



4 October 2017

Mr Wade Baggott
Principal Adviser, Listings Compliance (Perth)
ASX Compliance Pty Ltd
Level 40, Central Park
152 – 158 St Georges Terrace
Perth WA 6000

Dear Wade

Quantify Technology Holdings Limited – ASX aware query

Quantify Technology Holdings Limited (**Quantify** or the **Entity**) refers to your aware query letter dated 3 October 2017 in respect of Quantify's announcement entitled "Agreement signed with Harvey Norman Commercial Division-NSW", which was lodged with ASX, and then released to the market at 10.03am AEST on Monday, 2 October 2017 (**Announcement**).

The Announcement relates to the agreement with Harvey Normal Commercial Division-NSW (**HNCD**) entered into by Quantify on Sunday, 1 October 2017 (**HNCD Agreement**).

Quantify provides the following responses to your letter:

- 1. Does the Entity consider the information in the Announcement, or part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

Yes.

- 2. When did the Entity first become aware of the HNCD Agreement information referred to in the announcement?**

Quantify first became aware of the HNCD Agreement information on Sunday 1 October 2017 when the directors of Quantify resolved to enter into the HNCD Agreement and Quantify executed the HNCD Agreement.

See further Quantify's responses below.

- 3. If the answer to any part of question 1 is "yes" and the Entity became aware of the HNCD Agreement information referred to in the Announcement, prior to the release of the Announcement on Monday, 2 October 2017, did the Entity lodge any announcement with ASX Market Announcements prior to this date which disclosed the information in the Announcement? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the Entity was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the information was released promptly and without delay.**

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No, Quantify did not make any announcement prior to release of the Announcement on Monday, 2 October 2017.

The information in the Announcement was not released to the market at an earlier time by reason of the following events and circumstances leading to Quantify's entry into the HNCD Agreement and the Announcement:

- (a) In August 2017, Quantify entered into discussions with HNCD in relation to the then proposed HNCD Agreement.
- (b) On 22 August 2017, Quantify provided a draft form of the HNCD Agreement to HNCD for HNCD's consideration (**HNCD Agreement Draft**). The document was in the form of a memorandum of understanding and was provided as a draft for HNCD's consideration and comment. This document was a first draft of the proposed HNCD Agreement. The HNCD Agreement Draft was marked "Private and Confidential".
- (c) The HNCD Agreement Draft was not proposed by Quantify as an agreement in final executable form and it was anticipated by Quantify that the form of agreement might be subject to further negotiation with HNCD or amendment by HNCD.
- (d) At the time of proposing the Draft HNCD Agreement to HNCD, Quantify's proposed form agreement with HNCD had not been approved by Quantify's board and any agreement with HNCD remained subject to approval of Quantify's board.
- (e) During the period 22 August 2017 to 4 September 2017, Quantify and HNCD negotiated a confidentiality agreement in respect of information and communications concerning the then proposed HNCD Agreement. On 18 September 2017, Quantify received from HNCD a copy of the confidentiality agreement apparently signed by HNCD on 4 September 2017. Quantify counter-signed the confidentiality agreement on or about 18 September 2017.
- (f) During August and September 2017, communications took place between Quantify and HNCD with respect to the proposed HNCD Agreement.
- (g) On 4 and 18 September 2017, a manager of Quantify enquired by email to HNCD of HNCD's response to the form of draft HNCD Agreement provided to HNCD on 22 August 2017.
- (h) On 19 September 2017, HNCD informed a manager of Quantify that HNCD had signed the HNCD Agreement and the signed agreement would be mailed to Quantify. Quantify was not provided with a scanned copy of the document at that time.
- (i) Between the period of 19 September 2017 to 27 September 2017, the form of document signed by HNCD was not known to Quantify and Quantify was unsure:
 - (i) whether the form of document included any amendments to the HNCD Agreement Draft provided to HNCD on 22 August 2017; and
 - (ii) whether or not the document had been properly executed by HNCD as a legally binding agreement.
- (j) During the period of Friday, 18 August 2017 to Friday, 29 September 2017 successive drafts of the announcement were prepared and considered by Quantify internally, and as between Quantify and HNCD, in anticipation of Quantify and HNCD entering into the HNCD Agreement.
- (k) On 27 September 2017, Quantify's Managing Director received two signed copies of the HNCD Agreement, sometime after 1.30pm (WST) / 3.30pm (EST) on Wednesday, 27 September 2017. At that time, or shortly after that time, Quantify became aware that the form of HNCD Agreement signed by HNCD was the same as the HNCD Agreement Draft provided to HNCD on 22 August 2017.

- (l) After approximately 3:15pm (WST) / 5:15pm (EST) on 27 September 2017 the directors of Quantify determined that Quantify should request a trading halt and Quantify's Company Secretary was instructed to request that a trading halt be implemented prior to the commencement of ASX market trading on Thursday 28 September 2017.
- (m) A halt in trading in Quantify's securities was implemented from the commencement of trading on Thursday, 28 September 2017 until the commencement of trading on Monday, 2 October 2017.
- (n) On Sunday, 1 October 2017 the directors of Quantify resolved for Quantify to enter into the HNCD Agreement and to make the Announcement. On Sunday, 1 October 2017 the HNCD Agreement was signed by Quantify.
- (o) The Announcement was given by Quantify to ASX for release to the market prior to the commencement of trading on Monday 2 October 2017.

When does the Entity consider that it was obliged to release the information in the Announcement

Quantify first became aware of the fact that the HNCD Agreement in the form signed by Quantify on 1 October 2017 would most likely be entered into by Quantify sometime after 1.30pm (WST) / 3.30pm (EST) on Wednesday, 27 September 2017, when Quantify's Managing Director became aware that HNCD had received signed copies of HNCD Agreement from HNCD in the same form as originally proposed by Quantify.

At least prior to 1.30pm (WST) / 3.30pm (EST) on Wednesday, 27 September 2017, the proposed HNCD Agreement remained an incomplete proposal and, so far as Quantify is aware, a confidential proposal. Quantify is not aware of any breach of confidentiality in respect of the HNCD Agreement.

Quantify first became aware of the fact that the HNCD Agreement would in fact be entered into by HNCD into when the Board of Quantify resolved to enter into the HNCD Agreement on 1 October 2017.

Quantify considers that by reason of the trading halt being implemented from the commencement of trading on Thursday 27 September 2017, it was obliged by Listing Rules 3.1 and 3.1A to announce the information in the Announcement prior to the market opening on Monday, 2 October 2017.

Steps the Entity took to ensure the information in the Announcement was released promptly and without delay

Please refer to the matters referred to in paragraphs (j) to (o) of the response to question 3 above.

4. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

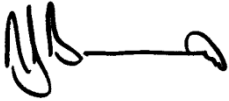
Quantify confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

5. Please confirm that the Entity responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Entity with delegated authority from the board to respond to ASX on disclosure matters.

Quantify confirms that its responses to the questions above have been authorised and approved by its board.

Please do not hesitate to contact me on (08) 6268 2622 if you have any further questions.

Yours sincerely

A handwritten signature in black ink, appearing to read 'NB', followed by a horizontal line and a small flourish at the end.

Neville Bassett
Company Secretary
Quantify Technology Holdings Limited



3 October 2017

Mr Neville Bassett
Company Secretary
Quantify Technology Holdings Limited

By email

Dear Mr Bassett

Quantify Technology Holdings Limited (the “Entity”): ASX aware query

ASX Limited (“ASX”) refers to the following:

1. The change in the price of the Entity’s securities from a closing price of \$0.064 on Tuesday 26 September 2017 to an intra-day high of \$0.078 and a closing price of \$0.077 on Wednesday 27 September 2017, and an increase in the volume of trading in Entity’s securities over this period.
2. The trading halt requested by the Entity lodged with ASX Market Announcements Platform and released at 9:43am (AEST) Thursday 28 September 2017.
3. The Entity’s announcement entitled “Agreement signed with Harvey Norman Commercial Division-NSW” (“HNCD Agreement”) lodged with ASX Market Announcements Platform and released at 10:03 am (AEDST) on Monday 2 October 2017 (the “Announcement”).
4. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities.
5. The definition of “aware” in Chapter 19 of the Listing Rules. This definition states that:

“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) 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 entity.”

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.

6. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.



“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

7. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Having regard to the above, we ask that you answer the following questions in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Entity consider the Announcement of any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. When did the Entity become aware of the HNCD Agreement information referred to in the Announcement? In answering this question, please include details of the relevant time and circumstances of the Entity became aware the HNCD Agreement, as referred to in the Announcement.
3. If the answer to any part of question 1 is “yes” and the Entity became aware of the HNCD Agreement information referred to in the Announcement, prior to the release of the Announcement on Monday, 2 October 2017, did the Entity lodge any announcement with ASX Market Announcements prior to this date which disclosed the information in the Announcement? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically



on when you believe the entity was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the information was released promptly and without delay.

4. If the answer to question 1 is “no”, please advise the basis for that view.
5. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that the Entity’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Entity 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, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **5:00 pm (WST) on Wednesday, 4 October 2017**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity’s securities under Listing Rule 17.3.

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, the Entity’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.

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 wade.baggott@asx.com.au and tradinghaltspert@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.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.



In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

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 the Entity'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 may 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*.

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

Yours sincerely

[Sent electronically without signature]

Wade Baggott
Principal Adviser, ASX Listings Compliance (Perth)