

Definitions

Business Rules & Listing Rules

TABLE OF CONTENTS

DEFINITIONS..... 3
PRINCIPLES OF INTERPRETATION 27
DEFINITIONS – INDEX..... 28

Definitions

All defined terms in the *Business Rules* and the *Listing Rules* are identified by italics.

In the *Business Rules* and the *Listing Rules*, unless the contrary intention appears:

accountant means a member of the Australian Society of Certified Practising Accountants or Institute of Chartered Accountants in Australia.

Act means the *Corporations Act* as amended from time to time and including the Corporations Regulations.

acting as principal

A reference to a *participant* dealing or entering into a transaction as principal, includes a reference to a *participant* dealing in *securities* on behalf of:

- (a) a partner of the *participant*;
- (b) a *director*, company secretary or *substantial shareholder* of the *participant*;
- (c) a consultant of the *participant*;
- (d) the *immediate family*, *family company* or *family trust* of a partner, *director*, consultant, company secretary or *substantial shareholder* of the *participant*;
- (e) a body corporate in which the *participant* has a controlling interest;
- (f) a body corporate in which the interests of one or more of the partners singly or together constitute a controlling interest;
- (g) the *holding entity* of the *participant* and/or any *subsidiary* of that *holding entity*.

ACOP has the same meaning as *automated client order processing*

adjust phase means a period of time prescribed by the *Exchange* during which:

- (a) an existing *bid* or *offer* may be cancelled, or adjusted to either decrease the price of the *bid* or increase the price of the *offer*, or to decrease the quantity of *securities* the subject of the *bid* or *offer*;
- (b) no new *bids*, except *bids* by a *participant* which has made an *announcement* pursuant to Section 674(1) of the *Corporations Act*, or *offers* may be entered; and
- (c) no transactions apart from *special crossings* may be effected.

adjusted liabilities means total liabilities adjusted for inclusions and exclusions as specified on the *surplus liquid capital* return.

adviser means a person or entity that provides financial product advice as defined in Chapter 7 of the *Corporations Act*.

recognised affiliate has the meaning given by the *Corporations Act* and is a person who is a natural person who:

- (a) is or was a member of the *Exchange* as at the date of the adoption of these Rules.
- (b) is recognised as and remains recognised as a *recognised affiliate* by the *Exchange* under the *Rules*.

after hours adjust phase means a period of time prescribed by the *Exchange* during which a *bid* or *offer* may be cancelled or amended where no improvement in priority or increase in quantity results from such an amendment.

alternative central counterparty means an alternative clearing and/or settlement facility to the *designated central counterparty* and appointed by the *Exchange* under Part D, Rule A2.

annual accounts means:

- (a) the annual financial statements that the *issuer* is obliged to lodge with the *ASIC* under the *Corporations Act*; or
- (b) if the *issuer* is not obliged to lodge annual financial statements with the *ASIC*, the complete audited annual financial statements of the *issuer*.

AOP has the same meaning as *automated order processing*

appeal committee means a committee established pursuant to Rule A35 of the Business Rules.

approved security means a Security which is from time to time declared by the *Exchange* to be included in a class of *securities* to which Section 1020B(4) of the *Corporations Act* applies.

approved index means an index notified by the *Exchange* from time to time in accordance with *Business Rules* Part C rule 44 and Appendix 4.

ASIC means the Australian Securities and Investments Commission.

associates include:

- (a) a spouse of any *recognised affiliate* or relative of any *recognised affiliate*;

- (b) a partner of the *participant*, a spouse of such a partner, or the relative of such a partner or spouse;
- (c) a *director* of the licensed company,
- (d) a *director* of a related body corporate of the *participant*,
- (e) an employee of the *participant*, a spouse of such an employee, or a relative of such an employee or spouse;
- (f) a trustee of a trust under which the *participant* or a person referred to in paragraphs (a), (b), (c), (d) or (e), either individually or collectively, has a beneficial interest of not less than 30% of net assets of the trust;
- (g) a corporation where one or more persons referred to in paragraph (a), (b), (c), (d) or (e) above, either individually or collectively, has a beneficial interest in shares in the body corporate which has a nominal value of not less than 30% of the nominal value of the issued capital of the body corporate;
- (h) a corporation in which the *participant* has a relevant interest in not less than 30% of the issued voting shares;
- (i) a corporation which holds a relevant interest in not less than 30% of the issued voting shares of the *participant*; and
- (j) any person who is an associate of the *participant* for the purposes of Division 2 of Part 1.2 of the Act.

For the purpose of this definition, relative means spouse, defacto spouse, parent, son or daughter or a spouse or defacto spouse of that person.

ASTC shall be read as ASX Settlement Pty Limited previously known as ASX Settlement and Transfer Corporation Pty Ltd (ABN 49 008 504 532) and where the case requires includes an agent appointed by ASX in accordance with *ASX Settlement Rule 3.4.2*.

ASTC Settlement Rules means the operating rules of *ASTC*.

ASX means the ASX Limited (ACN 008 624 691)

Australian ADI has the meaning given in section 9 of the *Corporations Act*,

authorised person means a person who:

(a) is either:

- (i) a client of a *Participant*;
- (ii) an agent of a client of a *Participant*; or
- (iii) an *Authorised Representative* of the *Participant*; and

(b) is permitted by a *Participant* to submit orders into the *Participant's* system.

authorised representative means a person that is a representative of a participant of NSX and registered as an *authorised representative* on the ASIC Register of *authorised representatives*.

automated client order processing has the same meaning as in the ASIC *Market Integrity Rules (Securities Market) 2017*

automated order processing has the same meaning as in the ASIC *Market Integrity Rules (Securities Market) 2017*

bid means a bid of a price and quantity of *securities* to be purchased made at an official meeting.

bidder's statement means a bidder's statement under sections 636 and 637 of the Act.

Block Special Crossing means a special crossing made in accordance with Business Rule C42.

board means the board of *directors* for the time being of the *Exchange*.

business day is a day other than:

- (a) a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day; and
- (b) any other day which the *Exchange* shall declare and publish is not a business day.

call includes an instalment of a call.

capitalisation issue (or bonus issue) is an allotment of further *equity securities* to existing holders, credited as fully paid up out of the *issuer's* reserves or profits, in proportion to their existing holdings without any monetary payment.

CHESS (or the Clearing House Electronic Subregister System) has the meaning given to that term in the *ASTC Settlement Rules*.

CHESS approved security means a financial product which is an Approved Financial Product within the meaning of the *ASTC Settlement Rules*.

child entity means :

- (a) in relation to a corporation, an entity that is controlled by the body corporate within the meaning of section 50 AA of the

Corporations Act of and entity which is a subsidiary of the body corporate; or

- (b) in relation to a trust, an entity that is a child entity of the management company or trustee; or
- (c) in relation to a managed investment scheme, an entity that is a child entity of the responsible entity.

claim means a claim pursuant to the Rules for:

- (a) an amount equal to the cash component of the *franked dividend*;
- (b) shares identical to those issued as the *franked dividend* or in lieu of the cash component of the *franked dividend*; or
- (c) a combination of (a) and (b) where the dividend payable consists of both cash and shares,

whether made by way of an adjustment to an outstanding *transaction* or a claim in respect of a transfer of *securities* not registered by the books closing date.

clearing agreement means an agreement entered into between a *participant* and *its clearing participant* for the clearing of transactions in *CHES approved securities*, as required by *rule C3*.

clearing participant means an entity admitted as a participant of the *designated central counterparty* or *alternative central counterparty* and who has been approved of by the *Exchange*.

clearing rules means the operating rules of the *designated central counterparty* or *alternative central counterparty*.

client means a person to whom financial services or financial products are provided, and for the purposes of *Business Rules Part F section 4A*, includes a person to whom financial services or financial products were provided.

closing phase means a period of time as prescribed by the *Exchange* pursuant to *Business Rule C31* when *bids* or *offers* may be entered, amended or cancelled but transactions must not be effected on *NETS*.

closing single price auction means the matching procedure conducted at the time prescribed by the *Exchange*, in accordance with *Business Rule C30*.

collateral securities means *securities* the subject of *official quotation* and accepted by a *participant* or the *Exchange* as whole or part of the deposit or margins of cover prescribed by *Business Rule C66*.

complaints Officer means an employee or nominated person appointed by the *Exchange* authorized to deal with complaints.

compliance officer means a person appointed by the *Exchange* under *Business Rule E9*.

condition means a condition specified by an *Issuer* or a vendor pursuant to *Business Rule C61* the satisfaction of which neither the buyer nor the seller of *securities* the subject of sale is in a position to influence, being a condition which is prerequisite to the allotment by an *Issuer* or the transfer by a vendor pursuant

to a prospectus offering, to the seller from whom title is reliant, of the *securities* the subject of that sale.

conditional market means a market declared by the *Exchange* to be a conditional market pursuant to Business Rule C61.

conditional sale means a sale which is conditional on fulfilment of a Condition and made on a *conditional market*.

constitution means the Constitution of the National Stock Exchange of Australia Limited as altered or added to from time to time.

controller means a person who, in the opinion of the *Exchange*, has a *substantial interest* in the equity of the holder of, or a substantial economic interest in, *restricted securities*, and each intermediate entity through which that interest occurs.

controlling interest means an interest where a person has the capacity to control an entity, or an entity has the capacity to control another entity, by being able to determine the outcome of decisions about its financial and operating policies.

conventional sale means a sale where the vendor has a presently exercisable and unconditional right to vest the *securities* in the purchaser.

convertible debt securities means *debt securities* convertible into or exchangeable for other *securities* or other property.

convertible equity securities means *equity securities* convertible into or exchangeable for other *securities*.

corporation has the meaning given in section 9 of the *Corporations Act* and includes any company with *dual listings* and any international *issuers*.

Corporations Act means the *Corporations Act* as amended from time to time and including the Corporations Regulations.

cross or **crossing** means, in relation to a transaction in *securities*, the circumstance where a *participant* acts:

- (a) on behalf of both buying and selling clients to that transaction; or
- (b) on behalf of a buying or selling client on one side of that transaction and as Principal on the other side.

cum dividend means *securities* traded on the basis that the *securities* carry an entitlement to the next dividend payable by the *issuer*, and are designated as “CD” on NETS.

deal in lines means when shares are sold in one large, undivided parcel to a single buyer.

dealer means someone who deals in a security as defined in section 766C of the *Corporations Act*.

dealing rules means Chapter 7 of the *Corporations Act*, as appropriate, and the Business Rules governing the processes of dealing in and of reporting dealings in *securities* and includes Part C.

debt securities means *Loan securities*.

delivery obligation means the obligation of a *participant* to deliver a specified quantity of units of a *Security* to another *participant* or *participants* on a *settlement day*, which arises when:

- (a) the entitlement, if any, which the participant has to receive *securities* of that kind is less than the *participant's* obligation to deliver the *securities*; and
- (b) the *Exchange* issues a notice to the *participant* pursuant to Business Rules D3.

designated central counterparty means a clearing and/or settlement facility appointed by the *Exchange* under Part D, Rule A2.

designated trading representative means a person registered by the *Exchange* pursuant to Business Rule C13.

despatch date means the date by which an *issuer* is required to have despatched certificates (or in the case of Rights, entitlement and acceptance forms in relation to those rights) or to have entered *securities* (including *rights*) into *security holder's* uncertificated holdings in accordance with the Listing Rules or otherwise as determined by the *Exchange* and notified from time to time.

director includes any person who occupies the position of a *director*, by whatever name called.

disclosure document means:

- (a) a prospectus regulated under Part 6D of the *Corporations Act*; or
- (b) a product disclosure statement regulated under Part 7.9 of the *Corporations Act*.

dissemination by the Exchange means the dissemination to the public of information given to the *Exchange*, by way of the *Exchange's* electronic information systems, newspapers, television, radio, facsimile or other electronic broadcast or by way of a database/library service which is available to the public or by such other mechanisms as the *Exchange* may specify from time to time.

dividend includes distributions in specie and liquidation distributions.

dividend or distribution plan means any plan which gives holders of *securities* the opportunity to accept *securities* in place of *dividend* distribution or interest payment (either partly or wholly).

dividend equivalent means:

- (a) an amount equal to the cash component of the *franked dividend*;
- (b) shares identical to those issued as the *franked dividend* or in lieu of the cash component of the *franked dividend*; or
- (c) a combination of (a) and (b) where settlement of the *claim* consists of both cash and shares,

plus an amount equal to the imputation credit that would have been attached to the *franked dividend*.

DvP settlement has the meaning given to that expression in Section 2 of the *ASTC Settlement Rules*.

enquire phase means the period of time prescribed by the *Exchange* in accordance with Business Rule C33.

equity securities means:

- (a) shares in a body corporate or an unincorporated body including preference shares but other than redeemable preference shares which are *loan securities* in accordance with paragraph (c) of the definition of *loan securities*;
- (b) interests in a managed investment scheme except those referred to in paragraph (d) of the definition of *loan securities*;
- (c) renounceable and non-renounceable rights to subscribe for *securities* other than *loan securities*;
- (d) options over issued or unissued *securities* other than *loan securities*;
- (e) convertible notes;
- (f) any *securities* which are determined by the *Exchange* to be *equity securities*,

but does not include *futures contracts* or *securities* determined to be *loan securities* by the *Exchange*.

escrow period means the period commencing on the later of the date the *restricted securities* are issued or the *restriction agreement* is entered into and ending:

- (a) if the *issuer's securities* have been listed no more than 12 months, 24 months from this date; or
- (b) otherwise, 12 months from this date,

or any other period greater than 12 months fixed by the *Exchange*.

ex bonus means:

- (a) *securities* quoted *ex bonus* on a *trading day* prescribed by the *Exchange*; and
- (b) designated as “**XB**” on NETS.

ex dividend means:

- (a) *securities* quoted *ex dividend* on a *trading day* prescribed by the *Exchange*; and
- (b) designated as “**XD**” on NETS.

ex interest means *securities*:

- (a) quoted *ex interest* on a *trading day* prescribed by the *Exchange*, except in the case of Commonwealth and Semi-Government *securities*, which are quoted *ex interest* on the first *trading day* after closing of the register; and
- (b) designated as “**XI**” on NETS.

ex return of capital means:

- (a) *securities* quoted *ex return of capital* on a *trading day* prescribed by the *Exchange*; and
- (b) designated “**XC**” on NETS.

ex rights means:

- (a) *securities* quoted *ex rights* on a *trading day* prescribed by the *Exchange*; and
- (b) designated “**XR**” on NETS.

Exchange means National Stock Exchange of Australia Limited (ACN 000 902 063).

exchange examining accountant means the accountant appointed by the *Exchange* in accordance with the Business Rule E7.

family company means a corporation:

- (a) controlled by the person or the immediate family of the person; or
- (b) in respect of which the person is beneficially entitled to more than 50% of the issued capital.

family trust means a trust in which:

- (a) the person or the immediate family of the person is the sole or majority beneficiary; or
- (b) the person has the ability to remove the trustee of the trust and replace that trustee with his or her own nominee.

foreign issuer means an *issuer* incorporated or otherwise established in a place other than a State or Territory of Australia.

foreign to foreign means a sale by or on behalf of a *foreign person* where settlement is to be effected by transfer of *confirmed FOR securities* in accordance with the *ASTC Settlement Rules*.

foreign person has the meaning given to that expression in Section 2 of the *ASTC Settlement Rules*.

forward delivery transaction means a time contract which provides for delivery of *securities* in whole or in part in accordance with Part C, Rule 65 to 69.

FOR issuer means an issuer which is subject to aggregate foreign ownership restrictions under legislation or under the *issuer's* constitution.

FOR securities means a class of *securities* of a FOR Issuer where, at the FOR issuer's request, such class of *securities* has been included pursuant to *ASTC Settlement Rule 8.20* in Schedule 1 to the *ASTC Settlement Rules* as FOR *securities*.

forward price means the price of *securities* as fixed by a *forward delivery transaction*.

forward securities means the *securities* the subject of a Forward Delivery Transaction.

forward transaction value shall mean the value of a *forward delivery transaction*.

franked dividend means a dividend with an attached imputation credit and, includes a fully franked or partly franked dividend, whether paid by way of cash, the issue of shares or a combination of both cash and shares.

funds manager means an entity whose primary business is to invest moneys and manage assets and other investments allocated to it by clients for that purpose.

futures contracts has the meaning given in the *old Corporations Act*.

gateway means a hardware and software component which provides the communications interface between NETS and the *participant's* network.

gateway session means when a *participant* accesses the NSX market for trading through the *gateway*.

group means the *issuer* and its *subsidiaries*, if any.

holding entity means an entity which has one or more *subsidiaries*.

immediate family in relation to a person means that person's spouse and non-adult children, if any.

inscribed stock means uncertified bonds and stocks held on a Register.

investment company means a corporation carrying on investment activities as defined in section 766C (5) of the *Corporations Act*.

issuer means the legal entity which issues the *securities*.

issuer sponsored uncertificated securities means *securities* issued or made available by a *participant* which are held as *uncertificated securities* without the holder having been admitted to *institutional participating investor* status in accordance with the Business Rules or having entered into a sponsorship agreement with a *participant* as provided for in the Business Rules.

issuer's undertaking means the undertaking (in the form set out in Part A of Appendix 2 of the Listing Rules) given by an *issuer* to the *Exchange* specifying the continuing obligations which the *issuer* undertakes to comply with as a condition of being granted a *listing*.

JORC means Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC)

licence means an Australian Financial Services Licence.

listed issuer means an issuer admitted to the official list.

listing means the grant of a listing for quotation of, and permission to deal in, *securities* on the *Exchange* and *listed* shall be construed accordingly.

listing rules means the *Rules* governing the *listing* of *securities* on the *Exchange*.

loan securities means:

- (a) debentures, stocks or bonds issued or proposed to be issued by a government;
- (b) debentures of a body corporate or an unincorporated body;
- (c) redeemable preference shares which have a fixed and certain date for redemption, other than shares having a participating entitlement to rights or options referred to in paragraphs (c) and (d) of the definition of *equity securities*;
- (d) interests in a managed investment scheme (as the case may be) relating to a financial or business undertaking or scheme, common enterprise or investment contract, the trustee or representative or responsible entity of which only invests in or acquires one or more of *loan securities*, mortgages and cash;
- (e) any *securities* which are determined by the *Exchange* to be *Loan securities*,

but does not include *futures contracts*, or *securities* determined by the *Exchange* to be *equity securities*.

major subsidiary means a *subsidiary* representing twenty percent (20%) or more of the book value of *net assets* or *net operating profits* of the *group*.

market licence means an Australian Market Licence as amended from time to time granted to National Stock Exchange of Australia Limited to operate the stock market.

marketable parcel means in relation to:

- (a) *equity securities* and redeemable preference shares, a parcel of *securities* not less than \$500 based on the closing price on NETS if the *equity securities* are quoted, or the price paid on issue, if the *equity securities* are unquoted; and
- (b) rights to subscribe to *equity securities*, a parcel of rights which would result in a parcel of not less than \$500 based on the closing price on NETS if the *equity securities* are quoted, or the total application moneys payable in relation to the exercise of the rights, if the *equity securities* are unquoted; and
- (c) options over issued or unissued *equity securities*, a parcel of options which, if exercised in full, would result in a parcel of *equity securities* not less than \$500 based on the closing price on NETS at the time of purchase, if the *Equity securities* are quoted, or the total moneys payable if they are unquoted; and
- (d) *loan securities* other than redeemable preference shares with a fixed and certain date for redemption, 1 security with a face value of not less than \$100.

managed investment scheme means a managed investment scheme within the meaning of section 9 of the *Corporations Act*.

Market Integrity Rules or MIR means any rules made by ASIC that are applicable to the NSX according to section 798G(1) of the *Act*.

mutual organisation means an organisation operated for the mutual benefit of its members.

net assets means the consolidated net assets of the *group* as shown in the latest set of audited accounts of the *group*.

net operating profit means the consolidated operating profit of the *group* before income tax including abnormal items (unless the *Exchange* believes that they are unlikely to be repeated at that level in later periods).

NETS means the NSX Electronic Trading System, a computer system and associated network operated by the *Exchange* in providing a market for the trading of *securities*.

NETS market control means the unit within the *Exchange* responsible for the administration of NETS.

new applicant means, in the case of *equity securities*, an applicant for *listing* none of whose *equity securities* is already listed on the *Exchange*, and in the case of *debt securities*, means an applicant for *listing* none of whose *equity or debt securities* is already listed on the *Exchange*.

new ex interest means:

- (a) *loan securities* quoted new ex interest by the *Exchange* when the first interest payment is made exclusively to the original allottees of those *loan securities*; and
- (b) designated “**NX**” on NETS.

normal trading means the hours of *trading* determined by the *Board*.

notify means giving written notice of the relevant matters or the transmission of an electronic message containing those matters.

offer means a price and quantity of *securities* to be sold.

offeror means:

- (a) in relation to a *takeover offer* or *takeover announcements* (other than a *scheme*), an *offeror* within the meaning of the *Corporations Act* and, in respect of an *issuer* incorporated or established outside Australia, the equivalent entity; and
- (b) in relation to a *scheme*, the entity or entities, which in the opinion of the *Exchange*, is in a similar position to an *offeror*.

offer for sale means an offer to the public by or on behalf of the holder(s) or allottee(s) of *equity or debt securities* already in issue or agreed to be subscribed.

offer period means:

- (a) in relation to a *takeover offer* or *takeover announcement* (other than a *scheme*), the period:
 - (i) from the time that an *announcement* of intention to make a proposed *takeover offer* or *takeover announcement* (with or without terms) is first received by the *Exchange* from:
 - (A) an *offeror*;
 - (B) an offeree; or
 - (C) any person authorised by the *offeror* or the offeree or ASIC;

- (ii) until the last day on which the *offer* remains open for acceptance (including extensions of that period) or the day on which the amalgamation or reconstruction is effected;
- (b) in relation to a *scheme*, the period from the date an *announcement* of intention to propose a *scheme* is first received by the *Exchange* until the date on which the *scheme* is effected.

official list means the list of *issuers* maintained by the *Exchange* in accordance with Listing Rule 2.11.

official quotation means official quotation by the *Exchange*.

official meeting means a meeting of *participants* held pursuant to the *Rules*.

old Corporations Act means *Corporations Act* as at 10 March 2002.

opening phase means a period of time prescribed by the *Exchange* immediately following the start of *normal trading* for that *trading day* when *bids* and *offers* are to be matched in accordance with the provisions of Business Rule C25.

operational requirements means the requirements specified in Business Rule C6.

order means an instruction to purchase or sell *securities*, or an instruction to amend or cancel a prior instruction to purchase or sell *securities*.

participant means:

- (a) a company or partnership that is recognised as and remains recognised as a Participating Organisation by the *Exchange*; or
- (b) any entity which is or was a member of the *Exchange* as at the date of adoption of these Rules;

and who has not ceased to be a participant under the rules.

paid in relation to shares and capital, includes credited as paid.

person includes any corporation or association or body of persons, whether corporate or unincorporated and includes a natural person.

PID stands for *participant Identifier* and means a CHES user identification code allocated to a Broker by *ASTC*.

placing is the obtaining of subscriptions for or the sale of *equity or debt securities* by an *issuer* or its intermediary from or to *persons* selected or approved by the *issuer* or its intermediary, otherwise than by way of an offer to the public.

portfolio special crossing means a *special crossing* effected pursuant to Business Rule C43.

pre-opening phase means a period of time as prescribed by the *Exchange* pursuant to Business Rule C26 when *bids* or *offers* can be entered, amended or cancelled but transactions cannot be effected on NETS.

professional investor means a person who is a professional investor within the meaning of in section 9 of the Corporations Act.

proper ASTC transfer means an electronic transfer of *chess approved securities* effected in accordance with the *ASTC Settlement Rules*.

prescribed person means:

- (a) a partner in the *participant*;
- (b) a *director* in the *participant*;
- (c) an employee, consultant and Associated Member of the *participant*;
- (d) *immediate families* of any such partners, *directors*, employees, consultants and *associated members*;
- (e) *family companies* and *family trusts* of any of the abovementioned persons;
- (f) *substantial shareholders* in one or more of the *member corporations* which constitute the *participant*, unless the *substantial shareholders* places the order:
 - (i) on behalf of its or its related companies' clients; or
 - (ii) using funds managed by the *substantial shareholder* or its related companies.

For the purposes of this paragraph:

- (i) a reference to a *substantial shareholder* includes a reference to:
 - (A) a related corporation, where the *substantial shareholder* is a corporation; and
 - (B) the *immediate family*, *family company* and *family trust*, where the *substantial shareholder* is a natural person;
- (ii) a Life Insurance company registered under the Life Insurance Act, or the equivalent Act of a State, is deemed

to place its order on behalf of its clients or managed funds when that order is on behalf of its statutory fund(s);

- (g) where a *participant* or *prescribed person* is a corporation, any corporation controlled by that corporation.

prohibited conduct includes:

- (a) conduct which amounts to impropriety affecting character and which is indicative of a failure either to understand or to practice the precepts of honesty or fair dealing in relation to a client or the public;
- (b) unsatisfactory professional conduct, where the conduct is such that it involves a substantial or consistent failure to reach reasonable standards of competence and diligence;
- (c) conduct which is or could reasonably be considered as likely to be prejudicial to the interests of the *Exchange* or its *participants*;

and includes, but need not involve a breach of any of the *constitution* or the *Rules* or a contravention of any law.

public securities means *loan securities* where the *issuer* is:

- (a) the Commonwealth Government;
- (b) the Government of a State or Territory of Australia;
- (c) a municipal body corporate, other local governing body or public authority constituted by or under a law of the Commonwealth or of a State or Territory of Australia;
- (d) a body corporate, the principal business of which is the supply and distribution, by a system of reticulation, in Australia or in a Territory of water, gas or electricity;
- (e) a government business enterprise of the Commonwealth Government or the Government of a State or Territory of Australia;

but does not include *loan securities*:

- (f) where the *issuer* is a body referred to in paragraphs (a), (b) or (c) and the *securities* are issued in respect of a loan raised outside Australia and the Territories unless there is in force a declaration by the Treasury, published in the Gazette, that those *securities* shall be public securities for the purposes of the Income Tax Assessment Act; and

- (g) issued after 12 April 1976 by a bank.

reciprocal arrangement means any agreement or arrangement between the *Exchange* and any governmental agency or regulatory authority (including without limitation, a stock exchange) in Australia or elsewhere whose functions include the regulation of trading in *securities* or commodities (in Australia or elsewhere) which provides for the disclosure of information between the *Exchange* and the other party in relation to dealings in *securities* or commodities (in Australia or elsewhere).

recognised affiliate has the meaning given by the *Corporations Act* and is a person who is a natural person who:

- (a) is or was a member of the *Exchange* as at the date of the adoption of these Rules; or
- (b) is recognised as and remains recognised as a *recognised affiliate* by the *Exchange* under the *Rules*.

recognised stock exchange means an exchange prescribed as such from time to time by the *Exchange* and listed in Appendix 3.

recognised trustee means any trustee or custodian approved by the *Exchange* for the purposes of the *Listing Rules*.

record date means the date determined by an *issuer* as the date by which *transfers* must be received for the purpose of identifying the persons entitled to the benefit of a corporate action.

related party means:

- (a) in relation to an individual:
- (i) his or her spouse, defacto spouse, parent, son, or daughter or a spouse or defacto spouse of that person;
- (ii) an entity over which one or more of the persons referred to above in paragraph (i) has control;
- (iii) an entity that he or she controls, or its parent entity or sibling entity;
- (iv) a *person* who acts, or proposes to act, in concert with any one referred to above;
- (v) a *person* who was a related party in the previous 6 months, or who would be a related party in the future, under the tests in section 243F of the *Corporations Act* (applying with any necessary adaptation);

- (b) in relation to a corporation, those *persons* within the meaning of section 228 of the *Corporations Act* or a substantial shareholder of the body corporate;
- (c) in relation to a trust, the management company, trustee and their related parties within the meaning of section 228 of the *Corporations Act*.

representative means a representative as defined in section 910A of the *Corporations Act*;

responsible entity means a company that is a responsible entity within the meaning of section 9 of the *Corporations Act*;

responsible officer means: a person who is nominated to the *Exchange* as having executive responsibility for the supervision and control of all or part of the business of being a *participant* and who has not ceased to be a responsible officer under the rules,.

restriction agreement means an agreement restricting dealings in *restricted securities* in the form approved by the *Exchange*.

restricted securities means *securities* issued by an *issuer*:

- (a) in consideration of, or in connection with, a service provided to the *issuer* (or a *related party*) in relation the *issuer's* formation, promotion *listing* or the *issuer's* offering of *securities*;
- (b) for cash (or equivalent) if the person receives the cash (or equivalent) for the services mentioned in (a);
- (c) to a holder of *restricted securities* in substitution for them as part of a reorganisation of capital;
- (d) under a bonus issue in relation to *restricted securities*;
- (e) on the conversion of *restricted securities*;
- (f) that, in the *Exchange's* opinion, should be treated as *restricted securities*.

retail client means a retail client within the meaning of section 761G of the *Corporations Act*.

rights issue is an offer by way of rights to existing holders of *listed equity securities* which enables those holders to subscribe for further *equity securities* in proportion to their existing holdings.

Rules means, as required by the context, the *Listing Rules* and the *Business Rules*, or either of them.

scheduled period means the period set out in Appendix 8 for the purposes of Part D.

scheme means a compromise or arrangement within the meaning of section 411 of the *Corporations Act* (and, in respect of an *issuer* incorporated or established outside Australia, any similar form of compromise or arrangement under the law of the jurisdiction of incorporation or establishment) which has, in the opinion of the *Exchange*, a similar result to a *takeover offer* or *takeover announcement*.

SEATS trading reference manual means the document with that title published by the ASX which contains operational and administrative procedures relating to NETS, as amended from time to time. All references to SEATS in this manual should be read as references to NETS also.

securities includes *equity securities*, *loan securities*, interests in a *managed investment scheme*; or units of such shares and *public securities*.

settlement agent means in connection with any *participant*, the *clearing participant* being used by that *participant*.

settlement day means the day on which a transaction is due to be settled in accordance with these Rules.

settlement obligations means the obligation to complete the sale and purchase thereby created together with all obligations ancillary to such completion, including the obligations owed to:

- (a) a counterparty (including NSX or a subsidiary of NSX) under the NSX or *ASTC Settlement Rules*; and
- (b) a client (including a *participant* which trades on its own account).

settlement statement means the statement given by the *Exchange* on the *settlement day* setting out the *settlement obligations*.

settlement instruction has the same meaning given to the expression "Instruction" found in Section 2 of the *ASTC Settlement Rules*.

settlement transfer has the meaning given to that expression in Section 2 of the *ASTC Settlement Rules*.

share means share in the capital of the *Exchange*, and includes stock, unless a distinction is expressed or implied.

short sale means a sale of a *security* where at the time of sale the seller does not have a presently exercisable and unconditional right to vest the *security* in the buyer other than by reason solely of the sale constituting a Conditional Sale and cognate expressions have a corresponding meaning.

special crossing means a special crossing made in accordance with the Business Rule C40. For the purposes of the *Corporations Act*, such *special crossings* are described as, or are to be described as “**special**” when reported to the *Exchange*.

state means the State of New South Wales.

state of emergency means any flood, fire, war or threat of war, embargo, boycott, labour dispute, power failure or restriction, communication breakdown, unavailability of data processing or any other computer system or facility, act of God; or other event which, in the opinion of the *Board*, prevents or significantly hinders the operations of the *Exchange*.

subscription means an offer for subscription is an offer to the public by or on behalf of an *issuer* of its own, new *equity or debt securities* for subscription.

subsidiary has the same meaning as in section 9 of the *Corporations Act*.

substantial shareholder means, in relation to an *issuer*, a *substantial shareholder* under section 671B of the *Corporations Act* or, a person who would be a *substantial shareholder* under section 671B of the *Corporations Act* if references to a corporation in the *Corporations Act* were references to the issuer and references to shares were references to *equity securities* of the *issuer* that carry voting rights.

surplus liquid funds means the excess of liquid assets over adjusted liabilities.

Takeover bid has the meaning given in the *Corporations Act*

target means: a target company within the meaning of the *Corporations Act* and, in respect of an issuer incorporated or established outside Australia, the equivalent company;

total liabilities shall mean the total of all of the liabilities of the *participant* but excluding amounts due to or received from clients and held in *trust bank accounts* as required by the *Business Rules*.

trader workstation means a personal computer with NETS *trader workstation* installed.

trader workstation software means the software product provided by ASXO for use by *participants* which provides a *trader workstation* with the functionality necessary for a *gateway session*.

trading day means:

- (a) a day other than:
 - (i) a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day; and

- (ii) any other day the *Exchange* declares and publishes is not a trading day; and
- (b) notwithstanding (a), a day which for the purposes of settlement, the *Exchange* declares is a *trading day* notwithstanding there is no *official meeting* on that day or that dealings between *participants* are suspended on that day.

trading fees means fees for trading activity on NETS, determined from time to time by the *Exchange* in accordance with the *rules*.

trading floor means a place at which or facility by means of which an *official meeting* is held.

trading hours means the hours as determined by the *Board* from time to time during which an *official meeting* of the *Exchange* is conducted.

trading messages means those messages submitted into NETS by means of a *gateway* of a *participant* relating to trading functions, such as *bids* or *offers*, amendment or cancellation of prior *bids* or *offers* and the reporting or cancellation of trades on NETS.

trading permission means the ability of a *participant* to submit *trading messages* into NETS by means of a *trader workstation* of the *participant* or an AOP/ACOP connection.

trading windows means discrete periods for the trading of securities as agreed by the *Exchange*.

transaction means either a sale or purchase of *securities* pursuant to these *Rules* or an obligation to transfer *securities* pursuant to a *securities* lending agreement.

transition date - is the date, to be published by the *Exchange*, on which amendments to the *rules* affecting *transactions* sent to the *designated central counterparty* for the purpose of clearing and settlement becomes effective.

unit means a unit in a trust.

weighted price, in relation to the opening, means:

- (a) if the *bid* price and *offer* price are the same, that price; or
- (b) where the *bid* price is greater than the *offer* price, the price is determined as follows:

$$\text{Weighted Price} = \frac{(\text{BP} \times \text{BQ}) + (\text{OP} \times \text{OQ})}{\text{BQ} + \text{OQ}}$$

Where BP = the *bid* price;

BQ = the *bid* quantity;
OP = the *offer* price; and
OQ = the *offer* quantity

wholesale client means a wholesale client within the meaning of section 761G of the *Corporations Act*.

Principles of Interpretation

In the *Business Rules* and *Listing Rules*, headings do not affect the interpretation of the *Rules* and, unless the context otherwise requires:

- (a) an act or an omission of an *issuer* includes an act or omission caused directly or indirectly by the *issuer*;
- (b) references to a document being certified means certified to be a true copy or extract (as the case may be) by a *director*, the secretary or other authorised officer of the *issuer* or by the *issuer's* auditors or solicitors;
- (c) words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders and vice versa;
- (d) references to writing shall include typewriting, printing, lithography, photography and other modes of representing or reproducing words in a legible and non-transitory form and electronic mail received by the *Exchange's* e-mail systems;
- (e) the dollar sign "\$" refers to Australian Dollars.
- (f) references to time are in Newcastle time.

If a word or expression is not specifically defined in the *Business Rules* or *Listing Rules*, and the word or expression is defined in the *Corporations Act*, then unless the contrary intention appears, the word or expression shall have the same meaning as in the *Corporations Act*. If the word or expression has more than one meaning in the *Corporations Act* i.e. depending on the subject matter in which the expression or word is used, then the meaning of the word or expression in the *Business Rules* or *Listing Rules* will be determined by the subject matters of the *Listing Rules* or *Business Rules* in which the word or expression occurs, on the basis that the word or expression shall have the meaning which is applicable to the subject matter in the *Corporations Act* which is most similar to the subject matter in the *Listing Rules* or *Business Rules* in which the word or expression occurs.

The *Rules* shall be interpreted, administered and enforced by the *Exchange*. Any decision of the *Exchange* regarding the interpretation, administration or enforcement of the *Rules* shall be conclusive and binding on an *issuer*. The *Exchange* may issue practice notes and guidance notes, from time to time, to assist *issuers* or their advisers in interpreting and complying with the *Rules*. The *Exchange* reserves the right to amend or add to the *Rules*, from time to time.

DEFINITIONS – INDEX

A

Acting as principal	3
Adjusted liabilities	4, 23
Adviser	4
Annual accounts	4
Appeals	4
Approved index	4
ASTC	5, 7, 8, 10, 12, 13, 17, 18, 22
Australian ADI	5
Australian Securities & Investments Commission	4, 5, 16
Australian Stock Exchange	5, 22
Authorised representative	5

B

Bid	3, 4, 5, 23, 24
Block special crossing	5
Bonus issue	6, 21
Bonus Issue	6
Business day	6

C

Clearing	7, 22
Closing single price auction	7
Collateral securities	7
Compliance officer	7
Conditional market	8
Conditional sale	8
Confirmed securities	8
Constitution	8, 13, 19
Convertible debt securities	8
Convertible equity securities	8
Cum dividend	9

D

Deal in lines	9
Dealer	9
Dealing rules	9
Debt securities	8, 9, 16, 17, 23
Delivery obligation	9
Despatch date	9
Disclosure Document	9
Dissemination by the Exchange	10
Dividend	7, 9, 10, 11, 13
Dividend or distribution plan	10
DTR Designated Trading Representative	9
DvP settlement	10

E

Escrow Escrow period	11
Restriction agreement	11, 21
Ex bonus	11
Ex dividend	11
Ex interest	11, 12, 16
Ex return of capital	12
Ex rights	12
Exchange Examining Accountant	12

F

Family company	3, 12, 18
Family trust	3, 12, 18
FOR issuer	13
FOR securities	12, 13
Foreign issuer	12
Foreign person	12, 13
Foreign to foreign	12
Forward delivery transaction	13
Forward price	13
Forward securities	13
Forward transaction value	13
Franked dividend	7, 10, 13
Futures contracts	11, 13, 14

I

Immediate family	3, 12, 13, 18
Insurance	18
Issuer sponsored uncertificated securities	14

J

Jorc	14
------------	----

L

Loan securities	11, 14, 15, 16, 19, 22
-----------------------	------------------------

M

Managed investment scheme	6, 11, 14, 15, 22
Marketable parcel	15
Mutual organisation	15

N

Net assets	5, 15
Net operating profit	15
Nets	7, 9, 11, 12, 13, 15, 16, 18, 22, 23, 24
NETS Adjust Phase	3, 4

After hours adjust phase	4
Closing phase.....	7
Enquire phase	10
Gateway	13, 23, 24
Gateway session	13, 23
NETS market control	15
Normal trading	16, 17
Opening phase	17, 18
Pre-opening phase	18
Special crossing	3, 5, 18, 23
Trader workstation.....	23, 24
Trader workstation software	23
XB.....	11
XC.....	12
XD.....	11
XI 12	
XR.....	12
New applicant	15
New ex interest.....	16

O

Offer for sale	16
Offer period.....	16
Offeror.....	16
Official list	14, 17
Official meeting.....	5, 17, 24
Official quotation.....	7, 17
Operational requirements	17

P

Periodic Disclosure	
Annual Accounts	4
Liquidation	10
PID.....	17

Portfolio special crossing	18
Professional investor.....	18

R

Recognised affiliate.....	4, 20
Recognised Stock Exchange	20
Recognised trustee	20
Record date	20
Related party.....	20, 21
Responsible entity.....	6, 14, 21
Responsible officer	21
Rights issue	21

S

Scheduled period	22
Securities	
Equity	15
Settlement agent.....	22
Settlement day	9, 22
Settlement instruction	22
Settlement obligations.....	22
Settlement statement	22
Settlement transfer.....	22
Short sale	22
State of emergency.....	23
Surplus Liquid Funds	23

T

Trading day	11, 12, 17, 23, 24
-------------------	--------------------

W

Wholesale client.....	25
-----------------------	----