



17 July 2018

Mr. George Tharian
Adviser, Listings Compliance (Sydney)
ASX
20 Bridge Street
Sydney NSW 2000

Dear Mr. Tharian

We refer to your letter dated 16 July 2018, reference "aware query", and in reply to your questions we advise the following:

1. When did IRI first become aware of the Relevant Information?

IRI first became aware of the Relevant Information on Thursday 12 July 2018. As with prior years, IRI's results are highly influenced by a number of high value sales (sometimes complex) that typically occur towards the end of June. The draft management accounts require review and assessment of appropriate judgemental accounting positions (particularly software revenue recognition). Review and confirmation of the appropriate accounting treatment was conducted during the Board meeting on Thursday 12 July 2018 and the ASX announcement made promptly after the close of the Board Meeting.

2. Does IRI consider the Relevant Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

Yes, IRI expected the Relevant Information would impact the price of its securities. Accordingly, IRI provided a Continuous Disclosure release to the market on Thursday 12 July 2018 promptly after close of the Board Meeting when the Relevant Information was known.

3. If the answer to question 2 is "no", please advise the basis for that view.

Not applicable

4. If the answer to question 2 is "yes" and IRI first became aware of the Relevant Information before the Relevant Date, did IRI make any announcement prior to the Relevant Date which disclosed the Relevant Information? If so, please provide details. If not, please explain why the Relevant Information was not released to the market at an earlier time, commenting specifically on when you believe IRI was obliged to release the Relevant Information under Listing Rules 3.1 and 3.1A and what steps IRI took to ensure that the Relevant Information was released promptly and without delay.

The Relevant Information was provided to the market as soon as it became known. IRI did not make any announcement prior to the Relevant Date as the Relevant Information was not known before that time.

5. Please confirm that IRI is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

We confirm that IRI is in compliance with the ASX listing rules, including Listing Rule 3.1.

6. Please confirm that IRI's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of IRI with delegated authority from the board to respond to ASX on disclosure matters.

The Company's response is by authority of the Board.

Yours sincerely,

David Purdue
Company Secretary
Integrated Research Limited
ABN: 76 003 588 449



16 July 2018

Mr David Purdue

Company Secretary
Integrated Research Limited
Level 9
100 Pacific Highway
North Sydney NSW 2060

By email

Dear Mr Purdue

Integrated Research Limited ("IRI"): aware query

ASX Limited ("ASX") refers to the following:

- A. IRI's announcement entitled "FY18 Profit Guidance" ("Announcement") lodged on the ASX Market Announcements Platform and released at 4:18pm on 12 July 2018 ("Relevant Date"), disclosing that:
- *"the [Entity] anticipates total revenue growth to be flat and profit after tax growth to be up between 1% and 5% when compared to the previous financial year";*
 - *"The result was primarily a function of the cyclical downswing in Infrastructure and an underperforming European operation";* and
 - *"Though the result is disappointing, the fundamentals of the business remain sound with stronger licence growth anticipated for the new financial year".*
- ("Relevant Information").
- B. IRI's response to the ASX Price Query letter, released on 5 June 2018, in which IRI confirmed that it was not aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the changes in price and volumes in respect of trading in IRI's securities during the period between 31 May 2018 and 4 June 2018.
- C. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
- "an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity"*
- and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information"*.
- E. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

- F. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Having regard to the above, ASX asks IRI to respond separately to each of the following questions and requests for information:

1. When did IRI first become aware of the Relevant Information?
2. Does IRI consider the Relevant Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
3. If the answer to question 2 is “no”, please advise the basis for that view.
4. If the answer to question 2 is “yes” and IRI first became aware of the Relevant Information before the Relevant Date, did IRI make any announcement prior to the Relevant Date which disclosed the Relevant Information? If so, please provide details. If not, please explain why the Relevant Information was not released to the market at an earlier time, commenting specifically on when you believe IRI was obliged to release the Relevant Information under Listing Rules 3.1 and 3.1A and what steps IRI took to ensure that the Relevant Information was released promptly and without delay.
5. Please confirm that IRI is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that IRI’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of IRI with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than an hour before the start of trading (i.e. before 9.00 a.m. AEST on Wednesday 18 May 2018).

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. 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.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to IRI'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 IRI's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, providing the information requested in this letter.

Further, 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, IRI's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in this letter and may require IRI to request a trading halt immediately.

If you wish to request 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;
- 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 will require the request for the 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 do not respond to this letter by the deadline set out above or if ASX does not consider your response to be satisfactory, ASX is likely to suspend trading in IRI's securities under Listing Rule 17.3.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

George Tharian

Adviser, Listings Compliance (Sydney)