

18 September

Jill Hewitt- Senior Adviser, Issuers Compliance (Perth)  
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Tox Free Solutions Limited  
ABN 27 058 596 124

Dear Jill,

**RE: Tox Free Solutions Limited- Director's Interest Notice**

Reference is made to your letter of 18 September 2104. The following responses are provided:

1. On 4 September the LTI allocation was made to senior executives of Toxfree, including the Managing Director, Steve Gostlow. At this point Mr Gostlow became entitled to the shares.

The Company had originally agreed the trustee for the LTI scheme would acquire shares from Toxfree by way of placement for distribution under the scheme (the scheme and terms have been approved by shareholder previously).

The Board then resolved that the trustee should acquire the shares on market, instead of by way of a company placement (as allowed by the trust agreement).

The question was also raised as to whether the shares would remain with the trust or would actually be issued to the beneficiaries. This involved discussion with PWC (refer attached).

It was finally agreed that the shares could be acquired on market, and issued directly to the beneficiaries. This occurred on 9 September (refer attached).

The 3(Y) was forwarded to the person at Toxfree responsible for lodgement of ASX releases, plus to Mr Gostlow. Due to the uncertainty as to the ultimate holder of the shares, and the actual date of acquisition of the shares by the trustee and the subsequent issue into Mr Gostlow's family company, Mr Gostlow instructed that the 3(Y) not be lodged until all the outstanding queries had been answered and the shares acquired and issued to the beneficiaries. This decision was not discussed with me, nor was I advised of the decision.

2. I have advised the person responsible for lodging ASX releases, that in future any change to my instructions, no matter who they are requested by, must be referred to me. This has been agreed by all parties.

3. We certainly feel the current matter is an isolated exception due to the fact this was the first LTI issue by the trustee for the Toxfree executive, and involved a number of areas requiring clarification and guidance. We believe ongoing procedures are adequate, and will be able monitor any LTI trust issues in future for compliance now that the correct process has been established with the trustee.

Your faithfully,

A handwritten signature in black ink, appearing to read 'D McArthur', written in a cursive style.

David McArthur  
Company Secretary



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18 September 2014

Mr D McArthur  
Company Secretary  
Tox Free Solutions Limited  
Level 2, 55 Carrington Street  
NEDLANDS WA 6009

Email: [davidm@broadwaymgt.com.au](mailto:davidm@broadwaymgt.com.au)

Dear David

**Tox Free Solutions Limited (the "Company") – Director's Interest Notice**

We refer to the following;

1. The Appendix 3Y lodged by the Company with ASX on 17 September 2014.
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 1 January 2002.
    - 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 1 January 2002 or 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). 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 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.

As the Appendix indicated that the change occurred on 4 September 2014, it appears that the Appendix should have been lodged with the ASX prior to the close of business on 11 September 2014. As the Appendix was lodged on 17 September 2014, 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 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 Appendix 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 [jill.hewitt@asx.com.au](mailto:jill.hewitt@asx.com.au) it should not be sent to the 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 7.30 am. W.S.T) on Monday 22 September 2014.

If you have any queries or concerns, please contact me immediately.

Yours sincerely,

*[Sent electronically without signature]*

Jill Hewitt  
**Senior Adviser, Issuers Compliance (Perth)**