Papua New Guinea's National Stock Exchange

Listing Rules Amendments

August 2024

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Introduction

PNGX introduced new Listing Rules on 3 July 2023. They were subsequently amended on 19 September 2023.

It is proposed to amend rules relating to the continuous disclosure obligations in Rule 4.1 as the scope of the Rule as it relates to "awareness" is broader than intended.

Various minor clarifying amendments and corrections have also been identified and included in these amendments.

Any amendments to the Rules or Appendices are subject to approval by the Securities Commission of Papua New Guinea in accordance with section 11 of the *Capital Market Act 2015* (refer Int.20 in the Rules)

Any amendments to the following are not part of the Rules (refer Int.21 in the Rules) and are not subject to approval by the Securities Commission of Papua New Guinea:

(a) Any explanatory notes;
(b) Any history, notes, examples and cross references set out alongside particular Rules;
(c) Any index;
(d) Any Guidance Notes; and
(e) The +Procedures; and
(f) The +Schedule of Fees.

The rule amendments have been approval by the Securities Commission of Papua New Guinea.

The amendments take effect on 01 August 2024.

The amendments are shown in mark-up in the attached documents.

There have been no amendments to the Procedures.

Amendments

Rule 4.1

An addition has been made to the note to Rule 4.1 to the effect that an example of the type of information that, depending on the circumstances, could require disclosure by an issuer under this Rule, includes regulatory action by an overseas regulator or stock exchange which might have an impact on the price or value of securities or which may impact upon the maintenance of a fair and orderly market.

This amendment does not require Securities Commission approval.

Rule 6.25.2

Typographical error.

Rule 6.32.2

Typographical error.

Rule 21.5

Typographical error in the heading.

This amendment does not require Securities Commission approval.

Rule Def. 1 – "aware"

Amendment of the defined term "aware".

Rule 4.1 currently states as follows:

> Once an issuer is or becomes +aware of any +information concerning it that a +reasonable person would expect to have a +material effect on the price or value of the issuer's +securities, the issuer must immediately tell PNGX that +information.

Aware is then defined as follows:

> an issuer becomes aware of information if, and as soon as, an +officer of the issuer has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an +officer of that issuer.

Officer is then defined as follows:

> as defined in section 2 of the +Capital Market Act.

Officer is defined in section 2 of the CMA as follows:

> "officer", in relation to —
> (a) the Commission, an officer of the Commission; and
> (b) a corporation, includes —
>> (i) any director, secretary or employee of the corporation; and
>> (ii) a receiver and manager, appointed under a power contained in any instrument, of any part of the undertaking or property of the corporation; and
>> (iii) any liquidator of a corporation appointed in a voluntary winding up,
>
> but does not include —
>> (iv) a receiver appointed by the Court; or
>> (v) a liquidator appointed by the Court or by the creditors;

Owing to this construct, a company becomes "aware" of any information when any employee becomes aware of it in the course of their role. This becomes impractical in large organisations as employees below senior management level may not have the skills or breadth of knowledge or visibility to know the corporate disclosure obligations or whether the information is disclosable or not.

To address this, it is proposed to limit the definition of "aware" to "senior officers".

> "Senior officer" will be defined as follows:
> a) director;
> b) +CEO;
> c) company secretary; or
> d) a senior manager as defined in section 2 of the +Capital Market Act

"Senior manager" is defined in section 2 of the CMA as follows:

> a person who is not a director but occupies a position that allows that person to exercise significant influence over the management or administration of an entity, for example, a chief executive or a chief financial officer;

Rule Def. 1 – "communication address"

Typographical error.

Rule Def. 1 – "material effect on the price or value"

Typographical error.

Rule Def. 1 – "PNGX debt market"

Typographical error.

Rule Def. 1 – "PNGX market"

Typographical error.

Rule Def. 1 – "senior officer"

Introduction of a new defined term. Refer discussion regarding "aware" above.

Appendix 2B – Notification of change to the number of securities on issue.

Correction of errors in the "Estimated capacity to issue securities without shareholder approval" table.