

2 February 2018

Mr Andrew Kabega
Senior Adviser, Listings Compliance (Sydney)
ASX Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

Query on Appendix 3Y Director's Interest Notice

I refer to your letter to EGL dated 31 January 2018 regarding the above matter, and respond to your queries as follows (using your numbering, for ease of reference):

1. Please explain why the Appendix 3Y was lodged late.

The document was lodged late because the director only disclosed the details of the share acquisition to the Company on Sunday afternoon, 28 January 2018. The company lodged the required disclosure on the next business day. These circumstances, and the director's stated reasons for the late disclosure to the Company, are set out in the Company's contemporaneous announcement to the market dated 29 January 2018.

2. What arrangements does the Entity have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?

The Company ensures that all incoming directors are provided with an information pack which, among other things, makes directors aware of their disclosure obligations under the *Corporations Act 2001* and the Listing Rules. The Company also enters into director disclosure deeds to meet the requirements of Listing Rule 3.19B.

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

The Company believe that the existing arrangements to ensure compliance with Listing Rule 3.19B are adequate. The Board is satisfied with the director's explanation that this was an inadvertent oversight which is unlikely to be repeated.

In addition, the Company will establish an alert system with the Company's registry services provider to ensure that trading activity by directors or their known associates is promptly reported to the Company irrespective of such activity being disclosed.

Yours faithfully,



Andrew Bush
Chief Financial Officer and Company Secretary
The Environmental Group Limited



31 January 2018

Andrew Bush
Chief Financial Officer
The Environmental Group Limited
10 Ferntree Place, Noting Hill
Melbourne VIC 3168

By email

Dear Andrew

**The Environmental Group Limited (the "Entity")
Appendix 3Y – Initial Director's Interest Notice**

We refer to the following:

1. The Appendix 3Y lodged by the Entity with ASX Limited ("ASX") on Monday, 29 January 2018 for Mr Dean Malcolm Dowie (the "Appendix 3Y").
2. 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). 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.*
3. Listing rule 3.19B which states 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.

The Appendix 3Y indicated that the director was appointed on 28 December 2017 it appears that the Appendix 3Y should have been lodged with ASX by 5 January 2018. As the Appendix 3Y was lodged on 29 January 2018, it appears that the Entity may be in breach of 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 companies for its reporting requirements.

ASX reminds the Entity of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Entity make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

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", we ask that you answer each of the following questions:

1. Please explain why the Appendix 3Y was lodged late.
2. What arrangements does the Entity have in place 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 the Entity intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by a return e-mail or by facsimile on facsimile number (02) 9241 7620. It should not be sent to the 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 9:30am A.E.S.T) on Monday, 5 February 2018.**

Under listing rule 18.7A, a copy of this query 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.

If you have any queries or concerns, please contact me immediately.

Yours sincerely

[Sent electronically without signature]



Andrew Kabega
Senior Adviser, Listings Compliance (Sydney)