

23 October 2020

ASX Markets Announcement Office
Exchange Centre
20 Bridge Street
Sydney NSW 2000

BY ELECTRONIC LODGEMENT

AGM Notice of Meeting

Please find attached for release to the market, the following documents that have been distributed to shareholders today, in relation to McGrath's Annual General Meeting to be held Online at 11:00am (AEDT) on Thursday, 26 November 2020:

- Notice of Meeting
- AGM Letter sent in lieu of Notice of Meeting
- Proxy Form
- Virtual Meeting Online Guide
- Shareholder Question Form

-ENDS-

This Announcement was authorised for release by McGrath's Board of Directors.

For Investor and media enquiries, contact:

Investors

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Media

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About McGrath:

McGrath Limited (ASX: MEA) has grown to be an integrated real estate services business, offering agency sales, property management, mortgage broking and career training services. McGrath Estate Agents currently has 100 offices located throughout the East Coast of Australia. For further information, please visit www.mcgrath.com.au.



McGrath Limited

Notice of 2020 Annual General Meeting

11:00am (AEDT) on Thursday, 26 November 2020

23 October 2020

Dear Shareholder,

McGrath Limited 2020 Annual General Meeting

On behalf of the Directors of McGrath Limited (**McGrath** or the **Company**), I am pleased to invite you to participate in the 2020 Annual General Meeting (**AGM**) of the Company. Enclosed is the Notice of Meeting setting out the business of the AGM.

The Company's 2020 AGM will be held on **Thursday, 26 November 2020** commencing at **11:00am (AEDT)**.

Due to the current restrictions on physical gatherings, the Board has elected to hold the entirety of the AGM online. We take our responsibilities for the health and safety of our investors, staff, their families and the broader community very seriously, and to balance this with our continuing goal to increase investor engagement and encourage investor participation, the Board agreed that an online AGM was the most effective solution.

Shareholders will be able to participate in our AGM by:

- joining the AGM in real time via our online platform at <https://agmlive.link/MEA20>;
- asking questions of the Board and our external auditor:
 - before the AGM, using the AGM Question Form enclosed with the Notice of Meeting or by lodging questions online at www.linkmarketservices.com.au; and/or
 - during the AGM via the online platform; and
- voting on the resolutions to be considered at the AGM either by lodging the enclosed Proxy Form before the AGM or by direct voting during the online meeting,

or by a combination of these steps.

Further details of how to participate in the online meeting are set out in the attached *Notice of Meeting* and in the *Virtual Meeting Online Guide* that accompanies it. The Online Guide includes details of how to ensure your browser is compatible with the online platform, and a step-by-step guide to logging in, navigating the site, and asking questions and voting at the online AGM.

I encourage you to read the enclosed Notice of Meeting (including the Explanatory Memorandum) and the Proxy Form and consider directing your proxy how to vote in each resolution by marking either the **For** box, the **Against** box or the **Abstain** box on the Proxy Form.

If you are unable to participate in the online AGM, I encourage you to complete and return the enclosed Proxy Form no later than 11:00am (AEDT) on Tuesday, 24 November 2020 in one of the ways specified in the Notice of Meeting and the Proxy Form.

Subject to the abstentions noted in the Explanatory Memorandum, the Directors of McGrath unanimously recommend that shareholders vote in favour of all resolutions.

Thank you for your continued support of McGrath.



Peter Lewis
Chair

McGrath Limited
ABN 61 608 153 779

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2020 Annual General Meeting (**AGM** or **Meeting**) of shareholders of McGrath Limited (**McGrath** or the **Company**) will be held:

Date: Thursday, 26 November 2020

Time: 11.00am (AEDT)

Venue: Online only.

The Explanatory Memorandum accompanying this Notice of Meeting provides additional information on matters to be considered at the AGM. The Explanatory Memorandum, Entitlement to Attend and Vote section and Proxy Form are part of this Notice of Meeting.

ORDINARY BUSINESS

1. FINANCIAL STATEMENTS AND REPORTS

To receive the Company's financial statements and the reports of the Directors and the Auditors thereon for the financial year ended 30 June 2020.

2. ITEMS FOR APPROVAL

Resolution 1. Election of Director - Shane Smollen

To consider and, if thought fit, pass the following as an **ordinary resolution** of the Company:

"That Shane Smollen, who retires in accordance with clause 4.7(a) of the Company's Constitution and being eligible for election, is elected as a Director of the Company."

Resolution 2. Remuneration Report

To consider and if thought fit, pass the following as an **advisory resolution** of the Company:

"That the Company's Remuneration Report for the year ended 30 June 2020, as set out in the Directors' Report, be adopted."

The Remuneration Report is contained in the 2020 Annual Report and is available on the Company's website at www.mcgrath.com.au/agm. Please note that, in accordance with section 250R(3) of the Corporations Act 2001 (Cth) (**Corporations Act**), the vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement

1. A vote on Resolution 2 must not be cast (in any capacity) by, or on behalf of, the following persons:
 - a) a member of the Key Management Personnel (**KMP**) whose remuneration details are included in the 2020 Remuneration Report; or
 - b) a closely related party of such a KMP (including close family members and companies the KMP controls).
2. However, a person described above may cast a vote on Resolution 2 as a proxy if the vote is not cast on behalf of a person described above and either:
 - a. the proxy appointment is in writing that specifies the way the proxy is to vote (e.g. for, against, abstain) on the resolution; or
 - b. the vote is cast by the Chair of the Meeting and the appointment of the Chair as proxy:
 - i. does not specify the way the proxy is to vote on the resolution; and
 - ii. expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

In accordance with section 250BD of the Corporations Act, a vote must not be cast on Resolution 2 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions.

This restriction on voting undirected proxies does not apply to the Chair of the Meeting where the proxy appointment expressly authorises the Chair of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

“Key management personnel” and “closely related party” have the same meaning as set out in the Corporations Act.

SPECIAL BUSINESS

Resolution 3. Approval of Additional Share Issue Capacity under ASX Listing Rule 7.1A

To consider and, if thought fit, pass the following as a **special resolution** of the Company:

“That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, the shareholders of the Company approve the issue of equity securities up to 10% of the issued capital of the Company (10% Placement Facility) (at the time of the issue), calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions described in the Explanatory Memorandum which forms part of the Notice of Meeting.”

Note: this resolution is a special resolution and can only be passed if at least 75% of the votes cast, in person or by proxy, by members who are entitled to vote on the resolution, vote in favour.

At the time of despatching this Notice, the Company is not proposing to make an issue of equity securities under ASX Listing Rule 7.1A.2

Voting Exclusion Statement

1. The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:
 - a) any person who is expected to participate in an issue of shares under the 10% Placement Facility, or any person who may obtain a material benefit as a result of an issue of shares under the 10% Placement Facility, except a benefit solely by reason of being a holder of ordinary securities in the Company; or
 - b) an associate of that person.
2. However, this does not apply to a vote cast in favour of Resolution 3 by:
 - a) a person as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with the directions given to the proxy or attorney to vote on Resolution 3 in that way; or
 - b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with a direction given to the Chair to vote on the Resolution as the Chair of the Meeting decides; or
 - c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 3; and
 - ii. the holder votes on Resolution 3 in accordance with directions given by the beneficiary to the holder to vote in that way.

OTHER BUSINESS

To transact any other business that in accordance with the Company’s Constitution and the Corporations Act, may be legally brought before an Annual General Meeting.

BY ORDER OF THE BOARD OF DIRECTORS



Phil Mackey
Company Secretary
23 October 2020

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of shareholders of the Company (**Shareholders**) in relation to the business to be conducted at the Company's AGM to be held on Thursday, 26 November 2020 at 11:00am (AEDT).

The purpose of this Explanatory Memorandum is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote upon the resolutions.

Subject to the abstentions noted below, the Directors unanimously recommend Shareholders vote in favour of all Resolutions. The Chair of the Meeting intends to vote all available undirected proxies in favour of each resolution.

1. FINANCIAL STATEMENTS AND REPORTS

The Corporations Act requires the Financial Report, Directors' Report and Auditor's Report for the past financial year to be tabled before the AGM, and the Company's Constitution provides for such reports to be received and considered at that meeting. Neither the Corporations Act nor the Company's Constitution requires a vote of Shareholders at the AGM on such Reports. The AGM provides a forum for Shareholders to ask questions and make comments on the Company's reports and accounts and on the business and operations of the Company for the year ended 30 June 2020.

Following consideration of the Financial Statements and Reports, the Chair will give Shareholders a reasonable opportunity to ask questions about, or comment on the management of the Company.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- the conduct of the audit;
- the content of the auditor's report;
- the accounting policies adopted by the Company for the preparation of the financial statements; and
- the auditor's independence in relation to the above items.

The Chair will also give the Auditor a reasonable opportunity to answer written questions submitted by Shareholders that are relevant to the content of the Independent Auditor's Report or the conduct of the audit. A list of relevant written questions submitted by Shareholders will be made available on the Company's website at www.mcgrath.com.au/agm at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the AGM.

Shareholders may view the Company's 2020 Annual Report on the Company's website at www.mcgrath.com.au/agm

Resolution 1. Election of Director - Shane Smollen

Resolution 1 is an ordinary resolution, which requires a simple majority of votes cast by Shareholders present and entitled to vote on the resolution.

Shane Smollen was appointed a Non-Executive Director of the McGrath Board on 3 September 2020. In accordance with clause 4.7(a) of the Company's Constitution, Mr. Smollen retires and, being eligible, offers himself for election as a Non-Executive Director of McGrath Limited.

ASX Listing Rule 14.4 provides that a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next AGM of the entity. If Shareholders do not approve the election of Mr. Smollen, then he will cease to be a Director of the Company at the conclusion of the AGM.

Prior to Mr. Smollen's appointment, the Company completed several background and screening checks in relation to Mr. Smollen's character's experience and qualifications, criminal history, bankruptcy, with no adverse findings.

The Board also considered whether Mr. Smollen had any interest, position or relationship that may interfere with his independence as a Director, having regard to the relevant factors as set out in the ASX Corporate Governance Council Principles & Recommendations (4th edition) (**ASX Principles**). As a substantial shareholder of the Company with a holding of 7.94%, the Board considers that Mr. Smollen (if elected), will continue to be a non-independent Director.

In a career spanning 36 years, Shane Smollen has operated successfully across multiple disciplines of real estate agency practice and property development. Degree qualified as a Bachelor of Business and as a licensed real estate agent and auctioneer, Shane operated a highly respected business in Queensland which was awarded as the leading agency in the State prior to its sale in 2000.

Following his transfer to Sydney in 2001, he commenced his long term association with McGrath in the capacity of Director of Sales and over the ensuing years, the Company experienced significant growth of offices, agents and sales volume.

In 2007, he established the Smollen Group which grew from 2 to 11 offices and \$3 billion sales turnover prior to its sale to McGrath Limited in 2015. The business was widely recognised for its high productivity and market leadership status in multiple regions.

He has built extensive property development interests in more recent years, specialising in premium residential, hotel and mixed use projects, several of which have been recognised by industry awards.

Prior to submitting himself for election, Mr. Smollen has confirmed that he would continue to have sufficient time to properly fulfil his duties and responsibilities to the Company.

The Board supports the election of Mr. Smollen as a non-executive director as he provides a valuable contribution to the Board and Company, specifically in relation to management and real estate industry matters.

For the reasons set out above, the Directors, with Mr Smollen abstaining, unanimously recommend Shareholders vote in favour of this Resolution.

Resolution 2. Remuneration Report

Section 250R(2) of the Corporations Act requires that the section of the Directors' Report dealing with the remuneration of Directors and key management personnel (**KMP**) of the Company (**Remuneration Report**) be put to the vote of Shareholders for adoption by way of a non-binding vote.

Broadly, the Remuneration Report details the remuneration policy for the Company and:

- explains the structure of and rationale behind the Company's remuneration practices and the link between the remuneration of executives and the Company's performance;
- sets out remuneration details for each Director and for each executive with authority and responsibility for directing the affairs of the Company; and
- discusses the relationship between the policy and Company performance.

Shareholders can view the full Remuneration Report in the Company's 2020 Annual Report which is available on the Company's website at www.mcgrath.com.au/agm

Following consideration of the Remuneration Report, the Chair of the Meeting will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report. A resolution that the Remuneration Report be adopted will then be put to the vote. The vote on this resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into account in setting remuneration policy for future years.

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

Resolution 3. Approval of additional share issue capacity under ASX Listing Rule 7.1A

ASX Listing Rule 7.1A enables "eligible entities" to seek Shareholder approval by special resolution to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue over a 12-month period after the AGM (**10% Placement Facility**). This is in addition to the existing 15% placement capacity permitted by ASX Listing Rule 7.1 and will only be utilised if Resolution 3 is passed at the AGM.

An eligible entity for the purposes of ASX Listing Rule 7.1A, is an entity that satisfies both of the following criteria at the date of its annual general meeting:

- a) it has a market capitalisation of \$300 million or less; and
- b) it is not included in the S&P/ASX 300 Index.

The Company currently satisfies both the above criteria, and it is anticipated that it will satisfy both these criteria at the date of the AGM. If on the date of the AGM, McGrath no longer meets this eligibility criteria, this Resolution 3 will be withdrawn.

The Company previously obtained the same approval under ASX Listing Rule 7.1A at the previous AGM on 28 November 2019, and has not used the additional 10% Placement Facility during the 12-month period after that date.

Accordingly, Resolution 3 is seeking approval of Shareholders by special resolution for the issue of up to the number of equity securities as calculated under the formula set out in ASX Listing Rule 7.1A.2, at an issue price as permitted by ASX Listing Rule 7.1A.3, to such persons as the Board may determine, on the terms as described in this Explanatory Memorandum.

Approval of Resolution 3 does not oblige the Company to conduct a placement or use the additional 10% Placement Facility. The approval would provide the Company with additional flexibility and an ability to move quickly in the event that an opportunity arose which required additional capital.

The actual number of equity securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

If Resolution 3 is approved as a special resolution, the Company will be able to issue 'equity securities' under Listing Rule 7.1 and 7.1A without further shareholder approval, such that the Company's total annual placement capacity will be 25% of its issued capital.

If Resolution 3 is not passed, the Company will not be able to access the 10% Placement Facility to issue equity securities without shareholder approval provided for in Listing Rule 7.1 and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

The proposed allottees of any equity securities under the 10% Placement Facility are not as yet known or identified. In these circumstances, Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes

ASX Listing Rule 7.1A

Shareholder Approval

The ability to issue equity securities under the 10% Placement Facility under ASX Listing Rule 7.1A is subject to Shareholder approval by way of a special resolution at an AGM. Hence, at least 75% of votes cast by Shareholders present and eligible to vote at the AGM must be in favour of Resolution 3 for it to be passed.

Equity Securities

Equity securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of equity securities of the Company.

Formula

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an AGM may issue or agree to issue, during the 12-month period after the date of the AGM, a number of equity securities calculated in accordance with the following formula:

(A x D) - E

- A** is the number of fully paid ordinary shares on issue at the commencement of the 12-month period immediately before the date of issue or agreement to issue (**12-month period**):
- (a) **plus**, the number of fully paid ordinary shares issued in the 12-month period under an exception in ASX Listing Rule 7.2 other than exception 9, 16 or 17;
 - (b) **plus**, the number of fully paid ordinary securities issued in the 12-month period on the conversion of convertible securities within ASX Listing Rule 7.2 exception 9 where:
 - (i) the convertible securities were issued or agreed to be issued before the commencement of the 12-month period; or
 - (ii) the issue of, or agreement to issue the convertible securities was approved or taken under these rules to have been approved under ASX Listing Rule 7.1 or 7.4;
 - (c) **plus**, the number of fully paid ordinary securities issued in the 12-month period under an agreement to issue securities within ASX Listing Rule 7.2 exception 16 where:
 - (i) the agreement was entered into before the commencement of the 12-month period; or

- (ii) the agreement or issue was approved, or taken under these rules to have been approved under ASX Listing Rule 7.1 or rule 7.4;
- (d) **plus**, the number of any other fully paid ordinary securities that became fully paid in the 12-month period;
- (e) **less** the number of fully paid Shares cancelled in the 12 months.

Note that **A** has the same meaning in ASX Listing Rule 7.1, when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12-month period, where the issue or agreement has not been approved by Shareholders under Listing Rules 7.1 or 7.4.

Information required by ASX Listing Rule 7.3A

The following information is provided to shareholders for the purposes of obtaining Shareholder approval pursuant to ASX Listing Rule 7.3A:

a) 10% Placement Period

If any of the securities being approved by this Resolution 3 are issued, they will be issued during the **10% Placement Period**, that is, within 12 months of the date of the AGM (i.e. by 26 November 2021). The approval being sought under Resolution 3 will cease to be valid on the earlier of either of the following events occurring:

- the time and date of the Company's next AGM if it is held prior to 26 November 2021; or
- if ordinary shareholders approve a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) prior to 26 November 2021.

b) Minimum Issue Price

The issue price of equity securities issued under ASX Listing Rule 7.1A must be not less than 75% of the volume weighted average market price (**VWAP**) of equity securities in the same class calculated over the 15 trading days immediately before:

- the date on which the price at which the equity securities are to be issued is agreed by the entity and the recipient of the securities; or
- if the equity securities are not issued within 10 Trading Days of the date in the paragraph above, the date on which the equity securities are issued.

c) Risk of economic and voting dilution

If Resolution 3 is approved by Shareholders and the Company issues equity securities under 10% Placement Facility, existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk that:

- the market price for the Company's equity securities may be significantly lower on the date of issue of the equity securities than on the date of this approval under ASX Listing Rule 7.1A; and
- the equity securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the equity securities.

At the date of this Notice, the Company has on issue 166,849,935 fully paid ordinary shares and a capacity to issue:

- a) 25,027,490 (166,849,935 x 15%) equity securities under ASX Listing Rule 7.1; and
- b) 16,684,994 (166,849,935 x 10%) equity securities under ASX Listing Rule 7.1A (subject to approval of Resolution 3).

There were no equity securities issued during the year as part of the 15% placement capacity under ASX Listing Rule 7.1 and also, there were no equity securities issued during the year as part of the 10% Placement Facility under ASX Listing Rule 7.1A.

The following table shows:

- examples of possible dilution of existing Shareholders, on the basis of the closing market price of **\$0.27** per share on 20 October 2020 and the current number of fully paid ordinary shares on issue of **166,849,935** as at the date of this Notice, pursuant to the definition of variable "A" under ASX Listing Rule 7.1A.2;
- two examples where variable "A" has increased by 50% and 100%. 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 ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- 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 as per ASX Listing Rule 7.1A2	Dilution			
	Issue price (per Share)	\$0.135 50% decrease in Issue Price	\$0.27 Issue Price	\$0.54 100% increase in Issue Price
Current Variable A 166,849,935 shares	10% voting dilution	16,684,994 shares issued	16,684,994 shares issued	16,684,994 shares issued
	Funds raised	\$2,252,474.12	\$4,504,948.25	\$9,009,896.49
50% increase in Current Variable A 250,274,903 shares	10% voting dilution	25,027,490 shares issued	25,027,490 shares issued	25,027,490 shares issued
	Funds raised	\$3,378,711.18	\$6,757,422.37	\$13,514,844.74
100% increase in Current Variable A 333,699,870 shares	10% voting dilution	33,369,987 shares issued	33,369,987 shares issued	33,369,987 shares issued
	Funds raised	\$4,504,948.25	\$9,009,896.49	\$18,019,792.98

The table has been prepared on the following assumptions:

- all shares have been issued;
- the Company issues the maximum number of equity securities available under the 10% Placement Facility;
- the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue; and
- the table shows only the effect of issues of equity securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1.

d) Expiry of approval

The Company will only issue and allow the equity securities during the 10% Placement Period detailed in paragraph (a) above.

e) Purpose for which new equity securities may be issued

The Company may seek to issue the equity securities for the following purposes:

- cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisition), continued development of the Company's current assets and/or general working capital; or
- non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any equity securities under Listing Rule 7.1A.

In the event Resolution 3 is approved, when the Company issues equity securities pursuant to the 10% Placement Facility, it will give to the ASX:

- a list of allottees of the equity securities and the number of equity securities allotted to each (not for release to the market), in accordance with ASX Listing Rule 7.1A.4; and
- the information required by ASX Listing Rule 3.10.5A for release to the market.

f) Allocation policy

Allocations will be made by the Company dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. Allocations will be made considering, amongst other factors, the following:

- the time frame over which the Company will make placements under the approval;
- any specific intentions in relation to parties that it may approach to participate in a placement of equity securities;
- whether the Company will offer securities to existing security holders or any class or group of existing holders; and
- whether the securities will be offered exclusively to new investors who have not previously been security holders in the Company.

The identity of the allottees of equity securities will be determined on a case-by-case basis having regard to the factors including, but not limited to, the following:

- the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- the effect of the issue of the equity securities on the control of the Company;
- the financial situation and solvency of the Company; and
- advice from corporate, financial and broker advisers (if applicable).

The allottees under this facility have not been determined as at the date of this notice but may include new or existing shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

g) Detail of new issues under Listing Rule 7.1A for previous year

The specific disclosure required under ASX Listing Rule 7.3A.6 is included in the table below:

Date of issue	23 March 2020
Number issued	2,099,852
Class of equity securities	Performance Rights
Names of persons to whom equity securities were issued	Performance Rights issued to senior executives of McGrath under the Long Term Incentive Plan
Issue price and discount to market price (if any)	Nil
Total cash consideration	Nil
Use of cash consideration	Not applicable
Non-cash consideration	Not applicable

h) Voting Exclusion Statement

A Voting Exclusion Statement is set out under Resolution 3 in the Notice of Meeting.

The Directors unanimously recommend Shareholders vote in favour of this Resolution.

ENTITLEMENT TO ATTEND AND VOTE

In accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Board has determined that persons who are registered holders of shares of the Company as at 7.00pm (AEDT) on Tuesday, 24 November 2020, being two days before date of Meeting will be entitled to attend and vote at the AGM as a shareholder.

If more than one joint holder of shares is present at the AGM (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

Appointment of Proxy

If you are a shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the AGM.

A proxy need not be a shareholder of the Company.

A shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the shareholder's votes.

To be effective, the proxy must be received at the Share Registry of the Company no later than 11.00am (AEDT) on Tuesday, 24 November 2020 (48 hours before the AGM). Proxies must be received before that time by one of the following methods:

- | | |
|------------------------|---|
| By post: | McGrath Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia |
| By facsimile: | (02) 9287 0309 (within Australia)
+61 9287 0309 (from outside Australia) |
| By delivery in person: | Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138 |
| Online: | www.linkmarketservices.com.au |

To be valid, a proxy form must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any proxy not received in this manner.

Power of Attorney

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 11.00am (AEDT) on Tuesday, 24 November 2020, being 48 hours before the AGM.

Corporate Representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. The representative should bring to the AGM a properly executed letter or other document confirming its authority to act as the company's representative. A *Certificate of Appointment of Corporate Representative* form may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

IMPORTANT: If you appoint the Chair of the Meeting as your proxy, or the Chair becomes your proxy by default, and you do not direct your proxy how to vote on Resolution 2 (Remuneration Report), then by submitting the proxy form you will be expressly authorising the Chair to exercise your proxy on the relevant resolution, even though the resolutions are connected, directly or indirectly, with the remuneration of the KMP.

SHAREHOLDER QUESTIONS

Shareholders who are unable to attend the Meeting online or who may prefer to register questions in advance are invited to do so. Please log onto www.linkmarketservices.com.au, select Voting then click 'Ask a Question', or alternatively submit the enclosed AGM Question Form.

To allow time to collate questions and prepare answers, please submit any questions by 11.00am (AEDT) on Thursday, 19 November 2020 (being no later than the fifth business day before the AGM is held). Questions will be collated and, during the AGM, the Chair will seek to address as many of the more frequently raised topics as possible. However, there may not be sufficient time available at the AGM to address all topics raised. Please note that individual responses will not be sent to shareholders.

ENCLOSURES

Enclosed are the following documents:

- *Proxy Form* to be completed if you would like to be represented at the AGM by proxy. Shareholders are encouraged to use the online voting facility that can be accessed on McGrath's share registry's website at www.linkmarketservices.com.au to ensure the timely and cost effective receipt of your proxy;
- an *AGM Question Form*;
- an *Electronic Security Holder Communications Form*;
- a *Virtual Meeting Online Guide*; and
- a reply paid envelope for you to return the Proxy Form, AGM Question Form and the Electronic Security Holder Communications Form.

23 October 2020

McGrath's 2020 Virtual AGM

Dear shareholder,

The health and safety of our people, shareholders and the communities in which we operate is of paramount importance to McGrath.

Accordingly, in light of the uncertainty and potential health risks created by the COVID-19 pandemic, and taking into consideration the actions taken by governments to address these concerns, we will be hosting a virtual AGM in 2020.

The Notice of Meeting for the AGM is available online at www.mcgrath.com.au/agm. We will not be sending shareholders a hard copy of the Notice of Meeting by post ahead of the AGM. This approach is consistent with the relief provided by the Commonwealth Treasurer in response to the COVID-19 pandemic.

This letter provides information to guide shareholders as to how to attend and participate in the AGM. McGrath's website will also be kept up to date with all of the relevant information shareholders may need.

Details of our 2020 Annual General Meeting

Date: Thursday, 26 November 2020

Time: 11:00am (AEDT)

Website: <https://agmlive.link/MEA20>

How to participate

To make the AGM as accessible as possible to all of our shareholders, we are pleased to offer shareholders the following ways to participate in our meeting.

Online

1. Logon to <https://agmlive.link/MEA20> from your desktop computer, mobile or tablet device. You will need internet access.
2. When you log onto the online platform, you will need to provide your details - including your Shareholder Reference Number (SRN) or Holder Identification Number (HIN) - to be verified as a shareholder.
3. Proxyholders will need their proxy code, which Link Market Services will provide via email no later than 24 hours prior to the AGM.

Further instructions on how to participate online are published at www.mcgrath.com.au/agm. We encourage all shareholders to read this material to ensure they are familiar with how to participate and to contact Link Markets Services if they have any questions.

Lodge a Proxy or direct vote in advance of the meeting

Online

1. Logon to www.linkmarketservices.com.au
2. You will be asked to submit your SRN or HIN details.
3. Follow the step-by-step online prompts, which will guide you through the process.

Via post or fax

1. Complete the enclosed Proxy Form. Instructions on how to vote directly or appoint a proxy are detailed on the form.
2. All votes must be received no later than 11.00am (AEDT) on Tuesday, 24 November 2020 to be valid.
3. Voting Forms may be returned by fax on +61 2 9287 0309 or by mail to McGrath Limited, C/- Link Market Services Limited, Locked Bag A14, Sydney South, NSW 1235, Australia.

We encourage all shareholders to lodge a directed proxy or direct vote as soon as possible in advance of the meeting, even if they are planning to attend the meeting online.

How to ask a question

Only shareholders of McGrath Limited will be able to ask a question in advance of the meeting or at the AGM.

We encourage shareholders to submit questions in advance of the AGM. Questions can be submitted via Link Market Services at www.linkmarketservices.com.au and select Voting then click 'Ask a Question'.

Instructions on how to ask a question on the day will be provided via Link Markets Services at <https://agmlive.link/MEA20>

How to watch and listen to the AGM

The AGM will be live webcast online at <https://agmlive.link/MEA20>

All stakeholders are invited to watch and listen to the AGM. However, only shareholders (or their proxies) may vote or ask questions during the meeting.

Support

If you experience any difficulties, please contact Link Market Services by phone on 1800 824 513 (within Australia) or on +61 1800 824 513 (outside Australia) between 8:30am and 5:30pm (AEDT) Monday to Friday.

Copies of all material, including AGL's Annual Report and Notice of Meeting are available online on AGL's website www.mcgrath.com.au/agm

Online Communication Preferences

We encourage all shareholders to update your details via our share registry, Link Market Services.

Shareholders can also:

- check your holding balance
- view, print or save your transaction summaries
- elect to receive communications electronically

We encourage shareholders to elect to receive online communication as the most efficient and environmentally friendly way to keep up to date with McGrath information.

We thank you for your support and look forward to you joining us online for the 2020 Annual General Meeting.

Yours sincerely



Peter Lewis
Chair

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

McGrath Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0303



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138



ALL ENQUIRIES TO

Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of McGrath Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting.

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am (Sydney time) on Thursday, 26 November 2020** to be held online at <https://agmlive.link/MEA20> (the **Meeting**) and at any postponement or adjournment of the Meeting.

To access the **Notice of General Meeting and Online Guide**, this can be viewed and downloaded at the Company's website at <https://investor.mcgrath.com.au/Investor-Centre/>

Important for Resolution 2: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 2, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

For Against Abstain*

1 Election of Director -
Shane Smollen

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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2 Remuneration Report

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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3 Approval of Additional Share Issue
Capacity under ASX Listing Rule 7.1A

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name and email address of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry together with an original or certified copy of any authority under which the power of attorney was signed or executed. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at vote@linkmarketservices.com.au prior to admission in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am (Sydney time) on Tuesday, 24 November 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

McGrath Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)

Virtual Meeting Online Guide

Before you begin

Ensure your browser is compatible.
Check your current browser by going to the website: **whatismybrowser.com**

Supported browsers are:

- Chrome – Version 44 & 45 and after
- Firefox – 40.0.2 and after
- Safari – OS X v10.9 & OS X v10.10 and after
- Internet Explorer 9 and up

To attend and vote you must have your securityholder number and postcode.

Appointed Proxy: Your proxy number will be provided by Link before the meeting.

Please make sure you have this information before proceeding.

Virtual Meeting Online Guide



Step 1

Open your web browser and go to <https://agmlive.link/MEA20> and select the relevant meeting.

Step 2

Log in to the portal using your full name, mobile number, email address, and company name (if applicable).

Please read and accept the terms and conditions before clicking on the blue **'Register and Watch Meeting'** button.

- On the left – a live video webcast of the Meeting
- On the right – the presentation slides that will be addressed during the Meeting
- At the bottom – buttons for 'Get a Voting Card', 'Ask a Question' and a list of company documents to download

Note: If you close your browser, your session will expire and you will need to re-register. If using the same email address, you can request a link to be emailed to you to log back in.

1. Get a Voting Card

To register to vote – click on the 'Get a Voting Card' button.

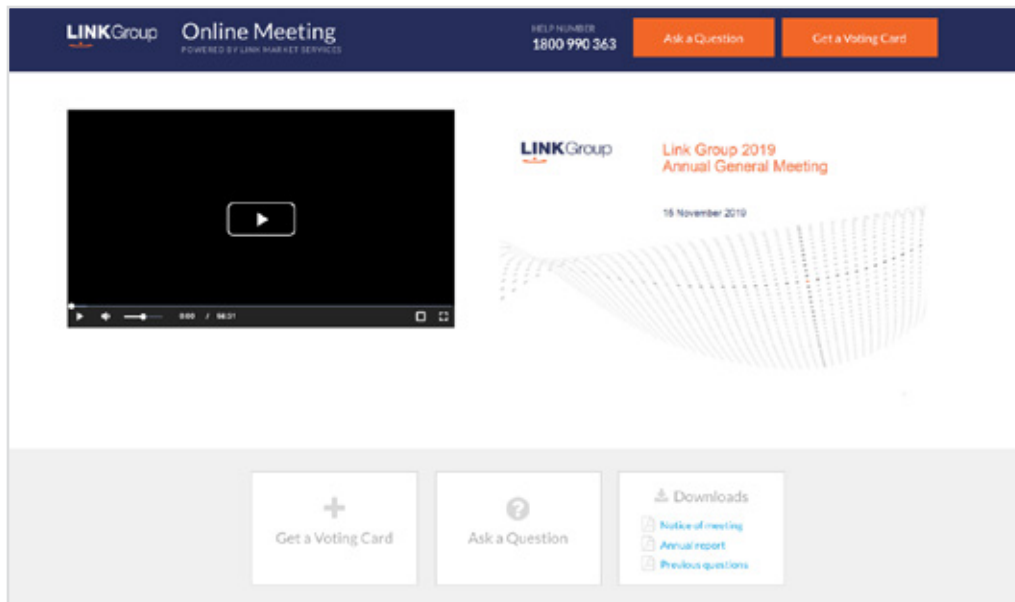
This will bring up a box which looks like this.

If you are an individual or joint securityholder you will need to register and provide validation by entering your securityholder number and postcode.

If you are an appointed Proxy, please enter the Proxy Number issued by Link in the PROXY DETAILS section. Then click the **'SUBMIT DETAILS AND VOTE'** button.

Once you have registered, your voting card will appear with all of the resolutions to be voted on by securityholders at the Meeting (as set out in the Notice of Meeting). You may need to use the scroll bar on the right hand side of the voting card to view all resolutions.

Securityholders and proxies can either submit a Full Vote or Partial Vote.



Voting Card

Please complete your vote by selecting the required voting instruction (For, Against or Abstain) for each resolution. If you would like complete a partial vote, please specify the number of votes for each resolution in the Partial Vote section. Proxy holder votes will only be applied to discretionary (undirected) votes. Directed votes will be applied as per the Unitholder's voting instructions.

Full Vote **Partial Vote**

Resolution 2B ☐ For ☐ Against ☐ Abstain
RE-ELECTION OF MR. ABC AS A DIRECTOR

Resolution 2C ☐ For ☐ Against ☐ Abstain
RE-ELECTION OF MS. XYZ AS A DIRECTOR

Resolution 3 ☐ For ☐ Against ☐ Abstain
INCREASE TO DIRECTORS' MAXIMUM FEE POOL LIMIT

Resolution 4 ☐ For ☐ Against ☐ Abstain
ADOPTION OF REMUNERATION REPORT

SUBMIT VOTE

Full Votes

To submit a full vote on a resolution ensure you are in the **'Full Vote'** tab. Place your vote by clicking on the **'For'**, **'Against'**, or **'Abstain'** voting buttons.

Partial Votes

To submit a partial vote on a resolution ensure you are in the **'Partial Vote'** tab. You can enter the number of votes (for any or all) resolution/s. The total amount of votes that you are entitled to vote for will be listed under each resolution. When you enter the number of votes it will automatically tally how many votes you have left.

Note: If you are submitting a partial vote and do not use all of your entitled votes, the un-voted portion will be submitted as No Instruction and therefore will not be counted.

Once you have finished voting on the resolutions scroll down to the bottom of the box and click on the **'Submit Vote'** or **'Submit Partial Vote'** button.

Note: You can close your voting card without submitting your vote at any time while voting remains open. Any votes you have already made will be saved for the next time you open up the voting card. The voting card will appear on the bottom left corner of the webpage. The message **'Not yet submitted'** will appear at the bottom of the page.

You can edit your voting card at any point while voting is open by clicking on **'Edit Card'**. This will reopen the voting card with any previous votes made.

Once voting has been closed all voting cards will automatically be submitted and cannot be changed.

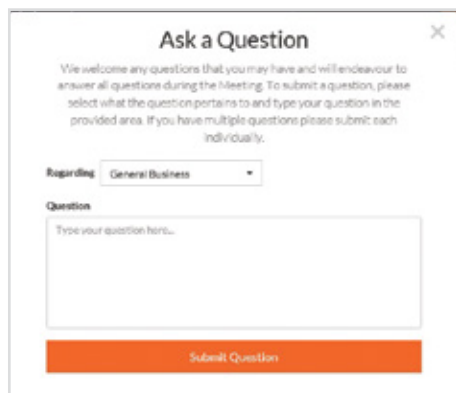
At the conclusion of the Meeting a red bar with a countdown timer will appear at the top of the Webcast and Slide windows advising the remaining voting time. Please make any changes and submit your voting cards.

2. How to ask a question

Note: Only securityholders are eligible to ask questions.

You will only be able to ask a question after you have registered to vote. To ask a question, click on the 'Ask a Question' button either at the top or bottom of the webpage.

The '**Ask a Question**' box will then pop up with two sections for completion.



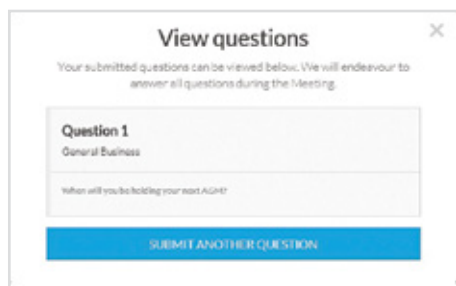
In the '**Regarding**' section click on the drop down arrow and select the category/resolution for your question.

Click in the '**Question**' section and type your question and click on 'Submit'.

A '**View Questions**' box will appear where you can view your questions at any point. Only you can see the questions you have asked.

If your question has been answered and you would like to exercise your right of reply, you can submit another question.

Note that not all questions are guaranteed to be answered during the Meeting, but we will do our best to address your concerns.



3. Downloads

View relevant documentation in the Downloads section.

Voting closing

Voting will end 5 minutes after the close of the Meeting.

At the conclusion of the Meeting a red bar with a countdown timer will appear at the top of the Webcast and Slide screens advising the remaining voting time. If you have not submitted your vote, you should do so now.

At the close of the meeting any votes you have placed will automatically be submitted.

Contact us

Australia

T 1300 554 474

E info@linkmarketservices.com.au

New Zealand

T +64 9 375 5998

E enquiries@linkmarketservices.co.nz

www.linkmarketservices.com.au



McGrath Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



+61 2 9287 0303



Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138



Telephone: +61 1300 554 474



Please use this form to submit any questions about McGrath Limited (“the Company”) that you would like us to respond to at the Company’s 2020 Annual General Meeting. Your questions should relate to matters that are relevant to the business of the meeting, as outlined in the accompanying Notice of Meeting and Explanatory Memorandum. If your question is for the Company’s auditor it should be relevant to the content of the auditor’s report, or the conduct of the audit of the financial report.

This form must be received by the Company's share registrar, Link Market Services Limited, by **Thursday, 19 November 2020**.

Questions will be collated. During the course of the Annual General Meeting, the Chairman of the Meeting will endeavour to address as many of the more frequently raised shareholder topics as possible and, where appropriate, will give a representative of the Company's auditor, the opportunity to answer written questions submitted to the auditor. However, there may not be sufficient time available at the meeting to address all topics raised. Please note that individual responses will not be sent to shareholders.

My question relates to *(please mark the most appropriate box)*

- | | | |
|---|--|---|
| <input type="checkbox"/> Performance or financial reports | <input type="checkbox"/> A resolution being put to the AGM | <input type="checkbox"/> General suggestion |
| <input type="checkbox"/> Remuneration Report | <input type="checkbox"/> Sustainability/Environment | <input type="checkbox"/> Other |
| <input type="checkbox"/> My question is for the auditor | <input type="checkbox"/> Future direction | |

QUESTIONS

- | | | | | | |
|--------------------------|----------------------------------|--------------------------|-----------------------------------|--------------------------|--------------------|
| <input type="checkbox"/> | Performance or financial reports | <input type="checkbox"/> | A resolution being put to the AGM | <input type="checkbox"/> | General suggestion |
| <input type="checkbox"/> | Remuneration Report | <input type="checkbox"/> | Sustainability/Environment | <input type="checkbox"/> | Other |
| <input type="checkbox"/> | My question is for the auditor | <input type="checkbox"/> | Future direction | | |