19 August 2016

Cheng Tang
Company Notices Section
ASX Limited
Rialto Towers
Level 45, 525 Collins Street
MELBOURNE VIC 3000

Dear Cheng,

Re: Appendix 3Y – Change of Director's Interest Notice

We refer to your letter dated 16 August 2016 in relation to the late lodgement of an Appendix 3Y form and respond to the questions raised below.

1. *Please explain why the Appendix was lodged late.*

The Appendix 3Y was lodged late due to an oversight in notifying the Company of a change in the Director's securities. The new shares were not purchased via on-market trade, but were purchased by an associate of the Director as part of the recent retail entitlement offer.

2. *What arrangements does the Entity 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?*

The Director's letter of appointment outlines the requirement to notify the Company Secretary of any share ownership changes in Mayne Pharma securities. All Directors are aware that any securities purchased, whether held directly or indirectly must be notified to the Company Secretary and this is also regularly enforced at board meetings. The Company Secretary also regularly reviews the Director's trading records to ensure any notifiable transactions are duly notified. It was during this regular review that a discrepancy in the records of Mr Best had been identified.

3. *If the current arrangements are inadequate or not being enforced, what additional steps does the Entity intend to take to ensure compliance with listing rule 3.19B?*

The Company considers that the current arrangements are adequate for ensuring timely notification, and that the failure to do so on this occasion was due to an oversight. However, to avoid a recurrence, the Company Secretary has reminded all Directors of their obligations under the ASX Listing Rules.

Yours sincerely

Mark Cansdale
Group CFO & Company Secretary

16 August 2016

Mark Cansdale
Group CFO and Company Secretary
Mayne Pharma Group Limited
Level 1, 99 King Street
Melbourne VIC 3000

By email: Mark.Cansdale@maynepharma.com

Dear Mr Cansdale

Mayne Pharma Group Limited (the "Entity"): Appendix 3Y – Change of Director's Interest Notice

We refer to the following;

1. The Appendix 3Y lodged by the Entity with ASX on Tuesday, 16 August 2016 for Ron Best (the "Director Notice");

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) 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 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 Appendix 3Y indicate that a change in Director's notifiable interest occurred on 22 July 2016. It appears that the Director's Notice should have been lodged with ASX by 29 July 2016. Consequently, the Entity 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 entities for its reporting requirements.

ASX reminds the Entity of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Entity 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*, under listing rule 18.7 we ask that you answer each of the following questions.

1. Please explain why the Appendix was lodged late.

2. What arrangements does the Entity 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 the Entity intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail at cheng.tang@asx.com.au. It should not be sent to the ASX Market 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, 19 August 2016.

Under listing rule 18.7A, a copy of this letter 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 about any of the above, please contact me immediately.

Yours sincerely
[Sent electronically without signature]

Cheng Tang
Adviser, Listings (Melbourne)