



Multiple listed entities

INTRODUCTION

The National Stock Exchange of Australia Limited (NSX) is able to receive applications from entities that are listed on more than one Stock Exchange. The additional stock exchanges may be either within Australia (currently, ASX or BSX) or outside of Australia.

This practice note outlines the requirements for listed NSX entities that are also listed on other Exchanges.

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Practice Note History

First Issued..... 1 June 2004
Revised22 June 2004

Qualifications

National Stock Exchange of Australia Limited (NSX) issues practice notes to promote commercial certainty, reduce costs to business and assist market participants. We are available to discuss any questions you have in relation to a practice note. NSX may replace practice notes at any time. Issuers should contact NSX to ensure that they have the latest version of a practice note. As a practice note is only a guide to NSX practice, issuers are advised to contact NSX to discuss their particular circumstances and the application of the listing rules. NSX cannot give legal advice to issuers and recommends that they consider taking advice from a qualified professional person.



NSX, BSX, ASX MOU

The NSX, BSX & ASX entered into an information sharing MOU on 11 May 2004.

For companies listed on more than one Australian Domestic Market, the ASX, NSX and BSX have entered into an Memorandum of Understanding (“MOU”) with the primary purpose of sharing information concerning listed entities and market participants amongst the Exchanges.

The Exchanges are able to share this information for the purposes of maintaining informed markets about the multiple listed securities.

Any NSX listed entity contemplating dual listing on another Australian Domestic exchange should contact the NSX to discuss appropriate procedures applicable to their case.

MOU with Foreign Exchanges

Where applicable and appropriate the NSX will liaise with foreign exchanges that share common entities. For a significant number of entities this may entail the NSX entering into an MOU with the relevant Exchange to ensure that an information flow is established to enhance disclosure by the entity in each market.

NSX will establish MOUs with other exchanges over time.

Company Announcements and Market Disclosure

The NSX requires that entities obey the NSX listing rules with respect to company announcements. This means that the entity should report electronically all announcements it provides to any other exchange at the time that it makes that announcement to that exchange.

The company should endeavour to minimize any potential for a false or artificial market in its securities. Deliberately staggering announcements in each market could have the effect of creating a false market.

All announcements to the NSX are to be made electronically via the Regulatory News Service platform. On how to make announcements to the NSX the entity should refer to NSX Publication “Company Announcements – Issuers”

Market Disclosure on NSX

Section 323DA of the Corporations Act 2001 requires NSX listed entities which file information with overseas markets must also disclose that information with the NSX on the next business day.

The entity must provide to NSX, in English, all information it provides to its overseas home exchange, if listed, or otherwise if it is making the information public.

The company would need to abide by the NSX continuous disclosure and periodic disclosure regimes as governed by the Corporations Act and Chapter 6 of Sections 2A, 2B and 2C of the NSX Listing Rules.

All disclosures must be electronically lodged with the NSX.

The entity may need to report financial information in a dual language if English is not the language of administration in its home country.

NSX would require adherence to international accounting standards being introduced from 2005. The NSX in its discretion may also accept the following accounting standards: New Zealand, Singapore, Hong Kong, UK, USA and Canada or other countries on application until those countries adopt International Accounting Standards.

Auditing standards should also be Australian or International Standards or as otherwise may be acceptable to the NSX on application.



The entity would need to have staff or maintain a relationship with suitably qualified advisers to ensure that NSX's ongoing reporting requirements are met. At least this means the appointment and maintenance of an NSX registered Nominated Adviser.

Where NSX considers it necessary to ensure that the NSX market trades on a fully informed basis the NSX may require additional disclosure by the entity. This may entail monthly NTA reports if appropriate to the entity or also monthly or quarterly investment reports about its activities.

The timetables with the NSX Rules for disclosure of periodic information should be followed as closely as possible with allowance made for the financial year end date of the entity.

After discussion with the entity, the NSX may require additional information is disclosed to the market before the entity is listed. Such information may entail previous financial reports (annual and half yearly), prospectus or other offer documents, the entities letter of application, constitution or other documentation that the NSX views would enhance disclosure about the entity.

The entity should also indicate where information about its previous listing on another exchange may be obtained by investors.

Entities Listed on Foreign Exchanges

Entities listed on Foreign Exchanges should also refer to Practice Note 11: Foreign Entities concerning disclosure and their obligations under the listing rules.

Entities which are not listed on any other Exchange (but may be listed on an exempt market like the UK AIM or OFEX markets) are considered to have their primary listing on the NSX Market. The primary listing means that NSX has the primary responsibility for regulating that entity as a listed public entity. The entity would fall under Australian jurisdiction and each entity should consider the implications for listing on this basis.

Entities Moving From One Exchange to Another

Over time entities will seek and obtain listing on another exchange. In the intervening period it is possible for the entity to be temporarily dual listed while the process of listing and delisting takes place. The reasons for this are that the entity is uncertain as to whether it will be approved for listing by the other exchange or the company wishes to maintain a presence on both exchanges (in the case of a foreign listing).

If the entity does not wish to maintain a dual listed structure, then it can apply to the home exchange to withdraw its listed status. NSX listed entities should follow Section 1 Rule 2.25.

In most cases it is advantageous for shareholders of the entity to continue trading of securities on the home exchange until the process is complete.

In the entities application, the NSX will also consider reasons why the entity is withdrawing from the other exchange. In most cases the NSX will enforce additional disclosure and impose additional conditions on an applicant in order to ensure a fully informed and orderly market.

The NSX will liaise with the company to accept withdrawal of the securities to time with a seamless commencement of trading on the new exchange. In the case of the ASX this will mean that the entity will follow ASX procedures on the withdrawal of securities on the ASX and listing on the NSX or vice versa.

It is possible for an entity to retain its Trading Code and CHESS UIC on either market. However the listing process may be delayed in this case because of requirements of CHESS in converting the sub registers over to the new home exchange. Entities should allow at least 20 business days for this process to complete. If the entity has not traded for at least 20 days on its current exchange application can be made to waive this requirement. The transfer can be shorter if the entity accepts a new trading code and new CHESS UIC.



Ongoing activities on each Exchange

The Exchanges where an entity is multiple listed undertake certain responsibilities in regulating that entity. These responsibilities include:

1. Monitoring of disclosed information and sharing that information
2. Monitoring of and acting on disciplinary issues
3. Synchronisation of Trading Halt and Suspension of trading of securities
4. Notifications of referrals to the relevant authority in each jurisdiction (e.g. for Australia this would be the Australian Securities and Investments Commission – ASIC)
5. Notification of securities being listed or de-listed.
6. and other activities as determined by each exchange from time to time.

Further Information

More information can be obtained from:

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Australia