

15 May 2017

Mr Sebastian Bednarczyk
Senior Adviser, ASX Listings Compliance
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

Dear Mr Bednarczyk

CTI Logistics Limited – Late lodgement of Appendix 3Y for Mr Peter Leonhardt - Change of Director's Interest Notice

We refer to your letter of 10 May 2017 in relation to the late lodgement of Change of Director's Interest Notice. We respond to your questions as follows:

1. The reason the Appendix 3Y was lodged late was due to an administrative oversight when the shares from the Dividend Reinvestment Plan were issued. The procedure has been revised to ensure shares issued to directors under the Dividend Reinvestment Plan are reported and lodged within the time period allowed as in the case of on market trades. The lodgements were made as soon as the administrative error was uncovered;
2. The Company has amended its procedures, including the notification process by directors, to ensure the necessary procedures and checks are in place so that director disclosures to the ASX, including Appendix 3Y's, are completed and lodged within the time period allowed by listing rule 3.19A; and
3. The Company's Joint Managing Director and Company Secretary have reviewed the procedures in place to ensure that changes in director's interests are reported to the market in a timely manner and have further reminded all directors of their obligations to comply with those procedures to ensure compliance with listing rule 3.19B.

CTI Logistics Limited takes its continuous disclosure obligations seriously and is continually reviewing its administrative systems to ensure it meets those obligations.

Yours faithfully



Owen Venter
COMPANY SECRETARY



10 May 2017

Mr Owen Venter
Company secretary
CTI Logistics Limited
1 Drummond Place
WEST PERTH WA 6005

By email: oventer@ctilogistics.com.

Dear Mr Venter

CTI LOGISTICS LIMITED (THE "COMPANY")

We refer to the following.

1. The Company's announcement lodged with ASX Limited ("ASX") on 1 May 2017 regarding a Change of Director's Interest Notice for Mr Peter Leonhardt ("Appendix 3Y").
2. ASX 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.

*3.19A.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.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. Listing rule 3.19B which reads 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.

As the Appendix 3Y indicates a change in the notifiable interest of Mr Leonhardt occurred on 11 April 2017, the Appendix 3Y should have been lodged with the ASX no later than 20 April 2017. As the Appendix 3Y was lodged on 1 May 2017, it appears that 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 entities 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", ASX requires the Company to respond to each of the following questions.

1. Why was the Appendix 3Y lodged late?
2. What arrangements does the Company have in place (including 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?

The Company's response should be sent by email to me at Sebastian.Bednarczyk @asx.com.au – it should not be sent to the ASX Market Announcements Office.

The Company's response is required as soon as possible and, in any event, **by not later than 3.00pm AWST on Monday, 15 May 2017.**

Under listing rule 18.7A, a copy of this letter and the Company's response will be released to the market, so the Company's response should be in a form suitable for release and must separately address each of the questions asked.



Please contact me should you have any queries about this letter.

Yours sincerely

[sent electronically without signature]

Sebastian Bednarczyk
Senior Adviser, ASX Listings Compliance