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Australian Securities Exchange  
20 Bridge Street  
SYDNEY NSW 2000

18 March 2019

## **RESPONSE TO ASX QUERY REGARDING APPENDIX 3Y AND CLOSED PERIOD TRADE**

Dear Isabella,

In response to your request for information in your letter dated 14 March 2019 Corporate Travel Management Limited ("CTM") offers the following:

### **1. Please explain why the Announcement was lodged late?**

After the market closed on 11 March 2019, Mr Tony Bellas advised CTM that he had just been made aware by the bank which advises him on his superannuation investments that a parcel of CTM shares had been transferred from a superannuation fund whose beneficiaries include both Mr Bellas and Mrs Maria Bellas to a superannuation fund of Mrs Bellas. Mr Bellas subsequently also advised CTM that:

- On 13 November 2018, an order was made by the family court requiring the transfer of interests held by Mr Bellas in certain assets to his former spouse, Maria Bellas. The assets subject to the court order include (but are not limited to) 180,836 CTM shares then held by a superannuation fund whose beneficiaries include Mr and Mrs Bellas.
- The court order issued by the court registrar contained an error. Mr Bellas received legal advice that he could not and should not act on the court order until the error in the court order was corrected. Mr Bellas understood this to mean that no party could act on the court order prior to it being corrected.
- Subsequent to the making of the court order, Mr Bellas signed documents to facilitate the future transfer of the CTM shares from the joint superannuation fund which then held them, to Mrs Bellas as required by the court order. Mr Bellas believed those documents would be held in escrow, and no transfer of the CTM shares could occur, until the court order was corrected.
- The corrected court order has not yet been issued by the court registrar.

On 12 and 13 March 2019, Mr Bellas sought further information about how the transfer could have occurred, given his understanding that the corrected court order had not yet been issued and no party could act on the court order until it was corrected. In the course of those investigations, Mr Bellas was advised that the transfer had, in fact, occurred on 14 February 2019.

Following further conversations with Mr Bellas on 12 and 13 March 2019, an Appendix 3Y was lodged by CTM on 13 March 2019.

**2. What arrangements does CTD 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?**

Section 2.11(b) of CTM's Securities Trading Policy requires all Directors to give written notice immediately to the Company Secretary when they buy or sell shares in the Company, so that the Company Secretary can facilitate the timely lodgement of Appendix 3Y.

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

CTM does not consider the current arrangements to be inadequate.

**4. When did CTD first become aware of Mr. Bellas' Transaction?**

CTM first became aware of the transaction on Monday, 11 March 2019.

**5. Did Mr. Bellas comply with section 2.5 of the 2017 Trading Policy and notify the Company Secretary in writing of his intention to carry out the Transaction being entering into it? If not, why not?**

As noted at 1. above, it was Mr Bellas' understanding that no transaction involving these shares could be undertaken prior to the error in the court order being corrected. CTM is advised by Mr Bellas that he was not aware until 11 March 2019 that a transaction had occurred.

**6. Why did the Announcement state in Part 3 that no interests in CTD's securities were traded during a closed period?**

As noted at 1. and 5. above, Mr Bellas did not take any action on 14 February 2019. CTM understands from Mr Bellas that the transfer of the shares occurred on 14 February 2019 without Mr Bellas' knowledge and contrary to his understanding that no transaction could occur before the error in the court order was corrected.

**7. What disciplinary or remedial action is the board of CTD proposing to take in relation to the apparent breach of the 2017 Trading Policy?**

Based on the information currently available to it, CTM does not consider that disciplinary or remedial action is necessary in these circumstances.

**8. If the current arrangements are inadequate or not being enforced, what additional steps does CTD intend to take to ensure compliance with the 2017 Trading Policy?**

CTM considers the current arrangements to be adequate.

**9. Were there any material changes between the 2015 Trading Policy and the 2017 Trading Policy? If so, please outline the material changes, and explain why the 2017 Trading Policy was not lodged with the ASX Market Announcements Platform within 5 business days of the material changes taking effect, in accordance with Listing Rule 12.10.**

CTM notes the most significant change from the 2015 Securities Trading Policy to the 2017 Securities trading policy is the move from trading windows to blackout periods.

The 2015 policy allowed trading in each of the following periods:

- (a) The 30 day period from the first Trading Day after the release of the Appendix 4D Half Year Report to the ASX;

- (b) The 30 day period from the first Trading Day after the release of the Appendix 4E Full Year Report to ASX;
- (c) The 30 day period from the first Trading Day after an AGM;
- (d) The 30 day period from the first Trading Date after a Guidance Announcement to ASX; and
- (e) Any other period the Board decides Staff are to be permitted to Trade in Securities.

The 2017 and current policy imposes black-out periods and these are as set out in section B of your letter to CTM.

The non-lodgment of the 2017 Securities Trading Policy with the ASX Market Announcements Platform within 5 business days was an oversight. The 2017 Securities Trading Policy was approved by the CTM Board on 12 June 2017 and has been available on the CTM website since 20 June 2017.

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

CTM confirms that it is complying with the Listing Rules and, in particular, Listing Rule 3.1.

**11. Please confirm that CTD's responses to the above have been authorized and approved by its board.**

CTM confirms that the responses set out above have been authorised and approved by the Board of Directors of CTM.

Signed for and on behalf of Corporate Travel Management Limited:



**Suzanne Yeates**  
Company Secretary  
Corporate Travel Management Limited

**About CTM**

Corporate Travel Management Pty Ltd (CTM) (ASX:CTD) is a global provider of innovative and cost-effective travel solutions spanning corporate, events, leisure, loyalty and wholesale travel. Our proven business strategy combines personalised service excellence with market-leading technology to deliver a return on investment to our customers.

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14 March 2019

Ms Suzanne Yeates  
Joint Company Secretary  
Corporate Travel Management Limited  
Level 24 307 Queen Street  
Brisbane QLD 4000

By Email

Dear Ms Yeates

**Corporate Travel Management Limited ('CTD'): ASX query regarding Appendix 3Y and closed period trade**

ASX refers to the following:

- A. The announcement by CTD entitled 'Change of Director's Interest Notice' lodged on the ASX Market Announcements Platform on 13 March 2019 (the 'Announcement'). The Announcement disclosed:
- (i) the off-market disposal of 180,836 shares in CTD by an entity associated with Mr Bellas, a director of CTD, on 14 February 2019 (the 'Transaction'); and
  - (ii) the shares were not traded during a closed period.
- B. CTD's securities trading policy adopted by the Board on 12 June 2017 and available on CTD's website (the '2017 Trading Policy') which states, among other things, the following:

**"1.2 Purpose**

...

*The purpose of this policy is to create an awareness of conduct in relation to dealings in securities that are prohibited by law and by the Company and to establish a best practice procedure for buying, selling or otherwise dealing in Company securities (and securities in other companies in respect of which the Company may have business dealings) to protect the Company and its Employees.*

...

**1.3 Application**

*This policy applies to all executive and non-executive directors (Directors) and all employees (Employees) of the Company and its subsidiaries (the Group).*

**2.5 Black-out Periods**

*In addition to the legal restrictions outlined in sections 2.1 and 2.2, it is the Company's policy that Employees must not trade in Securities in the following black-out periods:*

- (a) for the Company's half year results, from 1 January to (and including) the day of the announcement;*
- (b) for the Company's full year results, from 1 July to (and including) the day of the announcement; and*
- (c) for the Company's Annual General Meeting, from 1 October 2017 (and including) the day of the Annual General Meeting; and*
- (d) for any other period designated as a black-out period by the Board and advised to Employees.*

## 2.8 Dealing during Black-out Periods

Where an Employee is not in possession of price sensitive information and there exist exceptional circumstances such as severe financial difficulties or passive trades (such as sales compelled by law), the Employee may apply in writing to the Company Secretary for approval to dispose of (but not to acquire) Securities during a black-out period. Exceptional circumstances include where the Trade is necessary:

- (a) to sell Securities to realise cash in a time of exceptional financial hardship (excluding a tax liability);
- (b) to comply with the requirement of Court order or enforceable undertaking; and
- (c) because delaying the Trade to the next permitted period would:
  - (i) cause greater exceptional financial hardship;
  - (ii) be exceptionally detrimental to the family's affairs; or
  - (iii) be a breach of a Court order.

Any approvals must be granted in writing and will be valid for five business days. Disposal of Securities during black-out periods must be actioned within five business days of the approval being granted. Despite any authority given under this Policy, the responsibility for Trading rests with the Employee.

- C. CTD's securities trading policy lodged on the ASX Market Announcements Platform on 3 August 2015 (the '2015 Trading Policy'), adopted by the Board on 28 July 2015.
- D. *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.
- 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. 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*

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*the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19A. The entity must enforce the arrangements with the director.”*

G. Listing Rule 12.10 which states:

*“Where an entity makes a material change to their trading policy such entity must give the amended trading policy to the market announcements office for release to the market within 5 business days of the material changes taking effect.”*

ASX notes the following:

1. The Announcement indicates that a change in Mr Bellas’ notifiable interest occurred on 14 February 2019. It appears that the Appendix 3Y should have been lodged with ASX by 21 February 2019. Consequently, CTD may have breached Listing Rules 3.19A and 3.19B. It also appears that Mr Bellas may have breached section 205G of the *Corporations Act 2001 (Cth)*.
2. CTD’s half year report and accounts for the period ended 31 December 2018 was lodged on the ASX Market Announcements Platform on 20 February 2019.
3. CTD’s black out period ended 20 February 2019.
4. Despite the Announcement disclosing in Part 3 that no interests in CTD securities were traded during a closed period where prior written clearance was required, the Transaction would appear to have taken place during a closed period (or a “designated black out period”) in breach of section 2.5 of the 2017 Trading Policy.

### **Request for Information**

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

1. Please explain why the Announcement was lodged late.
2. What arrangements does CTD 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 CTD intend to take to ensure compliance with Listing Rule 3.19B?
4. When did CTD first become aware of Mr Bellas’ Transaction?
5. Did Mr Bellas comply with section 2.5 of the 2017 Trading Policy and notify the Company Secretary in writing of his intention to carry out the Transaction before entering into it? If not, why not?
6. Why did the Announcement state in Part 3 that no interests in CTD’s securities were traded during a closed period?
7. What disciplinary or remedial action is the board of CTD proposing to take in relation to the apparent breach of the 2017 Trading Policy?
8. If the current arrangements are inadequate or not being enforced, what additional steps does CTD intend to take to ensure compliance with the 2017 Trading Policy?
9. Were there any material changes between the 2015 Trading Policy and the 2017 Trading Policy? If so, please outline the material changes, and explain why the 2017 Trading Policy was not lodged with the ASX Market Announcements Platform within 5 business days of the material changes taking effect, in accordance with Listing Rule 12.10.
10. Please confirm that CTD is complying with the Listing Rules and, in particular, Listing Rule 3.1.

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11. Please confirm that CTD's responses to the above have been authorised and approved by its board.

**When and where to send your response**

Your response is required as soon as reasonably possible and, in any event, by not later than 5PM (AEDT) on **Monday, 18 March 2019**. 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](mailto:ListingsComplianceSydney@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

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**Isabella Wong**  
Adviser, Listings Compliance (Sydney)