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COMPUMEDICS  
LIMITED

'Defining Life's Signals'

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Ms Kate Kidson  
Principal Advisor, Issuers (Melbourne)  
Australian Stock Exchange  
Level 45  
South Tower  
525 Collins Street  
Melbourne VIC 3000

6 May 2009

Dear Kate

**RE Questions raised by the Australian Stock Exchange in its letter to Compumedics Limited of 5<sup>th</sup> May 2009, regarding the Appendix 3Y issued by the Company to market on Monday 4<sup>th</sup> May 2009**

In regard to the above matter I answer your questions below.

**Question 1** Please explain why the Appendix 3Y was lodged late?

**Answer:**

Compumedics listed on the ASX in December 2000 and since that time has had very few security issues that would have lead to a notification requirement to the Australian Stock Exchange (ASX). It has only been in the last 3 years that the Company has had intermittent security issues that have required the Company to notify the ASX.

The Company has endeavoured to comply with the requirements of the ASX listing rules on those occasions

On this occasion the diary system the Company uses to note and remind of these obligations did not work and the matter was simply omitted unintentionally. This was partly because the obligation occurred at a busy time of the year with the half-year audit underway in preparation for the release of the Appendix 4D by the end of February 2009, which led to other checking mechanisms also failing to detect the omission.



However as soon as the omission was discovered the matter was dealt with immediately and the appropriate documentation lodged with the ASX last Friday evening, 1<sup>st</sup> May 2009.

**Question 2** What arrangements does the Company have in place with its directors to ensure that it is able to meet its obligations under listing rule 3.19A?

**Answer:**

Compumedics is not a large company and does not have significant or regular security issues that would require reporting to the ASX.

As such the Company does not have resources dedicated specifically to these types of activities in particular, issue of securities to directors, and must rely on a simple diary system to ensure compliance with its obligations to the ASX.

**Question 3** If the current arrangements are inadequate or are not being enforced, what additional step does the Company intend to take to ensure compliance with listing rule 3.19A?

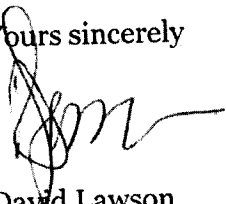
**Answer:**

The Company has enacted a two phase check system where not only the Company Secretary but also the Company's in-house legal officer will diarise the periodical reporting of security issues of the Company that may require an ASX announcement to ensure the reporting obligation is compliant.

Further both incumbents of the two nominated positions have recently attended training on the continuous disclosure requirements of the ASX.

I hope this clarifies the above matter and should you have any further questions please let me know.

Yours sincerely



David Lawson  
**Chief Financial Officer and  
Company Secretary**  
Compumedics Limited

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5 May 2009

Mr David Lawson  
Company Secretary  
Compumedics Limited  
30-40 Flockhart Street  
ABBOTSFORD VIC 3067

By email only

Dear David

**Compumedics Limited (the "Company") Appendix 3Y – Change of Director's Interest Notice**

We refer to the following;

1. The Appendix 3Y lodged by the Company with ASX on 1 May 2009 for Mr David Burton.
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 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). 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.

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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 listing rules 3.19A and 3.19B.

As the Appendix 3Y indicates that a change in the director's relevant interests occurred on 12 February 2009, it appears that the Director's Notice should have been lodged with ASX by 19 February 2009. 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 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 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. A.E.S.T.) on Friday, 8 May 2009.

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]*

Kate Kidson  
**Principal Adviser, Issuers (Melbourne)**

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