

## Notice of Annual General Meeting

MSL Solutions Limited ACN 120 815 778

# Notice of Annual General Meeting

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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:

<b>Location</b>	McCullough Robertson Lawyers, Level 11, 66 Eagle St, Brisbane QLD 4000
<b>Date</b>	Wednesday, 27 November 2019
<b>Time</b>	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 2019.

### 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.

### Election of Earl Eddings

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

- 2 'That Mr Earl Eddings, who retires having previously been appointed to fill a casual vacancy in accordance with rule 19.2(b) of the Company's constitution, and having consented to act and being eligible, be elected as a Director of the Company.'

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

The Directors (with Mr Eddings 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.

### **Ratification of previous issue and allotment of Shares to the vendors of Pricap Services Pty Ltd as consideration for the acquisition**

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

- 4 'That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the previous issue and allotment of 591,398 Shares at an issue price of \$0.186 per Share on 30 November 2018 to the vendors of Pricap Services Pty Ltd, as detailed in the Explanatory Memorandum.'

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

### **Issuance of Performance Rights to Chairman and Executive Director**

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

- 5 'That:
- (i) for the purposes of ASX Listing Rule 10.14, approval be given to the grant of 1,500,000 Performance Rights to the Chairman and Executive Director, Mr Tony Toohey, under the MSL Solutions Limited Performance Rights Plan (PRP) which was approved at the Company's 2018 Annual General Meeting, in accordance with the terms of the PRP as described in the Explanatory Memorandum; and
  - (ii) for the purposes of sections 200B, 200E and 208(1)(a) *Corporations Act 2001* (Cth), approval be given in specified circumstances for the pro rata vesting of the Performance Rights granted to Mr Tony Toohey in the event of cessation of his employment as described 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: 25 October 2019

By order of the Board



**Andrew Ritter**

Company Secretary

**Notes**

- (a) A member who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- (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 member of the Company. A member 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 Monday, 25 November 2019 (48 hours before the commencement of the meeting).
- (e) A corporation may elect to appoint a representative in accordance with the *Corporations Act 2001* (Cth) 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 2001* (Cth) that for the purpose of voting at the meeting or adjourned meeting, Shares are taken to be held by those persons recorded in the Company's register of shareholders as at 7.00pm (Brisbane time) on Monday, 25 November 2019.
- (g) If you have any queries on how to cast your votes then call Andrew Ritter on +61 7 3003 052 during business hours.

## 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.

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 Tony Toohey or an associate of Mr Tony Toohey 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:

<b>Resolution 3 - Approval of additional capacity to issue shares under Listing Rule 7.1A</b>	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.
<b>Resolution 4 – Ratification of previous issue and allotment of Shares to the vendors of Pricap Services Pty Ltd as consideration for the acquisition</b>	a person who participated in the issue or any associates of those persons.
<b>Resolution 5 – Issuance of performance rights to Executive Director</b>	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.

# Explanatory Memorandum

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

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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 Wednesday, 27 November 2019 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 Wednesday, 20 November 2019. 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](mailto:andrew.ritter@mpowermsl.com)

### Resolution 1: Remuneration Report

- 6 The Remuneration Report is contained in the Financial 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: Election of Mr Earl Eddings**

- 11 Rule 19.2(b) of the Constitution provides that a Director appointed by the Board to fill a casual vacancy or as an addition to the existing Directors will hold office until the end of the next annual general meeting of the Company, at which the director may be elected.
- 12 Mr Earl Eddings retires from office under rule 19.2(b) of the Constitution and Listing Rule 14.4 and stands for election.
- 13 Earl joined the MSL Board on 30 April 2019 and brings a wealth of experience growing successful businesses in international markets, as well as considerable industry knowledge of member-based organisations in the Sport, Leisure & Hospitality sectors.
- 14 Earl is currently Managing Director of Riskcom Group and Chairman of Cricket Australia. Earl is also a Director of the T20 World Cup Organising Committee, the International Cricket Council, the Kerry Packer Foundation and Urban Renewal Management. Earl was previously a Director of Cricket Victoria from 2006-2015 and held the position of Deputy Chairman from 2008-2015. Earl also served as Co-Chair of the Victorian Indigenous Cricket Advisory Committee.
- 15 Earl holds a Bachelor of Applied Science (Phys. Ed.), a Graduate Diploma in OHM, is a Graduate Member of The Australian Institute of Company Directors and a Fellow of The Governance Institute of Australia.

**Directors' Recommendation**

- 16 The Directors (with Mr Eddings abstaining), unanimously recommend the election of Mr Eddings to the Board.

## Special business

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

- 17 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.
- 18 The Company falls within the eligibility criteria required by Listing Rule 7.1A.
- 19 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.

- 20 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:

<b>Minimum price at which the equity securities may be issued</b>	<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"> <li>(a) the date on which the price at which the securities are to be issued is agreed; or</li> <li>(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.</li> </ul>
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<b>Risk of economic and voting dilution</b>	<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"> <li>(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</li> <li>(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.</li> </ul> <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>
<b>Date by which the Company may issue the securities</b>	<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"> <li>(a) the date which is 12 months after the date of the annual general meeting at which approval is obtained; and</li> <li>(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.</li> </ul> <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>
<b>Purposes for which the equity securities may be issued, including whether the Company may issue them for non-cash consideration</b>	<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"> <li>(a) securing new customers (existing and new sectors);</li> <li>(b) expanding services, including value added services; and</li> <li>(c) possible acquisitions of complementary businesses.</li> </ul> <p>The Company reserves the right to issue shares for non-cash consideration, including as non-cash consideration for any acquisition.</p>
<b>Details of the Company's allocation policy for issues under approval</b>	<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"> <li>(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;</li> <li>(b) the effect of the issue of the Listing Rule 7.1A shares on the control of the Company;</li> <li>(c) the financial situation and solvency of the Company; and</li> <li>(d) advice from corporate, financial and broking advisers (if applicable).</li> </ul> <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>
<b>Previous approvals under Listing Rule 7.1A</b>	<p>The Company obtained approval from shareholders at the AGM held on 27 November 2017.</p>

**Information under Listing Rule 7.3A.6(a)**

- 21 The table below shows the total number of equity securities issued in the past 12 months preceding the date of the AGM and the percentages those issues represent of the total number of equity securities on issue at the commencement of the 12 month period.

<b>Equity securities on issue at the commencement of the 12 month period</b>	249,248,965 ordinary shares
<b>Equity securities issued in the prior 12 month period</b>	4,919,398 (comprised of 591,398 ordinary shares and 4,328,000 unquoted performance rights)
<b>Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period</b>	1.97%

**Information under Listing Rule 7.3A.6(b)**

- 22 The table below sets out specific details for each issue of equity securities (excluding options that have lapsed) that has taken place in the 12 month period preceding the date of the AGM.

<b>Date of issue</b>	3 December 2018
<b>Number issued</b>	591,398
<b>Class and type of equity security</b>	Ordinary shares
<b>Summary of terms</b>	Equity consideration for the acquisition of Pricap Services Pty Ltd.
<b>Names of persons who received securities or basis on which those persons were determined</b>	Vendors of Pricap Services Pty Ltd.
<b>Price at which equity securities were issued</b>	\$0.186 per security.
<b>Discount to market price (if any):</b>	N/A

<b>Date of issue</b>	5 December 2018
<b>Number issued</b>	4,328,000
<b>Class and type of equity security</b>	Unquoted Performance Rights
<b>Summary of terms</b>	Issue of Performance Rights to employees under the MSL Performance Rights Plan, as approved by Shareholders at the Company's AGM on 29 November 2018. Exercise price is nil. Vesting date is 30 June 2022, and Vesting condition is a TSR of 10% compounding per annum from a base price of \$0.25 per security (minimum share price of \$0.35 per security to be achieved).

<b>Names of persons who received securities or basis on which those persons were determined</b>	Employees of the Company.
<b>Price at which equity securities were issued</b>	Performance Rights were issued for nil consideration.
<b>Discount to market price (if any):</b>	N/A

### Information under Listing Rule 7.3A.2

23 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.

24 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		
		\$0.065 50% decrease in Issue Price	\$0.13 <sup>1</sup> Current Market Price	\$0.26 100% increase in Issue Price
<b>Current Variable A*</b> <b>249,840,363 Shares</b>	10% Voting Dilution	24,984,036 shares	24,984,036 shares	24,984,036 shares
	Funds raised	\$1,623,962	\$3,247,925	\$6,495,849
<b>50% increase in current Variable A*</b> <b>374,760,544 Shares</b>	10% Voting Dilution	37,476,054 shares	37,476,054 shares	37,476,054 shares
	Funds raised	\$2,435,944	\$4,871,887	\$9,743,774
<b>100% increase in current Variable A*</b> <b>499,680,726 Shares</b>	10% Voting Dilution	49,968,073 shares	49,968,073 shares	49,968,073 shares
	Funds raised	\$3,247,925	\$6,495,849	\$12,991,699

\*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.

- 25 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 \$0.13, being the closing price of the shares on ASX on 23 September 2019.
- 26 As at the date of the Notice of Meeting, the Company has on issue 249,840,363 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) 37,476,054 Shares (under Listing Rule 7.1); and
  - (b) 24,984,036 Shares (under Listing Rule 7.1A).<sup>1</sup>
- 27 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**

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

### **Resolution 4: Ratification of previous issue and allotment of Shares to the vendors of Pricap Services Pty Ltd as consideration for the acquisition**

- 29 On 1 May 2018, being the completion date of the acquisition of Pricap Services Pty Ltd ('Pricap'), in satisfaction of the initial consideration, the Company paid \$2.05 million cash, with an additional \$0.45 million payable upon meeting performance hurdles.
- 30 An additional \$110,000 in fully paid ordinary shares formed part of the performance payment. On 30 November 2018, the Company issued 591,398 fully paid ordinary shares at an issue price of \$0.186 per share.

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<sup>1</sup> 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).

- 31 The purpose of resolution 4 is for shareholders to ratify, under ASX Listing Rule 7.4 and for all other purposes, the previous issue of the Shares.
- 32 ASX Listing Rule 7.1 (in combination with ASX Listing Rule 7.1A) limits the Company from issuing more than 25% of its issued capital without shareholder approval. Listing Rule 7.4 provides that where a company subsequently approves an issue of securities, the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing the Company's 15% capacity, enabling it to issue further securities up to that limit. Listing Rule 7.4 can also be utilised to refresh the Company's 10% capacity under Listing Rule 7.1A.
- 33 Resolution 4 proposes the ratification and approval of the allotment and issue of the Shares for the purpose of satisfying the requirements of ASX Listing Rule 7.4.
- 34 Details of the issue are set out below.

Shares	
Issue date	30 November 2018
Number of securities	591,398
Issue price	\$0.186 per Share
Terms of issue	The Shares rank equally with all existing Shares on issue
Allottees	Vendors of Pricap Services Pty Ltd
Use of funds raised	Equity consideration for the acquisition of Pricap Services Pty Ltd

- 35 If resolution 4 is not approved, the Company's capacity to raise additional equity funds over the next 12 months without reference to shareholders will be reduced.

### Directors' recommendation

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

## Resolution 5: Issuance of Performance Rights to Chairman and Executive Director

- 37 Resolution 5 seeks Shareholder approval for the granting of 1,500,000 Performance Rights to Executive Director and Chairman, Mr Tony Toohey, under the PRP. As well as Shareholder approval for the pro rata vesting of the Performance Rights granted to Mr Toohey in the event that Mr Toohey ceases his employment in certain circumstances.

### Why Shareholder approval is being sought

- 38 ASX Listing Rule 10.14 states that a listed company must not permit a Director to acquire securities under an employee incentive scheme without Shareholder approval, by ordinary resolution. The purpose of Resolution 5 is to have Shareholders approve the proposed grant of Performance Rights to the Company's Executive Director and Chairman, Mr Tony Toohey pursuant to MSL Solutions Limited's Performance Rights Plan (the PRP).

- 39 The objective of the proposed grant of Performance Rights to Mr Toohey 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.
- 40 More information about the PRP are contained in the Explanatory Memorandum attached to the 2018 Annual General Meeting when the PRP was approved by Shareholders.
- 41 In addition, the Company seeks Shareholder approval pursuant to section 200E of the Corporations Act for the pro rata vesting of the Performance Rights granted to Mr Toohey, in the event that Mr Toohey ceases to be employed by the Company in limited circumstances, as specified in the terms of their invitations. These circumstances include redundancy, death or permanent disability.
- 42 Under sections 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the company if it is approved by shareholders under section 200E of the Corporations Act or an exemption applies. The term "benefit" may include the pro rata vesting of Performance Rights in the limited circumstances outlined above, where Mr Toohey ceases to be employed by the Company. This pro rata vesting of Mr Toohey's Performance Rights, in those circumstances, may amount to the giving of a termination benefit requiring Shareholder approval, and as such, approval is sought for these purposes.
- 43 The number of Performance Rights that may vest on cessation of Mr Toohey's employment can be calculated by:

$$\frac{(\text{Date of Grant} - \text{Date of termination})(\text{in days})}{(\text{Date of Grant} - \text{Intended Vesting Date})(\text{in days})} \times \text{No. of Performance Rights held on cessation}$$

- 44 The value of the Performance Rights may be affected by:
- (a) the market price of Company Shares at the time the employment ceases;
  - (b) the exercise price applicable to the Performance Rights;
  - (c) the performance against the performance hurdles at the time the employment ceases;
  - (d) the part of the service period has elapsed at the time the employment ceases; and
  - (e) the number of Performance Rights that lapse on cessation of employment.

### **Grant of Performance Rights to Mr Toohey**

- 45 As outlined previously, Shareholder approval must be sought, in accordance with ASX Listing Rule 10.14, for the grant of these Performance Rights to Mr Toohey. 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.

- 46 The Remuneration Committee have concluded that the remuneration for Mr Toohey (including the proposed grants of Performance Rights) is reasonable and appropriate having regard to the circumstances of the Company and Mr Toohey's duties and responsibilities.
- 47 A report to the Board dated 6 September 2019 was prepared by Ian Crichton, Crichton & Associates Pty Limited (Independent Remuneration Consultants) confirming the proposed remuneration arrangements for Mr Toohey, including the grant of Performance Rights, were reasonable.

### Maximum number of Performance Rights to be issued to Mr Toohey

- 48 If Shareholder approval is granted, the maximum number of Performance Rights that may be granted to Mr Toohey is **1,500,000**.

### Vesting Conditions and Important Dates

Exercise of these Performance Rights will depend on meeting the **Vesting Conditions** as follows:

Tranche	Number	Last Exercise Date	Performance Condition
<b>1</b>	225,000	1 September 2024	MPW's share price (30d VWAP) equals or exceeds \$0.25
<b>2</b>	425,000	1 September 2024	MPW's share price (30d VWAP) equals or exceeds \$0.30
<b>3</b>	425,000	1 September 2024	MPW's share price (30d VWAP) equals or exceeds \$0.35
<b>4</b>	425,000	1 September 2024	MPW's share price (30d VWAP) equals or exceeds \$0.40

**1,500,000**

- 49 Mr Toohey must remain an employee or Director of MSL Solutions Limited at the time the Performance Rights vest. All Performance Rights will lapse on **1 September 2024** if not vested and exercised by that date.

### Value of Performance Rights

- 50 The value of these Performance Rights has been calculated on 24 September 2019 and based on the input assumptions set out below.

Input	Assumption
Assumed Grant Date (Date of calculation)	24 September 2019
Contract Life (To determine Gross Remuneration Value)	5 years
Estimated Life (To determine Accounting Value)	3 years
Estimated Volatility (Standard Deviation – 12 months)	91.9%
Estimated Dividend Yield	0%
Estimated Risk Free Rate (3/5 year average bond rate)	0.71%
Exercise Price (As advised)	\$0.00
Estimated Contract Life Value – Total and (per Right)	\$187,500 (\$0.125)
Estimated Accounting Value – Total and (per Right)	\$166,800 (\$0.1112)

- 51 The final value of the Performance Rights to Mr Toohey, if any, will depend on a number of factors, including:
- (a) the Company meeting the performance conditions;

- (b) the value of the Company's shares at the date of exercise of the Performance Rights and sale of the underlying securities;
- (c) the number of Performance Rights that vest; and
- (d) Mr Toohey remaining employed with the Company.

### **Remuneration**

- 52 Excluding the value of the proposed Performance Rights Mr Toohey will receive cash remuneration of \$179,400 per annum comprising salary, superannuation and other benefits.

### **Price of Performance Rights**

- 53 The Performance Rights will be granted at no cost to Mr Toohey. Once the performance hurdles are met (or waived), the Performance Rights will be exercisable at the applicable Exercise Price of \$0.00.

### **Financial Benefit provided**

- 54 Approval has been sought for the giving of a financial benefit to Mr Toohey, a related party, under section 208 of the Corporations Act. The amount, terms and value (subject to the stated assumptions) of the Performance Rights are set out above.
- 55 The reasons for giving this financial benefit, include:
- (a) the granting of an equity incentive conserves cash;
  - (b) Mr Toohey will only benefit from the Performance Rights if all MPW shareholders benefit because of the demanding share price hurdles imposed;
  - (c) Mr Toohey is considered by the Board to be integral to MPW's turnaround and therefore the Performance Rights give strong alignment to performance; and
  - (d) the value of the Performance Rights when added to the cash component is very reasonable total compensation for an executive of Mr Toohey's abilities and expertise.
- 56 For these reasons the Board believes to giving of this financial benefit is in the company's best interests.
- 57 Mr Toohey has not previously received any offers or grants under PRP or any other Company employee share scheme (ESS).
- 58 No loans will be provided to Mr Toohey in respect of any securities offered under PRP, without shareholder approval.
- 59 Subject to shareholder approval, it is anticipated that the Performance Rights will be granted to Mr Toohey shortly after the AGM. Irrespective of these intentions, Rights grants approved by shareholders under this resolution will be issued within 12 months of the date of this Meeting.



## Other Conditions

- 60 Unvested Performance Rights may, in certain circumstances, vest early in accordance with the terms of the PRP Rules, and any Leaver's Policy that may apply from time to time, as approved by the Board.
- 61 Any dealing in Shares is subject to the constraints of Australian insider trading laws and the Company's Share Trading Policy. Participants are specifically prohibited from hedging their Company share price exposure in respect of their Performance Rights during the vesting period.
- 62 For the purpose of Listing Rule 10.15.4A, all Directors are entitled to participate in the Plan.
- 63 For the purpose of Listing Rule 10.15.4, Mr Craig Kinross<sup>2</sup> previously received 560,000 performance rights under the Performance Rights Plan, as approved at the Company's last annual general meeting on 29 November 2018. The vesting date for those performance rights is 30 June 2022, and the vesting condition is to increase total shareholder return 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).
- 64 If, in the Board's opinion, Mr Toohey has acted fraudulently or dishonestly or is in breach of their material obligations to the Company, the Board may determine that any or all of their Performance Rights which have not yet vested, lapse.
- 65 In accordance with ASXLR 10.18 and 10.19 respectively, Mr Toohey 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).

## Other general terms of the Performance Rights

### General Information

- 66 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.
- 67 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 24 September 2019.

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<sup>2</sup> Mr Kinross is no longer a Director of the Company, resigning on 20 August 2019.

- 68 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 24 September 2019.

	Highest Price	Lowest Price
Closing Price (\$)	\$0.225	\$0.07
Date	4 October 2018	25 July 2019
Total employee benefits expense	\$337,500	\$105,000

- 69 As such if it is assumed all other factors are equal, where the share price increases above the amount disclosed 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.

### Existing interests and the dilutionary effect on other Shareholders' interests

- 70 The effect that the vesting of the Performance Rights will have on the interests of Mr Toohey 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	249,840,363
Shares currently held by Mr Toohey*	Nil
% of shares currently held by Toohey	N/A
Performance rights to be issued under Resolution 5	1,500,000
Existing performance rights held by Toohey	Nil
Shares that will be held following the vesting of all performance rights held by Toohey	1,500,000
% of Shares that would be held assuming no other performance rights vested	0.59%

\* including indirect interests

### Directors' Recommendation

As stated in the Notice of AGM, any vote cast in respect of this resolution by a member of the Board or KMP or any person who participates in the issue of the Performance Rights, and their respective associates, will be disregarded, except as stated in the Notice of AGM.

## Glossary

### MSL Solutions Limited ACN 120 815 778

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<b>Annual General Meeting</b>	means the Company's annual general meeting the subject of this Notice of Meeting.
<b>Annual Report</b>	means the 2019 annual or financial report of the Company.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
<b>Board</b>	means the board of directors of the Company.
<b>Company</b>	means MSL Solutions Limited ACN 120 815 778.
<b>Constitution</b>	means the constitution of the Company.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Corporations Regulations</b>	means the <i>Corporations Regulations 2001</i> (Cth).
<b>Directors</b>	means the directors of the Company.
<b>Explanatory Memorandum</b>	means the explanatory memorandum attached to the Notice of Meeting.
<b>Key Management Personnel</b>	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).
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Notice of Meeting</b>	means the notice of meeting and includes the Explanatory Memorandum.
<b>Performance Rights</b>	means the performance rights the subject of approval under Resolution 5.
<b>Remuneration Report</b>	means the section of the Directors' report for the 2019 financial year that is included under section 300A(1) Corporations Act.
<b>Shares</b>	means the existing fully paid ordinary shares in the Company.
<b>Shareholder</b>	means a person who is the registered holder of Shares.
<b>Termination Benefits</b>	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 or Email: [andrew.ritter@mpowermsl.com](mailto:andrew.ritter@mpowermsl.com)

MPW

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



## Need assistance?



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



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **3:00pm (Brisbane time) Monday 25 November 2019.**

# Proxy Form

## 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

**If you are attending in person, please bring this form with you to assist registration.**

### Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**  
**SRN/HIN: I999999999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

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

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



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

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 Wednesday, 27 November 2019 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 and 5 (except where I/we have indicated a different voting intention in step 2) even though Items 1 and 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 and 5 by marking the appropriate box in step 2.

### 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

1 Directors' remuneration report

For Against Abstain

☐☐☐

2 Election of Earl Eddings

☐☐☐

#### Special Business

3 10% capacity to issue shares under Listing Rule 7.1A

☐☐☐

4 Ratification of previous issue and allotment of Shares to the vendors of Pricap Services Pty Ltd as consideration for the acquisition

☐☐☐

5 Issuance of Performance Rights to Chairman and Executive Director

☐☐☐

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.

### Step 3

### Signature of Securityholder(s)

*This section must be completed.*

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

MPW

2 5 2 0 8 2 A



Computershare

