinary share into 2 fully paid ordinary shares. Every option exercisable at \$2.00 each is split into 2 options exercisable at \$1.00 each for an ordinary fully paid share.

7.22.3 *In a return of capital* – the number of options must remain the same, and the exercise price of each option must be reduced by the same amount as the amount returned in relation to each +ordinary security.

Introduced: 01/07/96 Origin: Listing Rule 3N(4)(c) Amended 01/07/98

Example: Company A has fully paid shares on issue. It returns \$1.00 per ordinary share to shareholders. Every option exercisable at \$2.00 each for a fully paid share becomes an option exercisable at \$1.00 each for a fully paid share.

7.22.4 *In a reduction of capital by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled* – the number of options and the exercise price of each option must remain unaltered.

Introduced: 01/07/96 Origin: Listing Rule 3N(4)(d) Amended 01/07/98

Example: Company A has fully paid shares on issue. It has lost the equivalent of \$1.00 per share and cancels the equivalent of \$1.00 from each share. Every option exercisable at \$2.00 each for a fully paid share remains an option exercisable at \$2.00 each for a fully paid share.

7.22.5 *In a pro rata cancellation of capital* – the number of options must be reduced in the same ratio as the ordinary capital and the exercise price of each option must be amended in inverse proportion to that ratio.

Introduced: 01/07/96 Origin: Listing Rule 3N(4)(e)

Example: Company A has fully paid shares on issue. It has lost \$1.00 per share and cancels half the shares. Its capital is reduced from 1,000,000 shares to 500,000 shares. It has on issue 1,000,000 options exercisable at \$2.00 each for a fully paid share. Following the reorganisation, it has on issue 500,000 options exercisable at \$4.00 each for a fully paid share.

7.22.6 *In any other case* – the number of options or the exercise price, or both, must be reorganised so that the holder of the option will not receive a benefit that holders of +ordinary securities do not receive. This rule does not prevent a rounding up of the number of +securities to be received on exercise if the rounding up is approved at the +security holders' meeting which approves the reorganisation.

Introduced: 01/07/96 Origin: Listing Rules 3G(1)(d), 3N(4)(f), 3N(4)(g)

### **Amending convertible securities to allow reorganisation**

7.23 If in a reorganisation the terms of +convertible securities do not allow them to be treated in accordance with the listing rules, the terms must be amended so that the +convertible securities can be treated in accordance with the listing rules.

Introduced 01/07/96 Origin: Listing Rule 3N(3)(b)

Note: If the terms of the convertible securities cannot be amended, this rule prevents the reorganisation being undertaken. This rule also covers options.

Example: The terms may be amended by court order or agreement of the holders of the convertible securities.

Cross reference: rule 6.16.

### **Reorganisation of partly paid securities**

7.24 An entity which has partly paid shares on issue must comply with the following specific rules in relation to the way the partly paid shares are treated under a reorganisation.

7.24.1 The number of partly paid shares must be reorganised in the same proportion as the other +classes of shares.

7.24.2 The reorganisation must not involve cancellation or reduction of the total amount payable and unpaid by the holder.

Introduced 01/07/96 Origin: Listing Rule 3N(5)

7.24A An entity must not return capital to holders of +restricted securities.

Introduced 24/10/05

Note: A return of capital may be in cash or in specie.

Example: Company A has 10,000,000 fully paid shares on issue, of which 1,000,000 are restricted securities. It proposes to return \$1.00 per ordinary share to shareholders, i.e. a total of \$10,000,000. It must structure the reduction of capital as a selective reduction that excludes the 1,000,000 restricted securities, i.e. as a return of \$1.11 per unrestricted ordinary share.

Cross reference: Chapter 9

### **Issues and reorganisations affecting trading prices**

- 7.25 An entity must not issue bonus \*securities or reorganise its capital (in the case of a trust, interests) if the effect of doing so would be to decrease the price at which its \*main class of \*securities would be likely to trade after the issue or reorganisation to an amount less than 20 cents.

Introduced 01/07/96 Origin: Listing Rule 3J(6) Amended 01/07/98

Example: An entity with a trading price of 14 cents would be permitted to reorganise its capital if the result was to increase its trading price to 18 cents. It would not be permitted to reorganise its capital if the result is likely to be any decrease in its trading price.

An entity with a trading price of 28 cents would be permitted to reorganise its capital if the result is likely to be a decrease in its trading price to 21 cents. It would not be permitted to reorganise its capital if the result is likely to be a decrease in its trading price to 19 cents.

Cross reference: rules 2.1 condition 2, 6.14, 7.18.

### **Cancelling forfeited shares by a limited liability company**

- 7.26 A limited liability company may only cancel forfeited shares if each of the following conditions is met.

7.26.1 The cancellation is approved by holders of \*ordinary securities. The notice of meeting must include each of the following.

- (a) Details of the forfeited shares, including their total issue price, the amount called but unpaid, and the amount uncalled.
- (b) The outstanding liability of the former holder, and what action the company has taken (and will take) to recover that amount.
- (c) A \*voting exclusion statement.

Introduced: 01/07/96 Origin: Listing Rule 3J(32)(a) Amended 01/07/98

7.26.2 Under the company's constitution the former holder must remain liable (in the absence of the approval of holders of ordinary shares) for any amount called but unpaid on the shares despite the fact that they have been forfeited.

Introduced: 01/07/96 Origin: Listing Rule 3J(32)(a) Amended 01/07/98

7.26.3 Liability for the amount called but unpaid in respect of forfeited shares which have been cancelled is not released or waived without the approval of holders of ordinary shares. This approval may be given at the meeting that approves the cancellation, or at another meeting. If the approval is given at another meeting, the notice of meeting must include each of the following.

- (a) Details of the forfeited shares, including their total issue price, the amount called but unpaid and the amount that is uncalled.
- (b) The outstanding liability of the former holder, what action the company has taken to recover those amounts (and what action it will take if the meeting does not release the liability).
- (c) A \*voting exclusion statement.

Introduced 01/07/96 Origin: Listing Rule 3J(32)(a) Amended 01/07/98

7.27 Introduced 01/07/96 Origin: Listing Rule 3J(32)(b) Deleted 01/07/98

7.28 Introduced: 01/07/96 Origin: Listing Rule 3J(32)(b)(ii) Deleted 01/07/98

## On-market buy-backs

### Pre-condition for an on-market buy-back

- 7.29 A company may only buy shares under an on-market buy-back if transactions in the company's shares were recorded on ASX on at least 5 days in the 3 months before it buys back the shares.

Introduced 01/09/99 Origin: Listing Rules 3V(4) and 7.29.2 Amended 11/01/10

Cross reference: rule 3.8A.

Note: Class Order 07/422 sets out the modification to Chapter 5C of the Corporations Act relating to on-market buy-backs by ASX-listed managed investment schemes. This provides, amongst other things, that a responsible entity that buys back an interest in the scheme must comply with the listing rules of ASX (as in force on [the date of commencement of s. 601KH]) that apply to buy-backs as if:

- (i) the scheme were a company included in the official list of the financial market of ASX; and
- (ii) interests in the scheme were shares in the company.

7.29.1 Introduced 01/07/96 Origin: Listing Rule 3V(4) Amended 01/09/97 Deleted 01/09/99 Refer rule 3.8A

7.29.2 Introduced 01/07/96 Origin: Listing Rule 3V(4) Amended 01/07/97 Deleted 01/09/99 Refer rule 7.29

- 7.30 Introduced 01/07/96 Origin: Listing Rule 3V(4), (5) Amended 01/07/97 Deleted 01/09/99 Refer rule 3.8A

- 7.31 Introduced 01/07/96 Origin: Listing Rule 3V(8) Amended 01/07/97 Deleted 01/09/99

7.31.1 Introduced 01/07/97 Deleted 01/09/99

7.31.2 Introduced 01/07/97 Deleted 01/09/99

- 7.32 Introduced 01/07/96 Deleted 01/09/99

### 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 <sup>+</sup>volume weighted average market price for <sup>+</sup>securities in that <sup>+</sup>class, calculated over the last 5 days on which sales in the shares were recorded before the day on which the purchase under the buy-back was made.

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

Note: Class Order 07/422 sets out the modification to Chapter 5C of the Corporations Act relating to on-market buy-backs by ASX-listed managed investment schemes. This provides, amongst other things, that a responsible entity that buys back an interest in the scheme must comply with the listing rules of ASX (as in force on [the date of commencement of s. 601KH]) that apply to buy-backs as if:

- (i) the scheme were a company included in the official list of the financial market of ASX; and
- (ii) interests in the scheme were shares in the company.

- 7.34 Introduced 01/07/96 Origin: Listing Rules 3V(7)(c) Amended 01/09/99 Deleted 30/09/01

- 7.35 Introduced 01/07/96 Origin: Listing Rule 3V(10) Deleted 01/09/99 Refer rule 3.8A

## Buy-backs not under the Corporations Act

- 7.36 An entity not subject to the buy-back provisions of the Corporations Act may buy back its <sup>+</sup>securities on-market only if it consults ASX before the buy-back and complies with any requirements ASX sets. ASX may require the entity to comply with the Corporations Act as if it were a company, or with the listing rules relating to on-market buy-backs by companies, with any adaptations that, in ASX's opinion, are appropriate.

Introduced 01/07/96 Origin: Listing Rule 3V(12) Amended 30/09/01, 11/01/10

Note: Trusts cannot have withdrawal or buy-back provisions in their trust deeds that operate while they are listed. See rule 1.1 Condition 5. Therefore this rule will apply to a trust that wants to make a buy-back of units. Class Order

07/422 sets out the modification to Chapter 5C of the Corporations Act relating to on-market buy-backs by ASX-listed managed investment schemes. This provides, amongst other things, that a responsible entity that buys back an interest in the scheme must comply with the listing rules of ASX (as in force on [the date of commencement of s. 601KH]) that apply to buy-backs as if:

- (i) the scheme were a company included in the official list of the financial market of ASX; and
- (ii) interests in the scheme were shares in the company.

7.37 Introduced 01/07/96 Origin: Listing Rule 3W(1)(a), (b) Deleted 01/07/00

7.38 Introduced 01/07/96 Origin: Listing Rule 3W(2)(c) Deleted 01/07/00

## Forfeited shares

7.39 If forfeited shares are auctioned, the auction must be held at the entity's \*home branch or at another place within the capital city of an Australian State or Territory which investors can conveniently attend. The following must be terms of the auction.

7.39.1 Settlement must be effected on the day of the auction or, if the purchaser chooses, the next day on which banks are open for business.

7.39.2 The shares must not be offered in parcels larger than 10% of the total number to be offered.

Introduced 01/07/96 Origin: Listing Rule 3P(3) Amended 01/12/19

Cross reference: rule 2.11.

## Compliance with timetables

7.40 An entity must comply with Appendix 7A.

Introduced 01/07/96

**End of Section. Next page is no. 801.**