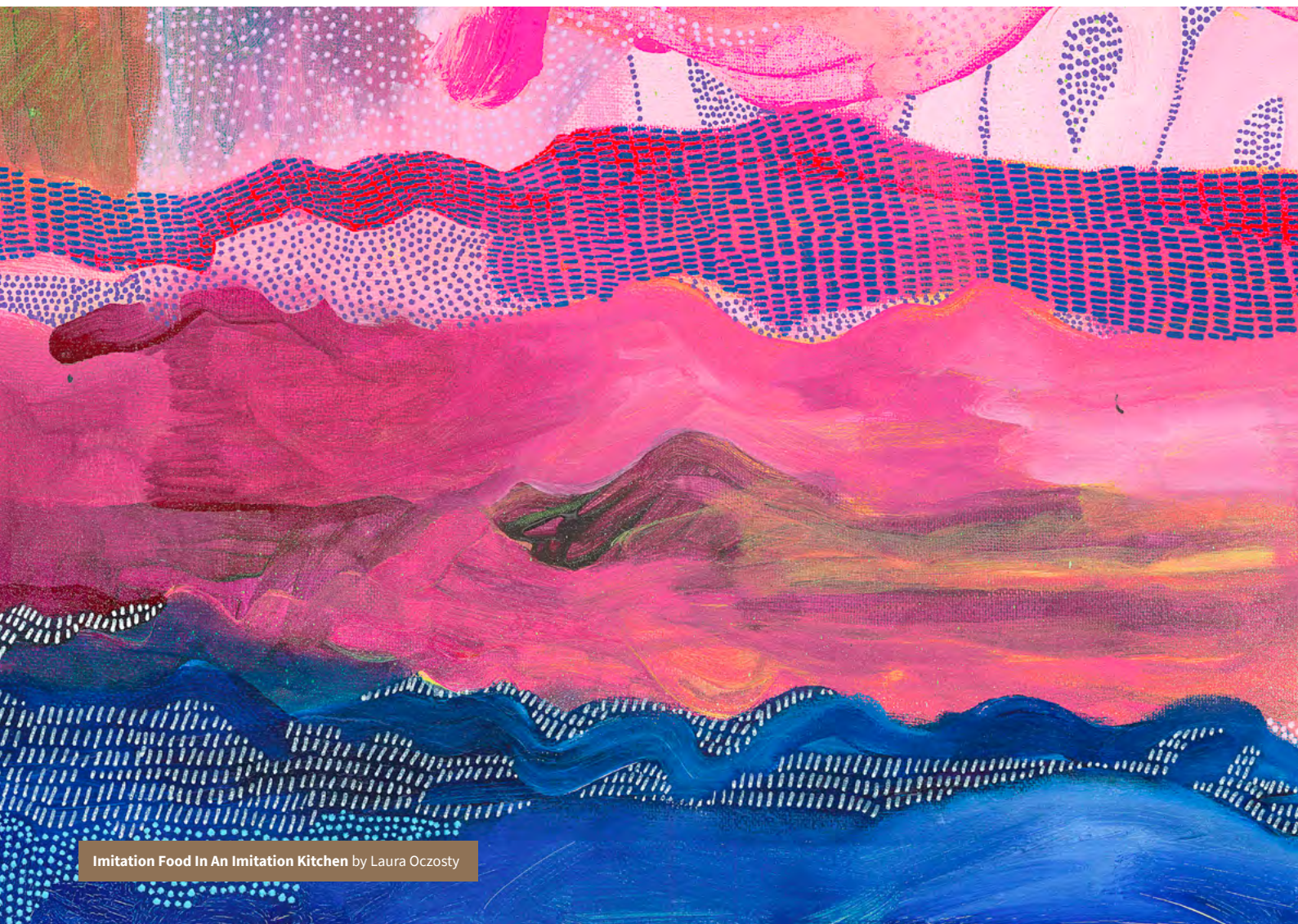


IT'S PUBLIC

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CHANGE IS COMING: SHAREHOLDER APPROVAL REQUIREMENTS UNDER ASX LISTING RULES

On 20 October 2025, ASX released its public consultation on shareholder approval requirements under the ASX Listing Rules. The ASX is seeking submissions on the issues by 15 December 2025. We intend to make a submission and - whether you are a listed entity director, officer, executive, shareholder, adviser or market participant - we would be delighted to hear your thoughts.

WHAT'S CHANGING?

ASX acknowledges that the calls for change to the Listing Rules arose from James Hardie's acquisition of AZEK. A number of institutional and activist investors criticised the deal. As we described in the last edition of *It's Public*, complaints were made not only against James Hardie, but also about ASX and the scope of the ASX Listing Rules.

ASX sought initial confidential feedback on potential changes to the Listing Rules before publishing its public consultation paper. That initial feedback frames not only the scope of ASX's public consultation but also drives initial suggestions by ASX for reform.

In summary, ASX has identified four potential areas for change.

- First, ASX has stated it would have 'no objection' to imposing a shareholder approval requirement on an ASX-listed bidder which is issuing 25% or more of its ordinary equity capital under a scrip-for-scrip scheme or takeover. Currently, an ASX listed bidder can issue up to 100% of its ordinary securities (as at the date of announcement of the transaction) under a scrip-for-scrip scheme or takeover under exceptions 6 and 7 in ASX Listing Rule 7.2. This exception has essentially been in place since the 1996 Listing Rules Simplification. It was subject to refinement (in relation to reverse takeovers) in 2017, which put the 100% 'cap' on the exception. Based on confidential feedback from institutional investors, ASX now seems amenable to accept 25% to bring the Listing Rules broadly in line with international counterparts. The move towards international alignment will need to recognise that a stricter shareholder approval requirement may make ASX-listed bidders offering scrip in a competitive auction less attractive, as we recently [argued](#).

- The second and third potential areas for change relate to changes to listing status. ASX is considering introducing a potential new requirement that a dual listed company should seek shareholder approval if it wishes to change its admission status to be an ASX Foreign Exempt Listing. Similarly, ASX is considering introducing a potential new requirement that a dual listed company should seek shareholder approval to delist from ASX even if it will continue to maintain its foreign listing elsewhere. These changes may impact the attractiveness of ASX as a listing location for some foreign companies.
- The final area for potential change noted by ASX is Listing Rule 11. Certain activist and institutional shareholders have pushed ASX for a new requirement for shareholder approval 'of any significant acquisition whether or not it involves an issue of securities, or potentially for any significant transaction whether it is an acquisition or disposal.' Their argument is essentially for a re-writing of Listing Rule 11. ASX's position, outlined in the public consultation paper, is that it does not propose to change Listing Rule 11 because it considers the 25% 'cap' change in Listing Rule 7 sufficient.

WHAT'S NEXT?

We would be delighted to hear your views on the potential changes to the Listing Rules before 15 December. It will be important that ASX's public consultation receives feedback from a broad range of stakeholders including listed entities, Boards and management, shareholders, advisers and other market participants. So, the question is for you: are the Listing Rules broken and, if so, how should they be fixed?





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