ASX ANNOUNCEMENT

17 May 2024

Market Announcements Platform
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Chair's Address at the Extraordinary General Meeting

On behalf of the board, it is my pleasure to welcome you to our Extraordinary General Meeting (EGM) to be held today at 11.00am (Sydney time) at 1 Sussex Street, Level 1, Room 2C, Sydney, NSW, Australia, 2000.

I would like to begin by acknowledging the Traditional Owners of the land on which we meet today. I would also like to pay my respects to Elders past and present.

There is only one item of business today: your board's request to refresh the Company's capacity to buy back shares on market. Late last year shareholders approved a buyback of 20% of the shares then outstanding. As of today, almost all that 20% capacity has been used up. The resolution for which the board is now seeking approval is to buy back up to another 20% of the company' shares.

To date the share buyback has succeeded in substantially reducing the discount at which the Company's shares have traded to net tangible asset backing. Frequently the Company's shares have traded at a discount of 5% or less. At the same time overall liquidity in the Company's shares has improved since the buyback began in mid 2023.

If shareholders approve the resolution today, the Board's tactics in managing the buyback will be unchanged: our aim in the buyback is to provide liquidity to shareholders wishing to exit the Company, while always doing so at a price that accretes value for continuing shareholders.

I would also like to take this opportunity to provide an update on the other key element of the Company's capital management strategy: its dividend policy.

As shareholders will recall in July 2023, the Company announced an increase in quarterly dividends to 3.5 cents. At that point the Company had enough franking credits to cover three quarterly dividends at that level, which it has now paid.

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Unfortunately, the Company's portfolio has performed poorly this financial year, up just 2.0% (to the end of April 24, gross of fees) compared to its benchmark, which is up 15.0%. As a result of this 13.0% underperformance, very limited further franking credits have been earned since July 2023.

The Company has today resolved to reduce the next quarterly dividend to 1.5 cent which will use substantially all its remaining franking credits.

Future dividends will paid at the maximum level of franking credits available – up to a limit of 3.5 cents a share per quarter.

We understand this reduction in dividends will be disappointing to some shareholders, but it also reflects the consistent feedback the board has heard from shareholders that they do not want to receive unfranked dividends.

As we noted in July 2023, the Company's Dividend Policy may change for regulatory, accounting, solvency and tax reasons. It could also change for other reasons, including to ensure the Board continues to act in the best interests of the Company's shareholders.

For further information, please contact MEC's Investor Relations team on 02 9021 7701.

Authorised for release by the Board of Directors.

Jack Lowenstein
Chairman