



SIM Venture Securities Exchange Listing Rules

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Listing Rules

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Introduction

OVERVIEW

The Exchange Listing Rules govern the conduct of entities while listed on the Exchange. In particular, they set out the requirements for becoming listed on the Exchange, ongoing disclosure requirements and important aspects of the relationship between a listed Exchange entity and investors who hold securities in the entity.

The Exchange Listing Rules therefore play an important role in setting standards for the conduct of entities while listed on the Exchange.

The Exchange Listing Rules also play an important role in the overall legal and regulatory framework for listed companies. In particular, they are additional and complementary to the obligations of listed entities under statutes, such as the Corporations Act, and under common law.

An Exchange listed entity enters into a binding contract with the Exchange under which it agrees to comply with the Exchange Listing Rules. This contract is enforceable by the Exchange, as well as a range of other people, under the Corporations Act.

There are restrictions on how the Exchange can change its Listing Rules. Any rule amendments need to be lodged by the Exchange with the Australian Securities and Investments Commission and can be disallowed by the Minister (for example, if the Minister regards the changes as inconsistent with good regulatory practice).

Key Principles

The Exchange Listing Rules are based on the following key principles:

- 1 entities wishing to list on the Exchange must meet minimum standards in relation to size, quality and operations;
- 2 listed entities must keep investors and the market informed on a timely basis of information that is likely to affect the price at which their securities trade on the Exchange;
- 3 activities of entities while listed on the Exchange must be carried out in accordance with relevant Exchange Listing Rules to ensure investors rights are dealt with in an equitable way;
- 4 activities of entities while listed on the Exchange must be carried out in a efficient and certain manner to reduce risk and promote confidence in the functioning of the Exchange.

Assistance

The Exchange welcomes enquires from entities considering listing on the Exchange. Please contact the Exchange Listings Office for further information.

Chapter 1: Admission to Listing

OVERVIEW

This chapter sets out the requirements that need to be satisfied before an entity can be listed on the Exchange. The Exchange takes into account the circumstances of each particular entity applying for listing. As a result, the Exchange may admit an entity to the official list even though all requirements in this chapter have not been met. The Exchange may also refuse to admit an entity to the official list even if all requirements have been met.

Application for Listing

1.1 An entity applying for admission to the official list must provide to the Exchange:

- (a) a completed copy of Annexure 1A;
- (b) the documents that are required to accompany Annexure 1A;
- (c) any other documents or information required by the Exchange from the applicant, or any other person, in relation to the application for admission; and
- (d) the fees payable on listing under chapter 13.

Listing Requirements

1.2 An entity must meet the following conditions to the satisfaction of the Exchange to be admitted to the official list:

- (a) it must have a structure and operations that are appropriate to be listed on the Exchange;
- (b) it must have a constitution that is consistent with the Listing Rules;
- (c) if the entity is a trust that is a managed investment scheme, the responsible entity must not be under an obligation to allow a security holder to withdraw from the trust;
- (d) if the entity is a trust that is not a managed investment scheme, no-one must be under an obligation to buy-back units in the trust;
- (e) if the entity is a trust, it must satisfy the additional requirements in rule 1.9;
- (f) it must have issued a prospectus or product disclosure statement that complies with all relevant provisions of the Corporations Act. Alternatively, and if agreed by the Exchange, it must have issued an information memorandum that complies with Annexure 1A;
- (g) it must apply for and be granted permission for quotation of all the securities in its main class of securities;
- (h) it must satisfy the spread requirement in rule 1.3;
- (i) it must satisfy either the profit test in rule 1.5 or the assets test in rule 1.7; and
- (j) if it has issued, or proposes issuing, restricted securities before it is admitted to the official list, it must provide completed restriction agreements to the Exchange which comply with chapter 8.

Spread Requirement

- 1.3 To satisfy the spread requirement an entity must have:
- (a) at least 50 security holders each having a parcel of the main class of securities of the entity with a value of at least \$2,000, (excluding restricted securities); and
 - (b) at least 25% of its main class of securities held by security holders who are not related parties of the entity (excluding restricted securities).
- 1.4 The spread requirement must not be obtained by artificial means.

Profit Test

- 1.5 An entity must satisfy each of the following to meet the profit test:
- (a) it must be a going concern (or the successor of a going concern);
 - (b) if the entity's main business activity has not been the same over the last three full financial years, the entity must disclose details of how its business activities have changed either in its prospectus, product disclosure statement or information memorandum or to the Exchange; and
 - (c) its aggregated profit for the last three full financial years must have been at least \$500,000.
- 1.6 If relying upon the profit test, an entity must provide to the Exchange:
- (a) audited financial statements and audit reports for the last three full financial years. The audit reports must not have been qualified in a way that raises doubt about whether the entity can continue as a going concern or has satisfied the profit test in rule 1.5;
 - (b) audited or reviewed financial statements for the last half year (or longer period if available) from the end of the last full financial year, together with the audit report or review, if the entity applies for admission more than eight months after the end of the last full financial year;
 - (c) a reviewed pro forma balance sheet (conducted by a registered auditor or an independent accountant) together with the review, unless the Exchange indicates the pro forma balance sheet is not required; and
 - (d) a statement from all directors of the entity confirming they have made enquires and believe the entity has continued to earn profit from continuing operations up to the date of its application.

Assets Test

- 1.7 To meet the assets test an entity must satisfy each of the following:
- (a) the entity must have net tangible assets of at least \$500,000, after deducting the costs of fund raising, or a likely market capitalisation of at least \$1 million at the time of admission;
 - (b) if half or more of the entity's total tangible assets (after raising any funds) are cash or in a form readily convertible to cash, the entity must have commitments consistent with its business objectives to invest or spend enough money to reduce the proportion to less

than half. If the prospectus, product disclosure statement or information memorandum does not contain a statement of the entity's business objectives the entity must give a statement of its business objectives to the Exchange;

- (c) the entity must have enough working capital to carry out its stated objectives. If the prospectus, product disclosure statement or information memorandum does not contain a statement to that effect, the Exchange may require the entity to provide it with one from an independent expert; and
- (d) the entity's business must be developed to the point where it is reasonably likely it will generate revenue from its ordinary activities within three years of admission. The Exchange may require the entity to provide it with a written statement to that effect from an independent expert.

1.8 If relying upon the assets test, an entity must provide to the Exchange:

- (a) any financial statements, together with any audit report or review, for the last three full financial years (or shorter period if the Exchange agrees). The entity must notify the Exchange if the financial statements have not been audited or reviewed; and
- (b) a reviewed pro forma balance sheet, together with the review, unless the Exchange indicates the pro forma balance sheet is not required. The review must be conducted by a registered auditor or an independent accountant.

Additional Requirements for Trusts

1.9 A trust must either have a deed that is approved under the Corporations Act or be a registered managed investment scheme.

Listing Procedures

- 1.10 The Exchange will not admit an entity to the official list, unless the Exchange is satisfied the entity will comply with the Listing Rules.
- 1.11 The Exchange may submit, or require an entity to submit, any information provided to it in relation to an application to the scrutiny of an expert selected with the approval of the Exchange. If so, the Exchange may require the entity to pay for the expert.
- 1.12 The Exchange has absolute discretion in relation to admitting an entity to the Exchange Official List and the category of the entity's admission. The Exchange may admit an entity on any conditions it thinks appropriate. The Exchange may also grant or refuse admission without giving any reasons.
- 1.13 An entity is admitted to the official list in the particular category in which the Exchange decides to admit it.
- 1.14 If the decision of the Exchange to admit an entity to the official list is conditional, the entity is admitted when the conditions are met or the Exchange accepts undertakings from the entity to meet them.
- 1.15 If the decision of the Exchange to admit an entity is unconditional, the entity is admitted on the date specified by the Exchange. If no date is specified, the entity is admitted on the date of the decision.

Chapter 2: Quotation of Securities

OVERVIEW

This chapter deals with the requirements an entity needs to comply with to have its securities quoted by the Exchange.

When an entity applies to list on the Exchange it must also apply for quotation of some or all of its securities. Once it is admitted to the official list, an entity may apply for the quotation of additional securities.

The Exchange takes into account the circumstances of each particular applicant. As a result, the Exchange may decide to grant quotation of an entity's securities even though all requirements of this chapter have not been met. The Exchange may also refuse to quote an entity's securities even if all requirements are met.

Initial Quotation of Securities

- 2.1 An entity that applies for admission to the official list must also apply for quotation of its main class of securities. An entity must meet the following requirements to the satisfaction of the Exchange for its main class of securities to be granted quotation:
- (a) the rights attaching to the entity's securities must satisfy the requirements of chapter 4;
 - (b) the issue price or sale price of all securities the entity seeks quotation for (other than options) must be 20 cents or greater;
 - (c) the entity must apply for quotation of all securities in its main class of securities (except restricted securities and securities issued under an employee incentive scheme that are subject to restrictions on transfer);
 - (d) if any securities are partly paid, there must be a documented call program that includes the date and amount of each proposed call; and
 - (e) if any securities are debt or convertible debt securities, the trust deed relating to them must be provided to the Exchange.
- 2.2 A trust deed provided under rule 2.1(e) must be consistent with the Listing Rules.
- 2.3 If an entity applying for admission to the official list wishes to apply for quotation of an additional class of securities, it must meet, to the satisfaction of the Exchange, the requirements of this chapter for the quotation of additional securities.

Quotation of Additional Securities

- 2.4 An entity must meet the following requirements, to the satisfaction of the Exchange, to be granted quotation of a class of securities in addition to its main class of securities:
- (a) the rights attaching to the entity's securities must satisfy the requirements of chapter 4;
 - (b) the entity must apply for quotation of all securities in a class of securities that is to be quoted, or is already quoted (except restricted securities and securities issued under an employee incentive scheme that are subject to restrictions on transfer);
 - (c) if the entity has issued, or proposes to issue, any restricted securities, it must have complied with chapter 8;

- (d) if any securities are partly paid, there must be a documented call program that includes the date and amount of each proposed call;
- (e) if any securities are options issued on the exercise of other options, the other options must have expired or all been exercised; and
- (f) if any securities are debt or convertible debt securities, the trust deed relating to them must be provided to the Exchange.

2.5 A trust deed provided under rule 2.4(f) must be consistent with the Listing Rules.

Quotation Procedures

- 2.6 An entity applying for quotation of its securities must complete Annexure 2A and provide it to the Exchange. This rule does not apply to an entity that has applied for admission to the official list if the entity has included the securities in its admission application form.
- 2.7 An entity applying for quotation of its securities must pay fees to the Exchange in accordance with chapter 13.
- 2.8 An entity must apply for quotation of its securities in accordance with Annexure 2A.
- 2.9 The Exchange has an absolute discretion whether or not it grants quotation of an entity's securities. The Exchange may grant or refuse quotation without giving any reasons. The Exchange may also grant quotation on any conditions it regards as appropriate in the circumstances.
- 2.10 An entity's securities are quoted on the date specified by the Exchange. If the securities have been granted quotation subject to conditions they will not be regarded as quoted until the date the conditions have been satisfied.
- 2.11 Restricted securities will not be quoted during their escrow period.

Chapter 3: Disclosure

OVERVIEW

This chapter sets out the ongoing disclosure requirements an entity must comply with while listed on the Exchange.

An entity listed on the Exchange must provide information to the Exchange on a timely basis to ensure the entity's securities trade on an informed market.

Entities are required to provide material information immediately. They are also required to provide a range of other information on a periodic basis.

Where information is for release to the market entities are required to provide the information to the announcements office.

DISCLOSURE OF MATERIAL INFORMATION

- 3.1 Subject to rule 3.2, if an entity becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities it must immediately provide that information to the Exchange.
- 3.2 Rule 3.1 does not apply to particular information if a reasonable person would not expect the information to be disclosed, the information is confidential or a trade secret and one or more of the following applies:
- (a) it would be a breach of a law to disclose the information;
 - (b) the information concerns an incomplete proposal or negotiation;
 - (c) the information comprises matters of supposition or is insufficiently definite to warrant disclosure; and / or
 - (d) the information is generated for internal management purposes of the entity.

FINANCIAL INFORMATION

Half Year Disclosure

- 3.3 An entity must provide the Exchange with a completed copy of Annexure 3A following the end of each half year of the entity. Annexure 3A must be provided to the Exchange as soon as the information is available and, in any event, within 75 days of the end of the relevant accounting period. An entity must not provide Annexure 3A to the Exchange any later than it provides any financial documents to ASIC.
- 3.4 The accounts upon which Annexure 3A is based must be audited or subject to review. The audit or review may be completed after the entity has provided Annexure 3A to the Exchange.
- 3.5 If an entity is required under the Corporations Act to lodge half-year financial documents, it must give the Exchange a copy of the financial documents it lodges with ASIC. It must provide them to the Exchange no later than the time it lodges them with ASIC.

Annual Disclosure

- 3.6 An entity must provide the Exchange with a completed copy of Annexure 3A following the end of each financial year of the entity. Annexure 3A must be provided to the Exchange as soon

as the information is available and, in any event, within 75 days of the end of the relevant accounting period. An entity must not provide Annexure 3A to the Exchange any later than the time it provides any financial documents to ASIC.

- 3.7 The accounts upon which Annexure 3A is based must be audited. The audit may be completed after the entity has provided Annexure 3A to the Exchange.
- 3.8 If an entity changes its annual balance date so its next annual financial documents cover a period longer than twelve months, the entity must provide the Exchange with a completed Annexure 3A covering the twelve months since its previous balance date.
- 3.9 If an entity is required under the Corporations Act to lodge annual financial documents, it must provide the Exchange with a copy of the annual financial documents it lodges with ASIC. It must provide them to the Exchange (together with a copy of any concise report) no later than the time it lodges them with ASIC.

Unlisted Securities

- 3.10 If an entity's main asset is:

- (a) securities in an unlisted entity; or
- (b) loans or advances to an unlisted entity

the entity must provide the Exchange with the latest accounts of the unlisted entity (together with any auditor's report or statement) when the entity provides the Exchange with the documents required under rule 3.15. This rule does not apply if the unlisted entity's financial statements are consolidated with the financial statements of the entity.

- 3.11 If an entity is required to provide the Exchange with the accounts of an unlisted entity under rule 3.10, the entity must, on request, give a security holder the accounts of the unlisted entity together with any auditor's report or statement.

Annual Reports

- 3.12 Subject to rules 3.13 and 3.14, an entity must send an annual report or concise report to each holder of its ordinary securities and preference securities within 17 weeks of the end of its financial year.
- 3.13 Rule 3.12 does not apply in relation to a particular security holder if the information required by rule 3.12 has already been sent to that security holder in accordance with the Corporations Act and the annual report or concise report contains no additional information.
- 3.14 Rule 3.12 does not apply in relation to a particular security holder if the entity is not required to send financial documents or a concise report to that security holder.
- 3.15 Subject to rule 3.16, an entity must provide a copy of its annual report to the Exchange on the same day it sends its annual report or concise report to its security holders under rule 3.12.
- 3.16 An entity is not required to provide the Exchange with its annual report if it comprises only the financial documents already provided to the Exchange.
- 3.17 An entity must include the following information in its annual report:
 - (a) the date at which the information is current (which must be a date no more than six weeks before the report is sent to security holders);

- (b) details of all material differences between the information in the entity's Annexure 3A and the information in the financial documents in its annual report;
- (c) a statement of the main corporate governance practices the entity had in place during the reporting period (including whether it had an audit committee);
- (d) details of the entity's substantial shareholders including their entitlement to equity securities in the entity (as disclosed in substantial shareholding notices given to the entity);
- (e) the number of holders of each class of equity securities;
- (f) the voting rights attaching to each class of equity securities;
- (g) a distribution schedule of the number of holders in each class of equity securities, in the categories:
 - 1-1,000
 - 1,001-5,000
 - 5,001-10,000
 - 10,001-100,000
 - 100,001 and over;
- (h) the number of holders holding less than a marketable parcel of the entity's main class of securities, based on the market price at the specified date;
- (i) details of the ten largest holders of each class of quoted equity securities including the number of equity securities and percentage of capital each holds;
- (j) the name of the entity's secretary;
- (k) the address and telephone number of the entity's registered office and of its principal administrative office, if the two are different;
- (l) the address and telephone number of each office at which a securities register is kept;
- (m) the number of restricted securities on issue and the date upon which they will cease to be restricted securities; and
- (n) for each class of unquoted equity securities, the number of equity securities that are on issue and the number of holders.

Takeovers

3.18 Where an entity, or one of its child entities, makes a takeover offer or takeover announcement the entity must comply with the following:

- (a) if the time for acceptances under the takeover offer or takeover announcement is extended, the entity must immediately provide the Exchange with the following information:
 - (i) the percentage of shares which the offeror was entitled to when the first of the offers was made; and
 - (ii) the percentage of shares which the offeror is entitled to at the date of the extension.

- (b) at least half an hour before the commencement of trading on the business day following the closing date of the takeover offer or takeover announcement the entity must provide the Exchange with the following information:
 - (i) the percentage of shares in the relevant class to which the offeror is entitled; and
 - (ii) whether the offeror will proceed with compulsory acquisition.

Capital

3.19 An entity must immediately notify the Exchange:

- (a) of any proposed reorganisation of its capital;
- (b) of any call to be made on its shares;
- (c) of an issue of securities or proposed issue of securities. In this case, the entity must also provide the Exchange with a completed Annexure 3B;
- (d) if it lodges a prospectus or product disclosure statement with ASIC or issues an information memorandum; and
- (e) if the entity's underwriter exercises, or seeks to exercise, a right to avoid or change the underwriter's obligations.

3.20 An entity must immediately provide the Exchange with a copy of any prospectus or product disclosure statement lodged with ASIC. An entity must also provide the Exchange with a copy of any information memorandum before it is issued.

Options

- 3.21 An entity must notify the Exchange of any change to the exercise price of an option, any change to the number of underlying securities over which the option is exercisable and the date the change will become effective. The entity must notify the Exchange at least five business days before the change becomes effective.
- 3.22 An entity must immediately notify the Exchange if it enters into an underwriting agreement for the exercise of options. The entity must also provide the Exchange with the name of the underwriter and the fee or commission payable.

CORPORATE

Meetings

- 3.23 An entity must immediately notify the Exchange of the outcome of each resolution put to a meeting of security holders of the entity. If the meeting is adjourned, the entity must immediately notify the Exchange of the adjournment and the outcome of each resolution dealt with before the adjournment (if any).
- 3.24 An entity must provide the Exchange with a copy of any prepared announcement (including any prepared address by the chairperson) that will be delivered at a meeting of security holders of the entity before the start of the meeting.

Offices

- 3.25 An entity must immediately notify the Exchange of any change of its registered office or principal business office.

Securities Registers

3.26 An entity must immediately notify the Exchange of a change of address of any office at which a register of its securities is kept.

Change of Key Personnel

3.27 An entity must immediately notify the Exchange of any change of chairperson, director, chief executive officer (or equivalent), company secretary or auditor.

Changes to Trusts

3.28 If an entity is a trust, it must immediately notify the Exchange of:

- (a) any change of the responsible entity or management company;
- (b) any change of the trustee;
- (c) any change of the trust from a prescribed interest undertaking to a managed investment scheme and the name of the responsible entity; and / or
- (d) if the trust is a managed investment scheme, any change in the members of its compliance committee.

Documents Sent to Security Holders

3.29 If an entity sends a document to holders of securities in a class it must immediately provide the Exchange with a copy of the document.

Books Closing Dates

3.30 An entity must notify the Exchange of a proposed books closing date. Unless a specific timetable applies, the entity must comply with Annexure 3C.

Chapter 4: Rights Attaching to Securities

OVERVIEW

This chapter sets out the rights and obligations that must be attached to equity securities of a listed entity. Unless otherwise stated, the requirements in this chapter apply to both quoted and unquoted securities of a listed entity.

General Requirements for Equity Securities

- 4.1 The rights attaching to each class of an entity's equity securities must, in the opinion of the Exchange, be appropriate and equitable.
- 4.2 An entity may only have more than one class of ordinary securities if:
 - (a) the Exchange provides prior written approval to the terms of an additional class; or
 - (b) the additional class are partly paid securities which, if fully paid, would be in the same class as the ordinary securities.
- 4.3 Where a resolution is decided on:
 - (a) a show of hands, each holder of an ordinary security, and each holder of a preference security who has a right to vote, must be entitled to one vote;
 - (b) a poll, each holder of an ordinary security, and each holder of a preference security who has a right to vote, must be entitled to one vote for each fully paid security and a fraction of a vote for each partly paid security (being the proportion which the amount paid up is of the total amounts paid and payable and excluding any amounts paid in advance of a call).
- 4.4 An entity must not fail to recognise a security holder's right to vote, or receive dividends, in respect of particular securities unless:
 - (a) calls due and payable on the securities have not been paid;
 - (b) in the case of a voting right, the instrument appointing a proxy in relation to the securities has not been deposited in accordance with the entity's constitution;
 - (c) in the case of a voting right, the person became the holder of those securities after the time determined under the Corporations Act as the "specified time" for deciding who held securities for the purposes of the meeting;
 - (d) the right has been removed or changed under Australian legislation, or under a provision in the entity's constitution that must be included to comply with Australian legislation;
 - (e) the right has been removed or changed under a provision in the entity's constitution that is permitted by the Listing Rules;
 - (f) the right has been removed or changed under a provision in the entity's constitution that the Exchange has approved as appropriate and equitable; or
 - (g) the right has been removed or changed under a court order.
- 4.5 The holder of a partly paid security must not be entitled to a greater proportion of either:
 - (a) a dividend; or

- (b) an issue of bonus securities

than the proportion which the amount paid up is of the total amounts paid and payable. For the purposes of this rule, amounts paid in advance of a call are to be ignored when calculating the proportion.

- 4.6 A security holder must not be divested of any equity security unless the divestment is under:
- (a) Australian legislation, and the mechanism the entity adopts for divesting the security is contained in the legislation or approved by the Exchange as appropriate and equitable in the circumstances;
 - (b) a provision in the entity's constitution that must be included to comply with Australian legislation. Any such provision must not continue to operate once it is no longer necessary;
 - (c) a provision in the entity's constitution that is permitted by the Listing Rules or that the Exchange has approved as appropriate and equitable;
 - (d) a provision in the entity's constitution that the Exchange has approved as appropriate and equitable;
 - (e) a court order; or
 - (f) a lien that is permitted by the Listing Rules.
- 4.7 An entity may only have a lien over particular securities, or over dividends it pays on them, where:
- (a) a call or instalment is due but unpaid on the securities;
 - (b) if the securities were acquired under an employee incentive scheme, an amount is owed to the entity for acquiring them; or
 - (c) the entity is required by law to pay (and has paid) an amount in respect of the securities of a holder or deceased former holder.

In each case, the lien may also cover reasonable interest and expenses incurred by the entity as a result of the amount not being paid.

Specific Preference Security Requirements

- 4.8 The holder of a preference share must have a right to vote:
- (a) while all, or part, of a dividend in relation to the preference share is in arrears;
 - (b) on a proposal to reduce the entity's share capital;
 - (c) on a resolution to approve the terms of a buy-back agreement;
 - (d) on a proposal that affects rights attached to the preference share;
 - (e) on a proposal to wind up the entity;
 - (f) on a proposal for the disposal of the entity's main undertaking; or
 - (g) during the winding up of the entity.
- 4.9 Unless otherwise agreed by the Exchange, the holder of a preference share must not have a right to vote in any circumstances other than those set out in rule 4.8.

- 4.10 A holder of a preference security that is not a share must have a right to vote as set out in rule 4.8 (with any necessary adaptations).
- 4.11 A holder of a preference security must be entitled to:
- (a) a dividend at a commercial rate in preference to holders of ordinary securities;
 - (b) a return of capital in preference to holders of ordinary securities if the entity is wound up or ended; and
 - (c) the same rights as a holder of an ordinary security in relation to receiving notices, reports and audited accounts, and attending meetings.

Specific Options Requirements

- 4.12 The exercise price for each underlying security on the exercise of an option must be at least 20 cents in cash.
- 4.13 Options issued by an entity with the same expiry date must have the same terms.
- 4.14 The terms of an option must allow the rights of the option holder to be changed to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- 4.15 An option must not be exercisable over a percentage of an entity's capital.

Timetables

- 4.16 An entity must comply with Annexure 4A.

Chapter 5: Dealing With Capital

OVERVIEW

This chapter deals with changes to an entity's capital. In particular, it focuses on the issue of new securities and reconstructions.

As changes to capital often raise complex issues, entities are encouraged to discuss proposals to change their capital with the Exchange before proceeding.

New Issues

5.1 If an entity issues, or agrees to issue, further equity securities it must do so in accordance with the Corporations Act, any other relevant statutory or common law requirements and any additional requirements under the Listing Rules.

5.2 Subject to rule 5.4, an entity must not issue, or agree to issue, further equity securities if the number of equity securities on issue would exceed a number calculated as follows:

$$[(A + B - C) \times 15/100] - D$$

where:

A = the number of fully paid ordinary securities on issue twelve months before the date of the issue or agreement;

B = the number of fully paid ordinary securities issued in the twelve months before the date of the issue or agreement under an exception in rule 5.4;

C = the number of fully paid ordinary securities cancelled in the twelve months before the date of the issue or agreement; and

D = the number of equity securities issued, or agreed to be issued, in the twelve months before the date of the issue or agreement to issue not under an exception in rule 5.4.

5.3 The Exchange may issue a guidance note to provide entities with further information on how to comply with rule 5.2.

5.4 Rule 5.2 does not apply to an entity in relation to:

- (a) an issue, or agreement to issue, that has been approved by the holders of ordinary securities;
- (b) a pro rata issue to holders of ordinary securities;
- (c) an issue to an underwriter of a pro rata issue under the underwriting agreement that applies to the pro rata issue;
- (d) an issue on the conversion of convertible securities;
- (e) an issue under a takeover offer or scheme of arrangement;
- (f) an issue to fund the cash consideration for acceptances of a takeover offer, takeover announcement or scheme of arrangement (provided the terms are disclosed in the takeover or scheme documents);

- (g) an issue under a dividend or distribution plan (provided the terms of the plan have been approved by the holders of ordinary securities);
- (h) an issue under an employee incentive scheme (provided the terms of the plan have been approved by the holders of ordinary securities);
- (i) an issue of preference shares which do not have any rights of conversion into another class of equity security; and
- (j) any other issue approved by the Exchange for the purposes of this rule.

5.5 Where a meeting is called of holders of ordinary securities to approve an issue or agreement under rule 5.4(a), the entity must specify or include in the notice of meeting such information as is required by the Exchange and otherwise comply with any requirements of the Exchange in relation to the meeting.

Reorganisations of capital

- 5.6 If an entity proposes reorganising its capital it must:
- (a) consult with the Exchange for the purpose of ensuring an orderly market is maintained in its securities;
 - (b) keep the Exchange well informed of the steps it is taking to effect the reorganisation and its progress with them;
 - (c) provide equity security holders with details of the proposed reorganisation and its likely effect on them; and
 - (d) otherwise comply with any requirements of the Exchange in relation to the reorganisation.

Buy-backs

- 5.7 An entity that is not subject to the buy-back provisions of the Corporations Act may only undertake an on-market buy back of its securities if the Exchange agrees to the entity conducting an on-market buy-back and it complies with any requirements the Exchange has in relation to the conduct of the buy-back.
- 5.8 If the Exchange agrees to an entity conducting an on-market buy-back under rule 5.7, it may require the entity to comply with the Corporations Act as if it were a company with any adaptations the Exchange regards as appropriate in the circumstances.

Chapter 6: Transfers and Registration

OVERVIEW

This chapter sets out the requirements an entity must comply with in relation to transfers and the registration of the Exchange transactions.

Securities Register

- 6.1 An entity must maintain a securities register in accordance with the provisions of the Corporations Act.
- 6.2 An entity must make arrangements acceptable to the Exchange to facilitate the efficient registration of transfers in relation to the Exchange transactions in the entity's securities. In respect of CHES approved securities these arrangements include the arrangements with the CS Facility (as that term is defined in the Corporations Act).

Registration of Transfers

- 6.3 Subject to rule 6.4, an entity must not take any action that would prevent, delay or interfere with the registration of a transfer of securities in the entity that is in registrable form.
- 6.4 An entity may refuse to register a transfer where:
 - (a) the entity has a lien on the securities under rule 4.7;
 - (b) the entity has been served with a court order that restricts the ability of the security holder to transfer the securities;
 - (c) it may breach an Australian law to register the transfer (and the Exchange has given written permission to the entity allowing it to refuse to register the transfer);
 - (d) if the securities are restricted securities, it is during the escrow period for the securities;
 - (e) a law related to stamp duty prohibits the entity from registering it; or
 - (f) the transfer is not in accordance with the terms of a relevant employee incentive scheme.
- 6.5 An entity that refuses to register a transfer under rule 6.4 must provide written notice of the refusal to the lodging party together with the reasons for the refusal. The entity must do so within five business days of the date on which the transfer was lodged with it.

Fees

- 6.6 An entity must not charge a fee for:
 - (a) registering transfers in registrable form;
 - (b) splitting certificates, renunciations and transfer forms;
 - (c) issuing certificates and transmission receipts; or
 - (d) noting transfer forms.
- 6.7 An entity may charge a reasonable fee for:
 - (a) issuing a replacement certificate for one that has been lost or destroyed;

- (b) marking a transfer form; or
- (c) marking a renunciation and transfer form.

Replacement Certificates

- 6.8 An entity must not issue a replacement certificate unless it has:
- (a) received the certificate to be replaced and cancelled it; or
 - (b) received satisfactory evidence that the original certificate has been lost or destroyed.
- 6.9 An entity must issue the replacement certificate within three business days after it receives the original certificate or evidence under rule 6.8.
- 6.10 Where a new certificate is issued to replace one that has been lost or destroyed it must prominently display the following:

Issued in replacement of certificate numbered: (number)

Office Hours

- 6.11 An entity must ensure that each office at which transfers of its securities can be lodged for registration is open every business day, except a gazetted bank or public holiday in the State or Territory in which the office is located.

Transfer Markings

- 6.12 An entity must accept transfer markings made by anyone approved by the Exchange for that purpose.

Audit

- 6.13 An entity's securities register must be audited at least once every twelve months by a registered company auditor, or more frequently if required by the Exchange.
- 6.14 If an audit report under rule 6.13 requires any matter to be rectified the entity must rectify it as soon as reasonably practicable.
- 6.15 If an audit report under rule 6.13 is qualified, or identifies a matter to be rectified, the entity must give the Exchange a copy of the report within three business days of receiving it.

Registrar

- 6.16 If an entity appoints a registry to maintain its securities register, the entity is responsible for ensuring the registry carries out the obligations of the entity under this chapter 6.

Chapter 7: Related Party Transactions and Major Transactions

OVERVIEW

This chapter deals with transactions which involve persons associated with an entity (related parties) and with substantial changes or transactions involving an entity.

In particular, it deals with:

- transactions between an entity and related parties;
- issues of securities to related parties; and
- significant changes or transactions involving the entity.

Related Party Acquisitions and Disposals

- 7.1 An entity must not acquire a substantial asset from, or dispose of a substantial asset to, any of the following persons without the holders of the entity's ordinary securities approving the transaction:
- (a) a related party;
 - (b) a subsidiary;
 - (c) a shareholder who is entitled to at least 10% of the voting securities in the entity;
 - (d) a person who was entitled to at least 10% of the voting securities in the entity at any time during the six months before the transaction;
 - (e) an associate of a person referred to in rules 7.1(a) to 7.1(d); or
 - (f) a person whose relationship to the entity is, in the opinion of the Exchange, of such a nature that it is appropriate for the transaction to be approved by the entity's security holders.
- 7.2 An entity must ensure that none of its child entities enter into a transaction of a type described in rule 7.1 without the approval of the holders of the entity's ordinary securities.
- 7.3 For the purposes of rules 7.1 and 7.2, an asset is substantial if its value, or the value of the consideration for it, or in the opinion of the Exchange, is 5% or more of the equity interests of the entity as set out in the latest financial statements given to the Exchange under the Listing Rules.
- 7.4 Rules 7.1 and 7.2 do not apply to:
- (a) a transaction with a wholly owned subsidiary of the entity;
 - (b) a transaction between wholly owned subsidiaries of the entity;
 - (c) an issue of securities by the entity for cash; or
 - (d) in the case of a trust, a transaction involving a substantial asset that was not beneficially held for the trust before the transaction and is not beneficially held for the trust after the transaction.
- 7.5 An entity may request a written opinion from the Exchange on whether approval is required under rule 7.1 or rule 7.2 before acquiring or disposing of an asset. If an entity seeks an opinion it must give the Exchange full details of the proposed transaction. The Exchange will

only be bound by its written opinion if the details provided to it by the entity remain materially unchanged at the time of the transaction.

- 7.6 If an entity breaches rule 7.1 or rule 7.2, the Exchange may require it to:
- (a) cancel the transaction (or arrange for its cancellation); or
 - (b) seek approval of the transaction from the holders of ordinary securities in the entity.
- 7.7 If the Exchange requires an entity to obtain approval under rule 7.6(b) and it fails to do so the entity must cancel the transaction (or arrange for its cancellation).
- 7.8 Where a meeting is required under rule 7.1, 7.2 or 7.6(b), the notice of meeting must include:
- (a) a voting exclusion statement; and
 - (b) a report from an independent expert indicating whether the transaction is fair and reasonable to holders of the entity's ordinary securities (other than those covered by the voting exclusion statement).

Issues of Securities to Related Parties

- 7.9 Subject to rule 7.10, an entity must not issue equity securities to:
- (a) a person who, in the opinion of the Exchange, has a relationship with the entity of such a nature that the approval of security holders should be obtained; or
 - (b) a related party
- without first obtaining approval by special resolution from the holders of ordinary securities in the entity.
- 7.10 Rule 7.9 does not apply if the person:
- (a) receives the securities under a pro rata issue;
 - (b) receives the securities under a dividend or distribution plan established after the entity was listed and the terms of which have been approved by holders of ordinary securities;
 - (c) is a person referred to in rule 7.12 and receives the securities under an employee incentive scheme with approval under that rule;
 - (d) receives the securities under a takeover offer or takeover announcement;
 - (e) receives the securities as part of a merger under a scheme of arrangement;
 - (f) receives the securities on the conversion of convertible securities; or
 - (g) the person has received written consent from the Exchange confirming that the Exchange does not require rule 7.9 to apply to an issue of equity securities to the person in the particular circumstances set out in the written consent.
- 7.11 Where a meeting is required under rule 7.9 the notice of meeting must include:
- (a) the person's name;
 - (b) how many securities are to be issued to the person;
 - (c) the date by which the securities will be issued to the person (which must be no later than one month after the date of the meeting);

- (d) details of the proposed terms of the issue; and
- (e) a voting exclusion statement.

7.12 An entity must ensure that the approval of holders of ordinary securities by special resolution has been obtained before issuing securities to:

- (a) a director of the entity;
- (b) an associate of the director; or
- (c) a person whose relationship with the entity is such that, in the opinion of the Exchange, approval of security holders should be obtained

under an employee incentive scheme. The special resolution must have been passed at a general meeting held no earlier than the last annual general meeting of the entity.

7.13 Where a meeting is required under rule 7.12 the notice of meeting must include:

- (a) a description of the relationship between the person and the director or the entity (where the person is not a director);
- (b) the maximum number of securities that could be acquired by all persons for whom approval is required;
- (c) the price, or method for calculating the price, for each security to be acquired under the employee incentive scheme;
- (d) the terms of any loan relating to the acquisition of securities; and
- (e) a voting exclusion statement.

7.14 An entity must not allow:

- (a) a director of the entity;
- (b) an associate of a director of the entity; or
- (c) a person whose relationship with the entity is such that, in the opinion of the Exchange, they should not be permitted

to underwrite a dividend or distribution plan.

Director's Remuneration

7.15 An entity must obtain the prior approval of holders of ordinary securities before increasing the total amount of directors' fees payable by it or any of its child entities.

7.16 Where a meeting is required under rule 7.15 the notice of meeting must include:

- (a) the amount of the proposed increase;
- (b) the maximum amount that may be paid to the directors as a whole; and
- (c) a voting exclusion statement.

7.17 An entity must ensure that if a change occurs in the shareholding or control of the entity or any child entity no officer of the entity or of any of its child entities will be entitled to termination benefits (or any increase in them).

Significant Change in Activities

- 7.18 If an entity proposes making any significant change, either directly or indirectly, to the nature or scale of its activities it must:
- (a) provide full details of the proposed change to the Exchange as soon as practicable and, in any event, before making any such change;
 - (b) if the Exchange requires it, obtain approval of the change from the holders of its ordinary securities;
 - (c) comply with any requirements the Exchange has in relation to the notice of meeting; and
 - (d) comply with any other requirements the Exchange has in relation to the proposed change.

Disposal of Main Undertaking

- 7.19 If a significant change under rule 7.18 will involve an entity disposing of its main undertaking, the entity must:
- (a) ensure any agreement it enters into for the disposal of its main undertaking is conditional upon the entity obtaining the approval of holders of its ordinary securities to the disposition;
 - (b) obtain the approval of holders of its ordinary securities to the disposal; and
 - (c) comply with any other relevant requirements under rule 7.18.

Consequential Listing on Sale of Major Asset

- 7.20 Subject to rule 7.21, if:
- (a) an entity holds a major asset, it must not dispose of that major asset if, at the time of the disposal, it is aware that the person acquiring the asset intends to issue or offer securities with a view to listing on a stock exchange;
 - (b) a child entity of an entity holds a major asset, the entity must not:
 - (i) sell securities in the child entity; or
 - (ii) allow the child entity to issue securitieswith a view to the child entity becoming listed.
- 7.21 Rule 7.20 does not apply if:
- (a) the securities, except those to be retained by the entity or child entity, are offered pro rata to holders of ordinary securities in the listed entity, or in another way that, in the opinion of the Exchange, is fair in all the circumstances; or
 - (b) holders of ordinary securities in the listed entity approve the disposal without the offer referred to in rule 7.21(a) being made.
- 7.22 The notice of meeting for the purposes of rule 7.21(b) must include a voting exclusion statement.

Chapter 8: Restricted Securities

OVERVIEW

In some circumstances, the Exchange will restrict certain persons trading their securities in an entity for a period of time.

In particular, the Exchange will do this where a person has been issued securities in consideration for transferring an asset to an entity. These securities are referred to in the Listing Rules as restricted securities.

This chapter sets out the requirements for restricted securities.

Restriction Agreements

- 8.1 Subject to rule 8.2, an entity that has issued, or intends issuing, restricted securities must enter into a restriction agreement with the holder or proposed holder of the restricted securities and each controller.
- 8.2 A controller is not required to enter into the restriction agreement if:
- (a) the value of the restricted securities is less than 10% of the total assets of:
 - (i) the holder of the restricted securities; or
 - (ii) any intermediate entity through which the controller holds its interest
 - (b) the holder or any intermediate entity through which the controller holds its interest is:
 - (i) listed on the Exchange or another stock exchange;
 - (ii) a pooled development fund; or
 - (iii) a trustee or nominee; and
 - (c) The Exchange decides the controller is not required to enter into the restriction agreement.
- 8.3 Unless otherwise required by the Exchange, a restriction agreement must be in the form of Annexure 8A.

Restriction Agreement Arrangements

- 8.4 An entity must not issue restricted securities to a person until it has provided all completed restriction agreements relating to the restricted securities to the Exchange.
- 8.5 An entity must comply with, and enforce, the terms of any restriction agreements to which it is a party.
- 8.6 An entity that issues restricted securities must issue certificates for the restricted securities. The certificates must clearly indicate that the securities are restricted securities, are not quoted on the Exchange and the date on which they will cease to be restricted securities.
- 8.7 An entity that has issued restricted securities must obtain an undertaking from a bank or recognised trustee to hold the certificates for the restricted securities for the escrow period and not release the certificates without the written consent of the Exchange. The entity must

provide the undertaking to the Exchange within three business days of the entity issuing the restricted securities.

8.8 During a restriction period, an entity must not:

- (a) alter, or agree to alter, the terms of the restriction agreement; or
- (b) request, or agree to, the release by a bank or recognised trustee of certificates for the restricted securities

without the prior written consent of the Exchange.

8.9 An entity must deposit certificates for any additional restricted securities with the bank or recognised trustee that holds the certificates for the initial restricted securities. The entity must give the Exchange a further undertaking from the bank or recognised trustee in relation to the additional restricted securities within three business days of the entity issuing them.

8.10 An entity must clearly identify any securities that are restricted securities in its securities register.

Chapter 9: Ongoing Requirements

OVERVIEW

This chapter sets out ongoing requirements in relation to an entity's level of operations, financial condition and shareholder spread.

Sufficient Operations and Financial Stability

- 9.1 An entity must maintain a level of operations and financial stability that, in the opinion of the Exchange, is sufficient for the entity to remain on the official list.

Shareholder Spread

- 9.2 An entity must maintain a spread of security holdings in its main class of securities which, in the opinion of the Exchange, is sufficient to ensure there is an orderly market in its securities.
- 9.3 An entity must obtain a sufficient spread of security holdings within three months if requested to do so by the Exchange.
- 9.4 Obtaining a spread of security holdings by artificial means does not satisfy rule 9.3.

Appropriate Structure

- 9.5 An entity must maintain a structure that is appropriate for the entity to remain on the official list.

Chapter 10: Exchange Powers and Discretions

OVERVIEW

This chapter sets out the powers and discretions of the Exchange in relation to its administration of the Listing Rules.

In particular, this chapter deals with trading halts, suspending quotation of an entity's securities, removal of an entity from the official list, decisions and waivers.

Trading Halts

10.1 An entity may request the Exchange to halt trading in its securities. To do so, it must notify the Exchange in writing of the following:

- (a) why it requires a trading halt;
- (b) how long it requires the trading halt to last;
- (c) the event it believes will end the trading halt;
- (d) that it is not aware of any reason why the trading halt should not be granted;
- (e) any other information necessary to inform the market about the trading halt; and
- (f) any other information required by the Exchange.

10.2 Subject to rule 10.3, the Exchange may grant a trading halt for whatever period it believes is appropriate in the circumstances.

10.3 The Exchange will not grant a trading halt for a period longer than the time permitted under the business rules of the Exchange.

Note: Exchange business rule 6.40 says that a trading halt can be applied for a period not exceeding the commencement of normal trading on the second trading day following the day on which it is requested.

10.4 The Exchange is not required to act on an entity's request for a trading halt under rule 10.1.

SUSPENSION OF SECURITIES

Suspension at Entity's Request

10.5 An entity may request the Exchange to suspend the entity's securities, or a class of them, from quotation. To do so, it must notify the Exchange in writing of the following:

- (a) why it requires a suspension;
- (b) how long it requires the suspension to last;
- (c) the event it believes will end the suspension;
- (d) that it is not aware of any reason why its securities should not be suspended;
- (e) any other information necessary to inform the market about the suspension; and
- (f) any other information required by the Exchange.

10.6 The Exchange may grant a suspension for whatever period it believes is appropriate in the circumstances.

10.7 The Exchange is not required to act on an entity's request for a suspension under rule 10.5.

Suspension at Exchange's Instigation

10.8 The Exchange may at any time suspend an entity's securities, or a class of them, from quotation if in the opinion of the Exchange:

- (a) the entity is unable or unwilling to comply with, or breaches, a listing rule;
- (b) it is necessary to suspend quotation to prevent a disorderly or uninformed market;
- (c) a suspension is required under the listing or business rules of the Exchange; or
- (d) in all the circumstances a suspension is appropriate.

Failure to Provide Documents to the Exchange

10.9 If an entity fails to provide the Exchange with any documents as required under these Listing Rules, the Exchange may suspend the entity's securities from quotation on the business day after the date the documents were due.

Failure to Pay Annual Listing Fees

10.10 If an entity has failed to pay its annual listing fees 15 business days after the due date, the Exchange may suspend quotation of the entity's securities on the next business day.

Compulsory Acquisition

10.11 Subject to rule 10.12, where a compulsory acquisition takes place following a takeover offer or takeover announcement, the Exchange will suspend quotation of an entity's securities five business days after it receives a copy of the notice sent by the offeror to dissenting offerees seeking to acquire their securities.

10.12 The Exchange may decide not to suspend quotation of securities in a class that was not the subject of the takeover offer or takeover announcement.

Reinstatement of Securities to Quotation

10.13 Subject to rule 10.14, the Exchange will normally end a suspension of an entity's securities before the commencement of trading on the day after:

- (a) the Exchange receives the documents and any fee payable, if the securities were suspended under rule 10.9 for failure to lodge documents; or
- (b) the Exchange receives the entity's outstanding listing fees, if the securities were suspended under rule 10.10 for failure to pay its listing fees.

10.14 Notwithstanding rule 10.13, the Exchange may end the suspension of an entity's securities at any time.

Ending Quotation of Securities

10.15 The Exchange may, if requested by an entity, end quotation of a class of an entity's securities. The Exchange is not required to act on an entity's request under this rule.

10.16 The Exchange may also end quotation of a class of an entity's securities if the securities no longer meet the requirements for quotation under these Listing Rules.

REMOVAL FROM OFFICIAL LIST

Removal at Entity's Request

- 10.17 An entity may request in writing that it be removed from the official list.
- 10.18 The Exchange may require an entity to satisfy certain conditions before it acts on a request under rule 10.17.
- 10.19 The Exchange is not required to act on an entity's request under rule 10.17.

Removal by the Exchange

- 10.20 The Exchange may at any time remove an entity from the official list if, in the opinion of the Exchange:
- (a) the entity is unable or unwilling to comply with, or breaches, a listing rule;
 - (b) the entity has no quoted securities;
 - (c) in all the circumstances it is appropriate.
- 10.21 If all the quoted securities of an entity have been suspended under rule 10.11, then the Exchange will remove the entity from the official list at the close of trading on a date decided by the Exchange.
- 10.22 The Exchange may remove an entity from the official list at the close of trading on the 20th business day after the date for paying its annual listing fee as required by rule 13.4.
- 10.23 If an entity's securities have been suspended continuously for one year, then the Exchange may remove the entity from the official list immediately after the close of trading on the first anniversary of the date its securities were suspended.

Time When Removal from the Official List Occurs

- 10.24 If the decision of the Exchange to remove an entity from the official list is conditional, the entity is removed when the conditions are met. If the decision is unconditional, the entity is removed on the date decided by the Exchange. If no date is specified, the entity is removed on the date of the decision.

Obligations of Listed Entities in Relation to Listing Rules

- 10.25 Once admitted to the official list, an entity must comply with the Listing Rules. This obligation continues even while the entity's securities are subject to a suspension or trading halt.
- 10.26 The Exchange is not required to take action in response to a breach of a listing rule. An express or implied decision by the Exchange not to take action does not constitute a waiver of the rule.
- 10.27 An entity must provide the Exchange with any information, document or explanation the Exchange asks for to enable the Exchange to satisfy itself of the entity's compliance with the Listing Rules. If requested to do so by the Exchange, the entity must provide the information, document or explanation within the time specified by the Exchange.
- 10.28 The Exchange may impose any requirement on an entity to ensure it complies with the Listing Rules and the entity must comply with the requirement in the manner and within the time specified by the Exchange.

Waivers

- 10.29 The Exchange may at any time, on its own accord or at the request of an entity, waive a listing rule, or part of a rule.
- 10.30 If the Exchange waives a listing rule, or part of a rule, it may do so on any conditions it regards as appropriate in the circumstances. Any such conditions must be complied with for the waiver to be effective.
- 10.31 The Exchange will periodically publish summary details of waivers granted under rule 10.29.

Exchange Decisions

- 10.32 The Exchange may at any time vary or revoke any decision it makes under, or in relation to, the Listing Rules. It may do so on its own accord or at the request of an entity. Any such variation or revocation has effect from the date specified by the Exchange.
- 10.33 A decision by the Exchange is not invalidated by any procedural defect. If an entity reasonably believes a defect may cause it substantial injustice it may request the Exchange to review its decision.

Transitional Arrangements

- 10.34 The Exchange may from time to time publish transitional arrangements in relation to any new rule or rules. An entity must comply with any transitional arrangements published by the Exchange.

Other Obligations

- 10.35 An entity must provide the Exchange with any information, document or explanation the Exchange asks for to enable the Exchange to comply with its obligations under s792A(c)(i) of the Corporations Act and regulations made under s798E of the Corporations Act. If requested to do so by the Exchange, the entity must provide the information, document or explanation within the time specified by the Exchange.

Chapter 11: Documents, Meetings and Other Procedural Requirements

OVERVIEW

This chapter sets out requirements in relation to documents, meetings and other procedural matters that need to be complied with by listed entities.

DOCUMENTS

Exchange Review of Draft Documents

- 11.1 An entity must provide the Exchange with drafts of the following documents for review:
- (a) amendments to the entity's constitution;
 - (b) notices of meeting relating to the issue of securities;
 - (c) documents to be sent to security holders in relation to securities on which a call is to be made or an instalment is due;
 - (d) amendments to trust deeds relating to debt securities or convertible debt securities;
 - (e) documents to be sent to persons in relation to a new issue under an arrangement or reconstruction;
 - (f) documents to be sent to security holders in relation to the expiry of their quoted options; and
 - (g) documents to be sent to security holders in relation to seeking an approval under the Listing Rules.
- 11.2 An entity must not release a document referred to in rule 11.1 until the Exchange has informed the entity that it may release the document. Within 7 business days of an entity providing a draft document to the Exchange for review, the Exchange will inform the entity whether the entity can release the document or whether the Exchange requires more time to review it.

Documents for Announcements Office

- 11.3 Where an entity is required under the Listing Rules to provide any of the following to the Exchange:
- (a) a document for release to the market;
 - (b) a document sent to the entity's securities holders;
 - (c) a prospectus, product disclosure statement or information memorandum;
 - (d) a takeover document;
 - (e) a trust deed; or
 - (f) the entity's constitution
- it must provide the document to the announcements office.
- 11.4 If the Exchange requires an entity to provide any other particular document to the announcements office the entity must do so.

Documents for Listings Office

- 11.5 Where an entity is required under the Listing Rules to provide any of the following to the Exchange:
- (a) a document not for release to the market;
 - (b) a response to the Exchange correspondence where the Exchange does not require the response to be provided to the announcements office
- it must provide the document to the listings office.
- 11.6 If the Exchange requires an entity to provide any other particular document to the listings office the entity must do so.

Provisions of Documents to the Exchange

- 11.7 An entity must provide documents to the Exchange in the manner published by the Exchange from time to time.
- 11.8 An entity must provide documents to the Exchange on its letterhead unless otherwise required under the Listing Rules or Australian law. Any document provided by an entity to the Exchange must be dated and signed by an authorised officer of the entity.
- 11.9 If an entity does not wish a document to be publicly released to the market it must clearly mark the document to that effect. The Exchange may, in its discretion, still release such a document to the market.
- 11.10 An entity must ensure that information for release to the market is not made available to any other person prior to providing the information to the Exchange and receiving notification from the Exchange that it has released the information to the market.
- 11.11 The Exchange is not bound by an embargo on any document provided to it by an entity for release to the market.
- 11.12 Any document provided by an entity to the Exchange becomes the property of the Exchange. The Exchange is then entitled to take whatever action it wants in relation to the document including copying, storing, publishing or releasing the document to the general public and allowing others to do so.

Provisions of Documents to Foreign Security Holders

- 11.13 An entity must send documents to foreign security holders in a manner that ensures they receive the documents quickly.

Constitutions

- 11.14 An entity's constitution must contain provisions to the following effect in relation to restricted securities:
- (a) restricted securities may only be disposed of during the escrow period in accordance with the Listing Rules or with the permission of the Exchange;
 - (b) the entity will only allow a transfer of restricted securities during the escrow period in accordance with the Listing Rules or with the permission of the Exchange; and
 - (c) a holder of restricted securities is not entitled to any dividend or distribution or to exercise any rights attaching to the restricted securities during any breach of a Listing Rule relating

to restricted securities or any breach of the restriction agreement covering the restricted securities.

11.15 An entity may only amend its constitution if the constitution, as amended, will comply with the Listing Rules.

11.16 If an entity amends its constitution it must provide a consolidated copy of the amended constitution to the companies office within seven business days of the amendments becoming effective.

GENERAL MEETINGS

Notices

11.17 If a notice of meeting, under a listing rule, is required to include particular information, an entity may include the information in the notice or in a document that accompanies the notice.

11.18 A notice of meeting must include a proxy form that:

- (a) allows a security holder to vote for or against each resolution to be put to the meeting; and
- (b) allows a security holder to appoint proxies of the security holder's choice. The proxy form may specify who will be appointed as proxy if the security holder does not nominate a proxy or proxies.

Appointment of Directors

11.19 An entity with directors must accept nominations for the election of directors up to 30 business days before the date of a general meeting at which directors may be elected. If its constitution allows, the entity may accept nominations closer to the date of the general meeting in accordance with its constitution.

11.20 Subject to rule 11.21, an entity with directors must comply with the following in relation to the appointment of directors:

- (a) a director who has held office for three years or three annual general meetings (whichever is longer) must stand for re-election at the entity's next annual general meeting; and
- (b) a director appointed to fill a casual vacancy or as an addition to the board must stand for re-election at the entity's next annual general meeting.

11.21 Rule 11.20 does not apply to an entity's managing director.

Listing Rule Approvals

11.22 Where a listing rule requires approval by security holders it means approval by ordinary resolution at a general meeting of the holders of ordinary securities unless otherwise specified in the particular rule.

11.23 Where 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.*

11.24 If the Exchange notifies an entity of a person whose votes, in its opinion, should be disregarded at a general meeting the entity will disregard that person's votes. This rule applies even if the Exchange notifies an entity of such a person after the entity has sent a notice of meeting to security holders.

11.25 Where the approval of security holders is required under a listing rule, the approval is not effective unless the relevant notice of meeting includes everything the rule requires it to include and the entity complies with rule 11.26.

11.26 If in a notice of meeting, for the purposes of seeking the approval of security holders, an entity states it will do some thing required by a Listing Rules or rules, the entity must do so. If the particular thing needs to be done by another person, the entity must take all reasonable steps to ensure the other person does it.

Validity of Votes

11.27 If the Exchange requires an entity to do so, the entity must appoint its auditor, or another person with the approval of the Exchange, as scrutineer to decide the validity of votes cast at a general meeting of security holders.

Directors' Meetings

11.28 The chairman of a meeting of directors must not exercise a casting vote at any meeting where only two of the directors present are entitled to vote.

GENERAL PROCEDURES

Scope of Conduct

11.29 For the purposes of the Listing Rules, an act or omission by an entity includes any act or omission caused directly or indirectly by the entity.

Time

11.30 Where a listing rule requires something to be done by a day that is not a business day, it must be done by the preceding business day.

11.31 Where a listing rule refers to time it means local time unless the rule specifically refers to another time.

Exchange Notice to an Entity

11.32 An entity is deemed to have been given a notice or document by the Exchange if it is left at, or sent by post or facsimile, to the address or facsimile number:

- (a) of the entity in its admission application; or
- (b) of the entity as provided to the Exchange or used in correspondence with the Exchange.

This rule does not prevent the Exchange giving a notice or document to an entity in any other way permitted by law.

11.33 A notice or document is deemed to have been given by the Exchange to an entity:

- (a) at the time of delivery, if delivered;
- (b) on the second business day after posting, if posted; and
- (c) when it is received, if sent by facsimile. A successful facsimile transmission report is sufficient for this purpose.

Notifying the Exchange

11.34 If an entity is required to notify the Exchange of anything under a listing rule it must do so in writing.

Financial Statements

11.35 Where an entity is required to provide the Exchange with financial statements under a listing rule the financial statements must be:

- (a) consolidated statements, if required under any law, regulation, accounting standard or by the Exchange;
- (b) prepared to Australian accounting standards and in accordance with the Corporations Act;
- (c) audited by a registered auditor in accordance with Australian accounting standards and the Corporations Act, if the listing rule requires audited financial statements; and
- (d) reviewed in accordance with Australian auditing standards and the Corporations Act, if the listing rule requires the financial statements to be reviewed.

Chapter 12: Interpretation of Exchange Listing Rules

OVERVIEW

This chapter sets out how the Exchange Listing Rules are to be interpreted and applied.

Compliance with Listing Rule Principles

- 12.1 The Listing Rules are based upon the principles set out in the Introduction.
- 12.2 An entity must comply with the spirit, intention and purpose of the Listing Rules having particular regard to the principles upon which they are based.

Corporations Act Terms

- 12.3 Terms that are specifically defined in the Corporation Law and which are not defined in the Listing Rules have the same meaning when used in the Listing Rules.

Modifications

- 12.4 A reference to a law or rule is a reference to the law or rule as amended, re-enacted or modified by administrative action.

Content of the Rules

- 12.5 The Listing Rules do not include the table of contents, overviews, explanatory notes, history notes, examples, the index or guidance notes.

Home Exchange

- 12.6 The Exchange is the home exchange for all entities for the purposes of the Corporations Act.

Trusts

- 12.7 Where an entity is a trust, any reference in these Listing Rules to a director or directors or an entity making any statement or doing any thing includes a reference to a director or directors of the responsible entity or management company of the trust doing so.
- 12.8 Where an entity is a trust, any reference in these Listing Rules to the entity doing some thing includes a reference to the responsible entity or management company and trustee doing that thing on behalf of the trust.
- 12.9 Where an entity is a trust any reference to a director of the entity includes a reference to a director of the responsible entity or management company.
- 12.10 If a listing rule imposes an obligation on a trust, then the responsible entity or management company and trustee of the trust have an obligation to ensure the trust complies with the listing rule.

Definitions

In these Listing Rules, unless the context otherwise requires:

acquire	includes indirectly acquiring;
announcements office	means the office the Exchange designates as the announcements office;
annual report	includes financial documents;
ASIC	means the Australian Securities and Investments Commission;
bonus issue	means a pro rata issue of securities to holders of ordinary securities for no consideration;
books closing date	means 5.00pm on the date specified by an entity for lodging transfers of securities for the purpose of determining entitlements in relation to those securities;
business day	means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that the Exchange declares is not a business day;
child entity	has the meaning given to that term in s243D of the Corporation Law;
class	means securities that have the same rights and obligations attaching to them (ignoring any differences relating to restricted securities);
controller	means a person who, in the opinion of the Exchange, has a substantial interest in the equity of a holder of, or a substantial economic interest in, restricted securities and each intermediate entity through which that interest occurs;
convertible securities	means securities that are convertible into equity securities;
Corporations Act	means the Corporations Act and Corporations Regulations as amended from time to time;
debt security	means an unsecured note, a debenture and any other security classified by the Exchange as a debt security;
despatch date	means the date set in a listing rule or by the Exchange for securities to be issued and certificates to be sent to security holders;
dividend or distribution plan	means any plan under which security holders can accept securities in lieu of a dividend, distribution or interest payment;

employee incentive scheme	means a scheme under which securities of an entity are issued or acquired and held by, or for the benefit of, employees or non executive directors of the entity or a related entity or any other scheme the Exchange decides is such a scheme;
entity	means an entity that has applied for admission to, or is admitted to, the Official List;
equity security	includes a share, a unit, an option, a right to a share, unit or option, a convertible security and any other security the Exchange classifies as an equity security;
escrow period	means, in relation to securities that are subject to a restriction agreement, the escrow period set out in the restriction agreement;
Exchange	SIM Venture Securities Exchange Limited (and includes, where applicable, the markets operated by the Exchange);
financial statements	means the documents an entity is required to lodge with ASIC under the accounts provisions of the Corporations Act;
listings office	means the office the Exchange designates as the listings office;
main class	means ordinary securities of the entity (or the class of securities designated by if ordinary securities are not to be quoted);
major asset	in relation to an entity means an asset that is significant in terms of the overall operations of the entity;
managed investment scheme	means a registered managed investment scheme under the Corporations Act;
market	means the Exchange market conducted in accordance with the business rules;
market price	means the closing price on the Exchange trading system;
marketable parcel	means a parcel of securities worth not less than \$500 on the basis of the closing price on the Exchange trading system if quoted or the price paid when the securities were issued if unquoted;
official list	means the Exchange's list of entities that have been admitted and not removed from listing;
ordinary securities	means ordinary shares or ordinary units (or the class of securities designated by the Exchange if the entity does not have ordinary shares or ordinary units);
person	includes an individual, body corporate or other entity;
pro rata issue	means an issue offered to all holders of securities in a class on a pro rata basis;
quotation	means official quotation by the Exchange;

related party	<p>(a) has the meaning in section 243F of the Corporations Act, in relation to a body corporate;</p> <p>(b) means the management company, trustee and their related parties within the meaning of section 243F of the Corporations Act, in relation to a trust which is not a registered managed investment scheme;</p> <p>(c) means a related party under section 243F of the Corporations Act, as modified by section 601LA of the Corporations Act, in relation to a trust which is a registered managed investment scheme;</p>
restricted securities	<p>means securities that in the opinion of the Exchange should be treated as restricted securities;</p> <p><i>Note: The Exchange has issued a Guidance Note on restricted securities.</i></p>
scheme of arrangement	means a scheme of arrangement under the Corporations Act;
security	has the meaning given to that term in s92 of the old Corporations Act, as defined in s1410 of the Act, and includes agreements of a kind to which s92A of the old Corporations Act applied immediately before FSR commencement (or would have applied after the FSR commencement if that section, and any associated provisions, had continued to have effect);
transaction	means a transaction or trade that results from the process of matching bids and offers on the trading system;
takeover	means a takeover offer or a takeover announcement;
takeover announcement	means a takeover announcement under the Corporations Act;
takeover offer	means a takeover offer under the Corporations Act;
trading system	means the Exchange's automated securities trading system;
trading halt	means an interruption to trading in an entity's securities at the request of the entity;
termination benefits	means payments, property and other benefits that are receivable on a termination of employment, office or engagement;
underlying securities	means the securities that will be issued if an option is exercised or a convertible debt security is converted;
unit	means a unit in a trust;
undertaking	includes assets or businesses;
voting exclusion statement	means a statement of the type referred to in rule 11.23.

Chapter 13: Fees

OVERVIEW

This chapter deals with the fees that are payable to the Exchange, how fees are calculated and related matters.

A list of the current fees of the Exchange is set out in Fees Guidance Note. The Guidance Note also outlines procedures of the Exchange for administering fees.

Initial Fees

- 13.1 An entity that applies to be listed on ' official list and have its securities quoted on the Exchange must pay the Exchange's current listing and quotation fees.
- 13.2 If the Exchange does not accept an entity's listing application the Exchange will refund to the entity its current refund fee.

Additional Securities Fees

- 13.3 If an entity applies to have additional securities quoted on the Exchange it must pay the current quotation fees for additional securities.

Annual Fees

- 13.4 Each year a listed entity must pay the current annual fee of the Exchange.

Additional Fees

- 13.5 An entity must pay any additional fees set and published by the Exchange from time to time.

Payment of Fees

- 13.6 Fees are payable at the time and in the manner set and published by the Exchange from time to time.