



Victory Offices

WE MIND **YOUR** BUSINESS

14 January 2020

Mr Gerald Mimery
Listings Compliance
ASX Melbourne

By email: ListingsComplianceMelbourne@asx.com.au

Dear Mr Mimery,

Victory Offices Limited ('VOL'): Appendix 3Y Change of Director's Interest Notice Query

Victory Offices Limited (the 'Company') provides this response to ASX's query letter dated 20 December 2019.

In response to the questions in ASX's letter, the Company advises as follows:

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

Section 4 of the Company's Securities Trading Policy requires all Directors to give written notice immediately to the Company Secretary when they transact in the Company's Securities.

2. *If the current arrangements are inadequate or not being enforced, what additional steps does VOL intend to take to ensure compliance with Listing Rule 3.19B?*

Whilst the Company does not consider the current arrangements to be inadequate, it has also setup notifications from its Share Registry to ensure that the Share Registry alerts the Company Secretary of any trading in securities by Directors.

3. *When did VOL first become aware of the Transactions?*

The Company first became aware of the transactions on Wednesday, 27 November 2019.



Victory Offices

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4. *Did Mr Dan Baxter comply with section 4 of the Trading Policy and notify the Company Secretary in writing when he traded in VOL's securities? If so, why was ASX not informed about the Transactions? If not, why not?*

Mr Baxter did not notify the Company Secretary in writing when he purchased VOL's securities.

Mr Baxter had verbally discussed his intentions to purchase some VOL shares with the previous Company Secretary (who resigned on 20th September 2019). Neither Mr Baxter nor the previous Company Secretary followed up subsequently on those discussions. Mr Baxter acknowledges that he overlooked the requirement to notify the Company Secretary *in writing* pursuant to section 4 of the Securities Trading Policy.

The four share purchases made by Mr Baxter on 18th November 2019, 19th November 2019, 22nd November 2019 and 25th November 2019, as previously outlined in the ASX release on 29 November 2019, were transacted in error. Mr Baxter's assistant inadvertently purchased 92 shares in VOL across the four transactions whereas shares should have been purchased in VLO (a Company listed on the NYSE) pursuant to Mr Baxter's instructions. These trades were inadvertently made during a Prohibited Period pursuant to the Company's Securities Trading Policy.

5. *Did the Chairman of the Board or Chair of the Audit Committee grant clearance for the Transactions, as required by section 5.3 of the Trading Policy? If not, why not?*

Neither the Chairman of the Board nor the Chair of the Audit Committee granted clearance for the transactions as they were not aware of the transactions at the time.

6. *What, if any, disciplinary or remedial action is the board of VOL proposing to take in relation to the apparent breaches of VOL's Trading Policy?*

The Board is disappointed that the Company's Securities Trading Policy has been breached by Mr Baxter.

The Chairman has discussed the breach with Mr Baxter and Mr Baxter, along with the other Directors of the Company, have been reminded of all of their obligations pursuant to the Company's Securities Trading Policy and the ASX Listing Rules.



Victory Offices

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In considering whether any disciplinary or remedial action is appropriate, the Board has considered the nature of the transactions and concluded that in all of the circumstances on this occasion no further disciplinary or remedial action is necessary or appropriate.

In relation to the four transactions that occurred between 18th November 2019 and 25th November 2019, within the Prohibited Period, the Board is comfortable that these purchases were made in error with Mr Baxter intending to purchase shares in a Company on the New York Stock Exchange with a similar stock ticker ('VLO'). These trades totalled 92 shares (with an additional 30 shares purchased across two transactions on 11th November 2019 and 12th November 2019) and were transacted by Mr Baxter's assistant.

In relation to the remaining transactions that occurred between 27th June 2019 and 16th October 2019 the Board considered the following in relation to the Company's Securities Trading Policy:

- whether the transactions occurred during a Prohibited Period (pursuant to section 3.1); and
- whether there was any short-term or speculative trading (pursuant to section 5.2).

The Board is satisfied that Mr Baxter:

- did not transact any securities during a Prohibited Period between 27th June 2019 and 16th October 2019;
- did not participate in any short-term or speculative trading in VOL shares; and
- did not enter into the transactions for short-term gain but rather as continued support for the Company he founded.

Mr Baxter sincerely regrets the breach of the Company's Securities Trading Policy which has occurred and subsequent breach of the ASX Listing Rules and is fully aware of his obligations going forward as are the other Directors of the Company.

7. *Please confirm that VOL is complying with the Listing Rules and, in particular, Listing Rule 3.1.*

The Company confirms it is complying with the Listing Rules and, in particular, Listing Rule 3.1.



Victory Offices

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8. *Please confirm that VOL'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 VOL with delegated authority from the board to respond to ASX on disclosure matters.*

I confirm that the Company's responses to the questions have been authorised and approved by the Board of Directors of Victory Offices Limited.

Yours sincerely,

Geoff Hollis
Company Secretary



20 December 2019

Mr Geoff Hollis
CFO
Victory Offices Limited
Level 2, 420 Collins Street
Melbourne VIC 3000

By email: cfo@victoryoffices.com.au

Dear Mr Hollis

Victory Offices Limited ('VOL'): Appendix 3Y – Change of Director's Interest Notice Query

ASX refers to the following:

A. VOL's Appendices 3Y and attached cover letter lodged on the ASX Market Announcements Platform ('MAP') on 29 November 2019 for Mr Dan Baxter (the 'Announcement'), which disclosed:

- (i) 16 on-market purchase of shares in VOL by Mr Dan Baxter, the CEO of VOL, between 27 June 2019 and 25 November 2019 (the 'Transactions'); and
- (ii) four trades on 18 November 2019, 19 November 2019, 22 November 2019 and 25 November 2019 which occurred during a closed period.

B. Listing Rule 3.19A which requires an entity to tell ASX the following:

3.19A.1 *'The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.*

- *On the date that the entity is admitted to the official list.*
- *On the date that a director is appointed.*

The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.

3.19A.2 *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*

3.19A.3 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.'*

C. Listing rule 3.19B which states that:

'An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.'

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- D. VOL's securities trading policy lodged with ASX and MAP on 12 June 2019 (the 'Trading Policy') which is also available on VOL's website and states, among other things, the following:
- (i) A director of VOL must not trade in VOL's securities from the opening of trading on the date that is two weeks prior to the AGM to the opening of trading on the first business day after the close of the AGM (section 3.1 of the Trading Policy);
 - (ii) All directors must immediately advise the Company Secretary in writing when they trade in VOL's securities so the Company Secretary can notify ASX as required by law (section 4 of the Trading Policy); and
 - (iii) A director of VOL must not be involved in more than one trade in VOL's securities within a six month period unless clearance has been obtained in accordance with section 3.3 of the Trading Policy (section 5.3 of the Trading Policy).
- E. 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 Announcement disclosed that the Transactions took place during a closed period.

ASX notes the following:

- i. VOL has breached Listing Rule 3.19A in failing to lodge the Appendices 3Y within 5 days after the change in notifiable interest. Mr Dan Baxter may also have breached section 205G of the *Corporations Act 2001* (Cth).
- ii. A closed period occurred on 15 November to 2 December (the 'Closed Period') and the four trades on 18 November 2019, 19 November 2019, 22 November 2019 and 25 November 2019 appear to be in breach of section 3.1 of the Trading Policy.

Please note that ASX is required to record details of breaches of the Listing Rules by listed entities for its reporting requirements.

ASX reminds VOL of its contract with ASX to comply with the Listing Rules. In the circumstances, VOL should make necessary arrangements to ensure it does not continue to breach the Listing Rules.

Request for Information

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

1. Please explain what arrangements VOL has in place with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A.
2. If the current arrangements are inadequate or not being enforced, what additional steps does VOL intend to take to ensure compliance with Listing Rule 3.19B?
3. When did VOL first become aware of the Transactions?
4. Did Mr Dan Baxter comply with section 4 of the Trading Policy and notify the Company Secretary in writing when he traded in VOL's securities? If so, why was ASX not informed about the Transactions? If not, why not?
5. Did the Chairman of the Board or Chair of the Audit Committee grant clearance for the Transactions, as required by section 5.3 of the Trading Policy? If not, why not?

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6. What, if any, disciplinary or remedial action is the board of VOL proposing to take in relation to the apparent breaches of VOL's Trading Policy?
 7. Please confirm that VOL is complying with the Listing Rules and, in particular, Listing Rule 3.1.
 8. Please confirm that VOL'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 VOL with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (**ie before 9.30 a.m. AEDT) 14 January 2020**. ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsComplianceMelbourne@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow ASX 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.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Geraldi Mimery
Graduate, Listings Compliance (Melbourne)

CC: James Gerraty, Melbourne