

3 June 2013

Simon Daniels  
Adviser, Listings Compliance

Dear Simon

**Recently Lodged Appendix 3Y – Change of Director's Interest**

We refer to your letter of 31 May 2013, following the Appendix 3Y disclosure recently lodged by Tranzact Financial Services Limited (the Company) with the ASX.

We respond to your questions as below:

1. The Appendix 3Y was lodged late as the change in the Director's relevant interest had arisen from the Director's resignation of his directorship of the ultimate parent company of the Company, rather than of any specific change in the Director's interests held or change in the shares held by the related companies.

On appointment and subsequent to appointment, all directors of the Company are required to make, and keep updated, disclosure of their interests. Regrettably, an oversight by the Company meant the need for the 3Y disclosure was not made at the date of change of the directorships held.

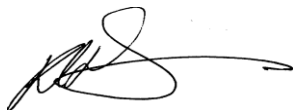
2. As noted above, the directors regularly confirm their direct and indirect interests in the Company, and review the interests register.

To the extent those interests change, an assessment is made of the need for the change to be disclosed. In this particular case, the fact the shares held by the related companies had not changed, caused the failure to trigger the need for ASX disclosure.

3. The Company will make arrangements for additional training and familiarisation of the ASX listing rules for its relevant staff. The Company is confident that the appropriate assessments are being made of the interests held by directors, but has failed to recognise in this case the need for the disclosure due to changes in directorships held.

We trust the above provides a satisfactory explanation of the late lodgement of the Appendix 3Y and the arrangements in place to ensure future reporting obligations are met.

Yours sincerely



Richard Rodgers  
Company Secretary  
Tranzact Financial Services Limited



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31 May 2013

Richard Rodgers  
Company Secretary

By Email

Dear Richard,

**Tranzact Financial Services Limited (the "Company")**

We refer to the following:

1. The Appendix 3Y lodged by the Company with ASX Limited ("ASX") on 31 May 2013 for William Ractliffe (the "Notice").
2. Listing rule 3.19A.2 which requires an entity to tell ASX the following:

*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 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 Notice indicates that a change in William Ractliffe 's notifiable interest occurred on 31 March 2013. It appears that the Notice should have been lodged with ASX by 5 March 2013. 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 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 Notice was 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 e-mail at [simon.daniels@asx.com.au](mailto:simon.daniels@asx.com.au) or by facsimile on facsimile number (02) 9241 7620. It should not be sent to the Company 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 (i.e. **before 9.30 a.m. A.E.D.T.**) on Wednesday, 5 June 2013.

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]*

Simon Daniels  
**Adviser, Listings (Sydney)**