

ALS Limited

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21 March 2023

Karina So
Adviser, Listings Compliance
ASX
20 Bridge Street
SYDNEY NSW 2000

Dear Ms So

Appendix 3Z - Final Directors Interest Notice

ALS Limited ('ALQ') refers to your letter dated 16 March 2023 seeking additional information in respect to the Appendix 3Z lodged on 10 March 2023 for Mr Raj Naran.

Specifically, ASX has requested responses to the following queries and ALQ has provided responses to each query below:

1. Please explain why no Appendix 3Y was lodged between 7 July 2022 and 7 March 2023 in relation to the change of Mr Naran's interests in ordinary shares, performance rights and Service Rights.

Changes to Mr Naran's interest in ordinary shares did not occur until 7 March 2023 and were included in the Final Directors Interest Notice within the time frame required by the Listing Rules.

Changes in respect to Mr Naran's interest in Performance Rights relate to a grant under ALQ's long term incentive plan (**LTIP**) approved by shareholders at the 2022 ALQ Annual General Meeting. The specific grant in question was disclosed in ALQ's 2022 Notice of Annual General Meeting and shareholder approval of those rights was disclosed to the market immediately following the 2022 Annual General Meeting (on 23 August 2023). ALQ's policy is to treat changes in contractual rights of directors which may give rise to an issue of ordinary shares as matters that need to be addressed by an Appendix 3Y, so the failure to lodge an Appendix 3Y in this instance was an administrative oversight, however, the market was fully informed as to Mr Naran's entitlement to the Performance Rights given that approval for the grant of those rights was sought and obtained at ALQ's 2022 Annual General Meeting.

Changes in respect to Mr Naran's entitlement to Service Rights which derive from the payment of short-term incentive payments received as a result of achievement various short-term incentive performance hurdles. Service Rights accrued to Mr Naran for FY22 were disclosed in the 2022 ALQ Remuneration Report however along with Service Rights issued in August 2022 were not recorded in subsequent Appendix 3Y lodged in relation to Mr Naran due to administrative oversight.

2. What arrangements does ALQ 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?



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ALQ has in place agreements with individual directors which detail the obligations of the directors to ensure ALQ satisfies its obligations under the Listing Rules in respect to the ongoing disclosure of directors' interests in securities and in contracts relevant to securities. Furthermore, the agreement provides ALQ the ability to monitor the share registry for changes in securities that are registered in the name of the director or any other related entity or party considered to be a notifiable interest. Directors are also reminded and requested to and do affirm their interest in ALQ securities at each meeting of the Board.

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

ALQ considers the current arrangements for disclosure of directors' notifiable interests are adequate and are appropriately enforced, however ALQ will continue to provide ongoing monitoring and reinforcement of existing obligations to all relevant parties. In particular, processes to ensure that any grants of performance or service rights, which may only be made to executive directors under ALQ STIP & LTIP rules, involve an assessment of whether an Appendix 3Y ought to be lodged will be implemented to ensure there is no similar oversight in the future.

Yours faithfully

Michael Paul Pearson

General Counsel & Company Secretary
ALS Limited



16 March 2023

Reference: 70768

Mr Michael Pearson
Company Secretary
ALS Limited
Level 2 299 Coronation Drive Milton
Brisbane QLD AU 4064

By email

Dear Mr Pearson

ALS Limited ('ALQ'): Appendix 3Z – Final Director's Interest Notice Query

ASX refers to the following:

1. ALQ's Appendix 3Z lodged on ASX Market Announcements Platform ('MAP') on 10 March 2023 for Mr Raj Naran (the 'Final Notice');
2. Listing Rule 3.19A which requires an entity to tell ASX the following:
 - 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.'
4. The Final Notice disclosed the 'Date of last notice' was 7 July 2022. Part 1 – Director's relevant interests in securities of which the director is the registered holder' of the Final Notice disclosed :

47,173	Ordinary Shares
112,158	Ordinary Shares (unrestricted shares held under Company's LTI and deferred STI Plans)
424,117	Performance Rights (grants made under 2020, 2021 and 2022 LTI Plan)
47,202	Service Rights (deferred STI 2021 and 2022)

5. ALQ's Appendix 3Y lodged on ASX Market Announcements Platform ('MAP') on 11 July 2022 for Mr Raj Naran (the 'Change Notice') 'No. of securities held after change' disclosed:

Direct

47,173	Ordinary Shares
190,866	Ordinary Shares (held under terms of the Company's LTI Plan)
257,179	Performance Rights (includes grants made under the terms of the Company's LTI Plan in 2020 and 2021)

The Final Notice indicates a change in Mr Naran's notifiable interest occurred between 7 July 2022 and 7 March 2023. It appears an Appendix 3Y was omitted to be lodged with ASX. Consequently, ALQ may have breached Listing Rules 3.19A and/or 3.19B.

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 no Appendix 3Y was lodged between 7 July 2022 and 7 March 2023 in relation to the change of Mr Naran's interests in ordinary shares , performance rights, and Service Rights .
2. What arrangements does ALQ 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 ALQ 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 AEDT Wednesday, 22 March 2023**.

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, ALQ'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 ALQ to request a trading halt immediately.

Your response should be sent to me by e-mail at ListingsComplianceSydney@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 ALQ'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;

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- 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 ALQ's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to ALQ'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 ALQ'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.

Regards

Karina So
Adviser, Listings Compliance