

January 14, 2016

Ms Stephanie Yong
Senior Adviser
Listings Compliance (Sydney)
ASX Compliance Pty Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Stephanie

Chapmans Ltd (ASX:CHP) - Response to ASX Appendix 3Y queries

We refer to your letter dated 12 January 2016 (**Letter**) in relation to:

- an Appendix 3Y lodged on 23 December 2015 in respect of Peter Dykes (**Dykes 3Y**); and
- an Appendix 3Y lodged on 7 December 2015 in respect of Anthony Dunlop (**Dunlop 3Y**),

in relation to a change of their respective interests in Chapmans Ltd (**Company**).

The Company responds to the queries raised in your Letter as set out below:

1. In respect of the Dykes 3Y, we note that the date of change specified, being 4 November 2015, is a typographical error. The date of the actual change in Mr Dykes' interest was 20 November 2015. Accordingly, the Dykes 3Y was lodged in accordance with the 5 business day timeframe set out in ASX Listing Rule 3.19A.2 (**LR 3.19A.2**), however, the Dykes 3Y would need to be corrected to illustrate the correct date of change in his interest. Please find attached an amended Appendix 3Y.

In respect of the Dunlop 3Y, the information had not been given to the Company by Mr Dunlop in accordance with its current disclosure arrangements concerning director interests, accordingly, as per the note to LR 3.19A.2, the Company was not required to give notice to the ASX under that listing rule. We note that Mr Dunlop provided the information relating to the change in his interests within 14 days of those changes occurring and accordingly Mr Dunlop was in compliance his personal obligations under s205G of the Corporations Act.

2. The Company presently educates its directors at the time of their appointment in relation to their disclosure obligations concerning their interests in securities in the Company, and further requires its directors to accept liability to provide information which is necessary for the Company to comply with its disclosure obligations under ASX Listing Rule 3.19A. Prior to the date of the incidents the subject of your Letter, the Company has had no reason to suspect that its current arrangements in relation to the disclosure of directors' interests were ineffective (as the Company has historically provided required disclosures concerning director's interest in a timely manner).



3. The Company intends to consider implementing additional procedures to ensure that directors provide information to the Company to enable it to ensure its compliance with ASX Listing Rule 3.19A. One of the procedures the Company will consider is to require directors to enter into separate letter agreements in the form of Attachment 1 to Guidance Note 22, or otherwise, incorporate its terms in the directors' appointment letters.

If you have any further queries on the above, please feel free to contact me.

Yours faithfully

Chapmans Limited

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Peter Dykes
Chairman

Chapmans Limited
E: peter.dykes@chapmansltd.com
T: 02 8249 8279

Chapmans Limited
E: anthony.dunlop@chapmansltd.com
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Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/09/01 Amended 01/01/11

Name of entity: Chapmans Limited
ABN: 34 000 012 386

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	PETER DYKES
Date of last notice	5 November 2015

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Direct & Indirect
Nature of indirect interest (including registered holder) <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	Peter Dykes is a Director of Poipu Bay Pty Ltd ("Poipu Bay") and Lachlan Dykes is Peter Dykes' son
Date of change	20 November 2015
No. of securities held prior to change	204,292,000 Shares
Class	Ordinary Shares
Number acquired	1,541,333
Number disposed	-
Value/Consideration <small>Note: If consideration is non-cash, provide details and estimated valuation</small>	\$12,331
No. of securities held after change	205,833,333 Ordinary Shares (Poipu Bay = 195,000,000 Shares & Lachlan Dykes = 5,000,000 Shares & Peter Dykes = 5,833,333 Shares)

+ See chapter 19 for defined terms.

Appendix 3Y

Change of Director's Interest Notice

Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	On Market Purchase
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Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	N/A
Nature of interest	
Name of registered holder (if issued securities)	
Date of change	
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	
Interest acquired	
Interest disposed	
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	
Interest after change	

Part 3 – ⁺Closed period

Were the interests in the securities or contracts detailed above traded during a ⁺closed period where prior written clearance was required?	No
If so, was prior written clearance provided to allow the trade to proceed during this period?	
If prior written clearance was provided, on what date was this provided?	

⁺ See chapter 19 for defined terms.



12 January 2016

Peter Dykes
Executive Chairman and Company Secretary
Chapmans Limited
GPO Box 4988
Sydney NSW 2000

By email

Dear Mr Dykes,

CHAPMANS LIMITED (THE "COMPANY")
Appendix 3Y – Change of Director's Interest Notice

We refer to the following:

1. The following announcements lodged by the Company with ASX Limited ("ASX"):

- The Appendix 3Y for Peter Dykes lodged on 23 November 2015
- The Appendix 3Y for Anthony Dunlop lodged on 7 December 2015

(together, the "Appendices 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.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

The Appendix 3Y indicates that changes in the notifiable interests of Mr Dykes occurred on 4 November 2015. It appears that the Appendix 3Y should have been lodged with ASX by 11 November 2015. Furthermore, the Appendix 3Y indicates that changes in the notifiable interests of Mr Dunlop occurred on 27 November 2015. It appears that the Appendix 3Y should have been lodged with ASX by 4 December 2015. Consequently, the Company 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 Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company 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 Appendices 3Y were lodged late.
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?
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?

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 close of business (Sydney time) on Thursday, 14 January 2016.**



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 should separately address each of the questions asked.

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

Yours sincerely

[Sent electronically without signature]

Stephanie Yong
Senior Adviser, Listings Compliance (Sydney)