

Vanessa Nevjestic
Advisor, Listings Compliance
ASX
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

March 16, 2022

Sent by email: ListingsCompliancePerth@asx.com.au

APPENDIX 3Y – CHANGE OF DIRECTORS INTEREST NOTICE QUERY

In reference to your letter of 14 March 2022 for Mr Daniel Roberts and Mr David Shapiro (the 'Notices'), the response to your three queries are as follows:

1. Please explain why the Appendices 3Y were lodged late?

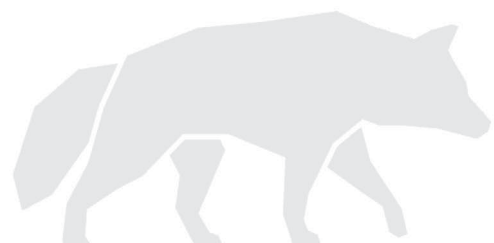
With reference to the ASX Announcement dated 14 March 2022, the Company confirms that due to an administrative oversight, an Appendix 3Y was not lodged for Daniel Roberts and David Shapiro on 12th July 2021.

At the time, details of both Daniel Robert's and David Shipiro's movements were disclosed in an ASX Announcement titled 'Summary of Security Issues', dated 12 July 2021, with disclosure also made in the 30 June Annual Financial Report, Note 7.2 to the financial statements in respect to the lapse of the Performance Shares and also at Note 13, 'subsequent events' to the reporting date.

Both these changes have now been reflected in a new Appendix 3Y dated 14 March 2022 and lodged with ASX.

2. What arrangements does SCT have in place under listing rule 3.10B with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?

The Company considers that the current arrangements in place to make disclosure under LR 3.19A are adequate and being enforced and that failure to do so on this occasion was due to an administrative oversight. It was not due to any oversight of Mr Roberts or Mr Shapiro to notify the Company of the relevant change in security holdings, and the change did not involve any on-market transactions by Mr Roberts and Mr Shapiro.

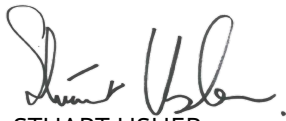


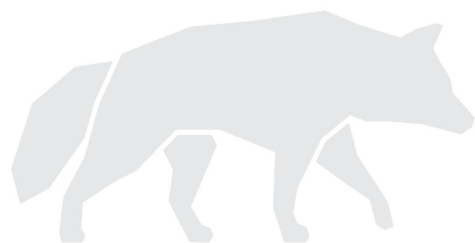
3. If the current arrangements are inadequate or not being enforced, what additional steps does SCT intend to take to ensure compliance with Listing Rule 3.19B?

The Company is satisfied that its procedures are adequate to ensure compliance with ASX Listing Rule 3.19B.

Please contact me if you would like to discuss any of the above matters.

Yours sincerely,


STUART USHER
Company Secretary





14 March 2022

Reference: ODIN48919

Mr Stuart Usher
Company Secretary
Scout Security Limited
C/- Geneva Partners Pty Ltd
Level 1, 247 Oxford Street
West Leederville, Western Australia 6007

By email: stuart.usher@genevapartners.com.au

Dear Mr Usher

Scout Security Limited ('SCT'): Appendices 3Y – Change of Director's Interest Notice Query

ASX refers to the following:

1. SCT's Appendices 3Y lodged on the ASX Market Announcements Platform ('MAP') on 14 March 2022 for Mr Daniel Roberts and Mr David Shapiro (the 'Notices');
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) 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.'*

3. Listing rule 3.19B which states that:

'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 Notices indicate that a change in Mr Roberts and Mr Shapiro's notifiable interests occurred on 12 July 2021. It appears that the Notices should have been lodged with ASX by 19 July 2021. Consequently, SCT may have breached Listing Rules 3.19A and/or 3.19B. It also appears that Mr Roberts and Mr Shapiro may have breached section 205G of the *Corporations Act 2001* (Cth).

Request for Information

Under Listing Rule 18.7, we ask that you answer each of the following questions 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*.

1. Please explain why the Appendices 3Y were lodged late.
2. What arrangements does SCT 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 SCT intend to take to ensure compliance with Listing Rule 3.19B?

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 **9:00 AM AWST Thursday, 17 March 2022**. 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, SCT'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 SCT 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 SCT'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 SCT's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to SCT'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 SCT'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

Vanessa Nevjestic
Adviser, Listings Compliance (Perth)