

7 February 2018

Mr Ben Secrett
Senior Adviser, ASX Listings Compliance (Perth)
Australian Securities Exchange
Central Park
152 – 158 St Georges Terrace
PERTH WA 6000

By Email

Dear Ben

RE: YOJEE LIMITED (ASX:YOJ): DIRECTOR'S INTEREST NOTICES QUERY

We refer to your letter of 1 February 2018 and respond as follows (adopting the numbering in your letter):

1. **While Mr Walker was a director of YOJ, did YOJ consider whether or conclude that Mr Walker held a direct or indirect relevant interest in Shares by virtue of being a controller of TCMC SF?**

Mr Walker was a director of Yojee Limited (**Company**) from 1 July 2016 until 9 June 2017. During that period, the Company did not consider nor conclude that Mr Walker held a direct or indirect relevant interest in Shares by virtue of being a controller of the Twentieth Century Motor Company Pty Ltd <Twentieth Century MC SF A/C> (**TCMC SF**).

2. **If the answer to question 1 is “no”, please explain why not.**

The below points are relevant to the Company's response contained within this point 2:

- The restriction deed between the Company and TCMC SF is dated 20 May 2016, which is prior to the date of Mr Walker becoming a director of the Company.
- Upon Mr Walker's appointment as a director of the Company (which was effective from 1 July 2016), Mr Walker completed an Appendix 3X, where he declared his interest in 10,000,000 fully paid ordinary shares in the capital of the Company (**Shares**), and submitted the completed Appendix 3X to the Company Secretary for release on the Company's platform.
- In relation to the Appendix 3X (dated 30 June 2016), Mr Walker has noted the following:
 - o That he thought he was declaring his beneficial interest only when filling in the Appendix 3X;
 - o that he had no assistance from any other party when filling out the form (and did not seek assistance from any other party); and

- that not including the 18,000,000 securities held by TCMC SF was an oversight due to his confusion between the terms “beneficial interest” and “notifiable interest”, and that if he was aware at the time that it was a requirement to include the 18,000,000 securities in the Appendix 3X, that he would have had no problem in doing so.
- ASX has asked the Company to expressly confirm whether Mr Walker’s interest in the 18,000,000 securities held by the TCMC SF was a “notifiable interest of a director” (as defined at Chapter 19 of the Listing Rules) at the time of Mr Walker’s appointment. As Mr Walker held a relevant interest (within the meaning of section 9 of the *Corporations Act 2001* (Cth)) in the 18,000,000 securities, it can be concluded that Mr Walker’s interest was a notifiable interest.

The reasons that the Company’s answer to question 1 is “no” are as follows:

- As the executed restriction deed was submitted to the Company **prior** to Mr Walker becoming a director of the Company, there was an administrative oversight by the Company in accurately cross-checking the security interests declared by Mr Walker on his Appendix 3X, with the security holdings of entities controlled by Mr Walker contained within the Company’s securities register (in this case the TCMC SF).
- At the time of Mr Walker’s appointment as a non-executive director and chairman of the Company, Mr Walker had executed a letter agreement in relation to his appointment (**Letter Agreement**), which sets out (amongst other things): his duties as a director; the Company’s securities trading policy; and disclosure obligations in relation to securities (which includes the obligation to disclose any ‘relevant interest’ in securities (as defined at section 9 of the *Corporations Act 2001* (Cth) (**Corporations Act**))).
- Within the Letter Agreement, there is a clause that states that the director is entitled to seek independent professional advice at the expense of the Company, as may be reasonably required to assist the director to carry on his duties as a director. As mentioned above, Mr Walker did not request any assistance from the Company in completing his Appendix 3X.
- The Company had in part relied on the provisions set out in the Letter Agreement, and its corporate governance policies (in particular, its trading policy), which puts an obligation on directors to: declare their relevant interests; or any change in relevant interest.
- At the expense of the Company, each director has access to independent professional advice if required or requested reasonably by a director, and as such, the Company relies on disclosures of security interests made by its directors, and has confidence that if no advice is sought or queries raised, that those disclosures made by those directors are accurate.
- For the reasons set out at points 4 and 5 below, the Company was comfortable that the arrangements in place with its directors (as required by Listing Rule 3.19B) were adequate to ensure that it was able to meet its disclosure obligations under Listing Rules 3.19A, however, in light of this situation, the Company acknowledges that it can improve its checks and balances in relation to verification of directors’ interests, and as such, the Company will implement such procedures immediately.

3. If the answer to question 1 is “yes”, please explain why the relevant interest was not disclosed by YOJ in any director’s interest notice lodged in respect of Mr Walker while he was a director of YOJ.

Not applicable – refer to point 1 and 2 above.

4. **What arrangements does YOJ have in place with its directors, as required by Listing Rule 3.19B, to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?**

The Company's directors are aware of and understand the obligations under Listing Rule 3.19A. As with Mr Walker, each director of the Company has entered into an agreement with the Company, and each agreement contains the wording as set out in attachment 1 of ASX Guidance Note 22 *Disclosure of Director's Interests*, whereby each director agrees in writing to make the required disclosures to the Company in order to enable the Company to meet its obligations under the Listing Rules and the Corporations Act. The Company undertakes best endeavours to cross-check interests declared by its directors with its securities register.

5. **Please explain the process undertaken by YOJ to verify the completeness and accuracy of any information provided by a director pursuant to the Listing Rule 3.19B arrangements it has in place.**

In regard to the verification of statements made by directors in relation to their security holdings, the Company maintains a register of directors' interests, and all disclosures made by directors in relation to their interests are first cross-checked against the Company's securities register, and then against the register of directors' interests.

6. **Please explain the process undertaken by YOJ to ensure that the disclosures that it makes under Listing Rule 3.19A are correct.**

The Company has the relevant director prepare the relevant disclosure required (i.e., appendix 3X, 3Y, 3Z) as per the terms of their agreements with the Company (refer to point 4 above). As per the terms of the agreements, the Company provides the directors (at the Company's expense) with access to independent professional advice if requested, or required by the director. The Company then undertakes the verification processes set out at point 5 above, prior to the release of any disclosure on its announcement platform.

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

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

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

The Company confirms that its responses to the above questions have been authorised and approved by its Board.

Yours sincerely



Sonu Cheema
Company Secretary



1 February 2018

Sonu Cheema
Yojee Limited
Suite 9, 330 Churchill Avenue
SUBIACO WA 6008

By email

Dear Mr Cheema

YOJEE LIMITED ("YOJ"): DIRECTOR'S INTEREST NOTICES QUERY

ASX Limited ("ASX") refers to the following.

- A. The Restriction Agreement between YOJ and Twentieth Century Motor Company Pty Ltd <Twentieth Century MC SF A/C > ("TCMC SF") dated 20 May 2016 in respect of ASX imposed escrow applied to the 18,000,000 Shares held by TCMC SF, which states that Mr Walker is one of the two controllers of, a director of and a 50% shareholder in TCMC SF.
- B. The following announcements released by YOJ on the dates set out below.
 - (a) 'Top 20 Holders' released on the ASX Market Anouncements Platform ("Platform") on 10 June 2016, which disclosed that TCMC SF held 18,000,000 fully paid ordinary shares in the issued capital of YOJ ("Shares") and that Mr Mathew Donald Walker ("Mr Walker") held 10,000,000 Shares.
 - (b) 'Initial Director's Interest Notice' released on the Platform on 30 June 2016, which disclosed that Mr Walker had a relevant interest in 10,000,000 Shares of which Mr Walker is the registered holder, and that Mr Walker had no relevant interest in any YOJ securities for which Mr Walker is not the registered holder.
 - (c) 'Annual Report 30 June 2016' released on the Platform on 30 September 2016, which disclosed that TCMC SF held 18,000,000 Shares and that Mr Walker held 10,000,000 Shares.
 - (d) 'Top 20 Holders' released on the Platform on 20 December 2016, which disclosed that TCMC SF held 18,000,000 Shares and that Mr Walker held 10,000,000 Shares.
 - (e) 'Yojee Appoints New Chair' released on the Platform on 9 June 2017 which included a Final Director's Interest Notice which disclosed that Mr Walker had a relevant interest in 10,000,000 Shares of which Mr Walker is the registered holder, and that Mr Walker had no relevant interest in any YOJ securities for which Mr Walker is not the registered holder.
 - (f) 'Notice of Initial Substantial Holder' released on the Platform on 12 January 2018, which disclosed that TCMC SF is the registered holder of and has an indirect relevant interest in 50,000,000 Shares, and that Mr Walker is the person entitled to be registered as the holder of those 50,000,000 Shares.



- C. Sections 608 and 609 of the *Corporations Act 2001* (Cth) (“Act”) regarding the definition of “relevant interest” and the circumstances in which a person has a relevant interest in securities.
- D. Section 205G of the Act which requires a director of a listed public company to notify the relevant market operator of the director’s relevant interests in the securities of that company or a related body corporate, at the time of the director’s appointment and following any change in the director’s interests.
- E. 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.”*
- F. The definition of “notifiable interest of a director” in Chapter 19 of the Listing Rules, which reads in part as follows.
- “(a) in relation to a company, the following.*
- (i) Relevant interest within the meaning of section 9 of the Corporations Act in +securities of the company or a related body corporate.*
- Note: This limb of the definition is equivalent to section 205G(1)(a) of the Corporations Act.”*
- G. Listing Rule 3.19B which reads as follows.
- “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.”*



H. The definition of “aware” in Chapter 19 of the Listing Rules, which 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”

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.

Having regard to the above, ASX asks YOJ to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A.

1. While Mr Walker was a director of YOJ, did YOJ consider whether or conclude that Mr Walker held a direct or indirect relevant interest in Shares by virtue of being a controller of TCMC SF?
2. If the answer to question 1 is “no”, please explain why not.
3. If the answer to question 1 is “yes”, please explain why the relevant interest was not disclosed by YOJ in any director’s interest notice lodged in respect of Mr Walker while he was a director of YOJ.
4. What arrangements does the YOJ have in place with its directors, as required by Listing Rule 3.19B, to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?
5. Please explain the process undertaken by YOJ to verify the completeness and accuracy of any information provided by a director pursuant to the Listing Rule 3.19B arrangements it has in place.
6. Please explain the process undertaken by YOJ to ensure that the disclosures that it makes under Listing Rule 3.19A are correct.
7. Please confirm that YOJ is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
8. Please confirm that YOJ’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 YOJ 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 4.30pm AWST on Wednesday, 7 February 2018**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in YOJ’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, YOJ’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 tradinghaltsperth@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 Rules 3.1 and 3.1A

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

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 YOJ'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*.

Please contact me if you have any queries about the above.

Yours sincerely

[sent electronically without signature]

Ben Secrett
Senior Adviser, ASX Listings Compliance