



15 April 2020

Mr Neel Bhowmick
Adviser, Listings Compliance

By email: ListingsComplianceSydney@asx.com.au

Dear Mr Bhowmick

Response to ASX Aware letter

We refer to your letter dated 14 April 2020 and respond to your queries as follows:

1. Does PGL consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

Yes

2. If the answer to question 1 is “no”, please advise the basis for that view.

Not applicable.

3. When did PGL first become aware of the Information?

At 3.39pm on Thursday 9 April 2020 PGL received an email from AFIA enclosing a media release from Treasury announcing the Treasurer was today (being 9 April) making offers to 29 banks and 5 non-bank lenders in relation to the Scheme. AFIA advised that those who had been included would be contacted directly on that day. This email was received by 90 individual AFIA members.

The media release from Treasury can be found at <https://ministers.treasury.gov.au/ministers/josh-frydenberg-2018/media-releases/supporting-40-billion-lending-sme-businesses>.

PGL was notified by the Department of Treasury (Treasury) at 5.37pm on Thursday 9 April 2020 that it had been selected as a participant in the Coronavirus SME Guarantee Scheme. Treasury advised that PGL was required to complete and return the Participating Lenders Agreement (Agreement), which would then be finalised by Treasury.

On Friday 10 April 2020 at 5.34pm, the Board of PGL resolved, by circular resolution and in accordance with our corporate governance processes, to sign the Agreement.

On Saturday 11 April 2020 at 10.41am Prospa contacted the SME Lender Guarantee Secretariat in Treasury and provided a signed copy of the Agreement, and requested Treasury to finalise and return the counter-signed Agreement prior to market opening on Tuesday 14th April, so that PGL could comply with its disclosure requirements.



Treasury returned the counter-signed Agreement on Monday 13 April 2020 at 2.44pm.

The ASX Announcement was reviewed by the Board between 5pm and 6pm on Monday 13th April 2020. and final approval was provided by a delegate of the Board at 7.41pm that evening.

The ASX Announcement was released to market at 8.05am Tuesday 14 April 2020.

4. If the answer to question 1 is “yes” and PGL first became aware of the Information before the relevant date, did PGL make any announcement prior to the relevant date which disclosed the information? 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 PGL was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps PGL took to ensure that the information was released promptly and without delay.

Please see the timeline above. PGL received the Information, resolved to enter into the Agreement and received the finalised Agreement after market close on Thursday 9 April 2020 and over the course of the Easter long weekend. PGL released the Information prior to market opening after the long weekend on Tuesday 14 April 2020. Pending the announcement, these matters were only known to a small number of senior Prospa employees and the announcement was considered by the Board and made promptly after the Agreement was finalised and entered into.

5. Please confirm that PGL is complying with the Listing Rules and, in particular, Listing Rule 3.1.

PGL confirms that it is complying with the Listing Rules and in particular Listing Rule 3.1

6. Please confirm that PGL’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 PGL with delegated authority from the board to respond to ASX on disclosure matters.

PGL confirms the responses to the questions above have been authorised and approved by the Board of PGL or an officer of PGL with delegated authority from the Board to respond to ASX on disclosure matters.

Yours sincerely

A handwritten signature in black ink, appearing to read "Nicole".

Nicole Johnschwager
Company Secretary

Prospa Group Limited
ACN 625 648 722
Level 1, 4-16 Yurong Street
Darlinghurst NSW 2010
www.prospa.com



14 April 2020

Reference: 16634

Ms Nicole Johnschwager
General Counsel and Company Secretary
Prospect Group Limited
Level 1, 4-16 Yurong St
Sydney 2000

By email: nicole.j@prospa.com

Dear Ms Johnschwager

Prospect Group Limited ('PGL'): Aware Query

ASX refers to the following:

- A. The change in the price of PGL's securities from a low of \$0.52 to a high of \$0.82 on Thursday 9 April 2020 on increased volumes.
- B. PGL's announcement entitled "PGL receives access to SME Guarantee Scheme" lodged on the ASX Market Announcements Platform and released at 8:05 AM on 14 April 2020 (the 'Announcement'), disclosing PGL has received an allocation of up to \$223 million under the Federal Government's SME Coronavirus Guarantee Scheme to help businesses deal with the impact of COVID-19 over the next six months ('Information').
- C. Listing Rule 3.1, which requires a listed entity to immediately give ASX 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.
- D. 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."
- E. 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."*

- F. 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."

Request for Information

Having regard to the above, ASX asks PGL to respond separately to each of the following questions and requests for information:

1. Does PGL consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. When did PGL first become aware of the Information?
4. If the answer to question 1 is "yes" and PGL first became aware of the Information before the relevant date, did PGL make any announcement prior to the relevant date which disclosed the information? 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 PGL was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps PGL took to ensure that the information was released promptly and without delay.
5. Please confirm that PGL is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that PGL'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 PGL 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 9:30 AM AEST Thursday, 16 April 2020.

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, PGL'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 PGL to request a trading halt immediately.

If you wish to request 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

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- 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*.

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 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.

Listing Rules 3.1 and 3.1A

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

Suspension

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

Enquiries

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

Yours sincerely

Neel Bhowmick
Adviser, Listings Compliance (Sydney)