Listing Rules

Section I

All Issuers

STOCK EXCHANGE

OF

NEWCASTLE

LIMITED

LISTING RULES

SECTION I

ALL ISSUERS

SECTION I

TABLE OF CONTENTS

CHAPTER 1

GENERAL

Introduction

1.1 These *Listing Rules* have been made by the Board of the Exchange pursuant to the authority vested in it by its constitution. Under the Corporations Law, amendments to these *Listing Rules* must be submitted to the *ASIC*. The Minister may disallow amendments of these *Rules*.

1.2 The principal function of the Exchange is to provide a fair, orderly and efficient market for the trading of *securities* issued by *issuers* which have either a primary or a secondary *listing* on the Exchange. In furtherance of this, these *Listing Rules* prescribe the requirements for obtaining and maintaining a *listing* of *securities* on the Exchange. These comprise both requirements which have to be met before *securities* may be granted a *listing* on the Exchange (such as the minimum requirements for *listing*, application procedures and fees payable, the contents of any prospectus published by the *issuer* and the requirement for a *new applicant* to be sponsored) and continuing obligations with which an *issuer* must comply once a *listing* has been granted (even if its *listing* is suspended) and also the powers of the Exchange with regard to the suspension and/or cancellation of a *listing*.

1.3 It is emphasised that the *Listing Rules* are not exhaustive and that the Exchange, may impose additional requirements or make *listing* subject to special conditions whenever it considers it appropriate. Conversely the Exchange may waive, modify or not require compliance with the *Listing Rules* to suit the circumstances of a particular case.

1.4 The *Listing Rules* may be amended or added to by the Exchange from time to time and such amendments or additions are of no effect until made by resolution of the Board.

1.5 Suitability for *listing* depends on many factors. Applicants for *listing* should appreciate that compliance with the *Listing Rules* may not of itself ensure an applicant's suitability for *listing*. The Exchange retains a discretion to accept or reject applications and in reaching its decision will pay particular regard to the general principles outlined in Rule 1.6. Prospective *issuer*s and their sponsors are therefore encouraged to contact the Exchange to seek informal and confidential guidance as to the eligibility of a proposed application for *listing* at the earliest possible opportunity.

General principles

1.6 The *Listing Rules* reflect currently accepted international standards and seek to achieve an appropriate balance between providing *issuer*s with access to the market at the earliest opportunity and providing investors both with certain safeguards and with sufficient and timely information for the purpose of enabling them to make an informed decision as to the value and merits of *listed securities*. In particular, they are intended to ensure that investors have and can maintain confidence in the market and that:-

(1) applicants are suitable for a *listing*;

(2) the issue and marketing of *securities* is conducted in a fair, open and orderly manner and that potential investors are given sufficient information to enable them to make a properly informed assessment of the applicant, and of the securities for which *listing* is sought;

(3) investors and the public are kept fully informed by *listed issuer*s, and in particular that immediate disclosure is made of any information that might reasonably be expected to have a material effect on market activity in, and the prices of, *listed* securities;

(4) all holders of *listed* securities are treated fairly and equally; and

(5) *directors* of a *listed issuer* act in the interests of its shareholders as a whole, particularly where the public represents only a minority of the shareholders.

1.7 It should be recognised that these *Listing Rules* are not statutory rules and the Exchange expects *issuer*s and their advisers to comply with the spirit as well as the letter of the *Rules*.

1.8 The Exchange may decide to take no action in respect of a breach of a *Rule*. If the Exchange takes no action it is not a waiver of the *Rule*.

Waiver

1.9 The Exchange may waive a *Listing Rule* or part of a *Listing Rule* on any conditions. It may do so on the application of an *issuer* or of its own accord. The Exchange will publish waivers periodically.

Decisions of the Exchange

1.10 Any decision of the Exchange pursuant to these *Listing Rules* is binding on an *issuer*. The Exchange may vary or revoke its decision, either on the application of an *issuer* or of its own accord. The Exchange may only vary or revoke a decision with effect from the date on which it notifies the *issuer* of the variation or revocation, unless materially incorrect or incomplete information was given to the Exchange in support of the decision.

CHAPTER 2

LISTING

Official List

2.1 An *issuer* is admitted to the Official List of the Exchange while any of its *securities* are *listed* on the Exchange.

Sponsorship

2.2 A *new applicant* for *listing* must be sponsored by a Participating Organisation of the Exchange which is on the approved list of sponsors maintained by the Exchange. The sponsor must ensure that the *issuer* receives fair and impartial guidance and advice as to the application of these *Listing Rules* and that all necessary documents supporting an application are lodged with the Exchange and must be responsible for communicating with the Exchange during the application process. The sponsor must submit a Sponsor's Declaration to the Exchange as set out in Part C of Appendix 2 before trading in the *issuer*'s *securities* can commence on the Exchange.

2.3 The Exchange may submit information provided to the Exchange in connection with an application to an expert selected with the approval of the Exchange. The *issuer* must pay for the expert.

Nominated Adviser

2.4 (1) Each *listed issuer* shall appoint a nominated adviser. The *issuer* may appoint as a nominated adviser:

(i) a *person listed* on the approved list of nominated advisers maintained by the Exchange;

(ii) its sponsor; or

(iii) with the consent of the Exchange if the Exchange is of the opinion that the *issuer* has sufficient resources available to it, two members of the *issuer*'s senior management ordinarily resident in Australia.

(2) A nominated adviser shall give an undertaking to the Exchange in writing in such form as the Exchange may from time to time prescribe.

(3) A nominated adviser owes the undertakings referred to in paragraph (2) solely to the Exchange.

2.5 If the Exchange considers that a nominated adviser has breached any of its obligations to the Exchange, the Exchange may do one or more of the following:

(1) censure the nominated adviser;

(2) remove the authority of the nominated adviser to act as a nominated adviser, including by removing the nominated adviser from the list of approved sponsors and approved nominated advisers or by withdrawing the Exchange's consent for the *person* to act as a nominated adviser;

(3) publish the action taken and the reasons for the action.

Issuer's obligations

2.6 Upon the *listing* of their *securities* on the Exchange, an *issuer* is obliged to:

(a) comply with the *Rules*; and; and

(b) notify SCH 5 *business days* before their *securities* list on the Exchange.

The obligation in Rule 2.6(a) continues in effect even if trading of the *issuer*'s *securities* is suspended.

2.7 An *issuer* must give the Exchange any information, document or explanation that the Exchange requests to enable it to be satisfied that the *issuer* is, and has been, complying with the *Listing Rules*. The *issuer* must do so within the time specified by the Exchange.

2.8 If the *issuer* is a trust the manager or responsible entity of the *issuer* is to comply with, or obliged to procure that the *issuer* complies with (as required by the context) the *Listing Rules*.

Types of securities eligible for listing

2.9 The Exchange will consider *listing equity* and *debt securities*, unit trusts, depository receipts and derivative warrants carrying rights based on, or rights to acquire, other *securities*, an index or some other asset**.**

Methods of issuing securities to be listed

2.10 Both *equity securities* and *debt securities* may be brought to *listing* on the Exchange by any one of the methods described in *Rules* 2.11 to 2.17, except where otherwise indicated**.**

Offer for subscription

2.11 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.

Offer for sale

2.12 An offer for sale is 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.

Placing

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

Rights issue

2.14 A 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.

Capitalisation issue

2.15 A 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.

Introduction

2.16 An *introduction* is a means by which *securities* already issued which are widely held may be *listed*. It requires an *issuer* to make an application for the *listing* of existing *securities*.

Other methods

2.17 *Securities* may also be brought to *listing* on the Exchange by the issuance of *securities* through:

(1) the exercise of options, warrants or similar rights to subscribe for or purchase *securities* where the grant of the rights was supported by a prospectus and was approved by the Exchange;

(2) an issue of *securities* on the exercise of options granted to or for the benefit of executives and/or employees of a *listed issuer* where the grant of the options was approved by the Exchange; or

(3) such other methods as the Exchange may from time to time approve.

Suspension and cancellation of listing

2.18 *Listing* is always granted subject to the condition that where the Exchange considers it necessary for the protection of investors or the maintenance of an orderly market, it may at any time suspend trading in any *securities* or cancel the *listing* of any *securities* in such circumstances and subject to such conditions as it thinks fit, whether requested by the *issuer* or not. The Exchange may do so where:-

(1) an *issuer* fails, in a manner which the Exchange considers material, to comply with the *Listing Rules* or its *Issuer*'s *Undertaking* (including a

failure to pay on time any fees or levies due to the Exchange);

(2) the Exchange considers there are insufficient *securities* of the *issuer* in the hands of the public;

(3) the Exchange considers that the *issuer* does not have a sufficient level of operations or sufficient assets to warrant the continued *listing* of its *securities* on the Exchange; or

(4) the Exchange considers that the *issuer* or its business is no longer suitable for *listing*.

2.19 A short suspension of trading may be requested by an *issuer* upon the occurrence of a material event which requires immediate disclosure under these *Listing Rules*, provided that an announcement of the material information is made forthwith. The Exchange may accept or reject the request for suspension in its absolute discretion and may from time to time issue policy statements regarding the circumstances in which the Exchange is prepared to suspend trading at the request of the *issuer*.

2.20 Where an *issuer* itself seeks suspension, the request for approval of the suspension must be made to the Exchange by its nominated adviser and confirmed in writing. In all cases, the request must be supported by specific reasons and the nature of the proposed announcement and the current state of events must be disclosed to the Exchange, so that the Exchange can assess the need for and appropriate duration of the suspension.

2.21 Where trading has been suspended, the procedure for lifting the suspension will depend on the circumstances and the Exchange reserves the right to impose such conditions as it considers appropriate. Where a suspension is made at the *issuer*'s request, the *issuer* will be required to announce the reason for the suspension and, where appropriate, the anticipated timing of the lifting of the suspension. In some cases (for example a short suspension pending an announcement) the suspension will be lifted as soon as possible after the announcement is made. In other cases the suspension will be continued until any relevant requirements have been met. The continuation of a suspension for a prolonged period without the *issuer* taking adequate action to obtain restoration of trading may lead to the Exchange cancelling the *listing*.

2.22 There may be cases where a *listing* is cancelled without a suspension intervening. Where the Exchange considers that an *issuer* or its business is no longer suitable for a *listing* an announcement naming the *issuer* and specifying the period within which the *issuer* must have remedied those matters which have rendered it unsuitable for a *listing* will be *published in the newspapers* and disseminated by the Exchange. Where appropriate the Exchange will suspend trading in the *securities* of the *issuer*. If the *issuer* fails to remedy those matters within the period set out in the announcement the Exchange will cancel the *listing*.

Other sanctions

2.23 If the Exchange considers that an *issuer* has contravened these *Listing Rules* it may, in addition to or instead of a suspension in trading or cancellation of a *listing*:

(1) censure the *issuer*; and

(2) publish the fact that the *issuer* has been censured; and

(3) publish the reason for the censure, if in the Exchange's opinion it is appropriate.

2.24 If the Exchange considers that a contravention of these *Listing Rules* by an *issuer* is due to a failure by all or any of its *director*s to discharge their responsibilities it may do one or more of the following:

(1) censure the relevant *director*;

(2) publish the fact that the *director*(s) has been censured;

(3) state publicly that in its opinion the retention of office by the *director* is prejudicial to the interests of investors;

(4) if the *director* remains in office following a public censure by the Exchange under paragraph (3) above, suspend trading in or cancel the *listing* of the *issuer*'s *securities* or any class of *securities*.

Voluntary withdrawal of listing

2.25 An *issuer* whose primary *listing* is on the Exchange may only voluntarily withdraw its *listing* if it gives the Exchange at least 90 days notice and the *issuer* has obtained the approval of the holders of each class of its *listed securities* by way of a three quarters majority vote at duly convened meetings of those holders.