

21 August 2019

ListingsComplianceSydney@asx.com.au

Cc George Tharian
Adviser, Listing Compliance (Sydney)
ASX Limited
20 Bridge Street Sydney NSW 2000

Dear Mr Tharian,

Kip McGrath Education Centres Limited (KME)
Response to ASX letter dated 16 August 2019 re Late Director's Interest Notices

I refer to your letter dated 16 August 2019 regarding Late Director's Interest Notices lodged 16 August 2019 for Kip McGrath and Storm McGrath and provide the following responses to your questions:

- (1) Please explain why the Appendix 3X and Appendix 3Z were lodged late.

The McGrath family are currently restructuring their superannuation arrangements which is expected to result in a change in individual shareholdings once finalised. Following Mr Kip McGrath's resignation on 5 August 2019 we sought clarification of the status of the superannuation change with the understanding that under section 205G of the Corporations Act we had a 14 day notice period to clarify the situation and notify the ASX of the current shareholdings. We did not realise there was an inconsistency between the Corporations Law and the ASX Listing Rules on this point.

- (2) What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A

The company has now reviewed ASX Guidance Note 22 that addresses this issue and has updated its procedures to ensure the oversight is not repeated.

- (3) If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B.

We are comfortable the current arrangements are adequate to ensure compliance with listing rule 3.19B.

If you have further questions please do not hesitate to contact me,

Yours Sincerely,



Brett Edwards
Company Secretary Kip McGrath Education Centres Limited



16 August 2019

Reference: ODIN05546

Mr Brett Edwards
Company Secretary
Kip McGrath Education Centres Limited
Level 3, 6 Newcomen Street
Newcastle NSW 2300

By email:

Dear Mr Edwards

Kip McGrath Education Centres Limited ('KME'): Late Director's Interest Notices

ASX refers to the following:

1. KME's Appendix 3X lodged on the ASX Market Announcements Platform ('MAP') on 16 August 2019 for Mr Storm McGrath (the 'Appendix 3X');
2. KME's Appendix 3Z lodged on MAP on 16 August 2019 for Mr Kip McGrath (the 'Appendix 3Z');
3. 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.'*

4. 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.'

As the Appendix 3X indicated that Mr Storm McGrath was appointed on 5 August 2019, it appears that the Notice should have been lodged with ASX by 12 August 2019. As the Appendix 3X was lodged on 16 August 2019, it appears that KME may have breached listing rules 3.19A and/or 3.19B.

As the Appendix 3Z indicated that the director ceased to be a director on 5 August 2019 it appears the Appendix 3Z should have been lodged with ASX by 12 August 2019. As it was lodged on 16 August 2019, it appears that KME may have breached Listing Rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the Listing Rules by listed entities for its reporting requirements.

ASX reminds KME of its contract with ASX to comply with the Listing Rules. In the circumstances, KME should make necessary arrangements to ensure it does not continue to breach the Listing Rules.

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 Appendix 3X and Appendix 3Z were lodged late.
2. What arrangements does KME 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 KME intend to take to ensure compliance with Listing Rule 3.19B?

When and where to send your response

Your response should be sent to me by e-mail at ListingsComplianceSydney@asx.com.au. It should not be sent to the ASX Market Announcements Office.

A response is requested as soon as possible and, in any event, no later than half an hour before the start of trading (i.e. before 9:30 am AEST) on Wednesday, 21 August 2019.

Under Listing Rule 18.7A, a copy of this letter and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked.

Enquiries

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

Yours sincerely

George Tharian
Senior Adviser, Listings Compliance (Sydney)