

# **CHAPTER 6: COMPLIANCE AND ENFORCEMENT**

## 69. Contravention Of Listing Rules

- 69.1 If SPX considers that a Listed Entity has contravened the Listing Rules it may do one or more of the following:
- i. censure the Listed Entity, which may include a formal written notice of censure being served upon the Listed Entity and the requirement that the Listed Entity provide a written explanation of its actions to the SPX and an undertaking to rectify the breach immediately;
  - ii. publish the fact that the Listed Entity has been censured for failing to comply with the Listing Rules;
  - iii. impose a daily fine according to Annexure R;
  - iv. halt or suspend trading in the Securities or delist the Listed Entity.
- 69.2 For the purpose of Rule 69.1, only serious contraventions of the SPX Listing Rules will result in this fact being published. Serious contraventions would be non-compliance of the SPX Listing Rules which:
- i. is a deliberate breach which is not minor or technical; or
  - ii. may result in substantial loss to investors or may have a materially adverse effect on the integrity of the market.
- 69.3 If the SPX considers that a contravention of these Listing Rules and/or the Companies Act 2015 by a Listed Entity is due to a failure by all or any of its directors to discharge their responsibilities it may inform the Reserve Bank, the Registrar or other relevant authorities for taking further action.
- 69.4 Where SPX reprimands, fines, suspends or expels, or otherwise takes disciplinary action against a Listed Entity, it must within seven (7) days give notice to the Reserve Bank in writing, giving particulars and nature of the action taken.
- 69.5 The Reserve Bank may review any disciplinary action taken by SPX under Rule 69.4 and, on its own motion, or in response to an appeal of an aggrieved person, may affirm or set aside the decision of SPX after giving the Listed Entity and the SPX an opportunity to be heard.
- 69.6 Nothing in Rule 69.4 and Rule 69.5 must preclude the Reserve Bank, in any case where SPX fails to act against a Listed Entity, from itself, suspending, expelling or otherwise disciplining the Listed Entity, but before doing so the Reserve Bank must give the Listed Entity and the SPX an opportunity to be heard.
- 69.7 If SPX decides to take no action in response to a breach of a Listing Rule, it is not a waiver of the rule.
- 69.8 Pursuant to Section 686 of the Companies Act 2015, the Reserve Bank may make such investigation as it thinks expedient for the due administration of the Companies Act 2015.

## 70. Powers of Inspection

- 70.1 A Listed Entity must give SPX any information, document or explanation that SPX requires to enable it to be satisfied that the entity is, and has been, complying with the Listing Rules. The entity must do so within the time specified by SPX. SPX may submit, or require the entity to submit, any information given to SPX to the scrutiny of an expert selected by SPX. Major

shareholders of the Listed Entity are prohibited from divesting their shares when SPX is investigating its operations or inspecting its records.

## **71. Trading Halts and Suspensions by the SPX**

71.1 Circumstances where the SPX may halt or suspend trading for the protection of investors or the maintenance of an orderly and fair trading may include the following:

- i. prior to an announcement of any price sensitive information;
- ii. pending obtaining a clarification from the Listed Entity on a rumour;
- iii. when an unusual movement in share price or traded volume of a security is noted;
- iv. when a Listed Entity is going through administration/liquidation;
- v. when a Listed Entity fails to lodge the annual financial statement with the SPX within three (3) months from the financial year end;
- vi. if there is a compulsory acquisition following a takeover. Trading will be suspended five (5) days after notice of compulsory acquisition has been sent out to shareholders and received by the SPX;
- vii. when the Listed Entity has continued to contravene the Listing Rules for more than ten (10) days after being notified of the contravention; or
- viii. in any other circumstance that the SPX considers proper in its absolute discretion.

## **72. Non-compliance with Market Capitalisation, Working Capital or Public Shareholding Requirement**

72.1 If the listing requirement in respect of Market Capitalisation, working capital or public shareholding, contained in Chapter 3 is not met within the timeframe specified by SPX under Rule 44, SPX may initiate actions to halt or suspend trading of the Listed Entity.

72.2 If the Listed Entity continues to default with any one of the requirement specified in Rule 72.1 for more than three (3) months from the date of halting or suspending the trading, the SPX may issue a show cause notice to the Listed Entity to provide reasons for not delisting the entity.

72.3 SPX may at its discretion delist the Listed Entity if SPX is not satisfied with the reasons and explanations given by the Listed Entity.

## **73. Voluntary Trading Halt or Suspension**

73.1 Where a Listed Entity itself seeks a trading halt or Suspension, the Listed Entity shall inform SPX for the trading halt or Suspension. The request for trading halt or Suspension shall state the following:

- i. the reasons in detail for the trading halt or Suspension;
- ii. the proposed length of a trading halt or Suspension;
- iii. the event expected to happen that will end the trading halt or Suspension; and
- iv. any other information necessary to inform the market about the trading halt or Suspension.

73.2 SPX may grant a trading halt or Suspension for whatever period it believes is appropriate in the circumstances and made subject to compliance with such conditions as SPX thinks proper.

73.3 A trading halt cannot extend past the close of trading on the day for which it is granted.

#### **74. Delisting by the SPX**

74.1 The SPX may after considering all relevant circumstances, delist the Listed Entity, whether requested by a Listed Entity or not, in any of the following circumstances:

- i. if the Listed Entity fails or ceases to comply with any of the requirements of the Listing Application and Agreement - Annexure A;
- ii. Suspension in trading for six (6) months or more;
- iii. the SPX considers it necessary for the protection of investors or the maintenance of an orderly market;
- iv. if any fee for listing has not been paid within thirty (30) days of the due date;
- v. in the event of a delisting, no portion of the listing fee is refundable. However, if during the calendar year of delisting a Listed Entity is re-listed, no further fee is payable for the balance of that calendar year; unless there is an increase in the issued capital of the Securities which had been previously listed or the type/class of the Securities has been altered during the period of delisting or Suspension; or
- vi. in any other circumstance that the SPX considers proper in its absolute discretion.

#### **75. Request for Delisting by Listed Entities**

75.1 Where a Listed Entity itself seeks a delisting, its authorised representative(s) shall make a written request to the SPX for delisting. The written request for delisting shall state the reasons in detail for the delisting.

75.2 In situations where the Listed Entity makes an application to delist, the Listed Entity shall make sure that either the Listed Entity itself or its majority shareholders make an offer to buy out the minority shareholders unless at least 75% of the minority shareholders present at a general meeting approve of the application to delist.

75.3 In situations where the majority shareholder(s) makes an application to delist, the majority shareholder shall be required to make an offer to buy out the minority shareholders unless at least 75% of the minority shareholders present at a general meeting approve of the application to delist.

75.4 Procedures and requirements of delisting Securities shall be in accordance with SPX Guidelines specified in this behalf.