

13 February 2023

James Rowe
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Australian Securities Exchange
Level 40, Central Park
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Perth WA 6000

By email: ListingCompliancePerth@asx.com.au

Dear James,

ASX short term trading query

Acrow Formwork and Construction Services Limited (**Company** or **ACF**) refers to your letter dated 6 February 2023. The Company provides the following responses with specific reference to the request for information.

- 1. Were the acquisitions and disposals of ACF securities referred to in each Appendix 3Y notified to the Chairman in accordance with section 11 of the Trading Policy before entering into each acquisition and disposal? If not, why not?**

Please answer separately for each acquisition and disposal of ACF securities referred to in each Appendix 3Y.

Mr Boland sought and was granted approval to trade from the Chairman prior to commencing any trading, however the Chairman was not notified that the trading would be “speculative trading” and was not notified before each individual trade referred to in Mr Boland’s Change of Director’s Interest Notices dated 3 March 2022, 9 March 2022, 5 October 2022, 13 October 2022, 18 October 2022, 3 November 2022 and 14 November 2022 (each an ‘**Appendix 3Y**’ and together the ‘**Appendix 3Ys**’).

No approval was sought or granted for the conduct of individual trades in a manner that would contravene the Company’s Securities Trading Policy (**Trading Policy**).

The practice has been that, where a request to trade is approved, approval is valid for a specified period from the date of the grant of approval or the time when the requestor becomes aware of inside information which has not been released to the market (whichever is earlier) (**Trading Window**). The Trading Policy does not require the requestor to seek approval for each individual trade conducted in the Trading Window.

For the avoidance of doubt, the Company confirms that the above response applies to each acquisition and disposal referred to in each Appendix 3Y.

- 2. Did the Chairman advise Mr Boland (in writing or otherwise) that there was no known reason to preclude him from trading in ACF’s securities before Mr Boland entered into each acquisition and disposal referred to in each Appendix 3Y, in accordance with section 11 of the Trading Policy? If not, why not?**

Please answer separately for each acquisition and disposal of ACF securities referred to in each Appendix 3Y.

At the time Mr Boland sought verbal approval to trade from the Chairman, the Chairman granted Mr Boland's request to trade in a Trading Window on the basis that there was no known reason to preclude him from trading at that time, however this was not done in respect of each of the individual trades referred to in the Appendix 3Ys as approval was not sought or granted for individual trades in that manner, as outlined in response to question 1.

Again, the Company confirms that the above response applies in respect of each acquisition and disposal referred to in the Appendix 3Ys.

3. Was ACF's Trading Policy otherwise followed in respect of each of the on-market trades disclosed in the Appendix 3Ys referred to above, in particular the restriction on engaging in short term speculative dealing in ACF's securities? If not, why not?

Please answer separately for each acquisition and disposal of ACF securities referred to in each Appendix 3Y.

The Company considers that the trading conducted by Mr Boland, as detailed in the Appendix 3Ys, breaches clause 13, '*Speculative Trading*', of the Trading Policy. This section of the Trading Policy prohibits Restricted Persons (as that term is defined in the Trading Policy, which includes Mr Boland) from engaging in short term speculative trading, which in the absence of other circumstances, is holding a security for a period shorter than three months.

The Trading Policy was otherwise complied with.

The Company confirms that the above response applies to each acquisition and disposal referred to in each Appendix 3Y.

For completeness, the Board notes that it takes any breach of the Company's policies very seriously and this matter has been formally investigated by the Company.

Following the investigation, the Company is taking the following active steps to improve the policy, procedures and training associated with the Company's Security Trading Policy:

- a) the Trading Policy is in the process of being updated to include:
 - i. that all requests to trade (emphasising that this includes both buying and selling) must be made in writing by e-mail to the relevant authoriser and no trade can occur until the approval is received in writing. This request will be required to include all necessary information such as confirming no information is held that is not readily available and the number or value of securities proposed to be acquired or disposed;
 - ii. a 'Restricted Persons Trading Register' of approvals will be instituted that will be reconciled with the monthly review of the share register by the Company Secretary;
 - iii. all Restricted Persons' holdings and movements will be included as part of the report provided to the Board monthly;
 - iv. Restricted Persons will be subject to annual updates and training on the Trading Policy;
 - v. the Blackout Period will be brought forward for the half year to commence on 31 December;

- vi. the definition of what constitutes “speculative trading” under the policy will be revised to include that no sales of the Shares within three months after an acquisition unless there are exceptional circumstances that are documented and approved by the relevant authoriser;
- vii. annually, each Restricted Person will be required to undertake compliance training and confirm that they understand their obligations relating to dealing in the Company’s securities, a record of which will be kept; and
- viii. the CFO, along with the Company Secretary, will undertake half yearly reviews of the ‘Restricted Persons Trading Register’ and the Share register to ensure all Restricted Persons trades have been conducted in accordance with the Trading Policy.

It is expected that this updated policy will be brought to the Company’s board for formal approval at its next scheduled meeting on 21 February 2023.

- b) a training and education session will be run for all existing employees (including directors) to educate them about the terms of the Trading Policy and their obligations under that policy;
- c) the training and education session will be recorded, and all new hires will be required to watch the video and complete a short quiz;
- d) the Company has reiterated to all directors, including Mr Boland, the requirements of the Trading Policy; and

Further, as a consequence of the breaches, Mr Boland received a formal notification from the Company that his trading, the subject of the Appendix 3Ys, in the Company’s securities have been in breach of the Trading Policy. Further, the Board determined to materially reduce Mr Boland’s short term incentive bonus payment in respect of the current financial year.

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

We confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

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

The Company confirms that the responses provided in this letter have been authorised and approved by the Board.

Yours sincerely,
Lee Tamplin
 Company Secretary



6 February 2023

Mr Lee Tamplin
Company Secretary
Acrow Formwork and Construction Services Limited
By email

Dear Mr Tamplin

Acrow Formwork and Construction Services Limited ('ACF'): Short term trading – Query

ASX refers to the following:

- A. ACF's Appendix 3Y - Change of Director's Interest Notice lodged on the ASX Market Announcements Platform ('MAP') on 3 March 2022 for Mr Steven Boland disclosing on-market trades on unspecified dates from 24 February 2022 to 2 March 2022. This Appendix 3Y disclosed 6,616 ACF securities were acquired and 145,537 ACF securities were disposed on-market.
- B. ACF's Appendix 3Y - Change of Director's Interest Notice lodged on MAP on 9 March 2022 for Mr Steven Boland disclosing on-market trades on the following dates:
 - (a) 3 March 2022;
 - (b) 7 March 2022;
 - (c) 8 March 2022; and
 - (d) 9 March 2022.

This Appendix 3Y disclosed 127,021 ACF securities were acquired and 11,374 ACF securities were disposed on-market.

- C. ACF's Appendix 3Y - Change of Director's Interest Notice lodged on MAP on 5 October 2022 for Mr Steven Boland disclosing on-market trades on 28 September 2022. This Appendix 3Y disclosed 19,500 ACF securities were acquired and 1,000,000 ACF securities were disposed on-market.
- D. ACF's Appendix 3Y - Change of Director's Interest Notice lodged on MAP on 13 October 2022 for Mr Steven Boland disclosing on-market trades on the following dates:
 - (a) 7 October 2022;
 - (b) 10 October 2022;
 - (c) 11 October 2022; and
 - (d) 12 October 2022.

This Appendix 3Y disclosed 175,489 ACF securities were acquired and 70,000 ACF securities were disposed on-market.

- E. A further Appendix 3Y was lodged on MAP on 18 October 2022. This Appendix 3Y disclosed on-market trades by Mr Steven Boland in ACF securities on the following dates:
 - (a) 6 October 2022;
 - (b) 11 October 2022; and
 - (c) 12 October 2022.

This Appendix 3Y disclosed 93,827 ACF securities were acquired on market. This Appendix 3Y was lodged late in respect of the 15,500 securities acquired on 6 October 2022.

- F. ACF's Appendix 3Y - Change of Director's Interest Notice lodged on MAP on 3 November 2022 for Mr Steven Boland disclosing on-market trades on the following dates:

- (a) 28 October 2022; and
- (b) 2 November 2022.

This Appendix 3Y disclosed 208,000 ACF securities were acquired and 90,000 ACF securities were disposed on-market.

- G. ACF's Appendix 3Y - Change of Director's Interest Notice lodged on MAP on 14 November 2022 for Mr Steven Boland disclosing on-market trades on the following dates:

- (a) 7 November 2022;
- (b) 8 November 2022;
- (c) 9 November 2022;
- (d) 10 November 2022;
- (e) 11 November 2022; and
- (f) 14 November 2022.

This Appendix 3Y disclosed 265,908 ACF securities were acquired and 141,100 ACF securities were disposed on-market.

- H. ACF's securities trading policy available on ACF's website (the 'Trading Policy') which states, among other things, the following (underlining added):

11 REQUIREMENTS BEFORE TRADING

11.2 Before trading, or giving instructions for trading or causing anyone to trade, in the Company's securities, a Director (other than the Chairman) must:

- (a) Notify the Chairman of the Director's intention to trade (or cause someone else to trade) in securities;*
- (b) confirm that the Director does not hold any inside information;*
- (c) have been advised by the Chairman that there is no known reason to preclude them from trading in the Company's securities as notified; and*
- (d) have complied with any condition on trading imposed by the Chairman (including, for example, any time limits applicable to the clearance).*

...

13 SPECULATIVE TRADING

The Company wishes to encourage directors, officers and employees to adopt a long term attitude to investment in the Company's securities. It is also important that trading in the Company's securities by the Company's management does not send a negative message to the market about a lack of confidence in the Company's securities, a lack of loyalty of the Company's Management or is conducted in a way which may suggest that a trade was motivated by inside information.

At no time may Restricted Persons engage in short term speculative dealing in the Company's securities or short selling the Company's securities. Where a Security is held for a period shorter than 3 months, in the absence of other circumstances the Company is likely to consider that the trade of the Security short term or speculative.

Restricted Persons are also not permitted to enter into non-discretionary trading plans which could trigger either discretionary or non-discretionary trading whilst in the possession of inside information or during a designated Blackout Period, except with prior approval as set out above.

I. Listing Rules 12.9 and 12.12 which require the following:

12.9 An entity must have a +trading policy that complies with the requirements of ASX listing rule 12.12. An entity must give its +trading policy to the +market announcements office for release to the market.

12.12 At a minimum, an entity's +trading policy must include the following information:

12.12.1 The entity's +closed periods.

12.12.2 The restrictions on trading that apply to the entity's +key management personnel.

12.12.3 Any trading which is not subject to the entity's +trading policy.

12.12.4 Any exceptional circumstances in which the entity's +key management personnel may be permitted to trade during a +prohibited period with prior written clearance.

12.12.5 The procedures for obtaining prior written clearance for trading under rule 12.12.4.

J. Guidance Note 27: Trading Policies which states:

Implicit in the requirement for an entity to have a trading policy is that it should also have appropriate measures to ensure that its KMP are aware of, and understand, their obligations under the policy and to monitor and enforce compliance with the policy. For it not to do so would be a failure to comply with its obligation under Listing Rule 19.2 to honour the spirit, intention and purpose of the Listing Rules.

Request for information

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

1. Were the acquisitions and disposals of ACF securities referred to in each Appendix 3Y notified to the Chairman in accordance with section 11 of the Trading Policy before entering into each acquisition and disposal? If not, why not?

Please answer separately for each acquisition and disposal of ACF securities referred to in each Appendix 3Y.

2. Did the Chairman advise Mr Boland (in writing or otherwise) that there was no known reason to preclude him from trading in ACF's securities before Mr Boland entered into each acquisition and disposal referred to in each Appendix 3Y, in accordance with section 11 of the Trading Policy? ? If not, why not?

Please answer separately for each acquisition and disposal of ACF securities referred to in each Appendix 3Y.

3. Was ACF's Trading Policy otherwise followed in respect of each of the on-market trades disclosed in the Appendix 3Ys referred to above, in particular the restriction on engaging in short term speculative dealing in ACF's securities? ? If not, why not?

Please answer separately for each acquisition and disposal of ACF securities referred to in each Appendix 3Y.

4. Please confirm that ACF is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that ACF's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of ACF 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 **3:00 PM AWST Friday, 10 February 2023**. 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, ACF'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 ACF to request a trading halt immediately.

Your response should be sent to me by e-mail at ListingsCompliancePerth@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.

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 ACF'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 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*.

Suspension

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

Listing Rules 3.1 and 3.1A

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

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

James Rowe
Head of Listings Compliance (Perth)