



25 January 2021

Vanessa Nevjestic
Adviser, Listings Compliance (Perth)
Australian Stock Exchange Limited
Level 40, Central Park, 152-158 St George's Terrace
PERTH WA 6000

By email: listingscomplianceperth@asx.com.au

Dear Vanessa

We refer to your letter dated 21 January 2021 regarding an Appendices 3Y – Change of Director's Interest Notice Query and respond to your questions as follows:

1. Please explain why the Appendices 3Y were lodged late.

The Company was processing a significant number of option exercise notices received in respect of options that expired on 31 December 2020, including those held by directors Malone and Giglia, during early January, and did not lodge the director interest notices for the option exercise and expiry within the 5-day deadline from 31 December 2020. The subsequent issue of shares on exercise of the options was not completed until Tuesday 19 January 2021, at which point the director interest notices were lodged immediately.

The Director Interest for Mr Giglia was lodged on the evening of 19 January 2021. The Company acknowledges that due to the ASX market announcement platform (MAP) closing at 5.30pm, whilst the lodgement was within the 5-day deadline for the shares traded by Mr Giglia on the 12th of January, as the director interest notice wasn't lodged before the MAP closed, it wasn't released on the MAP until the morning on 20 January 2021, which is outside the 5-day deadline for the director interest notice.

2. What arrangements does SKN have in place under Listing Rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?

SKN has Corporate Governance Policies with procedures adopted by the Company to ensure compliance with its obligations under the Listing Rules, including obligations under Listing Rule 3.19A. The Board of SKN believes that current reporting arrangements are sufficient and ensure Directors are aware of their obligation to disclose all of the information required by the Company to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by Listing Rule.

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

The Company believes the current arrangements are adequate to ensure compliance with Listing Rule 3.19B.

Yours sincerely

Steven Wood
Joint Company Secretary



21 January 2021

Reference: ODIN29696

Mr Steven Wood
Company Secretary
Skin Elements Limited
1242 Hay Street
West Perth, Western Australia 6005

By email: sw@grangeconsulting.com.au

Dear Mr Wood

Skin Elements Limited ('SKN'): Appendices 3Y – Change of Director's Interest Notice Query

ASX refers to the following:

1. SKN's Appendices 3Y lodged on the ASX Market Announcements Platform ('MAP') on 20 January 2021 for Mr Peter Malone and Mr Filippo Giglia (together, the 'Notices');
2. 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.'*

3. 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.'

The Notices indicate that a change in Mr Malone's notifiable interests occurred on 31 December 2020 and a change in Mr Giglia's notifiable interests occurred on 31 December 2020 and 12 January 2021, respectively. It appears that the Notices should have been lodged with ASX by 8 January 2021 and 19 January 2021, respectively. Consequently, SKN may have breached Listing Rules 3.19A and/or 3.19B. It also appears that Mr Malone and Mr Giglia may have breached section 205G of the *Corporations Act 2001* (Cth).

Request for Information

Under Listing Rule 18.7, we ask that you answer each of the following questions having regard to Listing Rules 3.19A and 3.19B and *Guidance Note 22: Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities*.

1. Please explain why the Appendices 3Y were lodged late.
2. What arrangements does SKN have in place under Listing Rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does SKN intend to take to ensure compliance with Listing Rule 3.19B?

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 **9:00 AM AWST Tuesday, 26 January 2021**. 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, SKN'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 SKN to request a trading halt immediately.

Your response should be sent to me by e-mail at ListingsCompliancePerth@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 SKN'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 SKN's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to SKN'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 SKN'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.

Yours sincerely

Vanessa Nevjestic
Adviser, Listings Compliance (Perth)