

Notice of Annual General Meeting

MSL Solutions Limited ACN 120 815 778

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Notice is given that the Annual General Meeting of MSL Solutions Limited ACN 120 815 778 (**Company**) will be held at:

Location	McCullough Robertson Lawyers, Level 11, 66 Eagle St, Brisbane QLD 4000
Date	Thursday, 29 November 2018
Time	3:00pm (Brisbane time)

Ordinary Business

Financial statements and reports

To consider and receive the financial report, the Directors' report and the auditor's report for the year ended 30 June 2018.

Directors' remuneration report

To consider and, if in favour, pass the following resolution in accordance with section 250R(2) Corporations Act:

- 1 'That the Remuneration Report be adopted.'

Note: This resolution shall be determined under section 250R(2) Corporations Act. Votes must not be cast on this resolution by Key Management Personnel and closely related parties in contravention of section 250R or 250BD Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

The Directors abstain, in the interests of good corporate governance, from making a recommendation in relation to this resolution.

Re-election of Kenneth John Down

To consider and, if in favour, pass the following resolution as an ordinary resolution:

- 2 'That Mr Kenneth John Down, who retires by rotation in accordance with rule 19.3(a) of the Company's constitution, and being eligible, be re-elected as a Director of the Company.'

Note: Information about the candidate appears in the Explanatory Memorandum.

The Directors (with Mr Down abstaining) unanimously recommend that you vote in favour of this resolution.

Special business

10% capacity to issue shares under Listing Rule 7.1A

To consider and, if in favour, to pass the following as a special resolution:

- 3 'That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the Company having the additional capacity to issue equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 over a 12 month period from the date of the Annual General Meeting, at a price no less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions set out in the Explanatory Memorandum.'

The Directors unanimously recommend that you vote in favour of this resolution.

Approval of the MSL Performance Rights Plan

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

- 4 'That, for the purpose of Listing Rule 7.2, exception 9(b) and for all other purposes, the Company hereby approves the Company's Performance Rights Plan, the terms and conditions of which are summarised in the Explanatory Memorandum.'

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this resolution

Issuance of performance rights to Managing Director

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

- 5 'That, for the purposes of sections 200B, 200E and 208(1)(a) *Corporations Act 2001* (Cth), Listing Rule 10.14 and all other purposes, Shareholders approve the granting of 560,000 performance rights Craig Kinross, Managing Director, on the terms set out in the Explanatory Memorandum.'

Note: if approval is obtained under Listing Rule 10.14, approval is not required under Listing Rule 7.1 or Listing Rule 10.11, as set out in the Explanatory Memorandum.

The Directors abstain, in the interests of good corporate governance, from making a recommendation in relation to this resolution.

Dated: 29th October 2018

By order of the Board



Andrew Ritter

Company Secretary

Voting exclusion statement

Corporations Act

Resolution 1 - The Company will disregard votes cast by a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or a closely related party of such a member, in contravention of section 250R or 250BD Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

Resolutions 4 - The Company will disregard votes cast as proxy by Key Management Personnel or their closely related parties in contravention of section 250BD Corporations Act. The Company will also disregard votes cast by or on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party in contravention of section 224 Corporations Act.

Resolution 5 - The Company will disregard votes cast as proxy by Key Management Personnel or their closely related parties in contravention of section 250BD Corporations Act. The Company will also disregard votes cast by or on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party in contravention of section 224 Corporations Act. The Company will also disregard votes cast by Mr Craig Kinross or an associate of Mr Craig Kinross in contravention of section 200E(2A) Corporations Act.

For the purposes of section 224 Corporations Act, the Company will not disregard a vote if:

- (a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) it is not cast on behalf of a related party or associate of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party.

Listing Rules

In accordance with the Listing Rule 14.11, the Company will disregard votes cast in favour of the resolution by or on behalf of:

Resolution 3 - Approval of additional capacity to issue shares under Listing Rule 7.1A	any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any associate of those persons. NB. In accordance with Listing Rule 14.11.1 and the relevant note under that rule concerning Rule 7.1A, as at the date of this Notice of Meeting it is not known who may participate in the proposed issue (if any). On that basis, no security holders are currently excluded.
Resolution 4 - Approval of the MSL Performance Rights Plan	a director of the Company (except one who is ineligible to participate in an employee incentive scheme in relation to the Company) or an associate of such person.
Resolution 5 – Issuance of performance rights to Managing Director	any director of the Company who is eligible to participate in the employee incentive scheme in respect of which approval is sought and any associates of those persons.

However, for the purposes of Listing Rule 14.11, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Notes

- (a) Terms used in this Notice of Meeting which are defined in the Explanatory Memorandum have the meaning given to them in the Explanatory Memorandum.
- (b) Subject to the Corporations Act, including sections 250R and 250BD, a Shareholder who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- (c) The proxy need not be a Shareholder of the Company. A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (d) If you wish to appoint a proxy and are entitled to do so, then complete and return the **attached** proxy form. To be effective, the proxy must be received at the share registry of the Company no later than 3:00pm (Brisbane time) on Tuesday, 27 November 2018 (48 hours before the commencement of the meeting).
- (e) A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
- (f) The Company has determined under regulation 7.11.37 Corporations Regulations that for the purpose of voting at the meeting or adjourned meeting, securities are taken to be held by those persons recorded in the Company's register of Shareholders as at 7.00pm (Sydney time) on Tuesday, 27 November 2018.
- (g) If you have any queries on how to cast your votes then call Andrew Ritter, Company Secretary, on 1800 679 701 during business hours.

Explanatory Memorandum

MSL Solutions Limited ACN 120 815 778 (**Company**)

This Explanatory Memorandum accompanies the notice of Annual General Meeting of the Company to be held at McCullough Robertson Lawyers, Level 11, 66 Eagle St, Brisbane, QLD 4000 on Thursday, 29 November 2018 at 3:00pm (Brisbane time).

The Explanatory Memorandum has been prepared to assist Shareholders in determining how to vote on the resolutions set out in the Notice of Meeting and is intended to be read in conjunction with the Notice of Meeting.

Financial statements and reports

- 1 The *Corporations Act 2001* (Cth) (**Corporations Act**) requires that the report of the Directors, the auditor's report and the financial report be laid before the Annual General Meeting.
- 2 Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act nor the Constitution requires a vote of Shareholders at the Annual General Meeting on the financial statements and reports.
- 3 Shareholders will be given a reasonable opportunity at the meeting to raise questions and make comments on these reports.
- 4 In addition to asking questions at the meeting, Shareholders may address written questions to the chairman about the management of the Company or to the Company's auditor, Pricewaterhouse Coopers, if the question is relevant to:
 - (a) the content of the auditor's report; or
 - (b) the conduct of its audit of the annual financial report to be considered at the meeting.

Note: Under section 250PA(1) Corporations Act, a Shareholder must submit the question to the Company no later than the fifth business day before the day on which the Annual General Meeting is held.

- 5 Written questions for the auditor must be delivered by 5.00pm on Thursday, 22 November 2018. Please send any written questions for Pricewaterhouse Coopers to:

The Company Secretary
GPO Box 233
Brisbane, Queensland 4001

or via email to: andrew.ritter@mpowermsl.com

Resolution 1: Remuneration Report

- 6 The Remuneration Report is contained in the Annual Report. A copy is available on the Company's website.
- 7 The Corporations Act requires that the Remuneration Report be put to a vote of Shareholders.
- 8 The resolution of Shareholders is advisory only and not binding on the Company. The Board will take the discussion at the meeting into consideration when determining the Company's

remuneration policy and appropriately respond to any concerns Shareholders may raise in relation to remuneration issues.

9 The Remuneration Report:

- (a) reports and explains the remuneration arrangements in place for non-executive Directors, executive Directors and senior management; and
- (b) explains Board policies in relation to the nature and value of remuneration paid to non-executive Directors, executives and senior managers within the Company.

10 The Chairman will give Shareholders a reasonable opportunity to ask questions about, or to make comments on, the Remuneration Report.

Directors' Recommendation

As the resolution relates to matters including the remuneration of the Directors, the Board, as a matter of good corporate governance and in accordance with the spirit of section 250R(4) Corporations Act, makes no recommendation regarding this resolution.

Resolution 2: Re-election of Mr Kenneth John Down

11 Rule 19.3(a) of the Constitution requires an election of directors to take place at every Annual General Meeting. The Director to retire under rule 19.3 is the director who has been in office the longest since being appointed (by agreement between them when appointment occurred at the same time). Listing Rule 14.5 also requires the Company to hold an election of directors at each annual general meeting. Accordingly, Mr Kenneth John Down will retire from office under Listing Rule 14.5 and rule 19.3 of the Constitution and stand for re-election.

12 John Down was appointed as non-executive Chairman in October 2008. His extensive private and public sector experience has contributed to forming the corporate vision for, and the building of, the company that MSL has become today. Mr Down founded Viking Industries Ltd in 1997, a multi-faceted marine industrial business which was subsequently sold as a mid-cap publicly listed company to private equity in 2008. Mr Down was appointed to the position of Co-ordinator General and Director-General, in the Office of Major Projects, by the Premier of Queensland in 1993, and held this position until 1996. In 1970, Mr Down co-founded the GRM Group of Companies, a multifaceted agribusiness with operations in over 50 countries, which was also sold to private equity in 1992.

13 Mr Down has significant Board experience in both public and private companies. He is currently the Chairman of Asia Pacific Aircraft Storage Pty Ltd; Chairman of Nutrafruit Pty Ltd and is on the Council of Brisbane Boys College. His former Board appointments include AUSTRADE (Deputy Chairman), Export Finance Insurance Corporation; QCT Resources Ltd; Anaconda Nickel Ltd; Santos Ltd – UK & USA; and Herron Pharmaceutical Advisory Board.

14 Mr Down holds a Bachelor of Economics from the University of Queensland and a Master of Economics from the University of New England.

Directors' Recommendation

15 The Directors (with Mr Down abstaining), unanimously recommend the re-appointment of Mr Down to the Board.

Special business

Resolution 3: Approval of additional 10% capacity under Listing Rule 7.1A

- 16 Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12 month period without requiring Shareholder approval. In accordance with the Listing Rule 7.1A, eligible entities (companies that are outside the S&P/ASX 300 index and that also have a market capitalisation of \$300 million or less) can issue a further 10% of the Company's share capital over a 12 month period following the Annual General Meeting (provided Shareholder approval is obtained at the Annual General Meeting) on a non-pro rata basis.
- 17 The Company falls within the eligibility criteria required by Listing Rule 7.1A.
- 18 The number of shares that may be issued (if Shareholder approval is obtained at the Annual General Meeting) will be determined in accordance with the following formula prescribed in Listing Rule 7.1A.2:

$$(A \times D) - E$$

A is the number of fully paid shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% capacity pursuant to Listing Rule 7.1 without Shareholder approval; and
- (D) less the number of fully paid shares cancelled in the 12 months.

D is 10%.

E is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

- 19 Additional disclosure obligations are imposed when the special resolution is proposed, when securities are issued and when any further approval is sought. For the purposes of Listing Rule 7.3A the Company provides the following information:

Minimum price at which the equity securities may be issued	<p>The issue price of each Share must be no less than 75% of the volume weighted average price for the Shares calculated over the 15 trading days on which trades in that class were recorded immediately before:</p> <ul style="list-style-type: none"> (a) the date on which the price at which the securities are to be issued is agreed; or (b) if the securities are not issued within 5 trading days of the date in paragraph (a), the date on which the securities are issued.
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Risk of economic and voting dilution	<p>An issue of shares under Listing Rule 7.1A involves the risk of economic and voting dilution for existing ordinary security holders. The risks include:</p> <ul style="list-style-type: none"> (a) the market price for Shares may be significantly lower on the issue date than on the date of the approval under Listing rule 7.1A; and (b) the equity securities may be issued at a price that is at a discount to the market price for the Shares on the issue date. <p>In accordance with Listing Rule 7.3A.2 a table describing the notional possible dilution, based upon various assumptions as stated, is set out below.</p>
Date by which the Company may issue the securities	<p>The period commencing on the date of the Annual General Meeting at which approval is obtained and expiring on the first to occur of the following:</p> <ul style="list-style-type: none"> (a) the date which is 12 months after the date of the annual general meeting at which approval is obtained; and (b) the date of the approval by holders of the Company's ordinary securities of a transaction under Listing Rules 11.1.2 or 11.2. <p>The approval under Listing Rule 7.1A will cease to be valid in the event that holders of the Company's ordinary securities approve a transaction under Listing Rules 11.1.2 or 11.2.</p>
Purposes for which the equity securities may be issued, including whether the Company may issue them for non-cash consideration	<p>It is the Board's current intention that any funds raised pursuant to an issue of securities will be applied towards the Company's growth strategies. This may include:</p> <ul style="list-style-type: none"> (a) securing new customers (existing and new sectors); (b) expanding services, including value added services; and (c) possible acquisitions of complementary businesses. <p>The Company reserves the right to issue shares for non-cash consideration, including as non-cash consideration for any acquisition.</p>
Details of the Company's allocation policy for issues under approval	<p>The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to Listing Rule 7.1A. The identity of the allottees will be determined on a case-by-case basis having regard to the factors including but not limited to the following:</p> <ul style="list-style-type: none"> (a) the methods of raising funds that are available to the Company including but not limited to, rights issues or other issues in which existing security holders can participate; (b) the effect of the issue of the Listing Rule 7.1A shares on the control of the Company; (c) the financial situation and solvency of the Company; and (d) advice from corporate, financial and broking advisers (if applicable). <p>The allottees under the Listing Rule 7.1A facility have not been determined as at the date of this Notice of Meeting but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.</p>
Previous approvals under Listing Rule 7.1A	<p>The Company obtained approval from shareholders at last year's AGM held on 27 November 2017.</p>

Information under Listing Rules 7.3A.6(a) and 7.3A.6(b)

20 There have been no issue of securities since the Company listed on the ASX in May 2017.

Information under Listing Rule 7.3A.2

21 The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

22 The table also shows:

- (a) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (b) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.095 50% decrease in Issue Price	\$0.19 ¹ Current Market Price	\$0.38 100% increase in Issue Price
Current Variable A* 249,248,965 Shares	10% Voting Dilution	24,924,896 shares	24,924,896 shares	24,924,896 shares
	Funds raised	\$2,367,865	\$4,735,730	\$9,471,460
50% increase in current Variable A* 373,873,448 Shares	10% Voting Dilution	37,387,344 shares	37,387,344 shares	37,387,344 shares
	Funds raised	\$3,551,797	\$7,103,595	\$14,207,190
100% increase in current Variable A* 498,497,930 Shares	10% Voting Dilution	49,849,793 shares	49,849,793 shares	49,849,793 shares
	Funds raised	\$4,735,730	\$9,471,461	\$18,942,921

*Note: Current Variable A refers to the calculation required by Listing Rule 7.1A.2 which, in the Company's case, equates to the current issued share capital of the Company.

23 The table has been prepared on the following assumptions:

- (a) the Company issues the maximum number of Shares available under the 10% Listing Rule 7.1A approval;
- (b) no options are exercised to convert into Shares before the date of the issue of the Shares available under Listing Rule 7.1A;
- (c) the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;

- (d) the table does not show an example of dilution that may be caused to a particular Shareholder by reason of a share issue under Listing Rule 7.1A, based on that Shareholder's holding at the date of the Annual General Meeting;
 - (e) the table shows only the effect of issues of equity securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1;
 - (f) the issue of Shares under Listing Rule 7.1A consists only of Shares; and
 - (g) the issue price is \$0.19, being the closing price of the shares on ASX on 14 September 2018.
- 24 As at the date of the Notice of Meeting, the Company has on issue 249,248,965 Shares. Subject to Shareholder approval being obtained for Resolution 3, the Company will have capacity to issue the following equity securities as at the date of the Annual General Meeting:
- (a) 37,387,344 Shares (under Listing Rule 7.1); and
 - (b) 24,924,896 Shares (under Listing Rule 7.1A).¹
- 25 Listing Rule 7.1A requires Resolution 3 to be passed as a special resolution. A special resolution needs approval by at least 75% of the votes cast by members entitled to vote on the resolution.

Directors' recommendation

- 26 The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

Resolution 4: Approval of the MSL Performance Rights Plan

- 27 A key component of remuneration provided to senior employees and executives are long-term incentives. Long-term incentives ensure employees have part of their remuneration align with shareholder success.
- 28 One of the key foundations of the Company's equity incentive program is the Company's Performance Rights Plan (**Plan**). The Plan is designed to:
- (a) align employee incentives with shareholders' interest;
 - (b) assist employee attraction and retention; and
 - (c) encourage share ownership by employees.

Shareholder Approval

- 29 ASX Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12 month period without requiring shareholder approval. Pursuant to Listing Rule 7.2, Exception 9, an issue under an employee incentive plan will not count toward a company's 15% limit provided the plan was approved by shareholders within three years before the date of the securities being issued. Approval is sought under that rule and the following information is included for compliance with Listing Rule 7.2, Exception 9.

¹ The actual number of Shares the Company will have capacity to issue under Listing Rule 7.1A may vary and will be determined at the date of issue in accordance with Listing Rule 7.1A.2 (as illustrated in the table above).

- 30 The Plan has not previously been approved by Shareholders. Therefore this Plan is being put to shareholders for approval at this annual general meeting for the purposes of Listing Rule 7.2, Exception 9 pursuant to this Resolution 4.

Summary of the terms of the Plan

Eligibility

- 31 The Plan will be open to eligible participants (including employees, executives, Directors and consultants) of the Company or any of its subsidiaries who the Board designates as being eligible.

Grant of performance rights

- 32 Performance rights will be offered to eligible participants for no consideration under the Plan. The offer must be in writing and specify, amongst other things, the number of performance rights for which the participants may accept, the date on which the performance rights vest and any conditions to be satisfied before vesting, and any other terms attaching to the rights.

Vesting conditions

- 33 The Board may specify any vesting conditions which must be satisfied before a performance right vests.

Vesting of performance rights

- 34 The performance rights vest subject to the satisfaction of any vesting conditions or any other conditions contained in the offer and upon which each performance right shall entitle an eligible participant to receive one share after the vesting date.
- 35 The Board may decide, in its absolute discretion to substitute the issue of Shares on the vesting of Performance Rights for the payment of a cash amount.

Lapse

- 36 Unless the Board determines otherwise, unvested performance rights shall lapse upon the occurrence of specified events contained in the Plan rules and summarised below.

Event	Treatment of performance rights
Eligible participant's lawful termination from employment with the group or consultancy arrangement with the group	Rights lapse immediately
Eligible participant's resignation or vacation from the Board, employment or consultancy with the group	Rights lapse immediately
Eligible participant being made redundant	Rights do not lapse
Eligible participant becomes disabled and (in the opinion of a medical practitioner nominated by the Board) is unable to perform their normal duties	Rights do not lapse
Death of the eligible participant	Rights do not lapse

Event	Treatment of performance rights
Eligible participant loses control of their permitted nominee	Rights lapse immediately unless they are transferred to the eligible participant

Rights of participants

- 37 Performance rights issued under the Plan do not entitle the holder to notice of, or to vote at, or attend Shareholders' meetings, or to receive any dividends declared by the Company. Should the Company undergo a reorganisation or reconstruction of capital or any other such change, the terms of the rights will be correspondingly changed to the extent necessary to comply with the Listing Rules.
- 38 In the event of a change of control, the Board shall have discretion to deal with the performance rights, including allowing accelerated vesting of the rights.

Change of control

- 39 If a change of control trigger event occurs (e.g. a person acquiring voting power in more than 50% of the ordinary shares in the Company, lodgment with ASIC of an order of the court in connection with a scheme of arrangement, the Company disposes of the whole or a substantial part of its assets or undertaking), then, unless the Board decides otherwise, the vesting date of all performance rights is the date on which the change of control trigger event occurs, or another date the Board decides.

Disposal restrictions and holding locks

- 40 If an offer contains a disposal restriction (being a restriction on the creation of a security interest in, or the transfer, assignment, disposal or otherwise dealing with, a share issued on vesting of a performance right), the participant must comply with the disposal restriction in relation to all shares issued on vesting of a performance right for the period specified in the offer. A disposal restriction ceases to apply immediately upon a change of control trigger event occurring.
- 41 If the shares issued on the vesting of performance rights are subject to a disposal restriction, the Company may implement any procedure (including a holding lock) it considers appropriate to ensure the disposal restriction is complied with for the period specified in the offer.

Quotation

- 42 Performance rights will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the Plan.

Ranking of shares

- 43 A share issued on the vesting of performance rights ranks equally with all existing shares of that class from the date of allotment.

Assignment

- 44 Performance rights are not transferable or assignable without the prior written approval of the Board.

Governing law

- 45 Queensland law governs the Plan and the rights of participants under the Plan.

Administration

- 46 The Plan will be administered by the Board which has an absolute discretion to determine appropriate procedures for its administration and resolve questions of fact or interpretation and formulate special terms and conditions (subject to the Listing Rules) in addition to those set out in the Plan.

Termination and amendment

- 47 The Plan may be terminated or suspended at any time by the Board and that termination or suspension will not have any effect on or prejudice the rights of any participant holding performance rights at that time.
- 48 The Plan may be amended at any time by the Board except an amendment which would:
- (a) have the effect of materially adversely affecting or prejudicing the rights of any participant holding performance rights at that time, except for amendments:
 - (i) to comply with the Constitution, Corporations Act, Listing Rules or any other law affecting the maintenance or operation of the Plan;
 - (ii) to correct a manifest error;
 - (iii) to address potential adverse tax implications affecting the Plan arising from changes to laws relating to taxation, the interpretation of laws relating to taxation by the relevant governmental authorities (including the release of any ruling), courts or tribunals; or
 - (b) effect a change to increase the number of Shares to which a participant is entitled on vesting or change the vesting date unless permitted by the Corporations Act and the Listing Rules.

Directors' recommendation

- 49 The Directors abstain, in the interest of good corporate governance, from making a recommendation in relation to this resolution.

Resolution 5: Issuance of performance rights to Managing Director

- 50 Performance rights confer an entitlement to be issued one Share subject to the satisfaction of any performance criteria on the terms set out in the Performance Rights Plan.
- 51 Subject to the approval of Shareholders, the Company proposes to grant a maximum amount of 560,000 Performance Rights to Managing Director, Mr Craig Kinross.
- 52 The price for each Share that may be issued upon vesting of a Performance Right is nil.
- 53 The objective of the proposed grant of Performance Rights to Mr Kinross is primarily to link the reward of Performance Rights to Shareholder value creation, and align his interests with those of Shareholders and to encourage the long-term sustainable growth of the Company.

- 54 Subject to shareholders approving resolution 4, the Performance Rights shall be issued under and subject to the terms of the Plan.
- 55 Listing Rule 10.14 provides that a company must not issue equity securities to a director of the company under an employee incentive scheme unless the issue has been approved by holders of ordinary securities. Once approval is obtained pursuant to Listing Rule 10.14, the Company is entitled to rely on Listing Rule 10.12, Exception 4 as an exception to any requirement that may otherwise apply requiring shareholder approval under Listing Rule 10.11. Similarly, approval will not be required under Listing Rule 7.1.
- 56 The key terms of the Performance Rights are set out in the tables below:

Recipient	Mr Craig Kinross
Number	560,000
Vesting Date(s)	30 June 2022
Vesting Conditions	Total shareholder return (TSR) is to increase by 10% compounding per annum (with no penalty for not achieving the 10% in one year, so long as the overall 10% compounding is achieved by the end of the vesting period).
Other Conditions	Other key terms of the Plan are detailed in the explanatory statement to resolution 4.

Other general terms of the Performance Rights

- 57 It is intended that the Performance Rights will be issued within 5 days after the Annual General Meeting, but in any event will be issued no later than 12 months after the Annual General Meeting.
- 58 For the purpose of Listing Rule 10.15.4A, all Directors are entitled to participate in the Plan.
- 59 For the purpose of Listing Rule 10.15.4, no Directors or their associates have previously received any Performance Rights under the Plan.
- 60 There are no loan arrangements with Mr Kinross in relation to the acquisition of the Performance Rights.
- 61 The other general terms for the Performance Rights are outlined in the Annexure of this Explanatory Memorandum.

General Information

- 62 Consistent with the accounting standards, the Company discloses the following information concerning the value of the Performance Rights to be issued. A fair value for the Performance Rights to be issued has been calculated using the Black Scholes methodology and based on a number of assumptions, set out below, with an adjustment to the expected life of the Performance Rights to take account of limitations on transferability. This methodology is commonly used for valuing Performance Rights and is one of the permitted methodologies under ASIC Regulatory Guide 76. The Board believes this valuation model to be appropriate to the circumstances and has not used any other valuation or other models in proposing the terms of the Performance Rights.

- 63 The Board draws shareholders' attention to the fact the stated valuation does not constitute and should not be taken as audited financial information. The reportable value of the employee benefit expense in subsequent financial periods may vary due to a range of timing and other factors. In particular, the figures were calculated effective as at 3 October 2018.

Valuation for Performance Rights to be issued to Mr Kinross

Underlying price	0.00
Volatility	56.32%
Dividend Yield (estimate)	0.00 Based on dividends paid over prior 12 months
Expiry Date	30 July 2022 Based on 30 days after Vesting Date
Vesting Date	30 June 2022
Exercise (strike) price	0.00
Risk free rate	2.01%
Value - per right	0.2158
Number of Performance Rights issued	560,000
Employee benefit expense	\$120,848

- 64 A significant factor in the determination of the final value of Performance Rights will be the ultimate share price at the date of final performance rights grant (this will be the date of approval by the shareholders if such approval is obtained). The following table details total employee benefit expense based on the highest and lowest closing prices of the Shares traded on the ASX over the 12 months ending on 3 October 2018.

	Highest Price	Lowest Price
Closing Price (\$)	0.32	0.16
Date	9 August 2017	14 August 2018
Total employee benefits expense	\$173,992	\$84,448

- 65 As such if it is assumed all other factors are equal, where the share price increases above the \$0.32 disclosed above the final value of Performance Rights granted will increase, and conversely where the share price reduces the final value of Performance Rights granted will also reduce.

Remuneration

- 66 Excluding the value of the proposed Performance Rights, Mr Kinross currently receives \$440,531 per annum for his position as Chief Executive Officer and Managing Director. The amount stated is per annum and comprises salary, superannuation contributions and known short and long-term incentive payments.

Financial Benefit – Details and reasons

- 67 Approval has been sought for the giving of a financial benefit to Mr Kinross, a related party, under section 208 of the Corporations Act.

- 68 The amount, terms and value (subject to the stated assumptions) of the Performance Rights are set out above.
- 69 The reasons for giving this financial benefit are:
- (a) the Company wishes to maximise the use of its cash resources towards other strategic initiatives and equity based incentives;
 - (b) the total quantum of Performance Rights to be issued is reasonable in number, and will act as an incentive for future growth of the business;
 - (c) Performance Rights are designed to incentivise employees. Performance Rights also act to provide a retention incentive for key employees, such as Mr Kinross, to facilitate long-term growth;
 - (d) equity based incentives assist in the alignment of Shareholders' and Directors' interests; and
 - (e) the Company believes the associated expense is limited and the nature of the Performance Rights package proposed is commensurate with market practice.
- 70 On this basis the Company believes the giving of the financial benefit, as constituted by the issue of the Performance Rights to Mr Kinross is in the best interests of the Company and its Shareholders.

Existing interests and the dilutionary effect on other Shareholders' interests

- 71 The effect that the vesting of the Performance Rights will have on the interests of Mr Kinross relative to other Shareholders' interests is set out in the following table. The table assumes no further issues of shares in, or reconstruction of the capital of the Company during the time between issue and vesting of the Performance Rights.

The total number of shares on issue in the capital of the Company	249,248,965
Shares currently held by Mr Kinross*	10,748,271
% of shares currently held by Kinross	4.31%
Performance rights to be issued under Resolution 5	560,000
Existing performance rights held by Kinross	Nil
Shares that will be held following the vesting of all performance rights held by Kinross	11,308,271
% of Shares that would be held assuming no other performance rights vested	4.52%

* including indirect interests

Termination Benefits

- 72 Sections 200B and 200E of the Corporations Act prohibit the Company from giving a benefit to a person who holds (or has held in the previous 3 years) a managerial or executive office with the Company or its subsidiaries, if that benefit is given in connection with that person's retirement from office and is in excess of that person's average annual base salary over the relevant period, unless the benefit is approved by shareholders.
- 73 Early vesting of Mr Kinross' Performance Rights may amount to the giving of a termination benefit requiring shareholder approval in accordance with the Corporations Act. Approval is therefore sought under sections 200B and 200E of the Corporations Act that the grant of the Performance Rights to Mr Kinross does not count towards the maximum termination amounts payable to him without Shareholder approval to the extent that the benefits are deliverable on the cessation of Mr Kinross' employment. Details of Mr Kinross' remuneration are set out above and in the Company's remuneration report.
- 74 Subject to shareholders approving this Resolution 5, the maximum number of Performance Rights that may vest upon cessation of Mr Kinross' employment is up to 560,000. However, the actual number of Performance Rights that may vest upon cessation of Mr Kinross' employment will depend on a range of factors. Accordingly, the value of any termination benefit that may be received as a result of the early vesting of the Performance Rights upon cessation of employment cannot be ascertained at the present time. Apart from the future share price being unknown, the following are matters which will or are likely to affect the value of the benefit:
- (a) the number of unvested Performance Rights held by Mr Kinross prior to cessation of employment;
 - (b) the reasons for cessation of employment; and
 - (c) the exercise of the Directors' discretion at the relevant time.
- 75 The Company will calculate the value of the benefit as being equal to the value of the number of Performance Rights that vest early, where that value is determined on the basis of the prevailing share price of the Company at the time.

Listing Rules

- 76 In accordance with Listing Rules 10.18 and 10.19 respectively, Mr Kinross shall not:
- (a) be entitled to receive Termination Benefits (or any increase in them) if a change occurs in the shareholding or control of the Company; and
 - (b) without shareholder approval, be entitled to Termination Benefits if the value of those benefits and the Termination Benefits that are or may become payable to all officers together exceed 5% of the equity interests of the Company (as set out in the latest accounts of the Company given to ASX under the Listing Rules).

Directors' recommendation

The Directors abstain, in the interest of good corporate governance, from making a recommendation in relation to resolutions 5.

Glossary

MSL Solutions Limited ACN 120 815 778

Annual General Meeting	means the Company's annual general meeting the subject of this Notice of Meeting.
Annual Report	means the 2018 annual report of the Company.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
Board	means the board of directors of the Company.
Company	means MSL Solutions Limited ACN 120 815 778.
Constitution	means the constitution of the Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Corporations Regulations	means the <i>Corporations Regulations 2001</i> (Cth).
Directors	means the directors of the Company.
Explanatory Memorandum	means the explanatory memorandum attached to the Notice of Meeting.
Key Management Personnel	means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
Listing Rules	means the listing rules of ASX.
Notice of Meeting	means the notice of meeting and includes the Explanatory Memorandum.
Performance Rights	means the performance rights the subject of approval under Resolution 5.
Plan	means the Company's performance rights plan the subject of approval under resolution 4.
Remuneration Report	means the section of the Directors' report for the 2018 financial year that is included under section 300A(1) Corporations Act.
Shares	means the existing fully paid ordinary shares in the Company.
Shareholder	means a person who is the registered holder of Shares.
Termination Benefits	means, for the purposes of Listing Rules 10.18 and 10.19, payments, property and advantages that are receivable on termination of employment, engagement or office, except those from any superannuation or provident fund and those required by law to be made.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Mr Andrew Ritter (Company Secretary):

MSL Solutions Limited

Level 1, 307 Queen Street

Brisbane QLD 4000

Tel: 1800 679 701

Email: andrew.ritter@mpowermsl.com

MSL SOLUTIONS

ABN 96 120 815 778

MPW

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

XX



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I999999999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



For your vote to be effective it must be received by 3:00pm (Brisbane time) Tuesday 27 November 2018

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of MSL Solutions Limited hereby appoint

☐

the Chairman
of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of MSL Solutions Limited to be held at **McCullough Robertson Lawyers, Level 11, 66 Eagle St, Brisbane QLD 4000 on Thursday, 29 November 2018 at 3:00pm (Brisbane time)** and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Items 1, 4 & 5** (except where I/we have indicated a different voting intention below) even though **Items 1, 4 & 5** are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Items 1, 4 & 5** by marking the appropriate box in step 2 below.

STEP 2

Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Ordinary Business

	For	Against	Abstain
1 Directors' remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Kenneth John Down	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Special Business

3 10% capacity to issue shares under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of the MSL Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Issuance of performance rights to Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Before completing your vote and returning by post, please consider using the preferred electronic voting option outlined on the front page of this form.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date

/ /

MPW

2 3 9 0 7 3 A

Computershare +