

22 August 2011

Yasmin Lim
Adviser, Listings (MELBOURNE)
ASX Compliance Pty Ltd
Level 45, Rialto South Tower
525 Collins Street
Melbourne VIC 3000

By Email

Dear Yasmin,

Re: MDS Financial Group Limited (the “Company”)

We refer to your letter dated 19th August 2011 regarding the late lodgment of an Appendix 3X for Wayne Noel Johnson (the “Notice”) and respond as follows:

1. Please explain why the Notice was lodged late.

The Company and its Directors are aware of the requirements of listing rule 3.19A. An Appendix 3X was prepared in advance of Mr Johnson’s appointment as one of several documents to be lodged with various authorities in connection to Mr Johnson’s appointment to the Company’s Board and to the boards of its subsidiaries. Failure to electronically lodge the duly prepared Appendix 3X immediately subsequent to Mr Johnson’s appointment was simply a matter of oversight which was rectified immediately upon discovery.

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

In accordance with the Company’s Share Trading Policy, a copy of which was provided to the ASX on 31st December 2010, directors are required to advise the Company Secretary in writing of the completion of any dealings in the Company’s securities within three business days of the trading.

3. Please explain what additional steps that the Company intends to take to ensure compliance with listing rule 3.19B

As, in this case, failure to lodge the Appendix 3X was a failure to complete the electronic lodgement of an otherwise completed document and not in the provision by that Director

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of the required information, the Company does not believe that any additional steps are required to ensure its ongoing compliance with ASX Listing Rule 3.19B.

Please do not hesitate to contact the undersigned should you have any further requirements in relation to this matter.

Yours Faithfully,

[Sent electronically without signature]

AJ (Tony) Iremonger
Company Secretary

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19 August 2011

Mr Tony Iremonger
Company Secretary
MDS Financial Group Limited
Level 37, Rialto South Tower
525 Collins Street
Melbourne VIC 3000
Australia

By Email

Dear Tony

MDS Financial Group Limited (the “Company”)

We refer to the following:

1. The Appendix 3X lodged by the Company with ASX on 5 August 2011 for Wayne Noel Johnson (the “Notice”).
2. Listing rule 3.19A which requires:
 - 2.1. An entity to give ASX an Appendix 3X within five business days of a director’s appointment; and
 - 2.2. An entity to give ASX an Appendix 3Y within five business days of a change in the notifiable interest of the 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.

The Notice was not lodged with ASX within the timeframe required under the listing rule 3.19A. Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

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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. Please explain what arrangements the Company has in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. Please explain what additional steps the Company intends to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me via return e-mail or by facsimile on facsimile number (03) 9614 0303. 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 (**ie before 9.30 a.m. Melbourne Time) on Tuesday, 23 August 2011.**

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]

Yasmin Lim

Adviser, Listings (MELBOURNE)

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