

Chapter 11

Significant transactions

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Explanatory note

This chapter sets out the requirements that an entity must satisfy if it proposes a significant change to its activities or floats significant assets.

ASX has issued a Guidance Note on changes to activities.

Change to activities

Proposed change to nature or scale of activities

11.1 If an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable. It must do so in any event before making the change. The following rules apply in relation to the proposed change.

Introduced 01/07/96 Origin: Listing Rule 3S(2)(a), 3S(3)

11.1.1 The entity must give ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for.

Introduced 01/07/96 Origin: Listing Rule 3S(3)(a)(i)

11.1.2 If ASX requires, the entity must get the approval of holders of its ⁺ordinary securities and must comply with any requirements of ASX in relation to the notice of meeting. The notice of meeting must include a ⁺voting exclusion statement.

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

Cross reference: Rule 11.2.

11.1.3 If ASX requires, the entity must meet the requirements in chapters 1 and 2 as if the entity were applying for admission to the ⁺official list.

Introduced 01/07/96 Origin: Listing Rule 3S(3)(c)

Cross reference: ASX Guidance Note. See also rule 3.1.

Change involving main undertaking

11.2 If the significant change involves the entity ⁺disposing of its main ⁺undertaking, the entity must get the approval of holders of its ⁺ordinary securities and must comply with any requirements of ASX in relation to the notice of meeting. The notice of meeting must include a ⁺voting exclusion statement. The entity must not enter into an agreement to ⁺dispose of its main ⁺undertaking unless the agreement is conditional on the entity getting that approval. Rules 11.1.1 and 11.1.3 apply.

Introduced 01/07/96 Origin: Listing Rule 3S(2)(a)

Note: This rule substitutes for rule 11.1.2 in the case of an entity disposing of its main undertaking.

Cross reference: rule 12.3.

Suspension

- 11.3 ASX may suspend *quotation of the entity's *securities until the entity has satisfied the requirements of rules 11.1 or 11.2.

Introduced 01/07/96 Origin: Listing Rule 3S(3)(a)(i)

Note: If the entity is required to satisfy rule 11.1.2, but not rule 11.1.3, the suspension will normally be lifted after receipt of security holders' approval. If approval is not obtained the suspension will normally be lifted after the entity has confirmed that it will not change its activities. If the entity is required to satisfy rule 11.1.3 the suspension will not normally be lifted until the entity has met the requirements of chapters 1 and 2.

No disposal of major asset without offer, or approval for no offer

- 11.4 An entity must not:

- (a) *dispose of a major asset if, at the time of the *disposal, it is *aware that the *person acquiring the asset intends to offer or issue *securities with a view to becoming listed;
- (b) *dispose of any of its securities in a *child entity that directly or indirectly holds a major asset with a view to the *child entity becoming listed; or
- (c) permit a *child entity that directly or indirectly holds a major asset to offer or issue *securities with a view to the *child entity becoming listed.

Amended 01/12/19

- 11.4.1 Rule 11.4 does not apply in either of the following cases.

- (a) The *securities, except those to be retained by the entity, are offered, issued or transferred pro rata to the holders of *ordinary securities in the entity, or in another way that, in ASX's opinion, is fair in all the circumstances.
- (b) The holders of *ordinary securities in the entity approve of the transaction without the offer, issue or transfer referred to in rule 11.4.1(a) being made. The notice of meeting must include a *voting exclusion statement.

Introduced 01/07/96 Origin: Listing Rule 3J(2) Amended 01/12/19

Cross reference: Rule 7.17.

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