Public Companies in Australia

RAISING CAPITAL

3rd edition March 2023

Hamilton Locke

Overview

This guide summarises the key components of each of the main secondary capital raising options available in the Australian public market. It is specifically designed to assist market participants and the management team of ASX listed entities to understand the capital raising options available to them, and to set out some of the key considerations for determining the most appropriate capital raising method in a particular circumstance.

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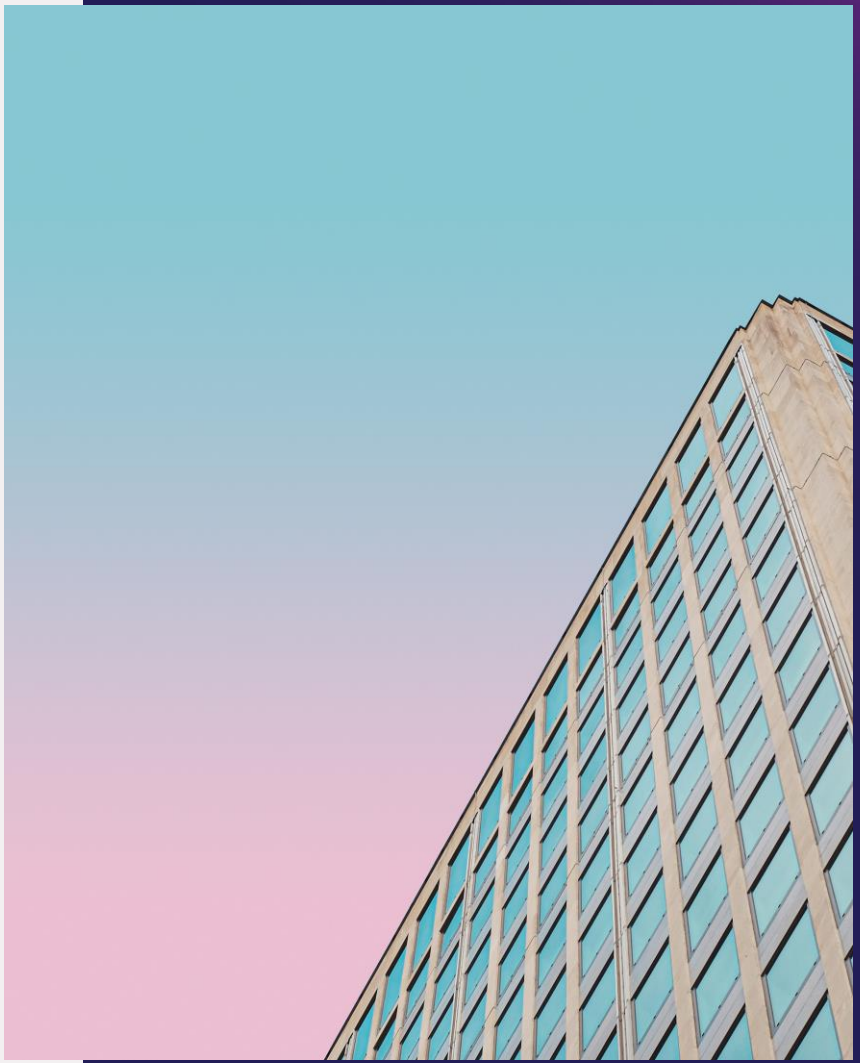
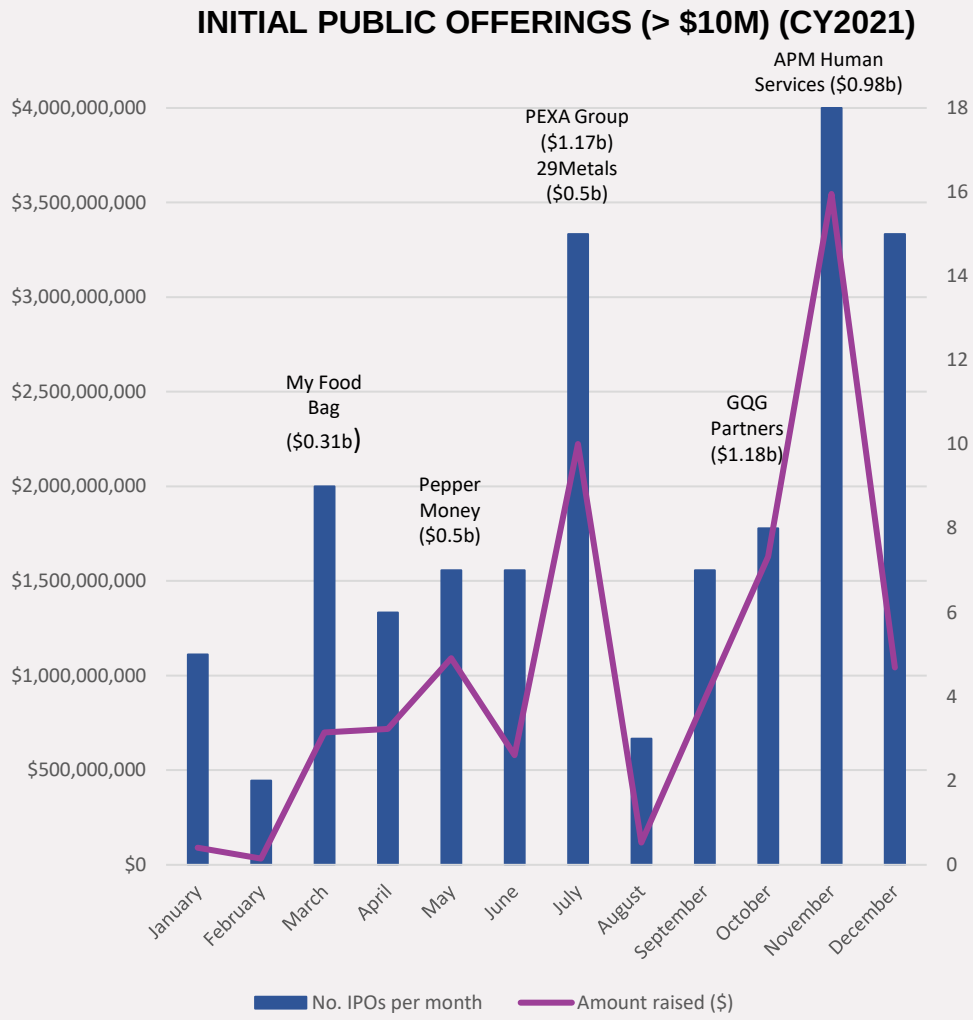
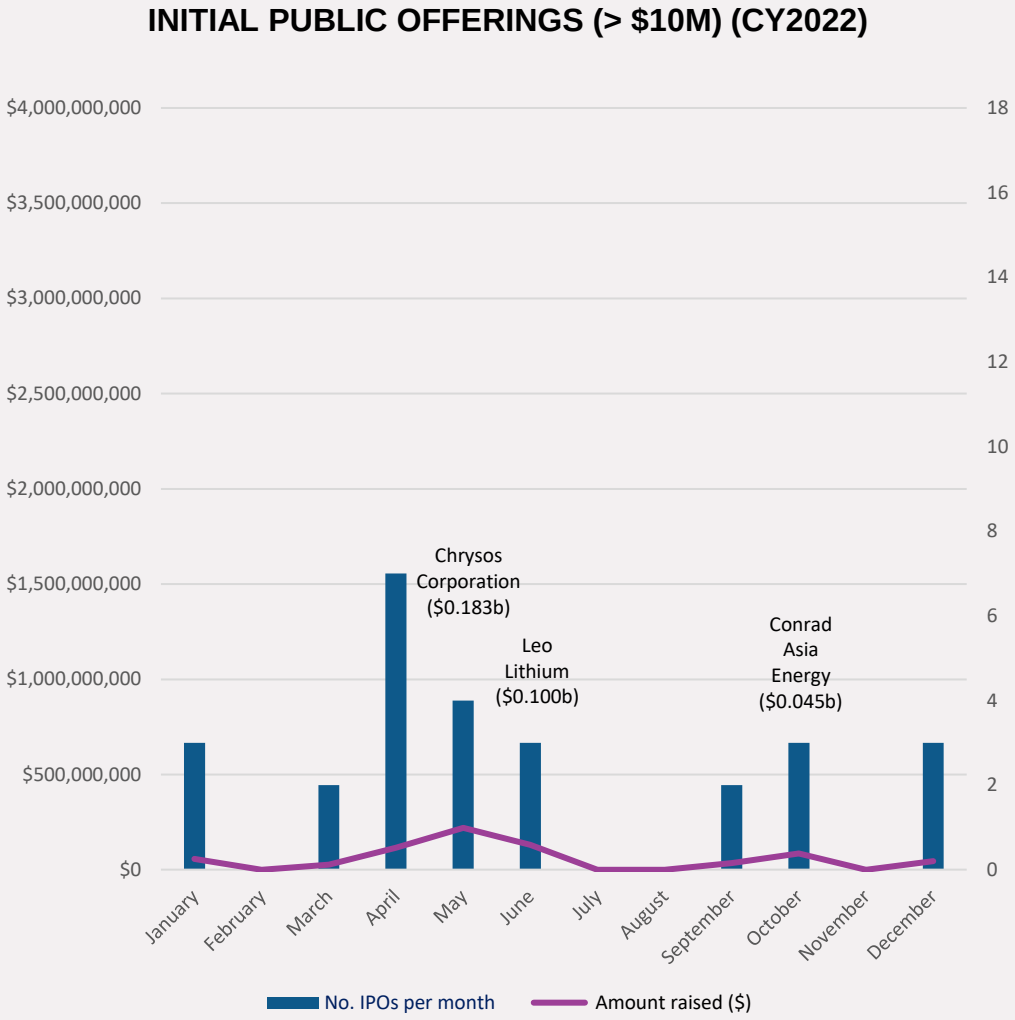


1. Market Snapshot

Initial Public Offerings (> $10M)

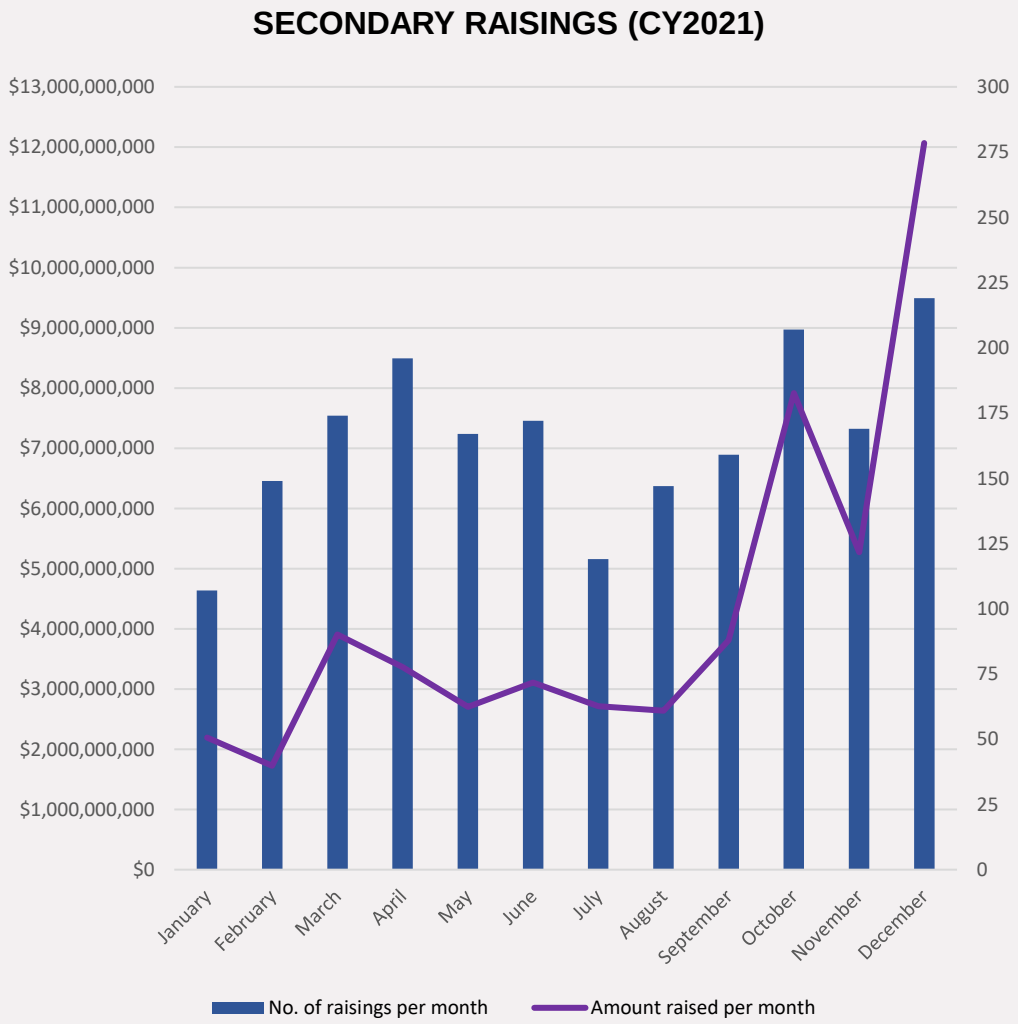
(CY2021 and CY2022)

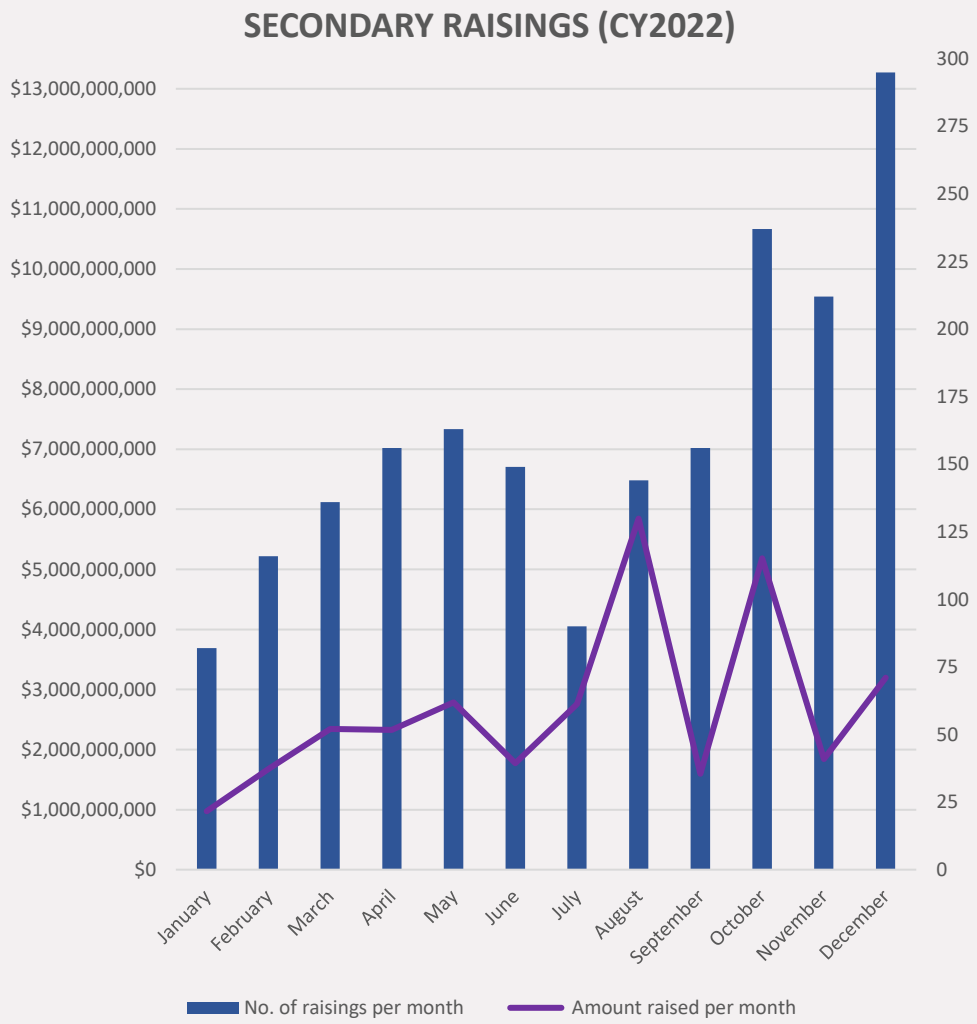




Secondary Raisings

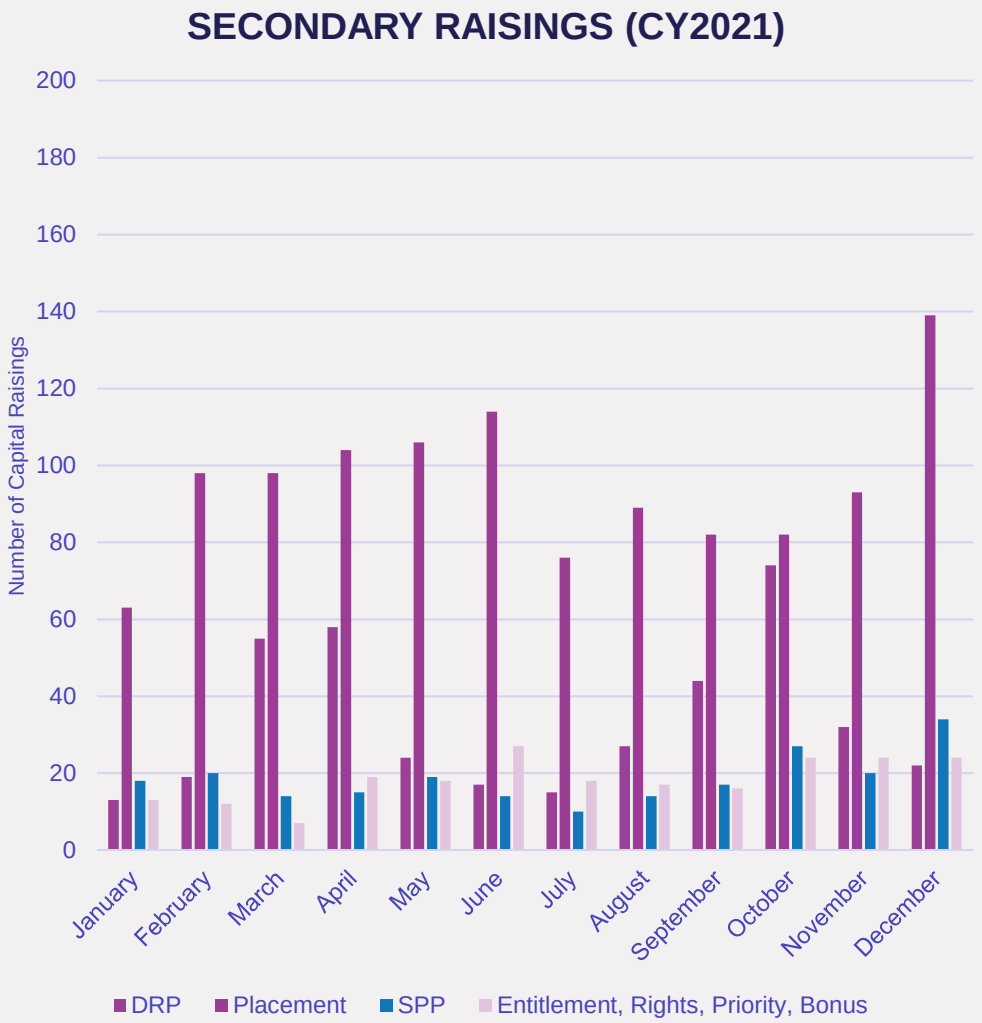
(CY2021 and CY2022)

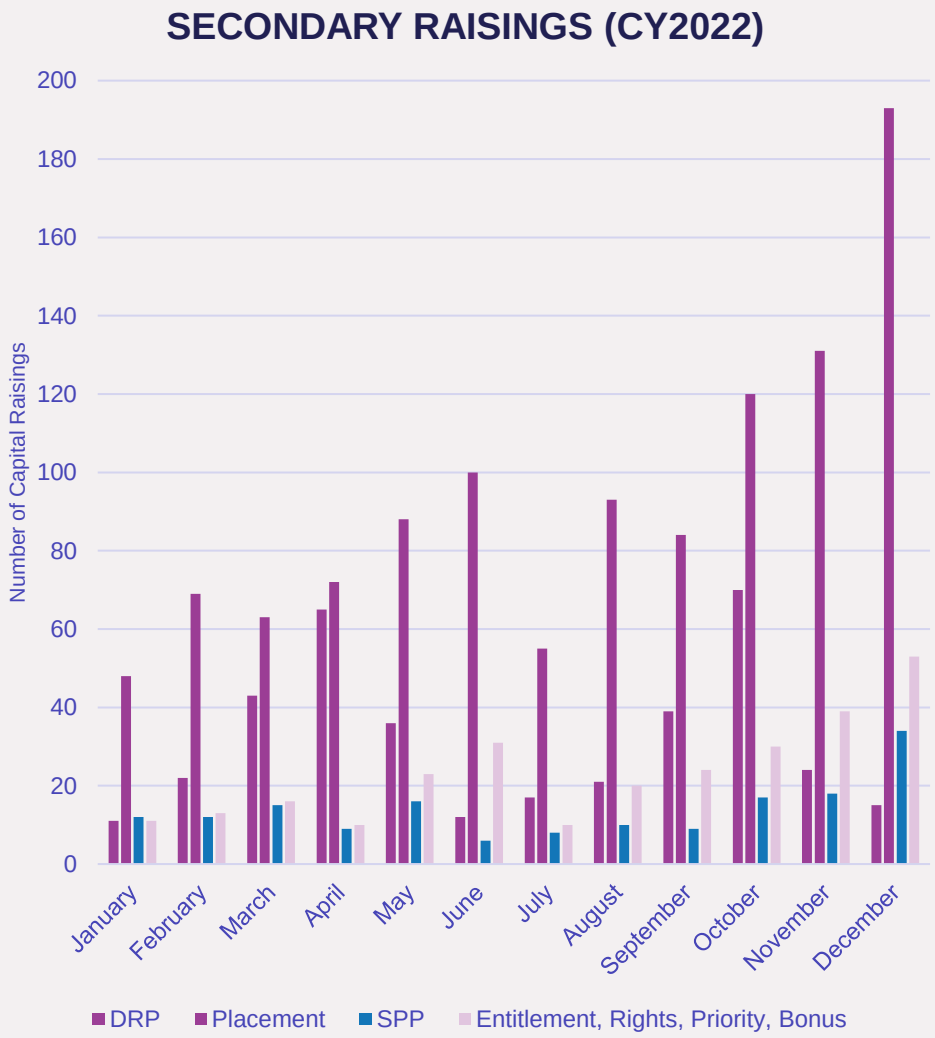




Split of Capital

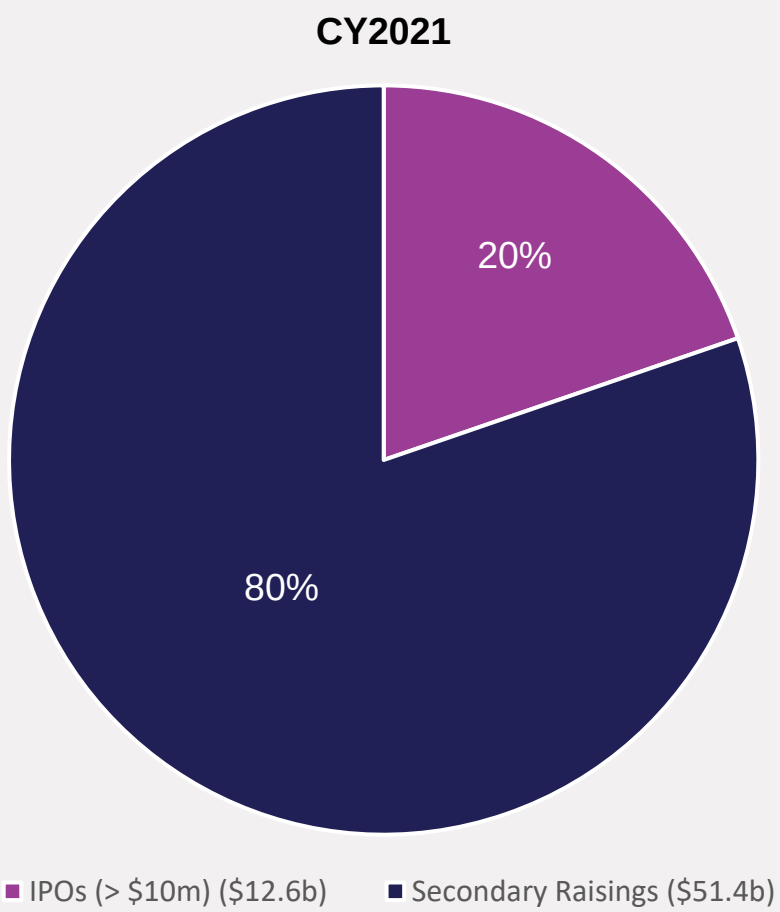
(CY2021 and CY2022)

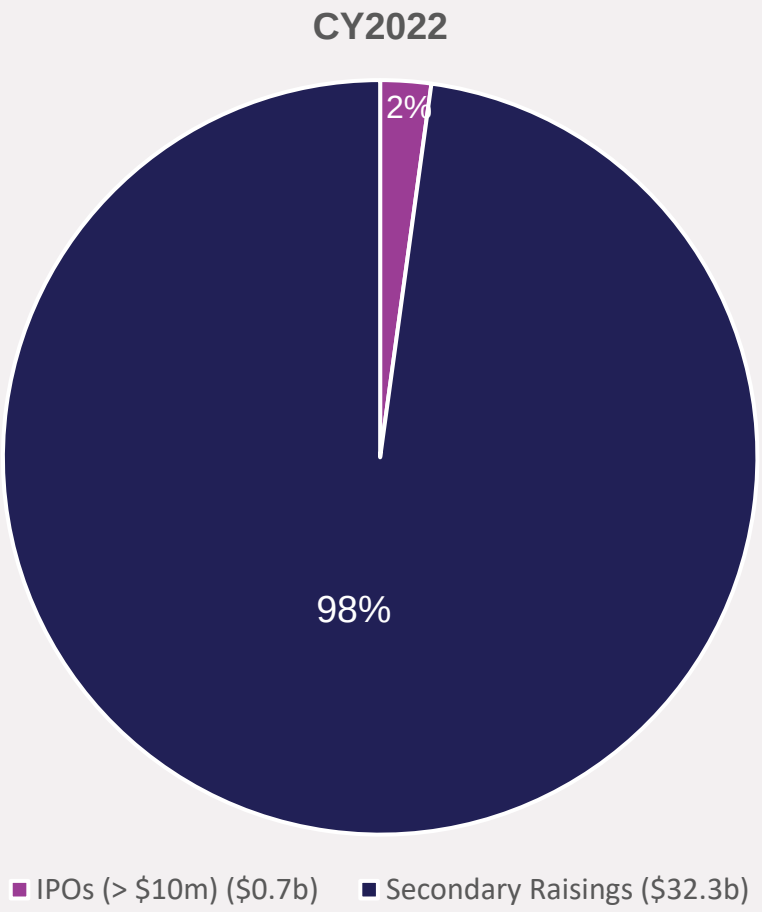




IPOs (>$10m) vs Secondary Raisings

(CY2021 and CY2022)





Market - Key observations (CY2022)

ASX capital markets

The ASX 2022 IPO market was the weakest in over a decade, with 107 new listings raising $1.1 billion. In 2021, 241 new listings raised $12.7 billion.*

Sharply lower IPO activity was evident on exchanges globally. There were 1,671 IPOs launched globally in 2022 offering $179.7 billion, compared to 3,260 IPO launched in 2021 offering $626.5 billion. **

Listing activity was stymied due to the volatility in global equities, driven by the Ukrainian war, supply-chain issues and the inflationary environment and associated higher interest rates.

ASX was the top-ranked exchange globally for the volume of secondary capital raisings in 2022, with 1,060, and fifth ranked exchange globally in 2022 by value of secondary capital raisings.*

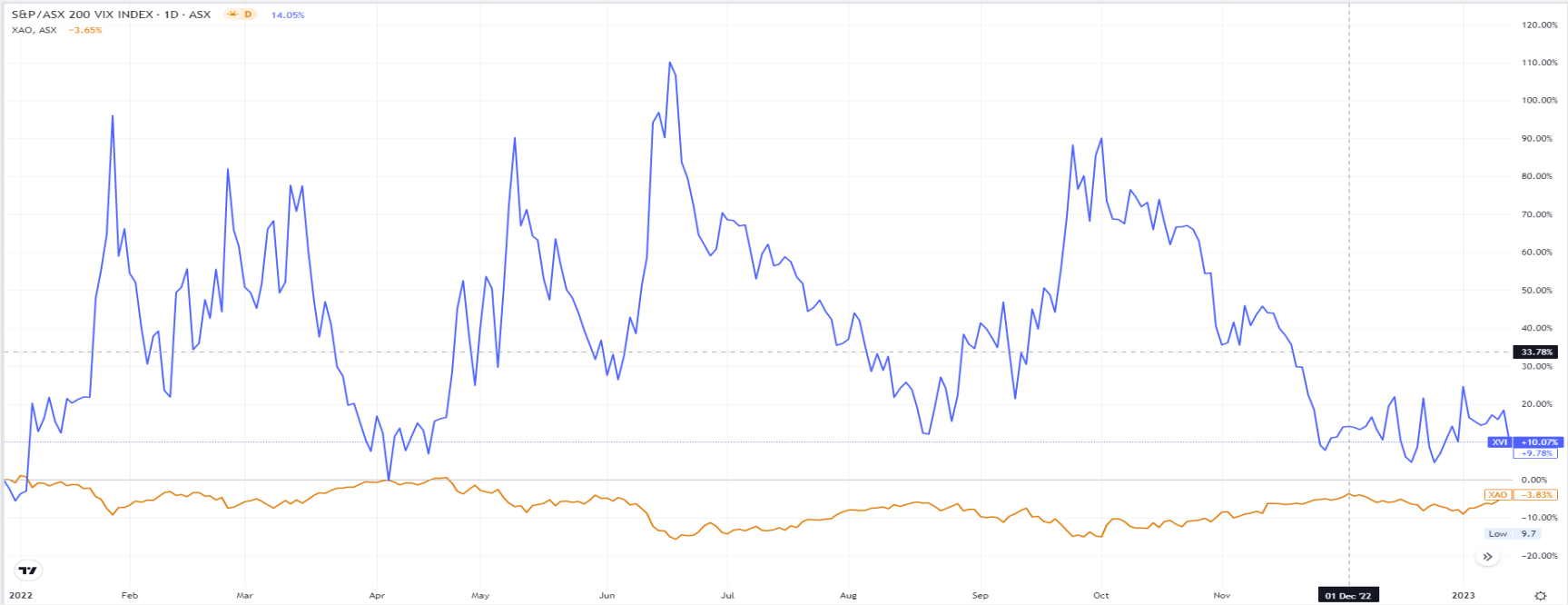
More than half of the secondary capital raisings on ASX were completed by listed entities in the Resources and Energy sectors. Listed entities in the Software & Services and Pharmaceuticals, Biotechnology & Life Sciences sectors also completed a significant number of capital raisings.

Source: * ASX

** S&P Global Market Intelligence

S&P/ASX200 Volatility Index (XVI)

ASX All Ordinaries (XAO)



2. Capital Raising Options

Placements Frequently Asked Questions

What is it?

Placements involve an offer of securities to selected institutional investors, which may include existing security holders and new institutional, strategic or cornerstone investors.

Who can participate?

Institutional placements are typically marketed to institutions in Australia (and New Zealand) and selected other jurisdictions including, for example, Singapore, Hong Kong, the European Economic Area and the UK. With appropriate legal input, larger placements can include offers in the US market.

What is the timing?

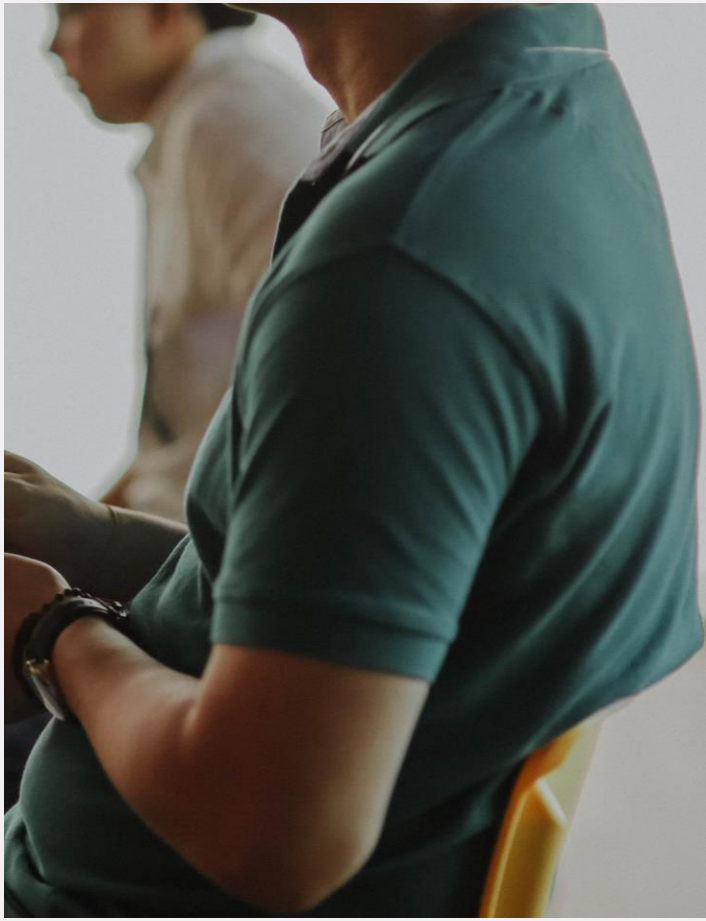
Execution timeframes for placements are still the shortest of all the types of equity capital raisings. The timing from a trading halt / public announcement to settlement can be as short as 3-4 business days.

What are the costs?

Generally, a placement involves lower transaction costs – management / underwriting fees are the single biggest expense.

What are the demands on management?

Typically, less management time is involved with placements than the alternatives, particularly where advisers/underwriters are familiar with the issuer.



Placements Frequently Asked Questions

What offer materials are required?

A 'cleansing notice' must be released to ASX for the securities to be freely on sold in the 12 months following the issue without the need for a prospectus or product disclosure statement (PDS).

The **cleansing notice** must confirm the issuer is in compliance with its continuous disclosure obligations and certain financial reporting obligations and that it has no "excluded information" i.e. non-public price sensitive information (e.g. information being withheld from disclosure to the market under a carve-out from ASX Listing Rule 3.1) – if such information does exist, it is generally disclosed to the market in a market announcement or investor presentation prior to release of the cleansing notice. There are a number of technical requirements for an issuer to satisfy in order to be eligible to use a cleansing notice, including a requirement that its securities must not have been suspended from trading for more than 5 days in the last 12 months.

Further, where material information has been selectively given to potential investors (e.g., in seeking preliminary views / interest for the capital raising), that information may need to be disclosed to avoid potential contravention of the insider trading provisions.

What is the offer price?

The offer price under a placement is typically set at a discount to the closing price the day before announcement of the offer.

What are some examples of common structuring?

Placements are often conducted alongside a share purchase plan (see pages 16 to 20) or an accelerated entitlement offer (see pages 29 to 35). Combining a placement with a retail offer is often considered to be a more equitable structure and can help to reduce dilution experienced by retail securityholders.

Who is involved?

It is common for an issuer to retain one or more investment banks to manage a placement and to "sell" the offer to existing and new investors. Investment banks may agree to underwrite all or part of the placement or alternatively offer settlement support (settlement support is where the investment bank agrees to pay funds owing by an accepting investor who fails to settle).

Placements Frequently Asked Questions

What are some of the legal and regulatory considerations?

ASX listed entities can conduct placements (and other non pro-rata offers) of up to 15% of the issuer's fully paid ordinary securities in a 12-month period.

An 'eligible entity' is one that is not included in the S&P/ASX300 Index and has a market capitalisation of less than the amount prescribed by ASX from time to time (A$300 at the time of publication) and has obtained the approval of securityholders by special resolution at its AGM, may issue an additional 10% (subject to certain conditions).

Placements to individuals must observe takeover thresholds and foreign participants must observe FIRB thresholds as well as any applicable industry-specific legislation.

Placements to directors and other related parties and certain other persons in a position of influence, require securityholder approval.

What is the liability regime?

Liability potentially arises if investors are misled. No statutory due diligence defences are available, however liability risks can be mitigated by the conduct of due diligence (centered around a management questionnaire).

What regulatory approvals are required?

If a trading halt is sought (e.g., because a bookbuild process is expected to take place over the course of a trading day), ASX approval is required. Although not automatically granted, it is common market practice for trading halts to be granted in the context of a material placement.

However, the general principle ASX applies when it receives a request for a trading halt is that interruptions to trading should be kept to a minimum. ASX will not grant a trading halt in all circumstances.

Placements Pros and Cons

Pros

- Quick execution and settlement.
- Typically, no prospectus or PDS.
- Typically, lower transaction costs than other alternatives.
- Discount attractive to institutions.
- Opportunity to attract new investors.
- Flexibility to upsize / downsize depending on market reaction.

Cons

- No due diligence defence if investors misled by statements made.
- Discount may impact amount that can be raised (i.e., the 15% placement capacity limit).
- Post-placement market price may move towards or below discount offer price.
- Dilution for investors not participating (e.g., retail investors).

Placements Recent Examples

ASX Code	Company Name	Date Listed	Issue Type	Issue Price	Amount Listed	Discount
CSL	CSL Limited	21-12-21	Ords	$273.00	$6,300,000,252	8.2% discount to closing price of $297.27 (13/12/21)
MQG	Macquarie Group Limited	04-11-21	Ords	$194.00	$1,499,999,852	1.9% discount to closing price of $197.83 (28/10/21)
ORI	Orica Limited	09-08-22	Ords	$16.00	$650,000,000	7% discount to closing price of $17.20 (02/08/22)
CWY	Cleanaway Waste Management Ltd	25-08-22	Ords	$2.50	$350,000,000	7.7% discount to closing price of $2.71 (18/08/22)
PDN	Paladin Energy Ltd	08-04-22	Ords	$0.72	$200,000,000	8.9% discount to closing price of $0.79 (30/03/22)
ABP	Abacus Property Group	23-03-22	Ords	$3.38	$200,000,000	5.1% discount to closing price of $3.56 (17/03/22)
TBN	Tamboran Resources Limited	01-11-22	Ords	$0.21	$137,014,980	22.2% discount to closing price of $0.27 (14/09/22)
NHF	NIB Holdings Limited	18-10-22	Ords	$6.90	$135,000,000	8% discount to closing price $7.51 (11/10/22)
DEG	De Grey Mining Limited	14-10-22	Ords	$1.00	$130,000,000	8.3% discount to closing price of $1.09 (04/10/22)
CXL	Calix Limited	25-10-22	Ords	$4.55	$60,000,000	11.1% discount to closing price of $5.12 (18/10/22)

Share Purchase Plans* Frequently Asked Questions

What is it?

Share Purchase Plans (SPPs) are a useful method of raising equity capital from existing investors without the need for a prospectus or PDS provided certain requirements are satisfied.

Whilst an SPP is sometimes undertaken on a standalone basis, it is often conducted in conjunction with a placement.

Who can participate?

Existing securityholders who hold shares the business day before the issuer announces the SPP.

What is the timing?

ASX has mandated a timetable for an issue of securities under an SPP, which is set out in Appendix 7A of the ASX Listing Rules. The length of time the SPP may be kept open is at the discretion of the Board of Directors. Commonly, an SPP may be kept open for between 3 and 6 weeks.

What are the costs?

Generally, an SPP involves lower transaction costs. Where it is non-underwritten and therefore there are no management / underwriting fees, the fees are primarily limited to legal costs associated with preparation of a short SPP booklet and liaison with ASX.

What are the demands on management?

Typically, less management time is involved compared with alternative structures.

* *For simplicity, the term share purchase plan or SPP includes interest purchase plans (being the equivalent form of offer of interests to existing members of a managed investment scheme listed on ASX.*

Frequently Asked Questions Continued

What offer materials are required?

A short SPP booklet and a cleansing notice (refer to page 12 for a description of what is required in a cleansing notice).

The SPP booklet must include certain disclosures including: (i) the method used to calculate the issue price; (ii) the relationship between the issue price and the market price; and (iii) the risk that the market price may change between the date of the offer and the date when the securities are issued.

What is the offer price?

ASIC requirement - The issue price must be less than the market price during a specified period determined by the issuer in the 30 days before either the date of the offer or the date of the issue.

ASX requirement (to not count towards an entity's 15% placement capacity) - Issue price is at least 80% of the volume weighted average market price for securities in that class (calculated over the last 5 days on which sales in the securities were recorded, either before the announcement date or the issue date).

What is the offer size?

Up to a dollar cap of $30,000 per securityholder in any 12-month period, irrespective of the size of an individual securityholder's stake. Directors may determine a minimum application size (e.g., at least $1,000 or an overall cap for the SPP or a cap per eligible securityholder).

Who is involved?

Unless the SPP is underwritten (which is uncommon), generally the only third-party adviser involved in an SPP is the issuer's legal counsel.

What regulatory approvals are required?

The issuer will need to agree the SPP timetable with ASX prior to launch of the SPP.

Frequently Asked Questions Continued

What are some of the legal and regulatory considerations?

There are a number of conditions imposed by ASIC that an issuer must satisfy in order to undertake a share purchase plan without a prospectus or PDS (ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547):

- the securities being offered must be in a class quoted on ASX;
- the issuer must not have contravened the financial reporting, continuous disclosure or prospectus (or PDS) disclosure rules in the Corporations Act 2001 (Cth) (**Corporations Act**) in the last 12 months;
- the offer must be made to all securityholders in jurisdictions in which it would be lawful and practical to make the offer;
- each securityholder must receive an offer on similar terms and conditions and on a non-renounceable basis; and
- the issue price must be less than the market price during a specified period determined by the issuer in the 30 days before either the date of the offer or the date of the issue.

An issue of securities under an SPP is exempt from the standard 15% placement capacity limit (ASX Listing Rule 7.1) and the restriction on offering securities to persons in a position of influence (e.g. related parties, persons holding (or who held in the last 6 months) 30% or more in the issuer and persons holding (or held in the last 6 months) 10% or more in the issuer who have nominated a director to the board of the issuer pursuant to an agreement which gives them the right or expectation to do so) (ASX Listing Rule 10.11) provided:

- the number of securities to be issued is not greater than 30% of the number of fully paid ordinary securities already on issue; and
- the issue price of the securities is at least 80% of the volume weighted average market price for securities in that class calculated over the last 5 days on which sales in the securities were recorded, either before the day on which the issue was announced or before the day on which the issue was made.

The ASX exceptions noted above (ASX Listing Rule 7.2, Exception 5 and ASX Listing Rule 10.12, Exception 4) do not apply to an issue of securities under an agreement to underwrite the shortfall on an SPP.

What is the liability regime?

Liability potentially arises if investors are misled. Provided the issuer satisfies the conditions imposed by ASIC under the ASIC instrument noted above and can conduct the SPP without a prospectus or PDS, no statutory due diligence defences are available, however liability risks can be mitigated by the conduct of due diligence (centered around a management questionnaire).

Share Purchase Plans Pros and Cons

Pros

- Typically, no prospectus or PDS, however cleansing notice must be issued.
- Typically, lower transaction costs than other alternatives.
- Can be used when an issuer has conducted an institutional placement to allow retail securityholders a simple way to participate at the same price as the institutional placement.
- Simple way for small securityholders to increase their security holding without brokerage cost.
- Exception from ASX Listing Rule 7.1 - 15% (and if applicable 7.1A – additional 10%) placement capacity limit.

Cons

- Longer timetable to execution and settlement.
- No due diligence defence if investors misled by statements made.
- Not pro-rata as the amount to be raised is fixed at a particular dollar figure per securityholder (and not by reference to the size of a securityholders holding).
- Potentially dilutionary for some securityholders.
- There is a limit on the aggregate amount that can be raised by reference to the number of securityholders an entity has on its register.

Share Purchase Plans Recent Examples

ASX Code	Company Name	Date Listed	Issue Type	Issue Price	Amount Listed	Discount
CSL	CSL Limited	15-02-22	Ords	$253.57	$750,028,364	2.0% discount to 5-day VWAP of $258.74 (7/02/22)
ARG	Argo Investments Limited	01-04-22	Ords	$9.30	$191,846,492	2.0% discount to closing price of $9.49 (7/03/22)
EBO	EBOS Group Limited	25-01-22	Ords	$32.56	$161,360,197	5.5% discount to closing price on NZX of NZ$36.50 (8/12/21)
MIR	Mirrabooka Investments Limited	12-04-22	Ords	$3.01	$42,100,888	10% discount to 5-day VWAP of $3.344 (4/04/22)
CTD	Corporate Travel Management Limited	28-01-22	Ords	$21.00	$25,000,017	8.3% discount to 5-day VWAP of $22.91 (14/12/21)
ZIP	Zip Co Limited	11-04-22	Ords	$1.90	$23,986,302	2.0% discount to 5-day VWAP of $1.939 (1/04/22)
NHF	NIB Holdings Limited	15-11-22	Ords	$6.74	$23,079,229	2.0% discount to 5-day VWAP of $6.88 (7/11//22)
CXL	Calix Limited	18-11-22	Ords	$4.24	$21,591,763	2.5% discount to 5-day VWAP of $4.35 (10/11/22)
PNV	Polynovo Limited	21-12-22	Ords	$1.90	$19,999,942	10.5% discount to 5-day VWAP of $2.12 (21/11/22)
FDV	Frontier Digital Ventures Limited	24-01-22	Ords	$1.50	$18,943,779	5.1% discount to closing price of $1.58 (14/12/21)

Traditional/Standard Rights Issues Frequently Asked Questions

What is it?

A rights issue is an offer of securities to existing holders in proportion to their existing holdings (with the exception of certain overseas holders outside New Zealand). A rights issue may be renounceable or non-renounceable.

Renounceability involves the quotation on ASX of the rights to subscribe for securities in the rights issue so that there is in theory a market for existing securityholders to sell and realise value for their rights if they don't wish to take them up.

Who can participate?

Existing holders of securities in proportion to their existing holdings (with the exception of certain overseas holders outside New Zealand).

What offer materials are required?

Typically undertaken with an ASX announcement, an offer booklet, and a cleansing notice, however if an issuer is unable to use a cleansing notice, a prospectus or PDS must be prepared. In addition to the points noted on page 12 as to what a cleansing notice must contain for a placement, in the context of a rights issue / entitlement offer, the cleansing notice must describe the effect of the offer on control of the issuer.

What is the timing?

Time necessary to prepare and verify the offer materials, plus at least 18 days from announcement of the offer to trading (but can be longer if there is a longer offer period). ASX has mandated offer timetables, which are set out in Appendix 7A of the Listing Rules. Prior to launching an offer, issuers will need to agree the timetable with ASX (even if the ASX mandated timetable is strictly adhered to).

Frequently Asked Questions Continued

What are the costs?

Legal, accounting and underwriting fees can be significant, although legal and accounting fees will be less where a prospectus or PDS is not required.

What are the demands on management?

What are the demands on management?

Typically, more demanding than a placement. Preparation for the offer typically involves the conduct of a due diligence committee (DDC) process. The DDC is usually comprised of members of management / directors only. Unless the rights issue involves the issue of a prospectus or PDS, advisers typically do not sit on the DDC as members but attend DDC meetings as observers.

What is the offer price?

The ASX Listing Rules provide that generally the offer price must not contain a fraction of a cent. The ASX Listing Rules also require that the ratio of securities must not be greater than one security for each security held unless the offer is renounceable, and the issue price is not more than the volume weighted average market price for securities in that class calculated over the last 5 days on which sales in the securities were recorded before the day on which the offer is announced.

Who is involved?

It is common for an issuer to retain one or more investment banks to manage the rights issue and to "sell" the offer to existing and new investors. Investment banks may agree to underwrite all or part of the placement or alternatively offer settlement support. The issuer's lawyers will typically design and implement the due diligence process for the offer and attend DDC meetings as observers. Depending on the financial disclosures, the issuer may appoint an investigating accountant who may conduct financial due diligence and/or produce a private report.

Frequently Asked Questions Continued

What are some of the legal and regulatory considerations?

If an entity is undertaking more than one corporate action, it must not have a record date to identify holders entitled to participate in a subsequent one until it has updated its register in relation to the preceding one (see ASX Listing Rule 7.13). An entity must not have a record date for any purpose until at least 3 business days after its last record date (see ASX Listing Rule 7.14).

An offer of securities to holders of ordinary securities under a rights issue is exempt from the ASX Listing Rule 7.1 – 15% (and if applicable 7.1A – additional 10%) placement capacity limit. In addition, the exception extends to an issue of securities to make up the shortfall provided the directors of the entity have stated as part of the offer that they reserve the right to issue the shortfall and what their allocation policy will be in relation to the shortfall. The issuer must complete the issue to make up the shortfall no later than 3 months after the close of the offer and the price must not be less than the price at which the securities were offered under the rights issue.

Persons in a position of influence (e.g., related parties, persons holding (or who held in the last 6 months) 30% or more in the issuer and persons holding (or who held in the last 6 months) 10% or more in the issuer who have nominated a director to the board of the issuer pursuant to an agreement which gives them the right or expectation to do so) may not participate in the shortfall of a pro rata issue without securityholder approval.

An issue of securities under an agreement to underwrite the shortfall (including by a person in a position of influence – see ASX Listing Rule 10.12, Exception 2) in a rights issue / entitlement offer is also exempt from the ASX Listing Rule 7.1 – 15% (and if applicable 7.1A – additional 10%) placement capacity limit provided specific details of the underwriting have been disclosed in the Appendix 3B or other market announcement, and the issue is made no later than 15 business days after the close of the offer.

Traditional/Standard Rights Issues Frequently Asked Questions

What 'CONTROL' considerations should an issuer keep in mind?

- It is not unexpected that in times where capital is harder to obtain, a number of rights issues / entitlement offers have involved "control" issues. Most typically this has been where an offer has been underwritten or sub-underwritten by a significant securityholder, cornerstone or strategic investor and, depending on the level of shortfall, the party concerned may move to a point where it controls the entity or consolidates pre-existing control.
- In some cases, a professional underwriter might be prepared to underwrite an offer only if the underwriting risk is wholly or substantially sub-underwritten away. In such cases, the only sub-underwriters available may be an existing securityholder or a related party (such as a board member or an entity controlled by or associated with a director) or a strategic or cornerstone investor.
- Such sub-underwriting has been necessary to provide the certainty of an underwritten rights issue and that certainty has in turn improved the prospects of existing holders, particularly institutions, participating in the rights issue.
- Normally for an investor to move beyond the 20% threshold (or increase a holding which is already over 20%) it would need to make a takeover bid for all securities, unless the acquisition was within the 3% in six months creep exception, or unless non-associated target securityholders approved the acquisition in a general meeting.
- However, the Corporations Act creates a specific exception to the takeover rules for securities taken up by holders, underwriters and sub-underwriters in rights issues, and, with ASIC modifications, accelerated entitlement offers.
- There is also a separate exception to the 20% threshold for securities taken up by underwriters in fundraisings generally (not only rights issues) where there is a formal prospectus or PDS lodged with ASIC.
- In the case of most rights issues, the rights issue exception mentioned above will apply so long as an ASIC approved nominee is appointed to sell the "rights" of ineligible foreign securityholders.
- It is recognised that rights issues could be deliberately structured and used as a mechanism to effect a change of control without having to make a takeover bid for all securities or, alternatively, obtain securityholder approval. Indeed, the Takeovers Panel has determined that some rights issues that have come before it, which technically fell within specific Corporations Act exceptions, nevertheless gave rise to "unacceptable circumstances".
- The Takeovers Panel has issued Guidance Note 17 which sets out the indicators of when it will be concerned about control impacts and the factors an entity should consider when proceeding with a rights issue that could have an effect on control or the acquisition of a substantial interest in the issuer (see page 25).

Traditional/Standard Rights Issues Frequently Asked Questions

What does the Takeovers Panel say about rights issues? (see Takeovers Panel Guidance Note 17)

- Issuers should have regard to Takeovers Panel Guidance Note 17 where a rights issue has or is likely to have an effect on control or involve the acquisition of a substantial interest in the issuer.
- Many rights issues will not affect control. Further, in the absence of other issues, if the rights issue is structured appropriately and there is an appropriate dispersion strategy in place, then a rights issue that results in a control effect will not generally be unacceptable where there is a clear need for funds.
- Issuers may rely on specific exceptions set out in section 611 of the Corporations Act (i.e., item 10 – Rights issues, item 10A – Accelerated rights issues and item 13 – Underwriting of fundraising), or alternatively may seek informed approval by non-associated securityholders of acquisitions in accordance with item 7 of section 611 of the Corporations Act.
- Directors should carefully consider whether there is potential for a rights issue to affect control and what reasonable options are available to mitigate the effect. In Guidance Note 17, the Takeovers Panel has provided guidance as to certain mitigation measures an issuer may undertake, for example making a rights issue renounceable where an active market for the rights is likely, offering a shortfall facility, or using a similarly effective shortfall dispersion strategy. Additionally, an appropriate dispersion strategy may include using several non-associated sub-underwriters, the underwriter and sub-underwriters only receiving securities after all other applications have been satisfied, sufficient time being given to security holders and other investors to assess the offer and external investors being able to take up securities under the dispersion strategy.
- In considering whether a rights issue gives rise to unacceptable circumstances, the Panel looks at the effect of the rights issue taking into account the following:
    - the issuer's situation – e.g., the need for funds (the amount needed may influence what is reasonable for it to accept as a potential control effect), methods of raising funds that are available and whether alternatives were considered, and market factors before and during the rights issue;
    - the structure of the rights issue – e.g., size, price, discount, underwriting / sub-underwriting, renounceability, and existence of a dispersion strategy;
    - the effect of the rights issue – e.g., any effect on control or the acquisition of a substantial interest, the steps taken by the board to minimise the potential control effects.
- Disclosure is of critical importance. Where a rights issue has a greater potential control effect (e.g., an increase in a persons voting power from 10% to 40%) then an issuer is expected to provide more disclosure than a lesser effect (e.g., an increase in voting power from 51% to 55%).
- Should the Takeovers Panel determine that a rights issue is not appropriate or contravenes any requirements, then it has wide powers to make orders, for example to prevent the rights issue from proceeding, to require further disclosure, divest securities acquired under the rights issue, require securityholder approval or require different underwriting arrangements.

Traditional/Standard Rights Issues Frequently Asked Questions

What is the liability regime?

Liability potentially arises if investors are misled. Provided the issuer satisfies the conditions set out in section 708AA or section 1012DAA of the Corporations Act and can conduct the rights issue without a prospectus or PDS, no statutory due diligence defences are available, however liability risks can be mitigated by the conduct of due diligence (centered around the DDC process and the production of a management questionnaire).

What regulatory approvals are required?

The issuer will need to agree the rights issue timetable with ASX prior to launch of the rights issue. If the issuer needs to appoint a nominee in accordance with s611 item 10 then it will need ASIC's approval to the nominee prior to launch of the offer.

	Prospectus offer	'Low doc' offer
Statutory due diligence defences potentially available?	Yes	No
Potential civil liability if documents misleading / deceptive (including by omission)?	Yes (defences potentially available)	Yes (no defences potentially available)
Potential criminal liability?	Yes (strict liability if misleading / deceptive (including by omission) and materially adverse – defences potentially available)	Yes (for materially misleading statements where failure to take reasonable steps / ought reasonably to have known of the defect – no defences potentially available)
Liability position for issuer / directors / underwriters?	Same for each (deemed liability)	Differs (liability position of issuer directors / underwriter is different to issuer. Only liable if personally mislead or deceive or are "involved" in conduct of another)
Potential liability for conduct outside the offer documents?	Yes (same as 'low doc' offer)	Yes (same as prospectus offer)

Traditional/Standard Rights Issues Pros And Cons

Pros

- Typically, the discount is attractive to securityholders.
- Typically, no prospectus or PDS, however cleansing notice must be issued.
- Enables all securityholders (apart from ineligible securityholders from certain foreign jurisdictions) to participate, avoiding dilution impacts associated with a placement or, if conducted in conjunction with a placement, lessening that dilution impact.
- If it is renounceable, the rights trading enables holders to may be realise value for rights should they not wish to take them up.
- Exception from ASX Listing Rule 7.1 – 15% (and if applicable 7.1A - additional 10%) placement capacity limit, including the additional placement of shortfall securities to new or existing investors (excluding Listing Rule 10.11 parties), and no securityholder approval required.
- No brokerage or transaction costs for securityholders who participate.

Cons

- Timetable longer than placement.
- Typically, more costly to conduct than a placement and more management time involved.
- Raising when market prices are depressed can be unattractive to issuers.

Traditional/Standard Rights Issues Recent Examples

ASX Code	Company Name	Date Listed	Issue Type	Issue Price	Amount listed	Discount
AIZ	Air New Zealand Limited	9-05-22	Ords	A$0.49 NZ$0.53	A$1,100,353,843	61.5% discount to closing price on NZX of NZ$1.373 (30/03/22)
NZK	New Zealand King Salmon Investments Limited	13-05-22	Ords	A$0.14 NZ$0.15	$55,286,925	82.6% discount to closing price NZ$0.86 (12/04/22)
TMH	The Market Herald Limited	7-10-22	Ords	$0.34	$26,608,209	15.0% discount to closing price of $0.40 (26/08/22)
SIO	Simonds Group Limited	28-12-22	Ords	$0.12	$25,520,662	4.0% discount to closing price of $0.125 (24/11/22)
BFC	Beston Global Food Company Limited	2-12-22	Ords	$0.025	$24,963,086	59.7% discount to closing price of $0.062 (14/10/22)
NMA	Namoi Cotton Limited	7-11-22	Ords	$0.43	$14,096,476	12.2% discount to closing price of $0.49 (20/09/22)
LVH	LiveHire Limited	2-09-22	Ords	$0.24	$10,116,147	21.31% discount to closing price of $0.305 (05/08/22)
BRU	Buru Energy Limited	8-06-22	Ords	$0.16	$8,856,015	23.8% discount to closing price of $0.21 (29/04/22)
BIT	Biotron Limited	29-11-22	Ords	$0.03	$4,211,596	33.0% discount to closing price of $0.045 (25/10/22)

Accelerated Entitlement Offers Frequently Asked Questions

What is it?

An accelerated entitlement offer is an offer of securities to existing holders in proportion to their existing holdings (with the exception of certain overseas holders outside New Zealand). The difference between a standard rights issue and an accelerated entitlement offer is that in an accelerated entitlement offer, the offer to institutional / sophisticated investors is "accelerated" and the proceeds from that component are received on an accelerated timeframe.

There are 4 main types of accelerated entitlement offers summarised below (see also page 33 for some of the key differences between the various structures):

- ANREO (or JUMBO) – Accelerated non-renounceable entitlement offer. "Non-renounceable" means that the securityholders have no ability to trade their rights or seek to otherwise obtain value for them. The non-renounceable nature of an ANREO encourages holders to take up their entitlements (to avoid dilution and take advantage of the discount offered because there is no possibility of receiving value from the rights to make up for dilution).
- AREO (or RAPIDS) – Accelerated renounceable entitlement offer. "Renounceable" in the context of an AREO does not refer to ASX rights trading but means that securityholders who do not accept their entitlement or who are ineligible to do so may realise value for their rights. The potential value in the renounceable offer is realised through separate bookbuilds of renounced entitlements and ineligible entitlements conducted after both the institutional and retail components of the entitlement offer, by one or more investment banks appointed to the offer. Any premium achieved in the bookbuilds over the offer price, if any, is paid to the renouncing / ineligible holder.
- SAREO – Simultaneous accelerated renounceable entitlement offer. A SAREO is a variation of the AREO structure in that the rights which have been renounced are sold through a single bookbuild (open only to institutional / sophisticated investors) conducted after both the institutional and the retail offers have completed.
- PAITREO – Accelerated renounceable entitlement offer with retail rights trading. A PAITREO is a combination of an AREO and a traditional renounceable rights issue.

In difficult underwriting conditions, ANREO's with only the institutional component underwritten have been preferred over fully underwritten AREO structures. Where sufficient sub-underwriting support emerges in the institutional offer of an ANREO, underwriters may be willing to then underwrite the retail component of the offer.

An ANREO can deliver greater certainty of outcome for a sub-underwriting cornerstone investor than a renounceable entitlement offer since there is typically no retail shortfall bookbuild in a non-renounceable structure and the cornerstone investor may therefore receive an allocation of securities directly from the retail shortfall (rather than that shortfall being put into a bookbuild and allocated to general institutional investors, as is customary in renounceable structures). A retail bookbuild does not guarantee that a sub-underwriting cornerstone investor will acquire any retail shortfall, and in some instances that might deter a cornerstone investor from participating.

Accelerated Entitlement Offers Frequently Asked Questions

Who can participate?

Existing holders of securities in proportion to their existing holdings (with the exception of certain overseas holders outside New Zealand).

What offer materials are required?

Typically undertaken with an ASX announcement; an investor presentation; a retail offer booklet; and a cleansing notice, however if an issuer is unable to use a cleansing notice, a prospectus or PDS must be prepared. See page 12 which describes the eligibility to use a cleansing notice. See page 26 for an outline of the pros and cons of the prospectus / PDS versus the 'low doc' approach.

What is the timing?

Time necessary to prepare and verify the offer materials, plus 2-3 business days from announcement to trading for the institutional component of the offer, and approximately 18-22 days from announcement to normal trading under the retail component of the offer (but can be longer if there is a longer retail offer period). ASX has mandated timetables set out in Appendix 7A of the ASX Listing Rules. Prior to launching an offer, issuers will need to agree the timetable with ASX (even if the ASX mandated timetable is strictly adhered to).

What are the costs?

Legal, accounting and underwriting fees can be significant, although legal and accounting fees will be less where a prospectus or PDS is not required.

What are the demands on management?

Typically, more demanding than a placement. Preparation for the offer generally involves the conduct of a due diligence committee (DDC) process. The DDC is typically comprised of members of management / directors only. Unless the rights issue involves the issue of a prospectus or PDS, advisers do not sit on the DDC as members, but attend DDC meetings as observers.

Accelerated Entitlement Offers Frequently Asked Questions

What is the offer price?

The ASX Listing Rules provide that generally the offer price must not contain a fraction of a cent. The ASX Listing Rules also require that the ratio of securities must not be greater than one security for each security held unless the offer is renounceable and the issue price is not more than the volume weighted average market price for securities in that class calculated over the last 5 days on which sales in the securities were recorded before the day on which the offer was announced.

Who is involved?

It is common for an issuer to retain one or more investment banks to manage the rights issue and to "sell" the offer to existing and new investors. Investment banks may agree to underwrite all or part of the entitlement offer or alternatively offer settlement support. The issuer's lawyers will typically design and implement the due diligence process for the offer and attend DDC meetings as observers. Depending on the financial disclosures, the issuer may appoint an investigating accountant who may conduct financial due diligence and/or produce a private report.

What are some of the legal and regulatory considerations?

If an entity is undertaking more than one corporate action it must not have a record date to identify holders entitled to participate in a subsequent one until it has updated its register in relation to the preceding one. An entity must not have a record date for any purpose until at least 3 business days after its last record date.

An offer of securities to holders of ordinary securities under an entitlement offer is exempt from the ASX Listing Rule 7.1 – 15% (and if applicable 7.1A – additional 10%) placement capacity limit. In addition, the exception extends to an issue of securities to make up the shortfall provided the directors of the entity have stated as part of the offer that they reserve the right to issue the shortfall and what their allocation policy will be in relation to the shortfall. The issuer must make the issue to make up the shortfall no later than 3 months after the close of the offer and the price must not be less than the price at which the securities were offered under the entitlement offer.

Persons in a position of influence (e.g., related parties, persons holding (or who held in the last 6 months) 30% or more in the issuer and persons holding (or who held in the last 6 months) 10% or more in the issuer who have nominated a director to the board of the issuer pursuant to an agreement which gives them the right or expectation to do so) may not participate in the shortfall of a pro rata issue without securityholder approval.

An issue of securities under an agreement to underwrite the shortfall (including by a person in a position of influence – see ASX Listing Rule 10.12, Exception 2) in an entitlement offer is also exempt from ASX Listing Rule 7.1 – 15% (and if applicable 7.1A – additional 10%) placement capacity limit provided specific details of the underwriting have been disclosed in the Appendix 3B or other market announcement and the issue is made no later than 15 business days after the close of the offer. See also "Control" considerations and Takeovers Panel Guidance described on pages 24 and 25.

Frequently Asked Questions Continued

What is the liability regime?

Liability potentially arises if investors are misled. Provided the issuer satisfies the conditions imposed by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and can conduct the rights issue without a prospectus or PDS, no statutory due diligence defences are available, however liability risks can be mitigated by the conduct of due diligence (centered around the DDC process and the production of a management questionnaire).

What regulatory approvals are required?

The issuer will need to agree the rights issue timetable with ASX prior to launch of the rights issue. If the issuer needs to appoint a nominee in accordance with s611 item 10 then it will need ASIC's approval to the nominee prior to launch of the offer.

Accelerated Entitlement Offers
Key Differences Between Structures

	ANREO	AREO	SAREO	PAITREO
Issuer receives institutional proceeds quickly	Y	Y	Y	Y
Renounceable (i.e., bookbuild premium returned to renouncing / ineligible holders)	N	Y	Y	Y
Sometimes combined with a placement	Y	Y	Y	Y
Can be conducted without a prospectus or PDS (assuming the issuer satisfies the relevant cleansing notice criteria)	Y	Y	Y	Y
Commonly undertaken at a discount	Y	Y	Y	Y
Ability to accept oversubscriptions	Y	Y	Y	Y
Ability to offer at a ratio of more than 1:1	N	Y	Y	Y
Can be used by listed managed investment schemes and stapled entities	Y	Y	Y	Y
Involves ASX rights trading	N	N	N	Y
Securityholders incur brokerage	N	N	N	N
ASX waivers or confirmations required Note: if an issuer wants to 'supersize' a placement that is being undertaken at the same time as the entitlement offer (i.e., where the placement exceeds the issuers ASX Listing Rule 7.1 – 15% (and if applicable 7.1A – additional 10%) placement capacity limit pre-entitlement offer, an ASX waiver will be required	N	N	N	N
ASIC relief or modifications Note: if there are control issues, an ASIC application may be required	N	N	N	N

Accelerated Entitlement Offers Pros and Cons

Pros

- Typically, the discount is attractive to securityholders.
- Typically, no prospectus or PDS, however cleansing notice must be issued.
- Accelerated timetable means that the issuer can manage risk and receive institutional proceeds quickly.
- Accelerated timetable benefits institutions who come off risk more quickly and similar benefit to underwriters if the institutional component is the only component underwritten.
- Enables all securityholders (apart from ineligible securityholders from certain foreign jurisdictions) to participate, avoiding dilution impacts associated with a placement or, if conducted in conjunction with a placement, lessening that dilution impact.
- If it is renounceable, including where there is retail rights trading, holders may be able to realise value for rights should they not wish to take them up.
- Exception from ASX Listing Rule 7.1 - 15% (and if applicable 7.1A - additional 10%) placement capacity limit, including the additional placement of shortfall securities to new or existing investors (excluding Listing Rule 10.11 parties), without securityholder approval.
- No brokerage or transaction costs for securityholders who participate.

Cons

- Timetable longer than placement.
- Typically, more costly to conduct than a placement and more management time involved.
- More complicated to execute than a traditional rights issue or placement.
- Retail securityholders are not offered the ability to take up securities on an accelerated basis.
- Raising when market prices are depressed can be unattractive to issuers.

Accelerated Entitlement Offers Recent examples

ASX Code	Company Name	Date Listed	Issue Type	Issue Price	Amount listed	Discount
ALX	Atlas Arteria Limited	27-09-22 (I) 14-10-22 (R)	Ords	$6.30	$3,098,437,530	17.2% discount to distributed adjusted closing price of $7.61 (12/09/22)
CAR	carsales.com Limited	6-07-22 (I) 21-07-22 (R)	Ords	$17.75	$1,207,030,282	14.5% discount to closing price of $20.76 (24/06/22)
SMR	Stanmore Resources Limited	17-03-22 (I) 1-04-22 (R)	Ords	$1.10	$694,071,679	12.0% discount to closing price of $ (2/03/22)
AUB	AUB Group Limited	19-05-22 (I) 6-06-22 (R)	Ords	$19.50	$279,247,820	12.8% discount to closing price of $22.36 (6/05/22)
SFR	Sandfire Resources Limited	29-11-22 (I) 16-12-22 (R)	Ords	$4.30	$200,000,000	10.2% discount to closing price of $4.79 (17/11/22)
DHG	Domain Holdings Australia Limited	14-04-22 (I) 6-05-22 (R)	Ords	$3.80	$180,095,163	5.2% discount to closing price $4.01 (31/03/22)
SYR	Syrah Resources Limited	18-02-22 (I) 8-03-22 (R)	Ords	$1.48	$125,097,232	10.3% discount to closing price of $1.65 (4/02/22)
EQT	EQT Holdings Limited	1-09-22 (I) 15-09-22 (R)	Ords	$24.00	$124,806,288	5.7% discount to closing price of $25.46 (18/08/22)
RSG	Resolute Mining Limited	18-11-22 (I) 12-12-22 R)	Ords	$0.16	$122,650,363	22.0% discount to closing price of $0.205 (9/11/22)

(I) Institutional component
(R) Retail component

Dividend Reinvestment Plans Frequently Asked Questions

What is it?

If an entity is paying dividends or distributions, a dividend or distribution reinvestment plan (DRP) presents another way for the listed entity to retain equity.

Who can participate?

Existing securityholders who hold securities in the issuer and who have elected to participate in the DRP by the record date for the DRP. Note that it can be an issue for eligibility of foreign securityholders to receive securities under a DRP, and generally all foreign securityholders (apart from securityholder residents in New Zealand) are excluded from participation.

What offer materials are required?

Offers of securities to securityholders under a DRP do not require a prospectus or PDS. The key document is the rules of the DRP which set out the necessary terms and conditions including how pricing is determined; logistics of operation of the plan; and how securityholders elect to participate.

Before the launch of an entity's initial DRP offer, it is normal practice for an entity to send to each eligible securityholder a letter inviting their participation, setting out a summary of the rules and attaching the rules themselves.

Unless the DRP is underwritten there is no requirement to publish a "cleansing notice", however issuer's must be careful that the market is fully informed to avoid insider trading offences.

What is the timing?

ASX needs to be informed if a DRP is established, amended, deactivated or reactivated. ASX Appendix 6A includes a timetable for dividends / distributions that also covers issues under a DRP.

Dividend Reinvestment Plans Frequently Asked Questions

What is the offer size?

The final amount "raised" through a DRP will be dependent on: (a) the number of participating securityholders; (b) the price at which securities are offered under the DRP; (c) the size of the dividend / distribution declared by the issuer; and (d) the extent of the underwriting (if any).

What are the costs?

The costs of implementing a DRP can be relatively minimal; without the potential prospectus / PDS and roadshow costs associated with many other types of capital raisings.

What are the demands on management?

Minimal demands on management.

Can it be underwritten?

Having a DRP underwritten can provide an entity with certainty and significantly boost the amount of capital ultimately raised. Typically, the underwriter will take up an agreed portion of the securities that are not nominated by securityholders to participate in the DRP. If necessary, proceeds from the underwritten portion can then be used by the issuer to fund the cash dividend / distribution to be paid to securityholders. Where the underwriter has signed the underwriting agreement before the pricing period has run (and so only the dollar value of the underwrite is known), the underwriter can manage its underwriting risk by borrowing existing stock and selling the underwritten amount progressively over the pricing period at or better than the per security underwritten price under the underwriting agreement. On the issue date the underwriter then applies the funds received from the sales of borrowed stock during the pricing period to subscribe for the DRP shortfall securities and disposes of those securities by returning them to the original stock lenders. In times of volatility, an underwriter may insist on the DRP price being determined before it signs any underwriting agreement.
The issue of securities to an underwriter of a DRP will require the issuer to release a cleansing notice on ASX.
Some issuers / institutional investors disapprove of underwritten DRPs. Some of the criticisms include that underwriting a DRP can result in the price of the securities being pushed down dramatically; that it is dilutive or that it signals that an issuer is unable to afford its dividend / distribution.

Dividend Reinvestment Plans Frequently Asked Questions

What is the offer price?

Careful consideration must be given in respect of the appropriate pricing period. The price is determined by taking the average of the daily VWAP over a period between the announcement date and the dividend / distribution payment date. The issuer has the flexibility to choose a pricing period that is short or long (i.e., the pricing period could be 3 business days or it could be 20 business days – it is entirely flexible) and occur before or after the record date (i.e., when the securityholder elections for the DRP must be submitted).

Issuers may consider offering a discount to the price determined by the pricing period. Typically discounts range from 0-5%.

Who is involved?

A professional underwriter (if underwritten).

What are some of the legal and regulatory considerations?

If an entity's constitution expressly disallows a DRP, securityholder approval will be required to alter the constitution.
An offer of securities under a DRP is exempt from ASX Listing Rule 7.1 - 15% (and if applicable 7.1A – additional 10%) placement capacity limit, provided the DRP does not impose a limit on participation. In addition, an issue of securities under an agreement to underwrite the shortfall of a DRP is also exempt from the placement limitations provided details of the underwriting agreement are disclosed prior to the date for payment of the dividend or distribution and the entity makes the issue within 15 business days after the date for payment of the dividend or distribution.
An offer of securities under a DRP may also be made to people in a position of influence (e.g. related parties, persons holding (or who held in the last 6 months) 30% or more in the issuer and persons holding (or who held in the last 6 months) 10% or more in the issuer who have nominated a director to the board of the issuer pursuant to an agreement which gives them the right or expectation to do so) without securityholder approval, provided the DRP does not impose a limit on participation and the person in a position of influence is not underwriting the shortfall (see ASX Listing Rule 10.12, Exception 3).
Securityholders participating in a DRP are exempt from the 20% takeover threshold with respect to securities acquired under the DRP, so long as the DRP is available to all Australian resident securityholders. Unlike the rights issue exception, the DRP exception does not extend to acquisitions by persons as underwriters. ASIC may grant case-by-case relief for underwriters of a DRP, where they may breach the 20% threshold with respect to securities acquired under the DRP, provided the underwriter is acting as a bona fide underwriter and on the condition that at the time the DRP is announced, securityholders have received adequate information about: (a) the key terms of the underwriting; (b) the identities of any sub-underwriters; (c) any associations between the underwriter or sub-underwriter and a controller or one or more substantial holders. ASIC's policy in this regard is set out in ASIC Regulatory Guide 6 Takeovers: Exceptions to the general prohibition.

Dividend Reinvestment Plans Pros and Cons

Pros

- Allows an issuer to retain capital whilst remaining attractive to investors as a dividend / distribution payer and can improve debt to equity ratios.
- The use of a DRP by an issuer can be flexibly managed. For example, it can be suspended at the discretion of the issuer and reactivated at a later date.
- Allows an issuer to raise equity in circumstances where credit markets are constrained.
- No brokerage or other transaction costs.
- Securityholders who participate derive dividends / distributions on new securities at the next dividend / distribution payment date.
- DRP may be structured with a small discount to the market price.
- Exception from ASX Listing Rule 7.1 - 15% (and if applicable 7.1A - additional 10%) placement capacity limit.

Cons

- A growing equity base may lead to a deterioration of the issuer's earnings per security and a dilution of holdings for some securityholders.
- Can sometimes signal issues over health of the issuer.
- A reinvested dividend is subject to tax but without the benefit of any attaching franking credits.
- The amount that can be "raised" is ultimately limited by the size of the dividend / distribution and the number of securityholders who agree to participate.

Dividend Reinvestment Plans Recent Examples

ASX Code	Company Name	Date Listed	Issue Type	Issue Price	Amount Listed
WBC	Westpac Banking Corporation	22-12-22	Ords	$23.86	$189,669,487
WOW	Woolworths Group Limited	13-10-22	Ords	$36.56	$94,072,134
TAH	Tabcorp Holdings Limited	26-09-22	Ords	$0.92	$49,408,830
BOQ	Bank of Queensland Ltd	30-05-22	Ords	$7.2881	$34,486,524
ORI	Orica Limited	23-12-22	Ords	$14.9704	$19,946,217
WAM	WAM Capital Limited	å21-06-22	Ords	$1.89989	$10,514,850
CLW	Charter Hall Long WALE REIT	16-05-22	Stapled Sec	$5.2929	$10,704,223
MFF	MFF Capital Investments Limited	17-05-22	Ords	$2.5043	$5,270,878
UOS	United Overseas Australia Limited	7-06-22	Ords	$0.5887	$5,960,731

Hybrids and Retail Notes
Frequently Asked Questions

Overview

ASX listed entities can offer debt or hybrid securities and in certain scenarios, these offers can be extended to retail investors with the securities quoted on ASX. More commonly, debt securities and hybrid securities are offered only through the international debt capital markets to institutional investors and the securities are not quoted on ASX.

Because hybrid securities and retail notes may be commercially considered an alternative to the equity offers discussed previously in this booklet, we have included a brief overview of them.

What is it?

Retail notes is a term that covers a subset of interest rate securities offered by ASX listed entities to the public for quotation on ASX. They primarily involve a debt in the form of a loan from investors to an entity in return for periodic interest payments, and eventually repayment of the principal. They can also involve other features or enhancements. Interest may be calculated using a fixed rate (e.g., corporate bonds) or using a variable rate that is calculated as a base rate plus a margin that moves in line with the general level of interest rates.

Retail notes may have a term or be perpetual and, in some cases, they may convert into underlying securities of the issuer (i.e., convertible notes), and/or the interest rates may be deferrable or discretionary. These additional features that make the retail notes more 'equity' like, are typically referred to as 'hybrid securities'.

Who can participate?

Typically, all Australian public investors that participate in ASX securities investments, including retail investors.

Hybrids and Retail Notes Frequently Asked Questions

What offer materials / advice / approvals are required?

Prospectus or PDS, note / hybrid security terms and conditions, trust deed (in the case of a debenture), tax advice (including private rulings), rating agency ratings and ASX confirmations in relation to terms.

Issuers can have regard to the nature of the securities when determining what matters must be included in the offering document. In the case of a company issuing a retail note, for example, investors would reasonably expect to be told different information than if they were investing in that entity's securities. For example, an investor may be less interested in an issuer's growth prospects when the investor is investing in retail notes.

What is the timing?

The time to prepare for an offer of retail notes or hybrid securities is similar to the time taken to prepare for a typical initial public offering and can take upwards of 2 months. If an issuer is seeking a credit rating or private tax ruling, or has engaged a trustee that requires ASIC approval, this typically will extend the preparation timetable. Once launched, offers are typically open for 2-4 weeks after close of the exposure period.

What are the demands on management?

Typically imposes relatively high demands on management as may be the case in an initial public offering.

Who is involved?

Typically, 1 note or preference share is $100 and minimum investments start at $5,000, although this can differ from offer to offer.

What are some of the legal and regulatory considerations?

Retail notes are typically classified as "debentures" under the Corporations Act, and an authorised trustee company is appointed to act as trustee for investors, and a trust deed is prepared.

Preference shareholders rank ahead of ordinary shareholders but behind creditors in the event of a winding up of a company. As holders of retail notes are creditors, their claims will rank ahead of shareholders in a winding up scenario. Retail notes are often subordinated to other creditors.

Frequently Asked Questions Continued

What is the liability regime?

The liability regime and defences for offers of debentures is the same as for offers of other securities. The due diligence process is therefore typically the same for an offer of retail notes or hybrid securities and emulates the due diligence committee process common in an initial public offering of securities.

What regulatory approvals are required?

ASX will need to approve the terms of the notes or securities, and ASIC will consider the form of the prospectus or PDS and in some circumstances, the terms, during the exposure period.

Example deal terms:

- **Offer -** listed $1 face value convertible note to raise $32 million via a institutional placement (15% placement capacity + conditional component) and traditional rights issue.
- **Rights issue ratio -** 1 note for every 4.39 shares held, with ability (capped at 50%) to apply for oversubscriptions.
- **Term -** 3 year maturity date unless converted, redeemed or cancelled early.
- **Security -** notes were secured but subordinated to existing bank debt.
- **Interest -** interest rate 8% (plus additional 6% in case of default).
- **Interest calculation / payment**
  - interest calculated quarterly in arrears and cash interest not payable until permitted under senior debt obligations (at time no cash interest was expected to be paid for at least 6 months). Interest not paid in cash was capitalised.
  - payment of cash interest was always subject to issuer's compliance with senior debt covenants.
- **Conversion mechanics**
  - notes were convertible after initial 12 months until maturity, conversion price was lower of: (a) $0.515; (b) a 15% discount to 30 day volume weight average price of shares prior to conversion date; and (c) a 15% discount to the price of any equity capital raising undertaken by the company in the 30 day period prior to the conversion date - subject to a floor conversion price of $0.25.
- **Early redemption by issuer -** company able to redeem early on 30 days notice within which time the noteholder can elect to convert.

Comparison Between Ordinary Shares, Subordinated Notes, Convertible Preference Shares and Bonds

	Ordinary shares	Subordinated Notes	Convertible Preference Shares	Bonds
Legal form	Shares	Unsecured, subordinated debt	Preference share	Notes or debentures
Ranking	Rank behind all other securities and obligations	Rank ahead of ordinary shares, equally with equal ranking obligations and behind all creditors	Ranks lower than subordinated notes and all creditors but higher than ordinary shares	Typically unsubordinated, meaning that they rank ahead of all subordinated creditors and all classes of shares
Term	Perpetual (unless bought back)	Flexible, depends on terms (e.g. can be 60 years)	Perpetual (subject to scheduled conversion into ordinary shares)	Typically 3 to 15 years
Call date(s)	Not applicable	Flexible, depends on terms (e.g. from year 5)	Flexible, depends on terms (e.g. from year 5)	Typically none
Payment amounts	Based on issuer's level of profitability and boards dividend policy	Flexible, depends on terms (eg a floating interest rate equal to the sum of the Bank Bill Rate plus a margin)	Flexible, depends on terms (e.g. a floating interest rate equal to the sum of the Bank Bill Rate plus a margin)	Based on a floating or fixed interest rate
Payment accumulation	None	Depends on terms (e.g. any deferred interest payments may be cumulative and compounding)	Depends on terms	Any unpaid interest payments are cumulative and compounding
Participation in issuer's profits on issuer's winding up	Yes	No	Yes	No
Rights to be repaid at end of term	Not applicable	Yes	Not applicable	Yes
Voting rights at a general meeting of the issuer's shareholders	Yes	No	No except in certain limited circumstances	No
Transferability and liquidity	Yes, quoted on ASX – likely to be more liquid than notes and bonds	Yes, quoted on ASX – likely to be less liquid than ordinary shares	Yes, quoted on ASX – likely to be less liquid than ordinary shares	Yes, although typically not quoted – likely to be less liquid than ordinary shares

Hybrids and Retail Notes Recent Examples

ASX Code	Company Name	Date Listed	Issue Type	Security type	Issue Price	Amount listed
NAB	National Australia Bank Limited	8-07-22	Capital Notes	Unsecured	$100.00	$2,000,000,000
CBA	Commonwealth Bank of Australia	16-11-22	Capital Notes	Unsecured	$100.00	$1,777,379,000
CBA	Commonwealth Bank of Australia	1-04-22	Capital notes	Unsecured	$100.00	$1,750,000,000
WBA	Westpac Banking Corporation	21-07-22	Capital notes	Unsecured	$100.00	$1,509,088,000
ANZ	ANZ Group Holdings Limited	25-03-22	Capital notes	Unsecured	$100.00	$1,310,000,000
MQG	Macquarie Group Limited	18-07-22	Capital notes	Unsecured	$100.00	$750,000,000
IAG	Insurance Australia Group Limited	23-12-22	Capital notes	Unsecured	$100.00	$500,000,000
BOQ	Bank of Queensland Limited	15-11-22	Capital notes	Unsecured	$100.00	$400,000,000
CAM	Clime Capital Limited	10-12-21	Convertible notes	Unsecured	$1.00	$16,268,995
ECP	ECP Emerging Growth Limited	19-04-22	Convertible notes	Unsecured	$1.43	$10,824,434
GFL	Global Masters Fund Limited	29-11-21	Convertible notes	Unsecured	$3.10	$10,000,000

PIPEs Frequently Asked Questions

Overview

Other capital raising options for listed entities include private equity or other private capital investment in a listed entity's securities by way of structured PIPES transactions.

What is it?

Private investment in public entities (PIPE) transactions provide opportunities for cashed up institutions and sponsors with appropriate mandates to invest in public entities. They can take various forms including institutional placements, entitlement offers underwritten by the private investor, preferred security issues or convertible notes. In volatile markets, it is more common to see them structured as convertible notes because investing by way of convertible notes provides downside.

Key legal considerations?

1. Chapter 6 of the Corporations Act – 20% takeovers rule: limits a person acquiring a relevant interest that leads to voting power exceeding 20% of a listed entity without obtaining securityholder approval or complying with another exception, such as launching a takeover or scheme of arrangement. This rule limits the size of the private investment that may be made without launching a takeover bid.
2. ASX Listing Rule 7.1 placement capacity limit – listed entities are prohibited from issuing new equity securities representing more than 15% of their fully paid ordinary securities in any 12-month period without securityholder approval or otherwise satisfying an exception. A PIPE transaction can be structured to permit a larger equity holding if the convertibility element of the instrument is conditional on securityholder approval.
3. Related parties and substantial holders – the Corporations Act and ASX Listing Rules may include additional restrictions on the issue of securities to private investors who are related parties of the issuer or already substantial holders.

PIPEs Pros and Cons

Pros

- Permits a rapid capital raise from a single investor when access to equity placement at an attractive price is more challenging, for example, due to price volatility.
- Can be structured as a hybrid to permit more capital to be raised than traditional equity (in excess of the placement capacity limit) where the conversion is conditional on securityholder approval, however this may not always be commercially practical as (absent a waiver) the underlying securities must be issued within 3 months of the relevant approval being obtained.
- Can be structured to protect the downside (for example, as a convertible note) which also may permit pricing to avoid excessive dilution in times of volatility – a PIPEs capital raising is often used as a 'bridge' to a later equity raising when better equity pricing can be achieved.
- The source of private capital that provides the PIPE may provide other benefits, such as industry expertise or access to other markets and additional capital for growth.

Cons

- The PIPE instrument is more complex than a traditional placement, that makes for a more difficult and more lengthy negotiation of terms than an equity placement.
- A PIPEs instrument is less well understood by the market and requires more explanation than a traditional equity raising.
- If it is structured as a convertible note, it is debt (though will be treated as equity for Listing Rule purposes as it is convertible) and increases the notional leverage ratios for the listed entity, which may require waivers or consents from the entity's bank.
- If it is structured as convertible preference equity, it is not debt, but the coupon is less likely to be deductible.
- A hybrid structure often involves more debt-like control features than traditional equity, such as covenants (although typically less than bank debt).

3. ASIC's Corporate Plan for 2022-26

ASIC Corporate Plan 2022-26 (2022-23 focus)

ASIC's strategic priorities focus on addressing the most significant threats and harms in Australia's regulatory environment and strengthening its operational capabilities so that it can carry out its work effectively and efficiently by implementing the following.

External Priorities

1. **Product design and distribution** – reduce the risk of harm to consumers of financial and credit products, caused by poor product design, distribution and marketing, especially by driving compliance with new requirements.

2. **Sustainable finance –** support market integrity through proactive supervision and enforcement of governance, transparency and disclosure standards in relation to sustainable finance.

3. **Retirement decision making –** protect consumers, especially as they plan and make decisions for retirement, with a focus on superannuation products, managed investments and financial advice.

4. **Technology risks –** focus on the impacts of technology in financial markets and services, drive good cyber-risk and operational resilience practices, and act to address digitally enabled misconduct, including scams.

ASIC Corporate Plan 2022-26 (2022-23 focus)

ASIC's strategic priorities focus on addressing the most significant threats and harms in Australia's regulatory environment and bolstering its capabilities to achieve this by implementing the following:

Internal Priorities

1. Digital technology – expand our use of digital technology to support more efficient processes in our regulatory work in line with our digital strategy.
2. Data and analytics – increase our efficiency and effectiveness by improving access to information and adopting new analytical tools in line with our digital strategy.
3. People and resourcing – recruit and retain talent, enhance our skills, and improve our budget and planning process to ensure our resources are aligned to our priorities.
4. Modernising business registers – continue to support the successful transfer of ASIC registers to the Australian Business Registry Services.

4. ASIC’s Current Priorities

ASIC Current Priorities 2023

ASIC enforcement priorities for 2023 focus on the need to protect consumers from financial harm and uphold the integrity of Australia's financial markets, including:

- Enforcement action targeting poor design, pricing and distribution of financial products, including in relation to insurance, superannuation and other investment products and credit.
- Misleading conduct in relation to sustainable finance including greenwashing.
- Misconduct involving high risk products including crypto assets
- Combating and disrupting investment scams, including working with other regulators, industry and social media platforms to reduce consumer harm.
- Protecting financial vulnerable consumers impacted by predatory lending practices or high-cost credit including conduct by unlicenced or 'fringe' entities.
- Misleading and deceptive conduct relating to investment products which obscure the risk, performance or nature of financial products.
- Misconduct in the superannuation sector including misleading conduct and poor governance.
- Failures by providers of general insurance to deliver on pricing promises to consumers.
- Misconduct that involves misinformation through social media about investment products, including 'finfluencer' conduct.
- Governance and director's duties failures including those related to property schemes that expose investors to significant loss.
- Manipulation in energy and commodities derivatives markets.
- Unfair contract terms including in insurance products .

Enduring priorities that remain a focus for the organisation

- Misconduct damaging to market integrity including insider trading, continuous disclosure breaches or failures and market manipulation.
- Misconduct impacting First nations people.
- Misconduct involving a high risk of consumer harm particularly conduct targeting financially vulnerable consumers
- Systemic compliance failures by large financial institutions resulting in widespread consumer harm.
- New or emerging conduct risks within the financial system.

5. ASX’s Current Focus

ASX Focus 2022 – Updated Rules and Guidance

Admission and Quotation Requirements	
Communications Person – listing rules compliance course	Effective 1 July 2022, for entities that lodge an ASX Listing application (but not an ASX Debt Listing or ASX Foreign Exempt Listing) to be admitted to the official list on or after that date, the person (or persons) appointed as the person(s) responsible for communication with ASX on listing rule matters will be required to undertake and obtain an acceptable pass mark in an approved listing rule compliance course (Listing Rule 1.1 condition 13). A copy of the completion certificate is required to be emailed to the ASX listings adviser for the entity prior to its admission. This requirement also applies to existing listed entities with an ASX Listing that appoint a new nominated ASX contact on or after this date (Listing Rule 12.6). They will need to email a copy of the completion certificate to the ASX listings adviser for the entity prior to their appointment as a nominated ASX contact.. The course if free and can be accesses at: https://www2.asx.com.au/about/regulation/asx-compliance/listings-compliance/asx-listing-rules-compliance-course.html The current nominated ASX contacts for existing listed entities with an ASX Listing do not need to complete the course in order to remain the nominated ASX contact for that entity. Existing nominated ASX contacts will only need to complete the course if they are appointed as the nominated contact for another ASX Listing entity on or after 1 July 2022. If a nominated ASX contact has already passed the course on behalf of a different ASX Listing entity they are not required to pass it again. Entities are reminded that they should notify ASX of changes to their nominated ASX contact person through ASX Online. The details can be updated via the Directors & Management section. Nominated ASX contacts should be assigned the title of "Communications Person", in addition to their title at the entity. For example, if the nominated ASX contact person is the Company Secretary, they should be assigned both the "Company Secretary" title and the "Communications Person" title. The details of 'Communication Persons' in ASX Online will be used to track compliance with the listing rules compliance course. If ASX identifies that a nominated ASX contact is required to complete the course and has not completed the course, ASX will contact the relevant person to ensure the new requirements are complied with For further information please see Listed@ASX Compliance Updates - 05/22 and 08/22

ASX Focus 2022 – Updated Rules and Guidance

Periodic Reporting	
Strict enforcement of automatic suspension for failure to lodge periodic reports by their due date	ASX has put listed entities on notice that with effect from 31 January 2023, it will apply ASX Listing Rule 17.5 strictly to the late lodgement of periodic reports. ASX's practice had been that if a listed entity lodged a periodic report before the market opens on the next business day following the due date for that periodic report, ASX would not suspend trading in that entity's securities. However, with effect from 31 January 2023 ASX will no longer follow this practice. The rationale for this change is that ASX considers that it is important that listed entities keep the market informed in a timely manner and that the market has sufficient time to consider any late lodged reports. Therefore, with effect from 31 January 2023, any periodic reports with a due date on or after 31 January 2023 must be lodged with the ASX market announcements office before it closes on the business day when the report is due. Failure to do so will result in the suspension of the entity's securities from the commencement of trading on the next business day in accordance with ASX Listing Rule 17.5, ASX will not waive this rule. Following lodgement of the outstanding periodic report with the ASX market announcements office, the entity's securities will normally be reinstated to quotation on the next trading day following lodgement. For further information please see Listed@ASX Compliance Updates - 09/22, 10/22 and 01/23
Quarterly Cash Flow Reports	Entities that are required to lodge an Appendix 4C or Appendix 5B should keep the following in mind when preparing their quarterly cash flow reports. *Related Party Transactions – Item 6* ASX encourages listed entities to review the related party definition in Chapter 19 of the Listing Rules and to ensure that they make the required disclosures. Additionally, ASX reminds entities that Listing Rules 4.7C.3 and 5.3.5 require a description of, and explanation for, any related party transactions. *Funding Disclosures – Item 8* Appendix 4C and Appendix 5B require an entity with less than two quarters of funding available to address the three additional questions set out under Item 8. See further Section 7 of Guidance Note 23. The additional questions go towards the entity's ability to meet its ongoing requirements under Listings Rule 12.1 (sufficient operations) and Listing Rule 12.2 (adequate financial condition). ASX also advises that the availability of additional funding after the end of the quarter does not relieve an entity from the requirement to properly address the additional questions in Item 8. When addressing the additional questions, an entity must provide sufficient detail to properly inform the market of any steps it is taking to ensure the continuation of its operations and its continued financial viability. *ASX's approach* Guidance Note 23 Quarterly Reports contains information to assist quarterly reporters to understand and comply with their reporting obligations. Quarterly reporters are encouraged to refer to this guidance when preparing their reports. The failure of a listed entity to meet the disclosure requirements in Appendix 4C or Appendix 5B may result in action being taken by ASX. For further information please see Listed@ASX Compliance Update - 09/22

ASX Focus 2022 – Updated Rules and Guidance

Periodic Reporting	
Oil & Gas reporting	Effective 1 July 2022, the following amendments to Chapter 5 of the Listing Rules announced by ASX in its Consultation Response: *Proposed changes to the oil and gas reporting requirements in the ASX Listing Rules* dated 22 October 2021 came into effect, as follows: • Listing Rules 5.25 – 5.36 (reporting of initial and material changes to petroleum resources) will apply to all reports of initial and material changes to petroleum resources issued on or after 1 July 2022; and • Listing Rules 5.37 – 5.40 (reporting of petroleum resources in an entity's annual report) will apply to an entity's annual report for the first full financial year commencing on or after 1 July 2022 (ie for entities with a 30 June balance date, their annual report for the year commencing 1 July 2022 and ending 30 June 2023, and for entities with a 31 December balance date, their annual report for the year commencing 1 January 2023 and ending 31 December 2023). ASX also released an updated version to Guidance Note 32 Reporting on Oil and Gas Activities reflecting the final changes to the Listing Rules and addressing some of the issues raised in consultation submissions.

ASX Focus 2022 – Updated Rules and Guidance

ASX Compliance Updates	
Reports on corporate governance disclosures by listed entities	KPMG has prepared three research reports in relation to the adoption of the 4th Edition of the ASX Corporate Governance Council's Principles and Recommendations. The research was carried out for the ASX Education and Research Program and was based on publicly available reporting during 2021 across a large sample of ASX-listed entities. The reports can be accessed from the links below and are also available on the ASX website: • Report 1: Adoption of the 4th Edition Corporate Governance Principles and Recommendations. • Report 2: Analysis of diversity disclosures made by listed entities between 1 January 2021 and 31 December 2021. • Report 3 Report 3: Adoption of Recommendation 7.4: Reporting on Environmental and Social Exposures. For further information please see Listed@ASX Compliance Update no. 06/22
Inappropriate use of the Market Announcements Platform	Listed entities are reminded that the Market Announcements Platform should not be used to publish material that is really promotional, political or tendentious in nature. Announcements should be factual, relevant and expressed in a clear and objective manner. Emotive, intemperate or defamatory language should not be used. As noted in section 14 of Guidance Note 14, ASX may refuse to accept or publish an announcement that does not meet these standards. If such an announcement is released to the market, ASX may require the entity to lodge a corrective announcement and, in an appropriate case, may suspend trading in its securities until the entity does so. ASX notes that an entity that prepares an announcement that does not meet these standards may put itself in a position where it breaches other requirements in the Listing Rules or Corporations Act. For example, if an entity includes inappropriate content in: • a market sensitive announcement that must be given to ASX under Listing Rule 3.1; • a document that it sends to securityholders generally or in a class that must be given to ASX under Listing Rule 3.17.1; or • a document that it is required to prepare and/or lodge with ASX under the Corporations Act, the entity runs the risk that these documents will not be accepted and that the entity will be in breach of any obligation it has to disclose the document to the market. For further information please see Listed@ASX Compliance Update no. 09/22

ASX Public Consultation - Potential Listing Rule Changes

Proposed enhancements to the ASX Listing Rules

On 5 April 2022, ASX released a consultation paper entitled *Proposed enhancements to the ASX Listing Rules: Continually improving the reputation and integrity of the ASX market*.

The consultation paper sought feedback from stakeholders on proposed enhancements to the ASX Listing Rules dealing with:

- the issuance of securities by listed entities, including the rules relating to security purchase plans (SPPs), pro rata issues and material placements
- the financial reporting framework for listed entities
- the admission of an entity to the official list and the quotation of its securities
- transactions by listed entities with persons in a position of influence
- the lodgment of documents by listed entities with ASX for release to the market, and
- other miscellaneous matters.

Submissions on the consultation paper closed on Friday 27 May 2022.

ASX had envisaged that the final rule amendments would be released in the third quarter of 2022 and take effect on 1 December 2022.

In Listed@ASX Compliance Update no. 09/22 ASX advised that it's consultation response could not be released in 2022 and that the timeframe for release in 2023 was yet to be determined.

ASX Public Consultations

Enhancing the ASX Investment Product Offering

On 26 April 2022, ASX Limited ("ASX") released a consultation paper entitled *Enhancing the ASX Investment Product Offering*.

The consultation paper is phase one of a two-stage consultation process intended to ensure that ASX's investment product offering is supported by a clear and consistent rule framework that safeguards the interests of investors, while at the same time providing issuers with the flexibility to innovate and bring new products to market, and without imposing undue compliance costs or burdens.

ASX's investment product offering currently comprises the following product sets regulated by three different rule books:

- exchange traded funds (ETFs), managed funds and structured products quoted on ASX under schedule 10A of the ASX Operating Rules
- listed investment companies (LICs), listed investment trusts (LITs), real estate investment trusts (REITs) and infrastructure funds listed and quoted on ASX under the ASX Listing Rules, and
- warrants quoted on ASX under schedule 10 of the ASX Operating Rules.

ASX can see merit in bringing these different rules into closer alignment for the benefit of both investors and issuers.

After considering the submissions it receives on the policy issues raised in the phase one consultation paper, ASX will proceed to draft proposed changes to its rules, procedures and guidance for investment products.

Phase two of the consultation will then seek feedback on the specific changes proposed to ASX's rules, procedures and guidance for investment products. The consultation paper for phase two is likely to issue in early 2023.

Subject to the receipt of the necessary regulatory approvals, it is envisaged that the final changes to ASX's rules, procedures and guidance for investment products will be released in mid-late 2023, with a view to them coming into effect no earlier than 1 January 2024.

Submissions on the phase one consultation paper are now closed.

ASX Public Consultations

Corporate Collective Investment Vehicles (CCIVs)

On 1 February 2022, ASX Limited ("ASX") released a consultation paper entitled *Proposed ASX rule amendments to facilitate the listing of CCIVs and certain other collective investment vehicles on the ASX market and the quotation of their products on the ASX AQUA market*.

A CCIV is a new type of funds management vehicle to be introduced by the Corporate Collective Investment Vehicle Framework and Other Measures Bill 2021 that will operate via one or more sub-funds. The target date for the implementation of that Bill is currently 1 July 2022. ASX wants to be able to offer CCIV sub-funds access to the distribution available on the ASX and AQUA market platforms and to offer investors access via the ASX and AQUA markets to the investment opportunities that CCIV sub-funds will provide. To do this requires changes to the ASX Listing Rules and the ASX Operating Rules.

The consultation paper seeks feedback on changes ASX is proposing to:

- the ASX Listing Rules to facilitate the listing on the ASX market of:
  - CCIV sub-funds
  - notified foreign passport funds ("NFPFs") and
  - NZ registered managed investment schemes making a recognised offer of securities under Chapter 8 of the Corporations Act ("recognised NZ schemes"), and
- the ASX Operating Rules to facilitate the admission of products issued by the entities listed above to trading status on the ASX Quoted Assets ("AQUA") market or for settlement through the ASX Managed Funds Settlement Service ("mFund").

Submission on the consultation paper are now closed. ASX will consider all submissions it receives in response to this consultation before finalising the proposed rule amendments.

Subject to the receipt of the necessary regulatory approvals, ASX is aiming to have the amended rules in force on, or as soon as practicable after, 1 July 2022, the Government's target date for the introduction of its CCIV legislation.

6. About Hamilton Locke

About Hamilton Locke

As Australia's fastest growing law firm, Hamilton Locke is a law firm with a difference. We are focused on transforming the traditional approach to corporate and commercial legal counsel. We react quickly to change while continuously driving maximum value for clients, and we hire and develop the best talent from across the globe. By making use of modern systems and technology, our team is freed up from bureaucracy and administration to really focus on doing what they do best – solving complex client problems.

With our main offices in Sydney, Melbourne, Brisbane and Perth, our clients are located across Australia and internationally. We are able to look after our clients, no matter where they are located, in an efficient and seamless manner.

We are also consistently recognised by clients and leading legal research publications for our legal expertise and service. We have been recognised as one of Australia's top 40 law firms by the Australian Financial Review. We have also received over 80 awards and recognitions, including *MergerMarket, Doyle's, Australasian Lawyer, Best Lawyers, Chambers and Partners, and Legal 500.*

We are true industry experts focused on solving complex client problems. We create an environment that attracts and retains the best legal experts who work smart and have interests aligned with clients.

We have invested in state-of-the art systems, including automation, process mapping and outsourcing to deliver the most efficient and effective service and create products tailored to the unique needs of our clients.

We develop the best pricing approaches with our clients to strike the right balance of fairness, certainty and risk-sharing.

We invest time at our cost to understand our clients' objectives, risk appetites and operating styles.

Areas of Expertise

Our expertise spans the corporate and commercial legal sphere and for each representation we build a team to best to serve the needs of our client. Our areas of expertise include:

- Corporate, M&A and Private Equity
- Capital Markets
- Energy, Resources, Construction and Infrastructure
- Finance
- Funds and Financial Services
- Property and Projects
- Litigation and Dispute Resolution
- Restructuring and Insolvency
- Banking and Finance
- Intellectual Property and Technology
- Workplace and Employment

We also have experience in a broad spectrum of industry sectors including agribusiness, financial services, new energy, carbon, real estate, natural resources, technology, and health, care and education.

Best Lawyers rated for Corporate, Distressed Investing & Debt Trading Practice, Private Equity, Venture Capital, Banking and Finance, Occupational Health and Safety and Commercial, Information Technology

Chambers rated for Private Equity, Investment Funds, Restructuring and Insolvency

Australian Financial Review - Australia's fastest-growing law firm; Top 30 Law Firm

Legal 500 - Corporate M&A; Restructuring and Insolvency; Banking and Finance

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Managing Partner

Hal Lloyd
Deputy Managing

Brett Heading
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Gordon McCann
Partner, Corporate

Brent Delaney
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Zina Edwards
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Partner, Financial Services

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Partner - Corporate, M&A and Private Equity, Technology

Awards and Recognition

Australasian Lawyer

Winner - Employer of Choice | 2020
Winner - Innovative Firms | 2019 - 2020

Best Lawyers
(Australia / Global Edition)
Ranked for: Corporate Law, Distressed Investing & Debt Trading Practice, Private Equity, Venture Capital, Banking & Finance, Occupational Health & Safety, Commercial, Information Technology | 2020

Lawyers Weekly Partner of the Year Awards
Winner – Innovator of the Year
NICK HUMPHREY | 2020
Finalist – Construction and Infrastructure
VENO PANICKER | 2018-2019

Australasian Law Awards Excellence Award
Employee Health and Wellbeing | 2021
Law Firm of the Year (1-100 lawyers) | 2020
Australasian Law Awards
Law Firm Leader of the Year (≤200 lawyers) NICK HUMPHREY - 2021

DOYLES
Leading Agribusiness Lawyer BRETT HEADING | 2022
Leading Corporate Lawyer BRETT HEADING | 2022
Recommended Leading Business and Commercial Lawyer BRETT HEADING | 2022
Preeminent Leading Business and Commercial Lawyer HAL LLOYD | 2021
Leading Business and Commercial Lawyer NICK HUMPHREY|2021

ACQ Law Awards
M&A Law Firm of the Year and M&A Lawyer of the Year
NICK HUMPHREY | 2019
ACQ Global Awards
M&A Law Firm of the Year, Private Equity Law Firm of the Year and M&A Lawyer of the Year NICK HUMPHREY | 2016 – 2019

Global Guide
Ranked Practice (Band 6) Corporate M&A | 2022
Asia Pacific Guide
Ranked Practice (Band 6) Restructuring and Insolvency | 2021
Ranked - Investment Funds (Band 2)BRENDAN IVERS | 2014 – 2022
Ranked - Restructuring and Insolvency (Band 4) ZINA EDWARDS | 2022
Ranked - Restructuring and Insolvency (Band 4) NICHOLAS EDWARDS | 2022
Ranked - Private Equity (Band 4) NICK HUMPHREY | 2012 – 2021

Australasian Lawyer Rising Stars
Recognised Lawyer
MONTY LOUGHLIN - 2021

Financial Times Innovative Lawyers Asia-Pacific Awards
Finalist, Law Firm Leader 2021 - NICK HUMPHREY
Finalist – Law firm: Strategy 2020

DOYLES
Recommended Leading Corporate Lawyer - PETE WILLIAMS | 2022
NICK HUMPHREY | 2020 – 2021
HAL LLOYD | 2020 – 2021
Recommended Leading Energy and Resources Lawyer MATT BAUMGURTEL | 2021
Recommended Agribusiness Lawyer TRENT THORNE | 2020
Recommended Leading Corporate Law Firm | 2019 - 2021
Recognised Corporate & Commercial Law Rising Star GRACE KAGGELIS | 2022

Lawyers Weekly Australian Law Awards
Finalist - Employee Program of the Year | 2019
Finalist - Wellness Initiative of the Year | 2019

AFR Law Partnership Survey
Top 50 Australian Law Firm | 2021

Mergermarket Australian M&A Awards
Winner - Boutique Legal Adviser of the Year | 2019
Finalist - Business Services M&A Legal Adviser of the Year | 2019

Legal 500 Asia Pacific
Ranked (Tier 4) Banking and Finance | 2023
Ranked (Tier 4) Corporate and M&A | 2023
Ranked (Tier 4) Fintech and Financial Services | 2023
Ranked (Tier 5) Restructuring and Insolvency | 2021 - 2023
Ranked Banking and Finance Partner ZINA EDWARDS | 2023
Ranked Partner Corporate and M&A NICK HUMPHREY | 2014 - 2017

IFLR1000 Guide to the world's leading financial and corporate law firms
Private Equity - Ranked (Tier 4) 2021 – 2022
Restructuring and Insolvency - Notable Firm 2022
Leading individual NICK HUMPHREY 2008 – 2016
Highly regarded MATT BAUMGURTEL | CRISTIN MCCOY 2022
Ranked individuals ZINA EDWARDS | BRIT IBANEZ | TRICIA MOLONEY 2022
Rising star JOHN POULSEN 2022

Awards Programs

The Australian Growth Company Awards were launched in 2012 by Hamilton Locke's managing partner Nick Humphrey to celebrate excellence of high-growth Australian companies. The awards recognise companies that demonstrate high rates of sustainable growth, as well as innovation, integrity and contribution to community.

The awards are proudly co-sponsored by Hamilton Locke, ASX, MA Financial Group, Grant Thornton, Ansarada, Source, 2020 Exchange and Willis Towers Watson, as wellmas media partner, MergerMarket.

Nominations open in July each year for eligible Australian companies. Participating in the awards gives you and your company the opportunity to:

- Gain industry recognition for high growth rates, innovation, integrity, contribution to the community and sustainable growth
- Raise your business profile through positive media exposure and publicity
- Network with the leaders of the award partner sponsors
- Attract interest from potential investors and business partners

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The Technology Scale-up Awards celebrate disruptive Australian technology businesses that demonstrate high rates of growth and industry-leading innovations, while making a significant impact in their industry sectors.

The awards are proudly co-sponsored by Hamilton Locke, MA Financial Group, Grant Thornton, Ansarada and Source.

Nominations open in April each year for eligible Australian companies. Participating in the awards gives you and your company the opportunity to:

- Attract interest from potential investors and business partners
- Become part of the Technology Scale-Up Awards ecosystem, including access to exclusive industry events throughout the year
- Gain industry recognition for high growth rates, innovation, integrity, contribution to the community and sustainable growth
- Raise your business profile through positive media exposure and publicity

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Hamilton Locke and **Source** come together to provide the most practical and effective combination of professional services in the market, no matter your business size or need.

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We know our clients need flexibility, the highest quality service and an unmatched depth of experience to do their best work, and we don't want to just deliver – we want to deliver differently.

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