



## The Environmental Group Limited

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3 September 2015

ASX Compliance Pty Limited  
20 Bridge Street  
Sydney  
NSW 2000

Dear Mr Andrew Kabega

I refer to your letter dated 31 August 2015 in relation to recently lodged Appendix 3Y's – Change in Directors Notice and the queries which you have raised.

***Q1. Please explain why the Appendices were lodged late.***

The late lodgement of the Appendix 3y's were an administration oversight

***Q2. What arrangements does the Company 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?***

The Directors are aware of their disclosure requirements set out in listing rule 3.19B.

The company's internal process requires that change in holdings by directors are advised to the Company Secretary who prepares the documentation for lodgement within the time frame.

The relevant change in the director's interest, relates to securities acquired pursuant to the to the recent rights offer. The Appendix 3Y's were prepared within the time frame, however, due to an administrative oversight they were not lodged. This breakdown in our procedures has been rectified.

***Q3. 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?***

The company believes the current arrangements are adequate, but will nevertheless review the arrangements and reinforce the need for vigilance in compliance with the board.

Yours faithfully

The Environmental Group Limited

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Allan Fink

Company Secretary



31 August 2015

Mr Allan Fink  
The Environmental Group Limited  
Unit 1A  
9 Packard Avenue  
Castle Hill NSW 2154

By Email;

Dear Mr Fink,

**ENVIRONMENTAL GROUP LIMITED (the "Company")**

We refer to the following:

1. The Appendices lodged by the Company with ASX on 28 August 2015 for Mr Ellis Richardson and Mr David Cartney ("Appendices").
2. Listing rule 3.19A which requires an entity to tell ASX the following:

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. 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 Appendices indicate that the changes in Mr Richardson and Mr Cartney's notifiable interests occurred on 6 August 2015. The corresponding Appendices should have been lodged with ASX by 13 August 2015. Consequently, the Company may be in breach of listing rules 3.19A and/or 3.19B. It also appears the directors concerned may have breached section 205G of the Corporations Act.

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 makes 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 Appendices were lodged late.
2. What arrangements does the Company 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 Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail or by facsimile on facsimile number (02) 9241 7620. 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 Friday, 4 September 2015.

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, please feel free to contact me.

Yours sincerely,

*[Sent electronically without signature]*

Andrew Kabega  
**Senior Adviser, Listings Compliance (Sydney)**

