



4 September 2022

Ms Nicola Lombardi
Advisor, Listings Compliance (Sydney)

ListingsComplianceSydney@asx.com.au

Dear Ms Lombardi

14D – TRADING DURING CLOSED PERIOD

I refer to your letter dated 26 August 2022 with respect to the lodgement of an Appendix 3Y – Change of Director’s Interest Notice.

The Board met to discuss the matters raised by the ASX, as well as the responses to the various questions sought in accordance with Listing Rule 18.7.

The Board has authorised the following responses:

1. Please explain what arrangements 14D has in place with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A.

The Company and its directors are aware of their obligations under Listing Rule 3.19A, with each director made aware of this obligation pursuant to the terms of appointment, which includes a requirement that a director disclose to the Company their initial interest upon appointment and the ongoing disclosure of any changes to enable the Company to comply with the Listing Rules.

In the present instance, the Company submitted the Appendix 3Y within 5 days of the notification of the change in interests of the particular director, however Part 3 of the Appendix disclosed that the trade had occurred during a closed period without prior written clearance being received.

2. When did 14D first become aware of Dr Moriarty’s on-market transaction?

The Company was only informed after the trade via an email from Dr Moriarty to the Chairman and Company Secretary on 22 August.

3. Did Dr Moriarty comply with section 3.3 of the Trading Policy and notify the Chairman of the Board in writing of his intention to carry out the Transaction before entering into it? If not, why not?

No, Dr Moriarty did not comply with section 3.3 of the Trading Policy and the Company does not consider that Exceptional Circumstances existed with respect to the trade.

Dr Moriarty has advised that he purchased shares to demonstrate support for the Company after his election to the board on the 28 July 2022. He has advised the board that he inadvertently overlooked the requirements of the Trading Policy, including the imposition of a closed period prior to the release of the Company results and the requirement to seek prior written consent from the Chairman..

4. Did the Chairman of the Board confer with other directors in relation to the proposed Transaction in accordance with section 3.3 of the Trading Policy? If not, why not?

No, the Chairman did not have the opportunity as he had not been provided with prior notification or a request to approve the trade. If prior notification had been requested in accordance with the Trading Policy, the Chairman would have conferred with other directors.

5. Did the Board advise Dr Moriarty in writing that there is no known reason to preclude him from dealing in 14D's securities before he entered into the on-market Transaction, as required under section 3.3 of the Trading Policy? If so, please provide a copy of the written communications. If not, why not?

No, the Chairman did not have the opportunity to advise Dr Moriarty on this matter as the Chairman only became aware of the trade after it had occurred.

6. Did the Chairman of the Board grant approval (written or otherwise) to Dr Moriarty to carry out the Transaction that took place during a closed period? If so, on what basis did it do so? If not, why not?

No, approval for the trade wasn't provided as the Chairman had not received prior notification of the trade, nor was prior approval requested.

7. What disciplinary or remedial action is the Board of 14D proposing to take in relations to the apparent breaches of 14D's Trading Policy?

The Board met on the 1 September to consider options with respect to disciplinary or remedial action.

The Board will issue a formal letter to Dr Moriarty detailing the breach and further noting that we will be take further disciplinary action if it happens again. The Board is satisfied in this instance it was an oversight on Dr Moriarty's behalf as explained to the Board by Dr Moriarty.

As an immediate and ongoing action, the Board will be reminded of closed periods within future Board papers.

8. Please explain why 14D did not provide a copy of the revised Trading Policy to ASX within 5 business days of the changes taking effect per Listing Rule 12.10?

The Company advises that this was an administrative error in not providing a copy of the revised Trading Policy following review and approval at the Board meeting on the 27 January 2022. Listing Rule 12 was considered in the redrafting of the revised Trading Policy, a copy of the Policy was uploaded to the Company's website however it was an administrative oversight in not releasing it to the market.

9. Please confirm that 14D is complying with the Listing Rules and, in particular, Listing Rule 3.1?

The Company considers its current arrangements are, in general, adequate for ensuring timely and accurate notifications and disclosures as required in accordance with Listing Rule 3.1 and thus, ongoing compliance with its obligations.

10. Please confirm that 14D's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of 14D with delegated authority from the board to respond to ASX on disclosure matters

The full Board met on the 1 September. The responses have been authorised and approved by the Board.

Please do not hesitate to contact me with any further queries concerning this matter.

Kind Regards



Tania Sargent
Company Secretary

Cc: Mr Tony Sacre, Chairman, 14D



26 August 2022

Reference: ODIN57904

Ms Tania Sargent
Company Secretary
1414 Degrees Limited
Level 4, 81 Flinders Street
Adelaide SA AU 5000

By email: tsargent@1414degrees.com.au

Dear Ms Sargent

1414 Degrees Limited ('14D'): Trading during closed period (Appendix 3Y) – Query

ASX refers to the following:

- A. The announcement by 14D entitled 'Appendix 3Y - Kevin Moriarty' lodged on the ASX Market Announcements Platform on 25 August 2022 (the 'Announcement'). The Announcement disclosed:
- (i) The on-market purchase of 200,000 shares in 14D by Mr Kevin Moriarty, a director of 14D, on 22 August 2022 (the 'Transaction');
 - (ii) The shares were traded during a closed period; and
 - (iii) The shares were traded without written clearance being provided to allow the trade to proceed during the closed period.
- B. 14D's securities trading policy lodged on the ASX Market Announcements Platform on 26 August 2022 (the 'Trading Policy') which states, among other things, the following:
- "Personnel and their Related Parties must not deal in Company Securities during any of the following Closed Periods:*
- ...
- *From close of trading on the 30 June until one trading day following release of the Company full year results to the ASX, usually released in or around August each year."*
- C. Section 10 of the Trading Policy provides it was redrafted in full on 20 January 2022, and approved by the Board on 27 January 2022.
- D. Guidance Note 27: *Director Disclosure of Interests and Transactions in Securities – Obligations of Listed Entities* which was published to assist listed entities with their obligations under Listing Rules 3.19A and 3.19B and to give an overview of ASX policy in relation to disclosure of directors' interests and transactions in securities, and Guidance Note 22: *Trading Policies* which was published to assist listed entities to comply with their obligations under Listing Rules 12.9-12.12 regarding trading policies.

ASX notes the following:

1. 14D's closed period commenced from the close of trading on 30 June 2022 and is scheduled to end one trading day following release of 14D's full year results to ASX.
2. 14D's full year results for the financial year ended 30 June 2022 have yet to be lodged on the ASX Market Announcements Platform

-
3. The Transaction would appear to have taken place during a closed period in breach of section 3.3 of the Trading Policy.
 4. A copy of the revised Trading Policy was not provided to ASX within 5 business days of the changes taking effect.

Request for information

Having regard to the above, and pursuant to Listing Rule 18.7, ASX asks 14D to respond separately to each of the following questions.

1. Please explain what arrangements 14D has in place with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A.
2. When did 14D first become aware of Mr Moriarty's on-market Transaction?
3. Did Mr Moriarty comply with section 3.3 of the Trading Policy and notify the Chairman of the Board in writing of his intention to carry out the Transaction before entering into it? If not, why not?
4. Did the Chairman of the Board confer with other directors in relation to the proposed Transaction in accordance with 3.3 of the Trading Policy? If not, why not?
5. Did the Board advise Mr Moriarty in writing that there is no known reason to preclude him/her from dealing in 14D's securities before he entered into the on-market Transaction, as required under 3.3 of the Trading Policy? If so, please provide a copy of the written communications. If not, why not?
6. Did the Chairman of the Board grant approval (written or otherwise) to Mr Moriarty to carry out the Transaction that took place/appear to have taken place during a closed period? If so, on what basis did it do so? If not, why not?
7. What disciplinary or remedial action is the board of 14D proposing to take in relation to the apparent breaches of 14D's Trading Policy?
8. Please explain why 14D did not provide a copy of the revised Trading Policy to ASX within 5 business days of the changes taking effect per Listing Rule 12.10.
9. Please confirm that 14D is complying with the Listing Rules and, in particular, Listing Rule 3.1.
10. Please confirm that 14D's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of 14D with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **10 AM AEST on Monday, 5 September 2022**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, 14D's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require 14D to request a trading halt immediately.

Your response should be sent to me by e-mail at ListingsComplianceSydney@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in 14D's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in 14D's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to 14D's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that 14D's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Kind regards

Nicola Lombardi
Adviser, Listings Compliance (Sydney)