

## **LISTING RULE 10.11 COMPLIANCE POLICY**

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### **1. ASX LISTING RULE 10.11**

As at the date of this policy, ASX Listing Rule 10.11 provides that:

*Unless one of the exceptions in rule 10.12 applies, an entity must not issue or agree to issue \*equity securities to any of the following \*persons without the approval of holders of its \*ordinary securities.*

- 10.11.1      *A \*related party.*
- 10.11.2      *A \*person who is, or was at any time in the 6 months before the issue or agreement, a \*substantial (30%+) holder in the entity.*
- 10.11.3      *A \*person who is, or was at any time in the 6 months before the issue or agreement, a \*substantial (10%+) holder in the entity and who has nominated a director to the board of the entity [...] pursuant to a relevant agreement which gives them a right or expectation to do so.*
- 10.11.4      *An \*associate of a \*person referred to in rules 10.11.1 to 10.11.3.*
- 10.11.5      *A \*person whose relationship with the entity or a \*person referred to in rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by security holders.*

*The notice of meeting to obtain approval must comply with rule 10.13.*

### **2. EXCEPTIONS TO ASX LISTING RULE 10.11**

As at the date of this policy, ASX Listing Rule 10.12 provides various exceptions to the shareholder approval requirement in ASX Listing Rule 10.11. Those exceptions are summarised below.

- Exception 1      An issue under a pro rata issue (also known as an entitlement offer).*
- Exception 2      An issue to an underwriter or sub-underwriter of a pro rata issue within 15 Business Days of the close of that offer, provided the underwriting or sub-underwriting arrangements are disclosed to the ASX.*
- Exception 3      An issue under a dividend or distribution plan, provided there is no limit on participation and excluding any issue under an agreement to underwrite the shortfall on that plan.*
- Exception 4      An issue under a security purchase plan, excluding any issue under an agreement underwrite the shortfall on that plan and subject to additional requirements set out in ASX Listing Rule 10.12.*
- Exception 5      An issue under a takeover bid or merger a merger by way of a scheme of arrangement under Part 5.1 of the Corporations Act.*
- Exception 6      An issue that is approved for the purposes of item 7 of section*

611 of the Corporations Act.

- Exception 7 An issue resulting from the conversion of convertible securities, provided that the issue of those convertible securities complied with the ASX Listing Rules.*
- Exception 8 An issue under an employee incentive scheme made, or taken to have been made, with shareholder approval under ASX Listing Rule 10.14.*
- Exception 9 A grant of options or other rights to acquire equity securities under an employee incentive scheme, where the securities to be acquired upon exercise of the options or rights are required under that scheme to be purchased on-market.*
- Exception 10 An issue resulting from an agreement to issue securities, provided that entry into that agreement complied with the ASX Listing Rules.*
- Exception 11 An issue under an agreement that is conditional on shareholder approval under ASX Listing Rule 10.11, provided that shareholder approval is obtained prior to the issue of those securities.*
- Exception 12 An issue under an agreement or transaction with a person who would not otherwise be a related party, but for the fact that they believe, or have reasonable grounds to believe, that they are likely to become a related party in the future because of that agreement or transaction.*

### 3. DEFINITIONS

Defined Term	Meaning
Associate	<p>Save as set out below, a person (the second person) is an associate of another person (the primary person) in relation to the company if, and only if, one or more of the following paragraphs applies:</p> <ul style="list-style-type: none"> <li>(i) In the case of a primary person who is a natural person, the second person is an entity the primary person controls;</li> <li>(ii) in the case of a primary person who is an entity, the second person is: (x) an entity the primary person *controls; (y) an entity that *controls the primary person; or (z) an entity that is controlled by an entity that *control the primary person;</li> <li>(iii) the second person is a person with whom the primary person has, or proposes to enter into, a relevant agreement for the purpose of controlling or influencing the composition of the company's board or the conduct of the company's affairs;</li> <li>(iv) the second person is a person with whom the primary person is acting, or proposing to act, in</li> </ul>

## Defined Term

## Meaning

*concert in relation to the company's affairs.*

*In paragraphs (i) and (ii) above, "entity" means a body corporate, partnership, unincorporated body or a trust and includes, in the case of a trust, the \*responsible entity of the trust. A related party of a natural person is to be taken to be an associate of the natural person unless the contrary is established. However, a person is not an associate of another person merely because of one or more of the following:*

- (i) one gives advice to the other, or acts on the other's behalf, in the proper performance of the functions attaching to a professional capacity or a business relationship;*
- (ii) one, a client, gives specific instructions to the other, who ordinary business includes dealing in financial products, to acquire financial products on the client's behalf in the ordinary course of that business;*
- (iii) one had sent, or proposes to send, to the other an offer under a takeover bid for securities held by the other; or (iv) one has appointed the other, otherwise than for valuable consideration given by the other or by an associate of the other, to vote as a proxy or representative at a meeting of members, or of a class of members, of the company.*

## *control*

*For the purposes of these rules, an entity controls a second entity if the first entity has the capacity to determine the outcome of decisions above the second entity's financial and operating policies. In determining whether the first entity has this capacity:*

- (i) the practical influence the first entity can exert (rather than the rights it can enforce) is the issue to be considered; and*
- (ii) any practice or pattern of behaviour affecting the second entity's financial or operating policies is to be taken into account (even if it involves a breach of an agreement or a breach of trust).*

*The first entity does not control the second entity merely because the first entity and a third entity jointly have the capacity to determine the outcome of decisions above the second entity's financial and operating policies.*

*If the first entity is a body corporate, it will not be taken to control a second entity if it is under a legal obligation to exercise its capacity to influence decisions about the second entity's financial and operating policies of the benefit of someone other than its members.*

<b>Defined Term</b>	<b>Meaning</b>
	<p><i>If the first entity is a trust, the trust will be taken to control an entity that the *responsible entity of the trust controls in its capacity as *responsible entity of the trust. It will not be taken to control an entity that the *responsible entity of the trust controls in some other capacity.</i></p>
<i>equity securities</i>	<p><i>In relation to the company:</i></p> <ul style="list-style-type: none"> <li><i>(i) a share;</i></li> <li><i>(ii) an option over an issued or unissued share;</i></li> <li><i>(iii) a right to an issued or unissued share;</i></li> <li><i>(iv) an option over, or right to, a security referred to (iii) or (iv) above;</i></li> <li><i>(v) a security that is convertible by the holder, by the issuer or otherwise by its terms of issue, into a security referred to in (i) to (iv) above or (vi) below; and</i></li> <li><i>(vi) any security that ASX decides to classify as an equity security,</i></li> </ul> <p><i>but not a security the ASX decides to classify as a debt security.</i></p>
<i>ordinary securities</i>	<i>Ordinary shares in the company.</i>
<i>person</i>	<i>Includes an individual, body corporate, body politic, firm, association, authority or other entity.</i>
<i>related party</i>	<p><i>In relation to the company:</i></p> <ul style="list-style-type: none"> <li><i>(i) an entity that controls the body corporate;</i></li> <li><i>(ii) if a body corporate is controlled by an entity that is not a body corporate, the persons making up that entity;</i></li> <li><i>(iii) directors of the body corporate or of an entity that controls the body corporate;</i></li> <li><i>(iv) spouses and de facto spouses of anyone referred to in (ii) and (iii) above;</i></li> <li><i>(v) parents and children of anyone referred to in (ii), (iii) and (iv) above;</i></li> <li><i>(vi) an entity controlled by anyone referred to in (i) –(v) above unless it is also controlled by the body corporate;</i></li> </ul>

Defined Term	Meaning
	(vii) <i>anyone who has fallen within (i) –(vi) above within the past 6 months;</i>
	(viii) <i>anyone who believes or has reasonable grounds to believe that they are likely to fall within (i) –(vi) at any time in the future; and</i>
	(ix) <i>anyone acting in concert with someone referred to in (i) –(viii) above.</i>
<i>responsible entity</i>	(i) <i>in relation to a registered scheme, the same meaning as in the Corporations Act;</i>
	(ii) <i>in relation to a trust that is not registered scheme, the entity that in ASX’s opinion performs a substantially equivalent role in relation to the trust as the responsible entity performs in relation to a registered scheme.</i>
<i>substantial (10%+) holder</i>	<i>A person who would have a “substantial holding” in the company under paragraph (a) of the definition of that term in section 9 of the Corporations Act if the reference in that paragraph to 5% was 10%.</i>
<i>substantial (30%+) holder</i>	<i>A person who would have a “substantial holding” in the company under paragraph (a) of the definition of that term in section 9 of the Corporations Act if the reference in that paragraph to 5% was 30%.</i>

#### 4. POLICY RATIONALE

The primary objective of ASX Listing Rule 10.11 is to ensure transparency and fairness in transactions involving the issuance of securities to related parties. This rule aims to protect the interests of shareholders by requiring shareholder approval for such transactions, thereby preventing potential conflicts of interest and ensuring that all transactions are conducted at arm's length.

The policy that underpins ASX Listing Rule 10.11 starts from the premise that a person falling within ASX Listing Rule 10.11.1 to 10.11.5 (as set out above) (**LR 10.11 Parties**) is likely to be in a position to influence whether the entity issues, or agrees to issue, equity securities to them, as well as the terms on which the issue or agreement is made.

In respect of ASX Listing Rule 10.11.5, this provides ASX with a broad discretion to deem an issue of securities to a person as requiring shareholder approval. This discretion is not often exercised by ASX and is not exercised lightly given the breach of the parties captured by ASX Listing Rules 10.11.1. to 10.11.4. However, examples of where ASX may apply ASX Listing Rule 10.11.5 are to an issue of securities to the following people:

- (a) a person or entity who has a close connection to a person referred to in ASX Listing Rules 10.11.1 – 10.11.3 but who is not technically a related party (and therefore is not an assumed associate) of that person and ASX suspects that the transaction may have been deliberately structured in this way to avoid the operation of ASX

Listing Rule 10.11;

- (b) someone, or a person or entity that has a close connection with someone, who has not been formally appointed as a director of the entity but who ASX suspects is acting as a de facto director; and
- (c) someone who the entity is arguing is not a party referred to in ASX Listing Rules 10.11.1 – 10.11.4 but ASX has a contrary view – in which case, ASX may resolve that argument by applying ASX Listing Rule 10.11.5 to the person.

To address the potential conflicts involved and to minimise the risk of this harm occurring, ASX Listing Rule 10.11 displaces the general rule that the board of directors is responsible for managing the business of the entity to the exclusion of its security holders and requires the issue or agreement to be approved by the holders of ordinary securities in the entity, unless an exception in ASX Listing Rule 10.12 applies.

Arrow Minerals Limited (**AMD**) has adopted this policy to ensure compliance with ASX Listing Rule 10.11. This policy should be read together with AMD's Securities Trading Policy, and the agreements between each director and AMD pursuant to ASX Listing Rule 3.19B.

## **5. ASX LISTING RULE 10.11 POLICY**

Prior to issuing or agreeing to issue any securities:

- (a) AMD must maintain a register of directors' and other related party interests as well as the interests of any other LR 10.11 Parties (**LR 10.11 Register**) and each director must provide AMD's Company Secretary with details of any updates required to the LR 10.11 Register as soon as they become aware of relevant information.

- (b) AMD's Company Secretary must:

- (i) use reasonable endeavours to identify each person falling within ASX Listing Rule 10.11.1 to 10.11.5 (as set out above) that holds AMD securities,

and provide a list of those persons and their holdings of AMD securities together with a copy of the latest LR 10.11 Register to:

- (ii) the AMD board; and
  - (iii) any lead manager, underwriter or arranger (if any) of any proposed equity raising (**Brokers**) as soon as reasonably practicable following their signing of the relevant engagement letter or retainer;

- (c) AMD must instruct the Brokers to the proposed equity raising that:

- (i) AMD must be notified if any person on the LR 10.11 Register participates in the equity raising and provide full particulars of their participation;
  - (ii) any person on the LR 10.11 Register requires their allotment of securities to be subject to shareholder approval; and
  - (iii) any person on the LR 10.11 Register will settle directly with AMD and must not settle with the Brokers via Delivery Versus Payment (**DvP**);

- (d) at the time of AMD approving a proposed equity raising, all AMD directors must advise the Board and AMD's Company Secretary if they propose to participate in

the equity raising. The participating directors (and their relevant LR 10.11 Parties) must only subscribe for securities directly with AMD and must not settle via DvP. The participating directors must provide details to AMD's Company Secretary of the amount they propose to subscribe for and the details of the proposed LR 10.11 Parties that will subscribe for securities;

(e) AMD's Company Secretary must:

- (i) to the extent it is available from the Brokers, request the Brokers provide a list of all proposed allottees for each tranche of the equity raising from the Brokers (**Allocation List**); and
- (ii) if an Allocation List is made available by the Brokers,
  - (A) compare and identify any LR 10.11 Parties against the Allocation List;
  - (B) based on the knowledge of AMD's Company Secretary at the relevant time, query with any relevant director any suspected allottees in the Allocation List which AMD's Company Secretary believes may be a LR 10.11 Party; and
  - (C) mark on the Allocation List those allottees who are LR 10.11 Parties (**Marked Allocation List**) and ensure that the allotments to these persons are subject to shareholder approval, are not subject to any DVP settlement by the Brokers and instruct the Brokers to remove any LR 10.11 Parties from DVP settlement (if known);
- (f) the Marked Allocation List (if available) or the final proposed allocation list shall be provided and reviewed by each director of AMD, and AMD's Company Secretary to identify any known person on that list which is:
  - (i) an entity that controls AMD (if any);
  - (ii) any director of AMD or any director of an entity that controls AMD (if any);
  - (iii) spouses and de facto spouses of anyone referred to in (b)(ii) above;
  - (iv) parents and children of anyone referred to in (b)(ii) or (iii) above;
  - (v) any entity controlled by anyone referred to (b)(i) to (iv) above, unless it is controlled by AMD;
  - (vi) anyone that:
    - (A) has satisfied the criteria in (b)(i) to (v) above within the past 6 months; or
    - (B) believes or has reasonable grounds to believe that they are likely to fall within the criteria in (b)(i) to (v) above at any time in the future;
  - (vii) anyone acting in concert with anyone referred to in (b)(i) to (vi) above;
  - (viii) a person who is (or has within the past 6 months been):
    - (A) the holder of 30% or more of AMD shares, either alone or together with their associates; or

- (B) the holder of 10% or more of AMD shares, either alone or together with their associates, and who has nominated a director to the AMD board pursuant to an agreement with AMD.

(ix) any entity or person:

- (A) controlled by or under common control with anyone referred to in (b)(i) to (viii) above;
- (B) who has entered into (or proposes to enter into) an agreement for the purpose of controlling or influencing the composition of the AMD board or the conduct of AMD's affairs with anyone referred to in (b)(i) to (viii) above; or
- (C) who is acting (or proposing to act) in concert in relation to the affairs of AMD with anyone referred to in (b)(i) to (viii) above,

and prior to the issue of any securities each director, and AMD's Company Secretary must confirm in writing that, based on their existing knowledge and reasonable endeavours:

- (g) they and their relevant LR 10.11 Parties are not participating in the equity raising other than as identified in the Marked Allocation List;
- (h) they have considered the application of ASX Listing Rule 10.11 to each person or entity as it appears on that list;
- (i) they are satisfied that ASX Listing Rule 10.11 has been complied with in relation to each person as appears on that list; and
- (j) they are satisfied, to the extent required, that AMD has received appropriate external advice to enable them to give the confirmations in paragraphs (c) and (d) above.

Each director of AMD must inform any person falling within paragraphs (f)(ii) to (f)(ix) above of the restrictions that apply to them under ASX Listing Rule 10.11 and request that those persons notify them prior to applying for any new issue of AMD securities, in each case to the extent that such persons are associated with and known to that director.

Each director of AMD must ensure that any person or entity falling within paragraphs (f)(ii) to (v), or (f)(viii) above that seeks to apply for any new issue of AMD securities must settle directly with AMD (not via DVP).

If a director of AMD is unclear or has any doubt concerning whether a person or entity falls within any of paragraphs (f)(i) to (f)(ix), they should contact the Company Secretary (who may seek external legal advice at AMD's expense).

The Company Secretary of AMD is required to distribute a copy of this policy to all directors, and include a copy of this policy as part of the direction induction pack.

In the event of a breach of ASX Listing Rule 10.11 involving an issue of securities to a person falling within paragraphs (f)(ii) to (f)(v), (f)(vii) or (f)(viii) above, the associated director of the relevant LR 10.11 Party must promptly notify AMD and AMD must rectify that breach in a manner acceptable to the ASX, which may include agreeing to cancel or dispose of excess securities and donate any profits to a charity approved by the Board.

**Notification of Directors' interests**

Prior to lodging any Appendix 3X, Appendix 3Y or Appendix 3Z on the ASX, the Company Secretary must obtain confirmation from the relevant director as to the accuracy of the disclosure document and approval to lodge.

Approved by the Board:

2 May 2025