

21 September 2016

ASX Compliance Pty Ltd  
Attention: Stephanie So  
Senior Adviser, Listings Compliance  
20 Bridge Street  
Sydney NSW 2000

Dear Stephanie,

We refer to your letter dated 21 September 2016 and respond to your queries contained therein as follows:

*1. Please explain why the Appendix was lodged late.*

On receipt of the resignation letter from the former Director, the Company sought external advice regarding the vesting conditions of the unlisted options held by the resigning officeholder to determine the number of options that he was entitled to retain. It took longer than the 5 business days provided under LR 3.19A.3 to reach a final position on the matter and hence the Final Director's Interest Notice was unable to be lodged within the prescribed timeframe.

*2. What arrangements does the Entity 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?*

All Directors are aware of their individual and the Company's obligations under the Listing Rules including 3.19A and 3.19B. In addition to on-going management, continuous disclosure matters are a standing agenda item at Director's meetings. The Company Secretary supports the Directors in fulfilling their obligations under the Listing Rules together with the Company's external advisors as required.

*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 Directors believe that the current arrangements are appropriate and that those arrangements are adequately enforced.

Faithfully,  
Pacific Environment Limited



Adam Gallagher  
Director and Company Secretary



21 September 2016

Mr Adam Gallagher  
Director and Company Secretary  
Pacific Environment Limited  
Level 1, 146 Arthur Street  
North Sydney NSW 2060

By email: [adam.gallagher@pacific-environment.com](mailto:adam.gallagher@pacific-environment.com)

Dear Mr Gallagher,

**PACIFIC ENVIRONMENT LIMITED (THE "ENTITY"): Appendix 3Z – Final Director's Interest Notice**

We refer to the following;

1. The announcement lodged by the Entity with ASX Limited ("ASX") on Friday, 2 September 2016 confirming the resignation of Mr Murray d'Almeida as a director of the Entity effective 2 September 2016;
2. The Appendix 3Z lodged by the Entity with ASX on Thursday, 15 September 2016 for Mr Murray d'Almeida (the "Appendix");
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 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.

5. 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.

As the Appendix 3Z indicated that the director ceased to be a director on 2 September 2016 it appears the Appendix 3Z should have lodged with ASX by 9 September 2016. As it was lodged on 15 September 2016, it appears that there may have been a breach by the Entity 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 entities 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*, under listing rule 18.7 we ask that you answer each of the following questions.

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

Your response should be sent to me by e-mail. It should not be sent to the ASX Market Announcements Office.



A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. A.E.S.T.) on Monday, 26 September 2016.

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.

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

Yours sincerely

*[Sent electronically without signature]*

Stephanie So  
**Senior Adviser, Listings Compliance (Sydney)**