

## NOTIFYING AN ISSUE OF SECURITIES AND APPLYING FOR THEIR QUOTATION

<p><b>The purpose of this Guidance Note</b></p>	<ul style="list-style-type: none"> <li>• To assist listed entities and their advisers to understand when they have to notify ASX of an issue of securities and, if they are to be quoted on ASX, to prepare an application for their quotation</li> </ul>
<p><b>The main points it covers</b></p>	<ul style="list-style-type: none"> <li>• Notification obligations in relation to an issue of securities</li> <li>• Securities that can or must be quoted on ASX</li> <li>• The requirements to quote a class of securities not already quoted on ASX</li> <li>• How to apply for quotation</li> <li>• The quotation process generally</li> </ul>
<p><b>Related materials you should read</b></p>	<ul style="list-style-type: none"> <li>• Guidance Note 1 <i>Applying for Admission – ASX Listings</i></li> <li>• Guidance Note 4 <i>Foreign Entities Listing on ASX</i></li> <li>• Guidance Note 5 <i>CHESS Depositary Interests (CDIs)</i></li> <li>• Guidance Note 8 <i>Continuous Disclosure: Listing Rules 3.1 – 3.1B</i></li> <li>• Guidance Note 11 <i>Restricted Securities and Voluntary Escrow</i></li> <li>• Guidance Note 17 <i>Waivers and In-Principle Advice</i></li> <li>• Guidance Note 19 <i>Performance Shares</i></li> <li>• Guidance Note 21 <i>The Restrictions on Issuing Equity Securities in Chapter 7 of the Listing Rules</i></li> <li>• Guidance Note 22 <i>Notification of Directors' Interests</i></li> <li>• Guidance Note 25 <i>Issues of Equity Securities to Persons in a Position of Influence</i></li> <li>• Guidance Note 29 <i>Applying for Admission – ASX Debt Listings</i></li> <li>• Guidance Note 34 <i>Naming Conventions for Debt and Hybrid Securities</i></li> </ul>

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**Important notice:** ASX has published this Guidance Note to assist listed entities to understand and comply with their obligations under the ASX Listing Rules. Nothing in this Guidance Note necessarily binds ASX in the application of the ASX Listing Rules in a particular case. In issuing this Guidance Note, ASX is not providing legal advice and listed entities should obtain their own advice from a qualified professional person in respect of their obligations. ASX may withdraw or replace this Guidance Note at any time without further notice to any person.

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## 1. Introduction

This Guidance Note is published by ASX Limited (“ASX”) to assist listed entities and their advisers to understand when they have to notify ASX of an issue of securities and, if they are to be quoted on ASX, to prepare an application for their quotation.

Securities need to be quoted before they are able to be traded on ASX.<sup>1</sup>

<sup>1</sup> Rule 5.10.1 of the ASIC Market Integrity Rules (Securities Markets) 2017 restricts dealings by a broker in unquoted securities. The National Guarantee Fund also does not cover transactions by brokers in unquoted securities.

Chapters 2 and 6 of the Listing Rules set out the requirements for a listed entity to have its securities quoted on ASX. Listing Rules 2.4 to 2.8 set out the rules that apply specifically to the quotation of additional securities by an entity that is already listed on ASX.

## 2. Notification obligations in relation to issues of securities

### 2.1. Listing Rule 3.10.3 – the general obligation to notify ASX of a proposed issue of securities

A listed entity is required under Listing Rule 3.10.3 to notify ASX immediately of:

- a proposed issue of equity securities,<sup>2</sup> other than an issue to be made under a dividend or distribution plan (“DRP”)<sup>3</sup> or an employee incentive scheme,<sup>4</sup> or as a consequence of the conversion of any convertible securities;<sup>5</sup> and
- a proposed issue of debt securities<sup>6</sup> that are in a class that is quoted or intended to be quoted on ASX.

In each case above, this applies regardless of the size or purpose of the proposed issue and whether or not information about the proposed issue is “market sensitive”.<sup>7</sup>

For the avoidance of doubt, a proposed issue of equity securities must be notified to ASX under Listing Rule 3.10.3 regardless of whether the equity securities are in a class that is quoted or intended to be quoted on ASX. A proposed issue of debt securities only needs to be notified to ASX under Listing Rule 3.10.3 if the debt securities are in a class that is quoted or intended to be quoted on ASX (although it should be noted that a proposed issue of debt securities may require notification to ASX under Listing Rule 3.1, even where they are not in a class that is quoted or intended to be quoted on ASX, if information about the proposed issue is market sensitive<sup>8</sup>).

Convertible debt securities<sup>9</sup> are regarded as equity securities for these purposes.

### 2.2. When must a proposed issue of securities be notified under Listing Rule 3.10.3?

A proposed issue of securities caught by Listing Rule 3.10.1 must be notified to ASX “immediately”.

ASX interprets this term as having the same meaning as in Listing Rule 3.1 – that is, “promptly and without delay”.<sup>10</sup>

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<sup>2</sup> The term “equity security” is defined in Listing Rule 19.12 as: (a) a share; (b) a unit; (c) an option over an issued or unissued share or unit; (d) a right to an issued or unissued share or unit; (e) an option over, or right to, a security referred to in (c) or (d); (f) a convertible security; and (g) any security that ASX decides to classify as an equity security; but not (h) a security ASX decides to classify as a debt security. See note 6 below for the definition of “debt security”.

In relation to paragraph (f) of this definition, the term “convertible security” is defined in Listing Rule 19.12 as a security that is convertible by the holder, by the issuer, or otherwise by its terms of issue, into equity securities.

<sup>3</sup> See ‘2.9 Issues under a DRP’ on page 8.

<sup>4</sup> See ‘2.6 Issues under an employee incentive plan’ on page 6.

<sup>5</sup> See ‘2.7 Conversion of convertible securities’ on page 7.

<sup>6</sup> The term “debt security” is defined in Listing Rule 19.12 as: (a) a bond, certificate of deposit, debenture, note or other instrument evidencing a debt owing by an entity to the holder that is negotiable or transferrable and that is not a convertible security; (b) any security that ASX decides to classify as a debt security; but not (c) a security ASX decides to classify as an equity security. See note 2 above for the definition of “equity security”.

<sup>7</sup> Information about a proposed issue of securities is “market sensitive” if a reasonable person would expect the information to have a material effect on the price or value of the entity’s securities: see generally Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

<sup>8</sup> See note 7 above.

<sup>9</sup> A “convertible debt security” is an instrument that would be a debt security but for the fact that it is a convertible security (Listing Rule 19.12). This definition reflects the fact that a convertible security is an equity security for the purposes of the Listing Rules (see paragraph (f) of the definition of “equity security”, and the definition of “convertible security”, as set out in note 2 above).

<sup>10</sup> See section 4.5 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

ASX also interprets the reference to a “proposed issue of securities” in Listing Rule 3.10.3 as meaning an issue of securities that the entity is committed to proceeding with, and not merely an issue of securities that it may be contemplating.<sup>11</sup>

Bringing these two concepts together, ASX considers that an entity will be obliged to notify ASX of a proposed issue of securities under Listing Rule 3.10.3 promptly and without delay after:

- if the issue is a placement, the entity has entered into a legally binding agreement with the placee for the placement;
- if the issue will arise from an underwritten offer of securities, the entity has entered into an underwriting agreement with the underwriter;<sup>12</sup>
- if the issue will arise from a non-underwritten offer of securities, the board or any other organ of the entity (such as a board committee) to which the board has delegated the power to decide to make the offer, formally resolves to proceed with the offer;<sup>13</sup> or
- the entity is otherwise committed to proceeding with the issue.<sup>14</sup>

### 2.3. The relationship between the notification obligations in Listing Rules 3.10.3 and 3.1

The obligation of a listed entity to notify ASX of a proposed issue of securities under Listing Rule 3.10.3 is separate to, but operates in tandem with, its obligation to immediately disclose market sensitive information under Listing Rule 3.1.<sup>15</sup>

In many cases, these disclosure requirements will arise at the same time – that is, once there is a firm proposal to issue securities that is no longer incomplete or subject to negotiation.<sup>16</sup> For that reason, the announcement an entity makes about a proposed market-sensitive issue of securities under Listing Rule 3.1, and the notification it gives to ASX about the proposed issue under Listing Rule 3.10.3, will often be one and the same.

It should be noted, however, that information about a proposed market-sensitive issue of securities may need to be disclosed to ASX at an earlier point under Listing Rule 3.1 than is required under Listing Rule 3.10.3. This will apply, for example, if information about the issue ceases to be confidential and so the carve-out from immediate

<sup>11</sup> This is consistent with the manner in which ASX interprets the phrase “incomplete proposal” in Listing Rule 3.1A (see section 5.4 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*) and the phrase “proposes to make a significant change ... to the nature or scale of its activities” in Listing Rule 11.1 (see section 2.12 of Guidance Note 12 *Significant Changes to Activities*).

<sup>12</sup> Where an underwritten offer is being made under a disclosure document, PDS or information memorandum, as a practical matter, the entity will usually enter into the underwriting agreement just before it lodges its disclosure document or PDS for the offer with the Australian Securities and Investments Commission (“ASIC”) or issues its information memorandum to prospective investors. Accordingly, the very latest an entity should be notifying ASX under Listing Rule 3.10.3 of an underwritten offer of securities pursuant to a disclosure document, PDS or information memorandum is immediately upon lodging the disclosure document or PDS with ASIC or issuing the information memorandum to prospective investors. The entity should also be lodging a copy of its disclosure document, PDS or information memorandum with ASX at the same time (see ‘2.10 Issuance of a disclosure document, PDS or information memorandum’ on page 8).

<sup>13</sup> Where a non-underwritten offer is being made under a disclosure document, PDS or information memorandum, as a practical matter, the board or its delegate will usually approve the making of the offer and the disclosure document, PDS or information memorandum for the offer just before the entity lodges its disclosure document or PDS with ASIC or issues its information memorandum to prospective investors. Accordingly, the very latest an entity should be notifying ASX under Listing Rule 3.10.3 of a non-underwritten offer pursuant to a disclosure document, PDS or information memorandum is immediately upon lodging the disclosure document or PDS with ASIC or issuing the information memorandum to prospective investors. The entity should also be lodging a copy of its disclosure document, PDS or information memorandum with ASX at the same time (see ‘2.10 Issuance of a disclosure document, PDS or information memorandum’ on page 8).

<sup>14</sup> The references in the text to an entity otherwise being committed to proceeding with an issue of securities is intended to capture those situations where an entity may become legally bound to proceed with the issue without having signed a legally binding agreement (eg, through the principles of estoppel). It is also intended to capture those situations where an entity enters into an arrangement or understanding committing itself to proceed with an issue of securities without having signed a legally binding agreement. Once the entity is so committed, the transaction is no longer an incomplete proposal.

<sup>15</sup> See note 7 above.

<sup>16</sup> See section 5.4 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1-3.1B*.

disclosure in Listing Rule 3.1A ceases to apply.<sup>17</sup> Information about a proposed issue may also be required to be disclosed at an earlier point under Listing Rule 3.1B than is required under either Listing Rule 3.1 or 3.10.3 if ASX considers that there is a need for information about the proposed issue to be disclosed to prevent or correct a false market in the entity's securities.<sup>18</sup>

#### 2.4. What information must be included in a notification under Listing Rule 3.10.3?

A notification of a proposed issue of securities under Listing Rule 3.10.3 must be in the form of, or accompanied by, an Appendix 3B *Announcement of Proposed Issue of Securities*.<sup>19</sup> The Appendix 3B is a smart form with different information requirements for different types of issues.<sup>20</sup> It has been designed to elicit material information about the proposed issue, as well as the information needed by ASX to set up any associated corporate action in ASX's trading, clearing and settlement systems.

The information required by Appendix 3B includes (as appropriate for the type of issue):

- the number and class of securities being issued;
- the date the securities will be issued and various other key dates;
- the consideration per security to be received by the entity for the issue of the securities and, if the consideration is cash, the purposes for which the entity intends to use the cash;
- if the securities being issued are a new class, the principal terms of those securities;
- if the securities being issued are not a new class, whether they will rank equally in all respects from the issue date with the existing issued securities in that class and, if not, the date or end of period from which they will rank equally and the extent to which they will participate in the next dividend, distribution or interest payment;
- whether the issue is being made under the entity's 15% placement capacity in Listing Rule 7.1 or its additional 10% placement capacity in Listing Rule 7.1A;
- whether the issue requires security holder approval and, if so, the planned date for the meeting of security holders to consider the approval;
- if there will be a lead manager or broker to the issue, their name and the amount of their fee or commission for acting as lead manager or broker;
- if the issue will be underwritten, the name of the underwriter, the extent of the underwriting, the fees, commissions or other consideration payable to the underwriter, and a summary of the significant events that could lead to the underwriting being terminated;
- details of any other material fees or costs to be incurred by the entity in connection with the issue; and
- if any of the securities are proposed to be issued without security holder approval using the entity's additional 10% placement capacity under Listing Rule 7.1A and the issue is not a pro rata issue and does not include

<sup>17</sup> See section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1-3.1B*.

<sup>18</sup> See section 6 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1-3.1B*.

<sup>19</sup> Listing Rule 15.2.1 requires an Appendix 3B to be given to the ASX Market Announcements office for release to the market.

<sup>20</sup> The Appendix 3B has different information requirements for:

- a bonus issue;
- a standard non-renounceable pro rata issue;
- a standard renounceable pro rata issue;
- an accelerated non-renounceable entitlement offer (often referred to as a "JUMBO" or "ANREO");
- an accelerated or simultaneous accelerated renounceable entitlement offer (often referred to as a "RAPIDS", "AREO" or "SAREO");
- an accelerated renounceable entitlement offer with retail rights trading (often referred to as a "PAITREO");
- an offer under an SPP;
- a non pro rata offer under a disclosure document or PDS;
- a non pro rata offer to wholesale investors under an information memorandum; and
- a placement or other type of issue.

an offer under a securities purchase plan (SPP), an explanation of why the entity has chosen to do the particular form of issue it is undertaking rather than a pro rata issue or offer under an SPP in which existing ordinary security holders would have been eligible to participate.

An entity announcing a proposed issue under Listing Rule 3.10.3 can choose to do a stand-alone Appendix 3B as its notification of the proposed issue. Alternatively, it can choose to do a separate announcement about the proposed issue that it lodges with ASX, in addition to its Appendix 3B, with whatever information it wishes to highlight to investors about the proposed issue. The latter option is more likely to appeal to an entity that wishes to use its announcement to promote the proposed issue and to give prospective investors information about how they can participate.

### **2.5. Correcting or updating information about a proposed issue of securities**

An entity must immediately tell ASX if there is an error in, or a change to, any of the information it has given to ASX about a proposed issue of securities under Listing Rule 3.10.3.<sup>21</sup> If it does, ASX may require the entity to provide an updated Appendix 3B reflecting the corrections or changes.<sup>22</sup>

Whether ASX will require an updated Appendix 3B will depend on the nature and extent of the error in, or change to, the previous Appendix 3B and whether the entity has made an announcement to the market about the error or change.

### **2.6. Issues under an employee incentive plan**

An issue of equity securities under an employee incentive scheme falls outside of Listing Rule 3.10.3 and does not require an Appendix 3B.

Instead, under Listing Rule 3.10.3A, an entity must tell ASX of the issue of equity securities under an employee incentive scheme within 5 business days of the date of their issue.

If the equity securities are to be quoted immediately<sup>23</sup> on ASX, the entity must also lodge an Appendix 2A *Application for Quotation of Securities* within 5 business days of their issue.<sup>24</sup> In that case, the Appendix 2A will also serve as the notification under Listing Rule 3.10.3A.

If the equity securities are not intended to be quoted immediately on ASX, the notification under Listing Rule 3.10.3A must be in the form of, or accompanied by, an Appendix 3G.

The following information will be required to be disclosed about the securities in the Appendix 2A or 3G:

- the total number and class of securities issued;
- the date or dates on which the securities were issued;
- if the recipient of the securities is a member of a key management personnel or an associate, their name and the number of securities that were issued to them;
- a hyperlink or cross-reference to a document lodged with ASX where the terms of the scheme, or a summary of the terms of the scheme, can be found; and
- if the securities are not ordinary securities, a summary of the material terms of the securities or a hyperlink or cross-reference to a document lodged with ASX where that summary can be found.

<sup>21</sup> Listing Rule 3.10.3.

<sup>22</sup> See the note to Listing Rule 3.10.3.

<sup>23</sup> An application for quotation of securities issued under an employee incentive scheme must be made within 5 business days of their date of issue or, if they are subject to restrictions on transfer, within 5 business days after the end of the restrictions: Listing Rule 2.7 and 2.8.6.

<sup>24</sup> See note 23 above.

### 2.7. Conversion of convertible securities

An issue of equity securities made as a consequence of the conversion of convertible securities falls outside of Listing Rule 3.10.3 and does not require an Appendix 3B.

Instead, under Listing Rule 3.10.3B, an entity must tell ASX within 10 business days of the conversion of any convertible securities.<sup>25</sup>

If the equity securities issued as a consequence of the conversion are to be quoted on ASX, the entity must also lodge an Appendix 2A *Application for Quotation of Securities* within 10 business days of the date of their conversion.<sup>26</sup> In that case, the Appendix 2A will also serve as the notification under Listing Rule 3.10.3B.

If the securities in question are not intended to be quoted on ASX, the notification under Listing Rule 3.10.3B must be in the form of, or accompanied by, an Appendix 3G.

The following information will be required to be disclosed about the securities in the Appendix 2A or 3G:

- the total number and class of convertible securities that were converted and, if they were quoted on ASX, their ASX trading code;
- the date or dates on which the convertible securities were converted;
- the total number and class of equity securities issued as a consequence of the conversion; and
- in the case of an Appendix 2A, the ASX trading code of the equity securities.

### 2.8. Payment up of partly paid securities

The payment up of partly paid securities does not involve an issue of securities and therefore falls outside of Listing Rule 3.10.3 and does not require an Appendix 3B.

Instead, under Listing Rule 3.10.3C, an entity must tell ASX within 5 business days if unquoted partly paid securities become fully paid securities.

If the resulting fully paid securities are to be quoted on ASX, the entity must also lodge an Appendix 2A *Application for Quotation of Securities* within 5 business days of the date they were fully paid up.<sup>27</sup> In that case, the Appendix 2A will also serve as the notification under Listing Rule 3.10.3C.

If the resulting fully paid securities are not to be quoted on ASX, the notification under Listing Rule 3.10.3C must be in the form of, or accompanied by, an Appendix 3G.

The following information will be required to be disclosed about the securities in the Appendix 2A or 3G:

- the total number and class of unquoted partly paid equity securities that became fully paid;
- the date or dates on which the unquoted partly paid equity securities became fully paid; and
- in the case of an Appendix 2A, the ASX trading code of the quoted fully paid equity securities.

The process and timetable for paying up quoted partly paid securities is outlined in section 3 (for no-liability companies) and section 4 (for other listed entities) of Appendix 6A of the Listing Rules. In that case, there is no need for the entity to lodge an Appendix 2A *Application for Quotation of Securities* as the securities are already quoted. An Appendix 3G is also not necessary. Instead, the entity notifies ASX of the number of quoted partly paid

<sup>25</sup> An exercise of options is a conversion of convertible securities for the purposes of this rule (see the notes to Listing Rules 2.8.3 and 3.10.3B and to the definition of “convertible security” in Listing Rule 19.12).

<sup>26</sup> Listing Rules 2.7 and 2.8.3. See also section 5 of Appendix 6A of the Listing Rules, which sets out the process and timetable for converting convertible securities that are quoted on ASX.

<sup>27</sup> Listing Rules 2.7 and 2.8.4.

securities that have had the relevant call or instalment paid and the number that have not had the call or instalment paid and consequently will be forfeited via an Appendix 3A.6.<sup>28</sup>

### 2.9. Issues under a DRP

An issue of equity securities under a DRP falls outside of Listing Rule 3.10.3 and does not require an Appendix 3B.

Instead, under Listing Rule 3.21(c), an issue of equity securities under a DRP is notified to ASX via an Appendix 3A.1.

If the securities issued under the DRP are to be quoted on ASX, the entity must also lodge an Appendix 2A *Application for Quotation of Securities* within 5 business days of the due date for payment of the relevant dividend or distribution.<sup>29</sup>

The following information will be required to be disclosed about the securities in the Appendix 2A:

- the total number and class of equity securities issued under the DRP;
- the date or dates on which the equity securities were issued; and
- the ASX trading code of the equity securities.

### 2.10. Issuance of a disclosure document, PDS or information memorandum

If the entity lodges a disclosure document or PDS with the Australian Securities and Investments Commission (“ASIC”) or an equivalent overseas regulator or issues an information memorandum relating to an offer of securities, it must immediately tell ASX of that fact and:

- in the case of a disclosure document or PDS, give a copy of the disclosure document or PDS to ASX immediately after it has been lodged with ASIC or the overseas regulator; or
- in the case of an information memorandum, give a copy of the information memorandum to ASX before it is issued to prospective investors.<sup>30</sup>

If the disclosure document relates to a proposed issue of “simple corporate bonds”<sup>31</sup> pursuant to the two-part prospectus regime in section 713B of the Corporations Act and the entity has already lodged its base prospectus<sup>32</sup> with ASX, it need only lodge the offer-specific prospectus relating to the proposed issue.<sup>33</sup>

It should be noted that the definitions of “disclosure document”, “PDS” and “information memorandum” extend to supplementary or replacement versions of those documents.<sup>34</sup> Accordingly, an entity that issues a supplementary or replacement disclosure document, PDS or information memorandum must also immediately tell ASX of that fact and lodge a copy of the document with ASX.

### 2.11. Underwriting agreements

Underwriting agreements attract a number of notification obligations under the Listing Rules.

<sup>28</sup> In the case of a no-liability company, this notification must be given not more than 5 business days after last day for the company to accept off-market transfers of the partly paid securities. In the case of other entities, this notification must be given not more than 5 business days after the due date for payment of the final call or instalment on the partly paid securities.

<sup>29</sup> See the final entry in the timetable for dividends and distributions in section 1 of Appendix 6A of the Listing Rules.

<sup>30</sup> Listing Rule 3.10.4.

<sup>31</sup> As defined in section 713A of the Corporations Act 2001 (Cth) (referred to in this Guidance Note as the “Corporations Act”).

<sup>32</sup> As provided for in section 713C of the Corporations Act.

<sup>33</sup> As provided for in section 713D of the Corporations Act.

<sup>34</sup> See the definitions of “disclosure document”, “PDS” and “information memorandum” in Listing Rule 19.12.



As noted previously, most proposed issues of securities will need to be notified to ASX in an Appendix 3B *Announcement of Proposed Issue of Securities*. The Appendix 3B will ask if the proposed issue is to be underwritten. If the entity responds in the affirmative, it will be asked:

- who are the underwriter(s);
- what is the extent of the underwriting;<sup>35</sup>
- what fees, commissions or other consideration are payable to them for acting as underwriter(s),<sup>36</sup>

and to include or annex a summary of the significant events that could lead to the underwriting being terminated.<sup>37</sup>

An entity must also notify ASX immediately if it:

- enters into or activates an underwriting agreement in relation to the level of reinvestment of a particular dividend or distribution under a DRP;<sup>38</sup> or
- enters into an underwriting agreement for the exercise of options.<sup>39</sup>

Again, in each of the two cases above, the entity must tell ASX the name of the underwriter; the extent of the underwriting; the fee, commission or other consideration payable; and a summary of the significant events that could lead to the underwriting being terminated.

An entity must additionally inform ASX immediately of the details of the exercise by an underwriter of a right to terminate an underwriting agreement or to avoid or change the underwriter's obligations under an underwriting agreement.<sup>40</sup>

It should be noted that the information required to be disclosed about underwriting agreements mentioned above is the minimum required under the Listing Rules. Other provisions in, or events affecting, an underwriting agreement may need to be disclosed if information about them is market sensitive<sup>41</sup> or if failure to disclose the information could mislead investors.<sup>42</sup>

## 2.12. Top 20 security holders and distribution schedule

If an entity issues a new class of quoted equity securities, it must immediately provide to ASX:

- a list of the names of the 20 largest recipients of those securities, and the number and percentage of those securities received by each of those recipients; and
- a distribution schedule for those securities setting out the number of recipients in the following categories and the total percentage of those securities held by the recipients in each category:

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<sup>35</sup> That is, the amount or proportion of the issue that is underwritten.

<sup>36</sup> This includes any applicable discount the underwriter receives to the issue price payable by participants in the issue.

<sup>37</sup> The entity may cross-refer to a disclosure document, PDS, information memorandum, investor presentation or other announcement with this information provided it has been released on the ASX Market Announcements Platform.

It should be noted that an entity undertaking an underwritten pro rata issue must disclose the information mentioned in the text above in its Appendix 3B or, if the underwriting was entered into after the Appendix 3B was lodged, by market announcement as soon as practicable following the entry of the underwriting agreement, if it wishes to rely on Listing Rule 7.2 exception 2 (see section 4.3 of Guidance Note 21 *The Restrictions on Issuing Equity Securities in Chapter 7 of the Listing Rules*) or Listing Rule 10.12 exception 2 (see section 3.3 of Guidance Note 25 *Issues of Equity Securities to Persons in a Position of Influence*).

<sup>38</sup> Listing Rule 3.10.9.

<sup>39</sup> Listing Rule 3.11.3.

<sup>40</sup> Listing Rule 3.10.6.

<sup>41</sup> Listing Rule 3.1. See also note 7 above.

<sup>42</sup> See sections 1041E, 1041H and 1309 of the Corporations Act.

- 1 - 1,000
- 1,001 - 5,000
- 5,001 - 10,000
- 10,001 - 100,000
- 100,001 and over.<sup>43</sup>

Typically, this information will be given in, or attached to, the Appendix 2A *Application for Quotation of Securities* the entity will lodge with ASX to apply for quotation of the new class of equity securities.<sup>44</sup>

### 2.13. Change in the notifiable interests of directors

Where an issue of securities leads to a change in the “notifiable interests”<sup>45</sup> of a director, the entity must also give ASX an Appendix 3Y within 5 business days of the change occurring.<sup>46</sup> Further information about this requirement can be found in Guidance Note 22 *Notification of Directors’ Interests*.

## 3. Which securities can or must be quoted?

### 3.1. New securities in a class that is already quoted on ASX

With two exceptions, an entity with:

- an ASX Listing;
- an ASX Debt Listing; or
- an ASX Foreign Exempt Listing which is a qualifying NZ entity,

that has a class of securities already quoted on ASX<sup>47</sup> is obliged to ensure that all of the securities in that class are quoted on ASX.<sup>48</sup>

Hence, unless one of those two exceptions applies, if such an entity issues additional securities in a class that is already quoted on ASX, it must apply to ASX to have those additional securities quoted.

The two exceptions are restricted securities and securities issued under an employee incentive scheme that are subject to restrictions on transfer. Restricted securities are not quoted by ASX until the applicable escrow period has expired.<sup>49</sup> Securities issued under an employee incentive scheme that are subject to restrictions on transfer are not required to be quoted until the restrictions have come to an end (although the entity can apply to have them quoted earlier, if it wishes).<sup>50</sup>

The requirement to apply for quotation extends to issues of additional securities made in a class that is already quoted on ASX arising from the conversion of convertible securities.<sup>51</sup> It also applies to unquoted partly paid

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<sup>43</sup> Listing Rule 3.10.5.

<sup>44</sup> It may not be if the entity has not yet issued the securities when it lodges its Appendix 2A. In that case, the entity will need to separately notify ASX of the top 20 security holders and provide a distribution schedule as soon as that information is available.

<sup>45</sup> As defined in Listing Rule 19.12.

<sup>46</sup> Listing Rule 3.19A.

<sup>47</sup> The main class of securities of an entity admitted to the official list as an ASX Listing will already have been quoted on ASX as part of its admission to the official list (Listing Rule 1.1 condition 6 and Listing Rule 2.1). An entity admitted to the official list as an ASX Debt Listing or an ASX Foreign Exempt Listing will also have at least one class of securities already admitted to quotation on ASX (Listing Rule 1.8 condition 5 and Listing Rule 1.11 condition 5).

<sup>48</sup> Listing Rule 2.4.

<sup>49</sup> Listing Rule 2.8.5.

<sup>50</sup> Listing Rule 2.8.6.

<sup>51</sup> If the convertible securities are not quoted on ASX, the timetable for lodging the application for quotation is specified in Listing Rule 2.8.3. The entity must pay additional quotation fees on the securities issued upon conversion at the rate set out in Guidance Note 15A – Schedule 1 – Table 1C, it not having paid any quotation fees when the convertible securities were issued.

securities that have been paid up in full and as a result become fully paid securities in a class that is already quoted on ASX.<sup>52</sup>

By contrast to the other entities mentioned above, an entity with an ASX Foreign Exempt Listing that is not a qualifying NZ entity is able to apply for quotation of all, or a subset, of the securities in a class.<sup>53</sup> Hence, where such an entity issues additional securities in a class that is already quoted on ASX, it can choose to have all, some or none of those additional securities quoted on ASX.

In most cases, an entity applying for quotation of additional securities in a class that is already quoted must pay additional quotation fees on those additional securities at the rate set out in Guidance Note 15A – Schedule 1 – Table 1C. However, this does not apply to an issue of additional securities resulting from the conversion of quoted convertible securities or the payment up in full of quoted partly paid securities, since the entity will have already paid quotation fees on the original convertible securities or partly paid securities.<sup>54</sup>

A foreign entity admitted as an ASX Listing that has a primary listing on an overseas exchange other than the NZX main board and that intends to use CHESS Depository Interests (“CDIs”) to facilitate the holding and transfer of its ASX-quoted securities should note that it can apply for a waiver relieving it from the obligation<sup>55</sup> to apply for quotation of all the securities in its main class and instead allowing it to apply for quotation of the portion of its securities that will be represented by CDIs. This will have the result that the entity will pay ASX listing fees only on the portion of its securities represented by CDIs (ie on the Australian component of its register rather than on its full register).<sup>56</sup> This puts such entities in the same position as an ASX Foreign Exempt Listing that is not a qualifying NZ entity when it comes to the amount of ASX listing fees they pay.

### 3.2. New securities in a class that is not already quoted on ASX

A listed entity that issues new securities in a class of securities that is not already quoted on ASX may, but is not obliged to, apply for their quotation.<sup>57</sup> Sections 3.3 – 3.10 below set out the different permutations that may apply here.

### 3.3. Equity listings seeking quotation of new equity securities<sup>58</sup>

An entity admitted as an ASX Listing or an ASX Foreign Exempt Listing that wishes to have a new class of equity security quoted on ASX must apply to have those securities quoted using an Appendix 2A *Application for Quotation of Securities*.

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If the convertible securities are quoted on ASX, the timetable for lodging the application for quotation is specified in Listing Rule 2.8.2 and section 5 of Appendix 6A of the Listing Rules. The entity will not have to pay any additional quotation fees on the securities issued upon conversion, it having paid quotation fees when the convertible securities were issued (see Listing Rule 16.4).

An exercise of options is treated as a conversion of convertible securities for these purposes.

<sup>52</sup> If the partly paid securities are not quoted on ASX, the timetable for lodging the application for quotation of the fully paid securities is specified in Listing Rule 2.8.4. The entity must pay additional quotation fees on the fully paid securities at the rate set out in Guidance Note 15A – Schedule 1 – Table 1C, it not having paid any quotation fees when the partly paid securities were issued.

If the partly paid securities are quoted on ASX, the timetable for lodging the application for quotation is specified in Listing Rule 2.8.2 and section 3 (for no-liability companies) and section 4 (for other listed entities) of Appendix 6A of the Listing Rules. The entity will not have to pay any additional quotation fees on the fully paid securities, it having paid quotation fees when the partly paid securities were issued (Listing Rule 16.4).

<sup>53</sup> Listing Rule 1.11 condition 5(b).

<sup>54</sup> See notes 51 and 52 above and Listing Rule 16.4.

<sup>55</sup> In Listing Rules 1.1 condition 6 and 2.4.

<sup>56</sup> Where the entity has CDIs issued over its quoted securities, it will be required to lodge with ASX on a monthly basis an Appendix 4A *Statement of CDIs on Issue* showing the net movement in CDIs (Listing Rule 4.11). If new securities are issued and will be held in the form of CDIs, a separate Appendix 2A will also need to be lodged seeking quotation of those CDIs (Listing Rule 2.7).

<sup>57</sup> Listing Rules 2.4 and 2.5.

<sup>58</sup> A wholesale debt security is any debt security that satisfies the definition of “wholesale security” in Listing Rule 19.12 (that is, a security the terms of which allow it to be held at all times only by wholesale clients, as defined in the Corporations Act) and that is quoted on ASX’s wholesale loan securities market. Wholesale debt securities are traded off-market and settled through the Austraclear system. For more information on the ASX wholesale loan securities market, see <http://www.asx.com.au/listings/debt-listing/non-quoted-securities-wholesale.htm>.

The entity must pay additional quotation fees on those securities at the rate set out in Guidance Note 15A – Schedule 1 – Table 1C.<sup>59</sup>

Any further issues of that class of equity securities after their initial quotation will attract additional quotation fees at the rate set out in Guidance Note 15A – Schedule 1 – Table 1C.

The entity will need to satisfy the applicable requirements for quotation mentioned in section 4.6 below. It will also generally need to lodge a prospectus in relation to the new class of equity securities with ASIC<sup>60</sup> and give a copy of the prospectus to ASX immediately after it has been lodged with ASIC.<sup>61</sup>

### 3.4. Equity listings seeking quotation of new retail debt securities<sup>62</sup>

An entity admitted as an ASX Listing or an ASX Foreign Exempt Listing that wishes to have a new class of retail debt securities quoted on the ASX market must apply to have those securities quoted using an Appendix 2A *Application for Quotation of Securities*. It does not need to change its category of listing.

If the debt securities to be quoted are not “simple corporate bonds”,<sup>63</sup> the entity must pay additional quotation fees on those securities at the rate set out in Guidance Note 15A – Schedule 1 – Table 1C. If the debt securities to be quoted are simple corporate bonds, it must pay additional quotation fees on those securities at the rate set out in Guidance Note 15A – Schedule 1 – Table 1D.<sup>64</sup>

Any further issues of that class of retail debt securities after their initial quotation will attract additional quotation fees at the rate set out in Guidance Note 15A – Schedule 1 – Table 1C or Table 1D, as applicable.

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<sup>59</sup> The entity will not have to pay an initial listing fee in respect of the equity securities, it having already paid an initial listing fee to ASX in connection with its admission to the official list as an ASX Listing or an ASX Foreign Exempt Listing.

<sup>60</sup> Generally, this will be because the entity is intending to make an offer of the equity securities for issue to investors in Australia, which requires a prospectus under sections 700 and 706 of the Corporations Act.

Even if it is not planning to offer the equity securities to investors in Australia, if the entity has issued securities of that type within the 12 months preceding their quotation on ASX without lodging a prospectus with ASIC – for example, because the issue was limited to investors outside Australia or to investors in Australia who do not have to be given a prospectus (such as sophisticated investors under section 708(8) or professional investors under section 708(11)) – section 707(3) will usually apply and the entity will have to produce a prospectus under the latter section before its securities can be offered for sale on ASX.

Any entity that is seeking to have equity securities quoted on ASX and that is not intending to lodge a prospectus with ASIC will need to satisfy ASX that a prospectus is not required under the Corporations Act, either in connection with the primary issue of those securities or the secondary sale of those securities on ASX.

It should be noted that by giving an Appendix 2A *Application for Quotation of Securities* to ASX, an entity warrants that an offer for sale of the securities to be quoted within 12 months after their issue will not require disclosure under section 707(3) of the Corporations Act and indemnifies ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from, or connected with, any breach of that warranty (see ‘4.7 Warranties and indemnities given in Appendix 2A’ on page 20).

<sup>61</sup> Listing Rule 3.10.4.

<sup>62</sup> A “retail debt security” refers to any debt security that is not a “wholesale security” (see the definition of “retail security” in Listing Rule 19.12 and the explanation of the meaning of “wholesale security” in note 67). Retail debt securities are quoted and traded on the general ASX market and settled through the CHESS system.

<sup>63</sup> See note 31 and accompanying text.

<sup>64</sup> The entity will not have to pay an initial listing fee in respect of the debt securities, it having already paid an initial listing fee to ASX in connection with its admission to the official list as an ASX Listing or an ASX Foreign Exempt Listing.

Again, the entity will need to satisfy the applicable requirements for quotation mentioned in section 4.6 below. It will also generally need to lodge a prospectus in relation to the new class of retail debt securities with ASIC<sup>65</sup> and give a copy of the prospectus to ASX immediately after it has been lodged with ASIC.<sup>66</sup>

### 3.5. Equity listings seeking quotation of new wholesale debt securities<sup>67</sup>

An entity admitted as an ASX Listing or an ASX Foreign Exempt Listing that wishes to have a new class of wholesale debt securities quoted on the ASX wholesale loan securities market must apply to have those securities quoted using an Appendix 2A *Application for Quotation of Securities*. It does not need to change its category of listing.

The entity must pay an initial listing fee in respect of those wholesale debt securities at the rate set out in Guidance Note 15A – Schedule 2 – Table 2A.<sup>68</sup>

Again, the entity will need to satisfy the applicable requirements for quotation mentioned in section 4.6 below. It will not necessarily need to lodge a prospectus in relation to the new class of wholesale debt securities with ASIC.<sup>69</sup> However, if it does, it must give a copy of the prospectus to ASX immediately after it has been lodged with ASIC.<sup>70</sup>

### 3.6. Debt listings seeking quotation of equity securities

An ASX Debt Listing can only have debt securities quoted on ASX.<sup>71</sup>

If an ASX Debt Listing wishes to have equity securities quoted on ASX, it must first apply to be admitted as an ASX Listing or, if it qualifies, as an ASX Foreign Exempt Listing. This will require it to complete an application for admission to the official list in the relevant category (ie an Appendix 1A for an ASX Listing or an Appendix 1C for an ASX Foreign Exempt Listing).<sup>72</sup>

<sup>65</sup> Generally, this will be because the entity is intending to make an offer of the retail debt securities for issue to investors in Australia, which requires a prospectus under sections 700 and 706 of the Corporations Act.

Even if it is not planning to offer the retail debt securities to investors in Australia, if the entity has issued securities of that type within the 12 months preceding their quotation on ASX without lodging a prospectus with ASIC – for example, because the issue was limited to investors outside Australia or to investors in Australia who do not have to be given a prospectus (such as sophisticated investors under section 708(8) or professional investors under section 708(11)) – section 707(3) will usually apply and the entity will have to produce a prospectus under the latter section before its securities can be offered for sale on ASX.

Any entity that is seeking to have retail debt securities quoted on ASX and that is not intending to lodge a prospectus with ASIC will need to satisfy ASX that a prospectus is not required under the Corporations Act, either in connection with the primary issue of those securities or the secondary sale of those securities on ASX.

It should be noted that by giving an Appendix 2A *Application for Quotation of Securities* to ASX, an entity warrants that an offer for sale of the securities to be quoted within 12 months after their issue will not require disclosure under section 707(3) of the Corporations Act and indemnifies ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from, or connected with, any breach of that warranty (see '4.7 Warranties and indemnities given in Appendix 2A' on page 20).

<sup>66</sup> Listing Rule 3.10.4.

<sup>67</sup> A wholesale debt security is any debt security that satisfies the definition of "wholesale security" in Listing Rule 19.12 (that is, a security the terms of which allow it to be held at all times only by wholesale clients, as defined in the Corporations Act) and that is quoted on ASX's wholesale loan securities market. Wholesale debt securities are traded off-market and settled through the Austraclear system. For more information on the ASX wholesale loan securities market, see <http://www.asx.com.au/listings/debt-listing/non-quoted-securities-wholesale.htm>.

<sup>68</sup> The ASX market and the ASX wholesale loan securities market are treated as separate markets for the purposes of charging initial listing fees.

<sup>69</sup> By definition, a wholesale debt security means a security whose terms allow it to be held at all times only by wholesale clients, as defined in the Corporations Act (see note 67). An offer of securities to a wholesale client generally does not require a prospectus by virtue of sections 708(8) and (11) of the Corporations Act. Provided the securities continue to be held by and traded between wholesale investors, section 707(3) also should not apply. Entities offering wholesale debt securities should, however, take their own legal advice on whether a prospectus is required in relation to the offer.

<sup>70</sup> Listing Rule 3.10.4.

<sup>71</sup> Listing Rules 1.8 condition 1 and 2.1.

<sup>72</sup> For general guidance on the admission process for ASX Listings and ASX Foreign Exempt Listings see Guidance Note 1 *Applying for Admission – ASX Listings* and Guidance Note 4 *Foreign Entities Listing on ASX*.

If the entity was admitted as an ASX Debt Listing in relation to retail securities traded on the ASX market, it must pay additional quotation fees on the equity securities it wishes to have quoted at the rate set out in Guidance Note 15A – Schedule 1 – Table 1C.<sup>73</sup>

If the entity was admitted as an ASX Debt Listing in relation to wholesale securities traded on the ASX wholesale loan securities market, it must pay an initial listing fee in respect of the equity securities it wishes to have quoted at the rate set out in Guidance Note 15A – Schedule 1 – Table 1A.<sup>74</sup>

Any further issues of that class of equity securities after their initial quotation will attract additional quotation fees at the rate set out in Guidance Note 15A – Schedule 1 – Table 1C.

Again, the entity will need to satisfy the applicable requirements for quotation mentioned in section 4.6 below. It will also generally need to lodge a prospectus or PDS in relation to the new class of equity securities with ASIC<sup>75</sup> and give a copy of the prospectus to ASX immediately after it has been lodged with ASIC.<sup>76</sup>

### 3.7. Debt listings (ASX market) seeking quotation of new retail debt securities<sup>77</sup>

An entity admitted as an ASX Debt Listing in relation to retail debt securities quoted on the ASX market that wishes to have a new class of retail debt securities quoted on the ASX must apply to have those securities quoted using an Appendix 2A *Application for Quotation of Securities*. It does not need to change its category of listing.

If the debt securities to be quoted are not “simple corporate bonds”,<sup>78</sup> it must pay additional quotation fees on those securities at the rate set out in Guidance Note 15A – Schedule 1 – Table 1C. If the debt securities to be quoted are simple corporate bonds, it must pay additional quotation fees on those securities at the rate set out in Guidance Note 15A – Schedule 1 – Table 1D.

Any further issues of that class of retail debt securities after their initial quotation will attract additional quotation fees at the rate set out in Guidance Note 15A – Schedule 1 – Table 1C or Table 1D, as applicable.

Again, the entity will need to satisfy the applicable requirements for quotation mentioned in section 4.6 below. It will also generally need to lodge a prospectus in relation to the new class of retail debt securities with ASIC and give a copy of the prospectus to ASX immediately after it has been lodged with ASIC.<sup>79</sup>

<sup>73</sup> The entity will not have to pay an initial listing fee in respect of the equity securities it wishes to have quoted, it having already paid an initial listing fee to ASX in relation to the retail debt securities it originally had quoted on the ASX market.

<sup>74</sup> For the reasons set out in note 68.

<sup>75</sup> Generally, this will be because the entity is intending to make an offer of the equity securities for issue to investors in Australia that will require a prospectus under sections 700 and 706 (in the case of an offer of securities) or a PDS under sections 1010B, 1011A and 1012B (in the case of an offer of managed investment products).

Even if it is not planning to offer the equity securities to investors in Australia, if the entity has issued securities of that type within the 12 months preceding their quotation on ASX without lodging a prospectus/PDS with ASIC – for example, because the issue was limited to investors outside Australia or to investors in Australia who do not have to be given a prospectus/PDS (such as sophisticated investors under section 708(8)/761G(7)(a)-(c) or professional investors under section 708(11)/1012C(6)) – section 707(3)/1012C(6) will usually apply and the entity will have to produce a prospectus/PDS under the latter section before its securities can be offered for sale on ASX.

Any entity that is seeking to have equity securities quoted on ASX and that is not intending to lodge a prospectus or PDS with ASIC will need to satisfy ASX that a prospectus or PDS is not required under the Corporations Act, either in connection with the primary issue of those securities or the secondary sale of those securities on ASX.

It should be noted that by giving an Appendix 2A *Application for Quotation of Securities* to ASX, an entity warrants that an offer for sale of the securities to be quoted within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act and indemnifies ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from, or connected with, any breach of that warranty (see ‘4.7 Warranties and indemnities given in Appendix 2A’ on page 20).

<sup>76</sup> Listing Rule 3.10.4.

<sup>77</sup> For the meaning of “retail debt security”, see note 62.

<sup>78</sup> See note 31 and accompanying text.

<sup>79</sup> For the reasons set out in notes 65 and 66 and the accompanying text.

### 3.8. Debt listings (ASX market) seeking quotation of new wholesale debt securities<sup>80</sup>

An entity admitted as an ASX Debt Listing in relation to retail debt securities quoted on the ASX market that wishes to have a new class of wholesale debt securities quoted on the ASX wholesale loan securities market must apply to have those securities quoted using an Appendix 2A *Application for Quotation of Securities*. It does not need to change its category of listing.

The entity must pay an initial listing fee in respect of those wholesale debt securities at the rate set out in Guidance Note 15A – Schedule 2 – Table 2A.<sup>81</sup>

Again, the entity will need to satisfy the applicable requirements for quotation mentioned in section 4.6 below. It will not necessarily need to lodge a prospectus in relation to the new class of wholesale debt securities with ASIC but, if it does, it must give a copy of the prospectus to ASX immediately after it has been lodged with ASIC.<sup>82</sup>

### 3.9. Debt listings (wholesale market) seeking quotation of new wholesale debt securities<sup>83</sup>

An entity admitted as an ASX Debt Listing in relation to wholesale securities traded on the ASX wholesale loan securities market that wishes to have a new class of wholesale debt securities quoted on the ASX wholesale loan securities market must apply to have those securities quoted using an Appendix 2A *Application for Quotation of Securities*. It does not need to change its category of listing.

The entity must pay an additional quotation fee in respect of those wholesale debt securities at the rate set out in Guidance Note 15A – Schedule 2 – Table 2C.

Again, the entity will need to satisfy the applicable requirements for quotation mentioned in section 4.6 below. It will not necessarily need to lodge a prospectus in relation to the new class of wholesale debt securities with ASIC but, if it does, it must give a copy of the prospectus to ASX immediately after it has been lodged with ASIC.<sup>84</sup>

### 3.10. Debt listings (wholesale market) seeking quotation of new retail debt securities<sup>85</sup>

An entity admitted as an ASX Debt Listing in relation to wholesale securities traded on the ASX wholesale loan securities market that wishes to have a new class of retail debt securities quoted on the ASX market must apply to have those securities quoted using an Appendix 2A *Application for Quotation of Securities*. It does not need to change its category of listing.

If the debt securities to be quoted are not “simple corporate bonds”,<sup>86</sup> the entity must pay an initial listing fee in respect of those retail debt securities at the rate set out in Guidance Note 15A – Schedule 1 – Table 1A (it not having paid any initial listing fee to ASX in connection with securities traded on the ASX market).<sup>87</sup> Any further issues of that class of retail debt securities after their initial quotation will attract additional quotation fees at the rate set out in Guidance Note 15A – Schedule 1 – Table 1C.

If the debt securities to be quoted are “simple corporate bonds”, it will pay additional quotation fees on those securities at the rate set out in Guidance Note 15A – Schedule 1 – Table 1D. Any further issues of that class of simple corporate bonds after their initial quotation will also attract additional quotation fees at the rate set out in Guidance Note 15A – Schedule 1 – Table 1D.

Again, the entity will need to satisfy the applicable requirements for quotation mentioned under in section 4.6 below. It will also generally need to lodge a prospectus in relation to the new class of retail debt securities with ASIC and give a copy of the prospectus to ASX immediately after it has been lodged with ASIC.<sup>88</sup>

<sup>80</sup> For the meaning of “wholesale debt security”, see note 67.

<sup>81</sup> For the reasons set out in note 68.

<sup>82</sup> For the reasons set out in notes 69 and 70 and the accompany text.

<sup>83</sup> For the meaning of “wholesale debt security”, see note 67.

<sup>84</sup> For the reasons set out in notes 69 and 70 and the accompany text.

<sup>85</sup> For the meaning of “retail debt security”, see note 62.

<sup>86</sup> See note 31 and accompanying text.

<sup>87</sup> For the reasons set out in note 68.

<sup>88</sup> For the reasons set out in notes 65 and 66 and the accompany text.

## 4. The quotation process generally

### 4.1. Initial discussions in advance of application for quotation

Where a class of securities is already quoted on ASX, an application for quotation of additional securities of that class is usually very straightforward and processed quite quickly by ASX. It would be unusual for such an application to require any advance discussion with ASX. However, an entity that has any queries or concerns about such an application should not hesitate to raise them with ASX Listings Compliance.

ASX recommends that a listed entity proposing to issue and quote a new class of securities that will have non-standard terms attached consult with ASX at the earliest opportunity about the likelihood of those terms meeting the requirements of Chapter 6 including, in particular, the requirement in Listing Rule 6.1 that, in ASX's opinion, their terms are appropriate and equitable. Those discussions are generally best held with the entity's home branch.

In addition to being able to advise on any Chapter 6 issues, ASX Listings Compliance will also be able to advise on:

- any waiver from, or in-principle advice concerning, the Listing Rules that the applicant may be proposing to request in conjunction with its application and the likelihood of that waiver or advice being given;<sup>89</sup>
- where relevant, whether any of the securities are likely to be classified as "restricted securities" for the purposes of the Listing Rules and the consequential application of Chapter 9 and Appendix 9B to those securities;<sup>90</sup> and
- the expected timeframe for quotation, given the nature and complexity of the application and the current workloads within ASX Listings Compliance.

### 4.2. How to apply for quotation

To apply for quotation of securities, an entity must complete an Appendix 2A *Application for Quotation of Securities*<sup>91</sup> and give it to ASX.<sup>92</sup> The Appendix 2A is a smart form with different information requirements for different types of issues. It has been designed to elicit material information about the issue, as well as any information needed by ASX to incorporate the securities into ASX's trading, clearing and settlement systems.

The Appendix 2A calls for different information, depending on:

- whether the form is being given to apply for quotation of securities for the first time or to update information about the number of securities to be quoted included in a previous Appendix 2A;
- whether the securities to be quoted are additional securities in a class that is already quoted on ASX or new securities in a class that is not yet quoted on ASX; and
- whether the securities to be quoted are being issued as part of a transaction or transactions previously announced to the market in an Appendix 3B.

### 4.3. When to apply for quotation

An entity must apply for quotation of securities in accordance with the following deadlines:

<sup>89</sup> See Guidance Note 17 *Waivers and In-principle Advice* for further guidance on this topic.

<sup>90</sup> See '4.8 Restricted securities' on page 22.

<sup>91</sup> Listing Rule 2.7. An entity seeking admission to the official list does not need to complete an Appendix 2A to apply for quotation of its securities. Its application for admission to the official list (Appendix 1A for ASX Listings, Appendix 1B for ASX Debt Listings and Appendix 1C for ASX Foreign Exempt Listings) includes the requisite application for its securities to be quoted.

<sup>92</sup> Listing Rule 15.2.1 requires an Appendix 2A to be given to the ASX Market Announcements office.



- if the securities are being offered under a disclosure document or PDS which states or implies that the securities offered under it are to be quoted on ASX, within 7 days of the date of the disclosure document or PDS;<sup>93</sup>
- if the securities are not being offered under a disclosure document or PDS but are being offered or issued in a transaction for which there is a timetable in Appendix 6A or Appendix 7A, as and when specified in that timetable;<sup>94</sup>
- if unquoted convertible securities are converted into securities in the same class as quoted securities, within 5 business days after the date they were converted;<sup>95</sup>
- if unquoted partly paid securities become fully paid securities in the same class as quoted fully paid securities, within 5 business days after the date they were fully paid up;<sup>96</sup>
- if the securities are restricted securities, within 5 business days after the end of the escrow period;<sup>97</sup>
- if the securities are issued under an employee incentive scheme, within 5 business days of their date of issue or, if they are subject to restrictions on transfer, within 5 business days after the end of the restrictions;<sup>98</sup> and
- in any other case, on or before the date specified by ASX.<sup>99</sup>

In each case above, the application for quotation must be received by ASX no later than midday (Sydney time) at least one business day prior to the intended date for quotation of the securities.

Entities that have frequent issues of relatively small numbers of securities under an employee incentive scheme may apply to ASX for approval to apply for quotation (and consequently pay the minimum additional listing fee) on a periodic basis rather than when those securities are issued.<sup>100</sup> If ASX agrees, the entity must still comply with its obligation to announce such issues to the market within 5 business days of when they are made.<sup>101</sup> Entities wishing to take advantage of this concession should discuss it with their home branch.

#### 4.4. Corporations Act deadlines where securities are issued under a disclosure document or PDS

If an entity has issued a disclosure document or PDS in relation to the securities that are to be quoted, the Corporations Act imposes strict timing requirements as to when the application for quotation must be made to ASX and by when admission to quotation must be achieved.

<sup>93</sup> Listing Rule 2.8.1. This is a Corporations Act requirement: see sections 723(3) and 724 (securities offered under a disclosure document) and sections 1013H and 1016D (securities offered under a PDS). See also '4.4 Corporations Act deadlines where securities are issued under a disclosure document or PDS' on page 17.

<sup>94</sup> Listing Rule 2.8.2.

<sup>95</sup> Listing Rule 2.8.3. This rule only applies to the conversion of unquoted convertible securities into a class of securities that is already quoted. The conversion of quoted convertible securities into a class of securities that is already quoted is covered by Listing Rule 2.8.2 and section 5 of Appendix 6A. Note that the exercise of an option is a conversion of a convertible security for the purposes of the Listing Rules. See also Listing Rule 3.10.3B, which outlines the notification requirements that must be met when unquoted convertible securities are converted.

<sup>96</sup> Listing Rule 2.8.4. This rule only applies to unquoted partly paid securities that become fully paid securities in a class of securities that is already quoted. Quoted partly paid securities that become fully paid ordinary securities in a class that is already quoted are covered by Listing Rule 2.8.2 and section 3 (for no-liability companies) and section 4 (for other listed entities) of Appendix 6A. See also Listing Rule 3.10.3C, which outlines the notification requirements that must be met when unquoted partly paid securities are fully paid up, and 2.13 Change in the notifiable interests of directors' on page 10.

<sup>97</sup> Listing Rule 2.8.5.

<sup>98</sup> Listing Rule 2.8.6.

<sup>99</sup> Listing Rule 2.8.7. If an entity wishes to have securities quoted under Listing Rule 2.8.7, it should approach ASX to discuss the timetable for the quotation of those securities.

<sup>100</sup> See the concluding paragraph in Listing Rule 2.8.

<sup>101</sup> Listing Rule 3.10.3A.

If a disclosure document or PDS states or implies that the securities offered under it are to be quoted on ASX, then an application for quotation must be made to ASX within 7 days, and the securities must be admitted to quotation on ASX within 3 months, after the date of the disclosure document or PDS.<sup>102</sup>

An entity should consult with its professional advisers to ensure that a properly completed Appendix 2A *Application for Quotation of Securities* is lodged with ASX in sufficient time to satisfy these time limits.

An entity that has or may have difficulties meeting these time limits should refer to Part I (Minimum subscription and quotation conditions) of ASIC Regulatory Guide 254 *Offering securities under a disclosure document* for guidance on what to do. If it has any queries in that regard, it should direct them to ASIC, the regulatory body responsible for administering the Corporations Act, rather than ASX. The entity should keep ASX informed of any material developments and, if it lodges a “refresh document” with ASIC to extend its disclosure document or PDS, it should provide a copy to ASX for release on the Market Announcements Platform as soon as practicable thereafter.<sup>103</sup>

An entity generally should not issue any securities offered under a disclosure document or PDS that states or implies that the securities offered under it are to be quoted on ASX unless and until:

- it receives a written notification from ASX that ASX intends to quote its securities; and
- it has a high degree of confidence that it will be able to meet any conditions that ASX may have imposed on the quotation of its securities.<sup>104</sup>

If it issues securities to investors under the disclosure document or PDS and it finds that its securities are not admitted to quotation on ASX within the period prescribed by the Corporations Act, the issue is void and it will be obliged to return to investors the moneys they have paid under the disclosure document or PDS, or else to obtain a court order extending the time limit for quotation.<sup>105</sup>

An entity should also note that it is required to hold any moneys received from an investor under a disclosure document or PDS on trust for the investor until the investor is issued with the securities for which they have applied.<sup>106</sup> The entity is not at liberty to expend any of those moneys before then.

#### 4.5. Number of securities to be quoted

In many cases, an entity will be lodging an Appendix 2A *Application for Quotation of Securities* with ASX when the securities have been or are about to be issued. Accordingly, it will know with reasonable certainty the number of securities to be quoted. However, where securities are being offered under a disclosure document or PDS, the entity is obliged to lodge its application for quotation of those securities within 7 days of the date of its disclosure document or PDS.<sup>107</sup> At that point in time, the entity may not know with certainty the number of securities to be quoted. For example, the entity may not receive acceptances for the full amount of securities being offered under

<sup>102</sup> See sections 723(3) and 724 (securities offered under a disclosure document) and sections 1013H and 1016D (securities offered under a PDS). See also Part I (Minimum subscription and quotation conditions) of ASIC Regulatory Guide 254 *Offering securities under a disclosure document* (“RG 254”).

<sup>103</sup> See ‘2.10 Issuance of a disclosure document, PDS or information memorandum’ on page 8.

<sup>104</sup> The requirement that securities be admitted to quotation on ASX within 3 months of a disclosure document or PDS is only met when they are actually admitted to quotation on ASX and not when ASX advises the entity that it intends to quote its securities (see paragraphs 218-220 of RG 254).

<sup>105</sup> See section 723 (securities offered under a disclosure document) and section 1016D (securities offered under a PDS) and Table 9 in RG 254.

<sup>106</sup> See section 722 (securities offered under a disclosure document) and section 1017E (securities offered under a PDS). In the case of securities issued under a PDS, the application money received from investors must be paid into an account that meets the requirements of section 1017E. In the case of securities issued under a disclosure document, the Corporations Act does not specify how investor funds should be held other than saying that they must be held on trust. Best practice, however, would be for the funds to be paid into a separate and secure bank account set up specifically for that purpose, which is designated as a “trust account”.

<sup>107</sup> See note 93 above and the accompanying text.

the disclosure document or PDS. Or it may have reserved the right to accept over-subscriptions and may not know the level of over-subscriptions it will receive and accept.

To meet Listing Rule 2.4<sup>108</sup> and to avoid the legal difficulties that might otherwise arise under the Corporations Act,<sup>109</sup> where an entity is offering securities under a disclosure document or PDS, it should apply in its Appendix 2A application form for quotation of the maximum number of securities that can be issued under the disclosure document or PDS. Hence, if the entity's disclosure document or PDS allows acceptance of over-subscriptions, the number of securities for which quotation is sought in its Appendix 2A *Application for Quotation of Securities* should include the maximum amount of over-subscriptions that can be accepted.

If between the date of lodging an initial Appendix 2A applying for quotation of securities to be issued under a disclosure document or PDS and the date of issue of those securities, there is a change in the number of securities to be quoted, the entity must complete and give to ASX an updated Appendix 2A with information about the actual number of securities to be quoted and the resulting number of quoted and unquoted securities it has on issue.<sup>110</sup> The Appendix 2A must be received by ASX no later than midday (Sydney time) at least one business day prior to the intended date for quotation of the securities.<sup>111</sup>

#### 4.6. The requirements to quote a class of security not already quoted on ASX

An application for quotation of securities in a class of securities that is not already quoted on ASX requires closer consideration by ASX than one where the class is already quoted on ASX, in particular, to ensure that it satisfies the conditions in Listing Rule 2.5.<sup>112</sup> In summary, they are:

- the terms of the securities must comply with Chapter 6 of the Listing Rules;<sup>113</sup>
- if there are any restricted securities, the applicant must have complied with Chapter 9 of the Listing Rules;<sup>114</sup>
- either:
  - the securities; or
  - if the entity is established in a jurisdiction whose laws have the effect that the securities cannot be registered or transferred under the operating rules of an approved clearing and settlement facility, CDIs issued over those securities,

have been approved under the operating rules of an approved clearing and settlement facility;<sup>115</sup>

- if the securities are partly paid securities, there must be a defined call program setting out the date and amount of each proposed call. The call program may provide for one extension of up to six months of the date for payment of a call, on provision of at least two months' written notice to holders of the partly paid securities. However, the call program for a mining entity or an oil and gas entity must require payment in full within two years after the date of issue and must not be extended past two years;<sup>116</sup>

<sup>108</sup> See note 48 above and the accompanying text.

<sup>109</sup> See '4.4 Corporations Act deadlines where securities are issued under a disclosure document or PDS' on page 17.

<sup>110</sup> Listing Rule 2.8.1.

<sup>111</sup> Listing Rule 2.7.

<sup>112</sup> Listing Rule 2.5 does not apply to ASX Foreign Exempt Listings (Listing Rule 1.15.1).

<sup>113</sup> Listing Rule 2.5 condition 1. Chapter 6 deals with the rights and obligations that must be attached to the securities (both quoted and unquoted) of a listed entity.

<sup>114</sup> Listing Rule 2.5 condition 2.

<sup>115</sup> Listing Rule 2.5 condition 3.

<sup>116</sup> Listing Rule 2.5 condition 4.

- if the securities are debt securities or convertible debt securities, a copy of the documents setting out the terms of the securities must have been given to ASX;<sup>117</sup>
- if the securities are a class of equity securities, or other securities with rights of conversion to equity, that are not already quoted, there must be at least 100,000 securities and 50 holders with a marketable parcel (excluding restricted securities) unless one of the following requirements is met:
  - the securities would be in the same class as the fully paid ordinary securities of the entity (ignoring the fact that they do not rank equally for the next dividend or distribution and ignoring any right to participate in a concurrent offer) and there are at least one million securities; or
  - the securities are a class of partly paid securities, there are at least one million securities, they are paid to not less than 40% of their issue price and the uncalled amount is payable on a fixed date which is within 12 months after the date of issue;<sup>118</sup> and
- if the securities are options issued on the exercise of other options, the other options must have expired, or have all been exercised.<sup>119</sup>

A core requirement of Chapter 6 of the Listing Rules is that the terms that apply to each class of equity securities of a listed entity must, in ASX's opinion, be appropriate and equitable.<sup>120</sup> In assessing whether this requirement is met, ASX will have regard to the principles on which the Listing Rules are based, as set out in the introduction to the Listing Rules. One of those principles is that securities "should be issued in circumstances, and have rights and obligations attaching to them, that are fair to new and existing security holders". Examples of where issues can arise in this regard include:

- where the entity is proposing to issue performance shares that do not meet the requirements outlined in Guidance Note 19 *Performance Shares*;
- where the entity is offering bonus or "loyalty" securities and it is a condition of receiving the benefit of those bonus or loyalty securities that security holders must retain other securities in the entity quoted on ASX for a given period;<sup>121</sup>
- where the entity is proposing to issue a separate class of securities which confer on the holders of that class disproportionate representation on the board or other governing body of the entity or disproportionate voting powers;<sup>122</sup>
- where the entity is proposing to issue retail debt securities that are considered too complex for the average retail investor to understand (which may be the case for some of the more sophisticated collateralised debt obligations on offer in wholesale markets); and
- where the entity is proposing to issue retail debt securities and has used a name or description for those securities that does not conform to the naming conventions set out in Guidance Note 34 *Naming Conventions for Debt and Hybrid Securities*.

#### 4.7. Warranties and indemnities given in Appendix 2A

Appendix 2A of the Listing Rules provides that by giving an Appendix 2A *Application for Quotation of Securities* to ASX, an entity is taken to have agreed as follows:

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<sup>117</sup> Listing Rule 2.5 condition 5.

<sup>118</sup> Listing Rule 2.5 condition 6.

<sup>119</sup> Listing Rule 2.5 condition 7.

<sup>120</sup> Listing Rule 6.1.

<sup>121</sup> Such a condition will act as a disincentive for security holders to trade the securities quoted on ASX.

<sup>122</sup> Note also Listing Rule 6.2, which precludes a listed entity from having more than one class of ordinary security unless ASX approves the terms of the additional class or the additional class is of partly paid securities which, if fully paid, would be in the same class as the ordinary securities.

- quotation of its securities is in ASX's absolute discretion and ASX may quote its securities on any conditions ASX decides;
- it warrants to ASX that:
  - the securities to be quoted have been, or will be, validly issued and their issue complies, or will comply, with the law and is not, or will not be, for an illegal purpose;
  - the securities comply or will comply with Listing Rule 2.1 or 2.5 (as applicable);
  - an offer of the securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act;
  - at the time the securities are quoted by ASX and at all times thereafter, section 724 and section 1016E of the Corporations Act will not apply to any applications received by the entity in relation to any of the securities and no-one will have any right to return any of the securities under sections 601MB(1), 737, 738, 992A, 992AA or 1016F of the Corporations Act;
  - if the entity is a trust, at the time the securities are quoted by ASX and at all times thereafter, no person will have the right to return any of the securities to be quoted under section 1019B of the Corporations Act;
  - all of the documents and information the entity has given, or will give, to ASX in connection with the quotation of its securities are, or will be, accurate, complete and not misleading; and
  - there is no other reason why the securities should not be granted quotation;
- it will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement; and
- it will give ASX the information and documents required by the Appendix 2A *Application for Quotation of Securities* and, if any information or document is not presently available, the entity will give it to ASX before quotation of the securities begins.

The warranties in relation to sections 707(3) and 1012C(6) of the Corporations Act above are particularly important. The operation of those sections is explained in ASIC Regulatory Guide 173: *Disclosure for on-sale of securities and other financial products*<sup>123</sup> as follows:

*"Sections 707(3)–(4) and 1012C(6)–(7) of the Corporations Act ... (the on-sale provisions) are an anti-avoidance mechanism that is designed to minimise the opportunity for issuers of securities or other financial products to avoid giving disclosure to retail investors by:*

- (a) *first issuing the financial products to an intermediary for whom disclosure is not required; and*
- (b) *the intermediary then on-selling the financial products to retail investors.*

*The on-sale provisions seek to ensure that, regardless of whether financial products are issued directly to retail clients or indirectly:*

- (a) *retail clients receive adequate disclosure for what is, in substance, an issue of financial products; and*
- (b) *the issuer is liable to retail clients for the efficacy of that disclosure. ...*

*Sections 708A and 1012DA operate as exemptions from the on-sale provisions and set out requirements for the content and method of disclosure needed to qualify for these exemptions.*

<sup>123</sup> Referred to in this Guidance Note as "RG 173". Paragraphs 21 – 61 of RG 173 set out examples of where ASIC has provided class relief, or will consider granting individual relief, from the secondary sale provisions in the Corporations Act.

Generally speaking, under these exemptions there are two methods by which information can be made available to investors:

- (a) a notice to the market that the issuing entity has provided a full release of information to the market under s708A(5) or 1012DA(5) [ASX: typically referred to as a “cleansing notice”]; or
- (b) a prospectus or PDS for a retail issue that is more or less contemporaneous with an institutional placement under s708(11) or 1012DA(11) [ASX: typically referred to as a “cleansing prospectus”].

A notice to the market under s708A(5) or 1012DA(5) verifies that the issuer has complied with its continuous disclosure and reporting obligations, and provides the market with information that is excluded from continuous disclosure to ensure investors receive disclosure equivalent to that ordinarily available under a prospectus or PDS.

Sections 708A(11) and 1012DA(11) recognise that investors may also receive relevant information through a prospectus or PDS that, while not issued for a placement, contains current information on the same class of financial products as the placement.”

ASX notes that, absent relief from ASIC, a listed entity can only issue a cleansing notice to attract the on-sale exemptions in sections 708A(5) and 1012DA(5) where trading in the relevant securities has not been suspended for more than 5 days during the shorter of: (a) the period during which the class of securities are quoted; and (b) the period of 12 months before the date on which the relevant securities under the offer were issued.<sup>124</sup> Otherwise, it must issue a cleansing prospectus.

The ASX market services both wholesale and retail investors. It is imperative that securities are not quoted on ASX unless they are able to be freely traded by retail investors following their quotation without infringing section 707(3) or 1012C(6). In some cases, this will require the entity to issue a cleansing notice or cleansing prospectus in relation to the securities ahead of their quotation.

If ASX is not satisfied that an entity can validly give the warranties in relation to sections 707(3) and 1012C(6) for particular securities that it is seeking to have quoted, ASX will generally refuse to quote them<sup>125</sup> until that issue has been satisfactorily resolved.

If ASX finds out after it has quoted securities that the entity may have breached those warranties (for example, by not issuing a cleansing notice or cleansing prospectus in relation to the securities when it should have done so), ASX will generally suspend trading<sup>126</sup> in the securities until the entity has rectified that situation. This will typically require the entity to apply to the Federal Court under section 1322 of the Corporations Act for an extension of time to the deadline in the Corporations Act for the lodgement of the cleansing notice or cleansing prospectus with ASIC and, if any of the relevant securities have been sold on-market before the lodgement of that document, an order validating the sale and relieving the seller of any liability for breaching the on-sale provisions in the Corporations Act.

#### 4.8. Restricted securities

A listed entity that has issued or is seeking to issue additional securities that are “restricted securities” must comply with Chapter 9 of the Listing Rules.<sup>127</sup> That Chapter requires the entity either to execute a restriction deed with the holder and each controller of the securities in the form set out in Appendix 9A or, if ASX agrees, to give a restriction notice to the holder in the form of Appendix 9C notifying them of the applicable restrictions.

<sup>124</sup> Paragraph 49 of RG 173 states that in calculating whether securities have been suspended for more than 5 days, ASIC takes the view that: (a) ‘5 days’ should be read as ‘5 trading days’; and (b) securities are not suspended during a trading halt.

<sup>125</sup> Exercising its discretion in this regard under Listing Rule 2.9.

<sup>126</sup> Pursuant to Listing Rule 17.3.1, 17.3.2 and/or 17.3.4. ASX may also require the entity to place a holding lock on any affected securities under Listing Rule 18.8(h).

<sup>127</sup> Listing Rule 2.5 condition 2 and Listing Rule 9.1.

Restricted securities are placed in escrow and not quoted on ASX until the expiry of the escrow period. This prevents the transfer of effective ownership or control of them during that period.

Editable versions of the Appendix 9A restriction deed<sup>128</sup> and Appendix 9C restriction notice can be downloaded from <http://www.asx.com.au/regulation/compliance/compliance-downloads.htm>.

Further guidance on the requirements applicable to restricted securities can be found in Guidance Note 11 *Restricted Securities and Voluntary Escrow*.

#### 4.9. Payment of listing fees

An entity applying for quotation of additional securities must pay the applicable listing fee in accordance with Chapter 16 of the Listing Rules and the schedule of fees set out in Guidance Note 15A *Schedule of ASX Listing Fees*. ASX will generally invoice this payment shortly after the securities have been quoted or, where there are multiple issues and multiple points of quotation (as occurs in accelerated pro rata issues), when the last of those issues has been quoted.

Payment can be made either by cheque made payable to ASX Operations Pty Ltd or by electronic funds transfer to the following account:

Bank: National Australia Bank  
Account Name: ASX Operations Pty Ltd  
BSB: 082 057  
A/C: 494728375  
Swift Code (Overseas Customers): NATAAU3302S

If payment is made by electronic funds transfer, the applicant should email its remittance advice to [ar@asx.com.au](mailto:ar@asx.com.au) or fax it to (612) 9227-0553, describing the payment as “additional quotation fee” and the amount paid.

Further guidance about the calculation and payment of listing fees is set out in Guidance Note 15 *ASX Listing Fees*. There is also a Listing Fee Calculator available online at: [www.asx.com.au/prices/cost-listing.htm](http://www.asx.com.au/prices/cost-listing.htm).

#### 4.10. Applications are released to the market

All Appendix 2A applications for quotation of additional securities received by ASX are released to the market through the ASX Market Announcements Platform shortly after receipt. The fact that the application is released to the market by ASX does not guarantee, however, that ASX will agree to quote the additional securities.

#### 4.11. The quotation decision

ASX has an absolute discretion in deciding whether or not to quote the securities of an entity and is not required to give any reasons for its decision in that regard.<sup>129</sup> ASX may exercise its discretion not to quote the securities of an entity even where the entity meets, or is expected to meet, the specific conditions set out in the Listing Rules for quotation.

ASX may impose such conditions on quotation as it considers appropriate.<sup>130</sup>

Applicants for quotation of additional securities will be notified in writing of ASX’s decision on the application, usually via an emailed letter. If the application is successful, the letter will include the date official quotation of the securities is granted, the basis of quotation (that is, normal (T+2) settlement or deferred settlement), the total number of quoted securities and, where applicable, the number and type of unquoted securities.

<sup>128</sup> These are standard form agreements and ASX will not agree to any changes. Hence, any edits to a restriction agreement should be confined to inserting the date of the agreement, details of and an appropriate execution clause for the various parties, and details of the restricted securities.

<sup>129</sup> Listing Rule 2.9.

<sup>130</sup> Listing Rule 2.9.

Quotation will take effect from the commencement of trading on ASX on the relevant date notified in the quotation decision.

Should an entity wish to check on the progress of an application for quotation of additional securities, it may contact the ASX Issuer Services Operations team by email at [IssuerOps@asx.com.au](mailto:IssuerOps@asx.com.au).

#### 4.12. Requirements for additional information

ASX may impose a condition on quotation that a listed entity disclose certain information to the market before quotation commences.<sup>131</sup>

Where an entity has undertaken an offer of additional securities by way of bookbuild, as a matter of practice, ASX requires<sup>132</sup> the entity to make an announcement to the market disclosing the following information relating to the outcome of the bookbuild as soon as practicable after the bookbuild has been completed:

- the number of securities issued under the bookbuild and the price at which they have been issued;
- if a material number of securities have been taken up by a person or persons who are promoters or related parties of the entity, the number of securities taken up by them;
- any concessionary fee or other arrangements entered into which have had the result that the effective issue price paid by some allottees differs materially from the bookbuild price announced by the entity;
- any arrangements entered into which have had the result that some allottees receive a material benefit for agreeing to participate in the bookbuild at the bookbuild price announced by the entity which is not received by other allottees; and
- any arrangements entered into with associates of the entity or the bookrunner to avoid a shortfall, or the appearance of a shortfall, in the bookbuild.

This does not require disclosure of normal sub-underwriting arrangements entered into by an underwriter in the ordinary course of business.

The purpose of the requirement above is to ensure that the market is informed of any material information arising from a bookbuild which may impact on the price or value of the entity's securities so that trading in those securities takes place on a reasonably informed basis.

An entity must ensure it has a right to obtain appropriate information from the bookrunner in order to meet this requirement.

Annexure A to Guidance Note 1 *Applying for Admission – ASX Listings* has examples of the types of arrangements that need disclosure under this requirement.

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<sup>131</sup> Listing Rule 2.9.

<sup>132</sup> Pursuant to Listing Rule 2.9.