

6 January 2016

Ms. Jill Hewitt
Senior Adviser, Listings Compliance (Perth)
Level 40, Central Park
152-158 St George's Terrace
PERTH WA 6000

By email: jill.hewitt@asx.com.au

Dear Ms. Hewitt

Late Lodgment of Appendix 3Y

Matrix Composites & Engineering Ltd ("Matrix" or "the Company") (ASX: MCE) refers to your letter of 6 January 2016 regarding the lodgment, on 4 January 2016, of an Appendix 3Y for Mr. Aaron Begley in relation to the grant of Share Appreciation Rights to him on 9 December 2015.

Outlined below is an explanation on why the Appendix 3Y was lodged late.

1. Explanation why the Appendix 3Y was lodged late

The process for granting rights under the Matrix Rights Plan is managed by the Plan Administrators. The Plan Administrators advised the Company that all grants had been completed and reconciled on 18 December 2015. This prompted the lodgement of the Appendix 3B on the same date. Individual recipients of grants, including Mr. Begley, were formally notified by the Plan Administrator on 21 December 2015. At this time, Matrix had closed its Corporate office for the Christmas period. The failure to lodge the Appendix 3Y in this instance was a function of the timing of the grant process combined with an administrative oversight during the Christmas period.

2. Company arrangements in place with directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A.

In accordance with listing rule 3.19A, the Company has the following processes in place to ensure it is able to meet its disclosure obligations:

- i) Each Director is informed of ASX disclosure requirements upon their appointment;
- ii) Each Director is requested to provide the Company Secretary with details of any change in their notifiable interests on the date of the change to permit the timely lodgement of the Appendix 3Y.

3. What additional steps does the Company intend to take to ensure compliance with listing rule 3.19A?

Matrix will request that the Plan Administrators provide a formal notification of grants under the Matrix Rights Plan within two business days of the Grant Date to permit the timely lodgement of notices with ASX.



Other than as set out above, the Company considers the current arrangements to be adequate and notes that the late lodgment of the Appendix 3Y was a direct result of the convergence of the timing of the grant process with the Christmas period.

Matrix apologizes for any inconvenience caused by the lodgment delay.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Peter Tazewell". The signature is fluid and cursive, with a large initial "P" and "T".

PETER TAZEWELL
Company Secretary



6 January 2016

Mr P Tazewell
Company Secretary
Matrix Composites & Engineering Limited
PO Box 87
WATTLEUP WA 6166

By email: peter.tazewell@matrixengineered.com

Dear Mr Tazewell

Matrix Composites & Engineering Limited (the "Company")

We refer to the following:

The Company's announcement lodged with ASX Ltd ("ASX") on 4 January 2016 regarding a change of director's interest notice for Aaron Begley ("Appendix 3Y").

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.*

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.

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 3Y indicates that a change in Aaron Begley's notifiable interests occurred on 9 December 2015 the Appendix 3Y should have been lodged with the ASX by 16 December 2015. As the Appendix 3Y was lodged on 4 January 2016 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 3Y 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 to jill.hewitt@asx.com.au and to tradinghaltspert@asx.com.au. It should not be sent to ASX Market Announcements.

A response is requested as soon as possible and, in any event, not later than **3:00 pm WST on Friday 8 January 2016**.

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 must separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely,

[sent electronically without signature]

Jill Hewitt
Senior Adviser, Listings Compliance (Perth)