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**MSM CORPORATION INTERNATIONAL LTD**

**ACN 002 529 160**

**NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 3:30 pm (WST)

**DATE:** 29 November 2019

**PLACE:** BDO  
38 Station Street  
SUBIACO WA 6008

*The business of the Meeting affects your shareholding and your vote is important.*

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00 pm (WST) on 27 November 2019.*

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

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#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2019."*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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#### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MARK CLEMENTS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of clause 13.2 of the Constitution, ASX Listing Rule 14.5 and for all other purposes, Mark Clements, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

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#### 4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

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

*"That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a 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 an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, 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.

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**5. RESOLUTION 4 – ISSUE OF SHARES TO RELATED PARTY - ADAM WELLISCH**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 666,667 Shares to Adam Wellisch (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Adam Wellisch (or his nominee) or any of their associates (**Resolution 4 Excluded Party**). However, the Company need not disregard a vote if it is cast by a **person** as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 4 Excluded Party, 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.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
    - (i) a member of the Key Management Personnel; or
    - (ii) a Closely Related Party of such a member; and
  - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- Provided the Chair is not a Resolution 4 Excluded Party, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
  - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**6. RESOLUTION 5 – ISSUE OF SHARES TO RELATED PARTY - MARK CLEMENTS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 4,000,000 Shares to Mark Clements (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mark Clements (or his nominee) or any of their associates (**Resolution 5 Excluded Party**). However, the Company need not disregard a vote if it is cast by a **person** as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 5 Excluded Party, 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.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
    - (i) a member of the Key Management Personnel; or
    - (ii) a Closely Related Party of such a member; and
  - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- Provided the Chair is not a Resolution 5 Excluded Party, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
  - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**7. RESOLUTION 6 – PLACEMENT OF NEW OPTIONS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 137,237,197 New Options on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a 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 an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, 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.

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**8. RESOLUTION 7 – RELATED PARTY PARTICIPATION IN OPTION PLACEMENT – ADAM WELLISCH**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 4,742,802 New Options to Adam Wellisch (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Adam Wellisch (and his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, 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.

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**9. RESOLUTION 8 – RELATED PARTY PARTICIPATION IN OPTION PLACEMENT – MARK CLEMENTS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 225,000 New Options to*

*Mark Clements (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mark Clements (and his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, 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.

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**10. RESOLUTION 9 – RELATED PARTY PARTICIPATION IN OPTION PLACEMENT – CHRIS JONES**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 312,500 New Options to Chris Jones (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Chris Jones (and his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, 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.

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**11. RESOLUTION 10 – ISSUE OF NEW OPTIONS TO VERT CAPITAL PTY LTD**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 18,234,232 New Options to Vert Capital Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a 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 an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, 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.

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**12. RESOLUTION 11 – ADOPTION OF INCENTIVE OPTION PLAN**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Incentive Option Plan and for the issue of securities under that Option Plan, on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of any Director except one who is ineligible to participate in any employee incentive scheme in relation to the Company, or any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, 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.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
    - (i) a member of the Key Management Personnel; or
    - (ii) a Closely Related Party of such a member; and
  - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
  - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

**Dated: 23 October 2019**

**By order of the Board**

**Mark Clements**  
**Company Secretary**

**Voting in person**

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To vote in person, attend the Meeting at the time, date and place set out above.

**Voting by proxy**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 3 9015 4036.***

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.msmci.com](http://www.msmci.com).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.



## 2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

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## 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MARK CLEMENTS

### 3.1 General

ASX Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mark Clements, who has served as a Director since 12 January 2016 and was last re-elected on 20 November 2017, retires by rotation and seeks re-election.

### 3.2 Qualifications and other material directorships

Mr Clements has a Bachelor of Commerce degree and is a Fellow of the Institute of Chartered Accountants and a member of both the Australian Institute Company Directors and the Governance Institute of Australia. Mr Clements currently holds the position of Company Secretary of a number of publicly listed companies. Mr Clements has experience in corporate finance, accounting and administration, capital raising and ASX Compliance and regulatory requirements.

### 3.3 Independence

If elected the board does not consider Mr Clements will be an independent director due to his role as company secretary of the Company.

### 3.4 Board recommendation

The Board supports the re-election of Mr Clements and recommends that Shareholders vote in favour of Resolution 2.

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## 4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

### 4.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$12.52 million (based on the number of Shares on issue and the closing price of Shares on the ASX on 21 October 2019).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has two classes of quoted Equity Securities on issue, being the Shares (ASX Code: MSM) and quoted Options (ASX Code: MSMOA) (which will expire on 7 November 2019).

If Shareholders approve Resolution 3, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

#### **4.2 Technical information required by ASX Listing Rule 7.1A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

##### **(a) Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in Section 4.2(a)(i), the date on which the Equity Securities are issued.

##### **(b) Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under ASX Listing Rule 7.1A ceases to be valid),

**(10% Placement Capacity Period).**

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 21 October 2019.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.0075 50% decrease in Issue Price	\$0.015 Issue Price	\$0.0225 50% increase in Issue Price
839,336,686 (Current Variable A)	Shares issued - 10% voting dilution	83,933,668 Shares	83,933,668 Shares	83,933,668 Shares
	Funds raised	\$629,502	\$1,259,005	\$1,888,507
1,259,005,029 (50% increase in Variable A)	Shares issued - 10% voting dilution	125,900,502 Shares	125,900,502 Shares	125,900,502 Shares
	Funds raised	\$944,253	\$1,888,507	\$2,832,761
1,678,673,372 (100% increase in Variable A)	Shares issued - 10% voting dilution	167,867,337 Shares	167,867,337 Shares	167,867,337 Shares
	Funds raised	\$1,259,005	\$2,518,010	\$3,777,015

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under ASX Listing Rule 7.1.

**The table above uses the following assumptions:**

1. There are currently 839,336,686 Shares on issue comprising:
  - (a) 834,670,019 existing Shares as at the date of this Notice of Meeting; and
  - (b) 4,666,667 Shares which will be issued if Resolutions 4 and 5 are passed at the Meeting.

2. The issue price set out above is the closing price of the Shares on the ASX on 21 October 2019.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. 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%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

**(d) Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration to raise funds which may be used towards an acquisition of services, assets, businesses or investments (including expenses associated with such acquisitions, including without limitation, due diligence costs and costs of external advisors) and working capital requirements; or
- (ii) as non-cash consideration for the acquisition of services, assets, businesses or 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.

**(e) Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the

recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

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

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 26 April 2019 (**Previous Approval**).

The Company has not issued any Shares or Options pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 29 November 2018, the Company otherwise issued a total of 253,306,988 Shares and 39,250,000 Options which represents approximately 35.87% of the total diluted number of Equity Securities on issue in the Company on 29 November 2018, which was 815,550,230.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 1.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with ASX Listing Rule 7.1A.4; and
- (ii) the information required by ASX Listing Rule 3.10.5A for release to the market.

### 4.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

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## 5. RESOLUTIONS 4 AND 5 – ISSUE OF SHARES TO RELATED PARTIES

### 5.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue:

- (a) 666,667 Shares to Mr Adam Wellisch (or his nominee) in lieu of \$10,000 in director's fees owing to Mr Wellisch (approval for which is being sought under Resolution 4); and
- (b) 4,000,000 Shares to Mr Mark Clements (or his nominee) in lieu of \$60,000 in company secretarial fees owing to Mr Clements (approval for which is being sought under Resolution 5),

(together, the **Related Party Shares**).

The Company is seeking Shareholder approval for the issue of the Related Party Shares pursuant to Resolutions 4 and 5 at a deemed issue price of \$0.015 per Share being the market price of the Shares on ASX as at 21 October 2019.

To the extent Shareholders do not approve the issue of the Related Party Shares, Mr Wellisch and Mr Clements will be entitled to be paid the relevant director's fees and company secretarial fees in cash.

### 5.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Related Party Shares constitutes giving a financial benefit and Adam Wellisch and Mark Clements are related parties of the Company by virtue of being Directors.

In respect of Resolution 4, the Directors (other than Mr Adam Wellisch who has a material personal interest in Resolution 4) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 4 because the agreement to issue the Related Party Shares in lieu of the payment of director's fees to Mr Wellisch, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

In respect of Resolution 5, the Directors (other than Mr Mark Clements who has a material personal interest in Resolution 5) consider that Shareholder approval

pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 5 because the agreement to issue the Related Party Shares in lieu of the payment of consultancy fees owing to Mr Clements, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

### 5.3 Section 195(4) of the Corporations Act

Section 195 of the Corporations Act provides that a Director of a public company may not vote or be present during meetings of Directors when matters in which that Director holds a "material personal interest" are being considered, except in certain limited circumstances. Section 195(4) relevantly provides that if there are not enough Directors to form a quorum for a Directors meeting because of this restriction, one or more of the Directors may call a general meeting and the general meeting may pass a resolution to deal with the matter.

It might be argued (but it is neither conceded nor, indeed, is it thought by the Board to be the case) that two of the three Directors comprising the Board have a material personal interest in the outcome of Resolutions 4 and 5. If those Directors do have such an interest, then a quorum could not be formed to consider the matters contemplated by Resolutions 4 and 5 at Board level.

Accordingly, for the avoidance of any doubt, and for the purpose of transparency and best practice corporate governance, the Company also seeks Shareholder approval for Resolutions 4 and 5 for the purposes of section 195(4) of the Corporations Act in respect of the reliance on the reasonable remuneration exception and the decision not to seek Shareholder approval under Chapter 2E of the Corporations Act.

### 5.4 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the issue of the Related Party Shares involves the issue of securities to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

### 5.5 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of the Related Party Shares:

- (a) the Related Party Shares will be issued to Mr Adam Wellisch (or his nominee) and Mr Mark Clements (or his nominee);
- (b) the maximum number of Related Party Shares to be issued is 4,666,667 Shares, comprising of:
  - (i) **(Resolution 4)** 666,667 Related Party Shares to Mr Wellisch (or his nominee); and
  - (ii) **(Resolution 5)** 4,000,000 Related Party Shares to Mr Clements (or his nominee);

- (c) the Related Party Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Related Party Shares will occur on the same date;
- (d) the Related Party Shares will be issued for nil cash consideration in satisfaction of director's fees and company secretarial fees owing respectively to Mr Wellisch and Mr Clements at a deemed issue price of \$0.015 per Share being the market price of the Shares on ASX as at 21 October 2019. Accordingly, no funds will be raised; and
- (e) the Related Party Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Related Party Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Shares to Mr Wellisch and Mr Clements (or their respective nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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## 6. RESOLUTION 6 – PLACEMENT OF NEW OPTIONS

### 6.1 General

Resolution 6 seeks Shareholder approval for the issue of up to 137,237,197 Options (exercisable at \$0.04 expiring 3 years from the date of issue) (**New Options**) at an issue price of \$0.001 per New Option to raise up to \$137,237 (**Option Placement**).

The Option Placement will be offered to all Australian and New Zealand based holders of the Company's MSMOA class of Options, on the basis of one (1) New Option for every one (1) MSMOA Option held at 7 November 2019 being the expiry date of the MSMOA Options. The Company will issue a prospectus in relation to the Option Placement shortly after the Meeting (**Prospectus**).

It is proposed that the Option Placement will be lead managed and fully underwritten by Vert Capital Pty Ltd.

The primary purpose of the Option Placement is to enable the holders of MSMOA Options to continue to participate in the ongoing development of the Company. Accordingly, Shareholders should note that the Option Placement is not being undertaken as a capital raising exercise.

In addition to the above, the Company confirms that no related parties will be issued New Options pursuant to the Option Placement, other than the Directors for whom Shareholder approval is being separately sought under Resolutions 7 to 9 for their participation in the Option Placement.

### 6.2 Timetable for Option Placement

The indicative timetable for the Option Placement is set out below:

Action	Date*
Date for determining eligibility of participants in the offer	7 November 2019
Lodgement of the Prospectus with the ASIC and ASX	21 November 2019
Opening Date of the offer	21 November 2019



Closing Date of the offer*	29 November 2019
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*\*The Directors reserve the right to bring forward or extend the Closing Date of the offer at any time after the Opening Date of the offer without notice.*

The Company will apply the funds raised from the Option Placement to meet the expenses of preparing and lodging the Prospectus with the ASIC and ASX and to general working capital.

### 6.3 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 6 will be to allow the Company to issue the New Options pursuant to the Option Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### 6.4 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Option Placement:

- (a) the maximum number of New Options to be issued is 137,237,197;
- (b) the New Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the New Options will occur on the same date;
- (c) the issue price will be \$0.001 per New Option;
- (d) all Australian and New Zealand based holders of the MSMOA Options will be able to subscribe for New Options on the basis of one (1) New Option for every one (1) MSMOA Option held on 7 November 2019 pursuant to the terms of the Prospectus. The Directors, together with Vert Capital Pty Ltd, will determine the allocation policy. However, no related parties will participate in the Option Placement other than the Directors for whom Shareholder approval is being separately sought under Resolutions 7 to 9 for their participation in the Option Placement. Any New Options not subscribed for by holders of MSMOA Options on the record date will be issued to the underwriter Vert Capital Pty Ltd or its nominees;
- (e) the New Options will be issued on the terms and conditions set out in Schedule 2; and
- (f) the Company intends to use the funds raised from the Option Placement to meet the expenses of preparing and lodging the Prospectus, with any surplus funds to be used for general working capital.

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## 7. RESOLUTIONS 7 TO 9 – RELATED PARTY PARTICIPATION IN OPTION PLACEMENT

### 7.1 General

As set out in Section 6.1, the Company proposes to undertake the Option Placement. Adam Wellisch, Mark Clements and Chris Jones (together, the **Related**

**Parties**), being the existing Directors, are holders of MSMOA Options and wish to participate in the Option Placement (**Participation**).

Resolutions 7 to 9 seek Shareholder approval for the issue of up to an aggregate of 5,280,302 New Options to the Related Parties arising from the Related Parties' Participation in the Option Placement.

## **7.2 Chapter 2E of the Corporations Act**

A summary of Chapter 2E is set out in Section 5.2 above.

The Participation will result in the issue of New Options which constitutes giving a financial benefit and Adam Wellisch, Mark Clements and Chris Jones are related parties of the Company by virtue of being Directors.

In respect of Resolution 7, the Directors (other than Adam Wellisch who has a material personal interest in Resolution 7) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Mr Wellisch's Participation because the New Options will be issued to Mr Wellisch on the same terms as New Options issued to non-related party participants in the Option Placement and as such the giving of the financial benefit is on arm's length terms.

In respect of Resolution 8, the Directors (other than Mark Clements who has a material personal interest in Resolution 8) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Mr Clements' Participation for the same reason as is given for Mr Wellisch's Participation above.

In respect of Resolution 9, the Directors (other than Chris Jones who has a material personal interest in Resolution 9) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Mr Jones' Participation for the same reason as is given for Mr Wellisch's Participation above.

## **7.3 ASX Listing Rule 10.11**

A summary of ASX Listing Rule 10.11 is set out in Section 5.4 above.

As the Participation involves the issue of New Options to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

## **7.4 Technical Information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the New Options will be issued to the Related Parties (or their respective nominees);
- (b) the maximum number of New Options to be issued is 5,280,302, comprising of:
  - (i) (**Resolution 7**) up to 4,742,802 New Options to Adam Wellisch (or his nominee);

- (ii) **(Resolution 8)** up to 225,000 New Options to Mark Clements (or his nominee); and
- (iii) **(Resolution 9)** up to 312,500 New Options to Chris Jones (or his nominee);
- (c) the New Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the issue price will be \$0.001 per New Option, being the same as all other New Options issued under the Options Placement;
- (e) the New Options will be issued on the terms and conditions set out in Schedule 2; and
- (f) the Company intends to use the funds raised from the Option Placement to meet the expenses of preparing and lodging the Prospectus and toward working capital.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of New Options to the Related Parties (or their respective nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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## 8. RESOLUTION 10 – ISSUE OF NEW OPTIONS TO VERT CAPITAL PTY LTD

### 8.1 General

Resolution 10 seeks Shareholder approval for the issue of 18,234,232 New Options to Vert Capital Pty Ltd (**Vert Capital**) (or its nominee) for services to be provided by Vert Capital in connection with the Option Placement (**Vert Option Issue**). The New Options will be issued to Vert Capital on the following basis:

- (a) 8,234,232 New Options in satisfaction of a 6% capital raising fee payable on the total amount to be raised under the Option Placement (**Capital Raising Fee**); and
- (b) 10,000,000 New Options in satisfaction of a \$10,000 underwriting fee payable by the Company (**Underwriting Fee**).

A summary of ASX Listing Rule 7.1 is set out in Section 6.3 above.

The effect of Resolution 10 will be to allow the Company to issue the New Options pursuant to the Vert Option Issue during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### 8.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Vert Option Issue:

- (a) the maximum number of New Options to be issued is 18,234,232;
- (b) the New Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver

or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;

- (c) the New Options will be issued for nil cash consideration in satisfaction of the Capital Raising Fee and the Underwriting Fee payable to Vert Capital in connection with the Option Placement;
- (d) the Options will be issued to Vert Capital Pty Ltd (or its nominee), who is not a related party of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 2; and
- (f) no funds will be raised from the Vert Option Issue as the New Options are being issued in satisfaction of the Capital Raising Fee and the Underwriting Fee payable to Vert Capital in connection with the Option Placement.

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## 9. RESOLUTION 11 – ADOPTION OF INCENTIVE OPTION PLAN

Resolution 11 seeks Shareholder approval for the adoption of the employee incentive scheme titled Incentive Option Plan (**Option Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

A summary of ASX Listing Rule 7.1 is set out in Section 6.3 above. ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 11 is passed, the Company will be able to issue Options under the Option Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Shareholders should note that no Options have previously been issued under the Option Plan.

The objective of the Option Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Option Plan and the future issue of Options under the Option Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future issues of Options under the Option Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Option Plan is set out in Schedule 3. In addition, a copy of the Option Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Option Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

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## GLOSSARY

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**\$** means Australian dollars.

**10% Placement Capacity** has the meaning given in Section 4.1.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities & Investments Commission.

**Associated Body Corporate** means:

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of Directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means MSM Corporation International Ltd (ACN 002 529 160).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**MSMOA Options** means the 137,237,197 listed Options on issue in the Company, exercisable at \$0.10 on or before 7 November 2019 and trading under ASX Code: MSMOA.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share, including the New Options.

**Option Plan** means the incentive option plan the subject of Resolution 11 as summarised in Schedule 3.

**Optionholder** means a holder of an Option.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Directors' report section of the Company's annual financial report for the year ended 30 June 2019.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means a section of the Explanatory Statement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**Variable A** means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

**WST** means Western Standard Time as observed in Perth, Western Australia.

**SCHEDULE 1 – ISSUES OF EQUITY SECURITIES SINCE 29 NOVEMBER 2018**

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>2</sup>	Form of consideration
Issue – 3 April 2019  Appendix 3B – 26 April 2019	70,102	Shares <sup>1</sup>	Issued to contractors under the Company's Stock Incentive Plan approved by Shareholders at the Company's annual general meeting held on 29 November 2016	No issue price (non-cash consideration)	Consideration: Performance based remuneration for services provided to the Company  Current value <sup>3</sup> = \$1,052
Issue – 2 May 2019  Appendix 3B – 7 May 2019	9,250,000	Quoted Options <sup>4</sup>	Issued to participants in the Riva placement as approved by Shareholders at the Company's annual general meeting held on 26 April 2019	No issue price (non-cash consideration)	Consideration: Issued free attaching in accordance with the terms of the Riva placement  Current value <sup>3</sup> = \$9,250
	9,015,000	Shares <sup>1</sup>	Issued to Emerald Capital Australia Pty Ltd (or its nominees) as approved by Shareholders at the Company's annual general meeting held on 26 April 2019	No issue price (non-cash consideration)  Deemed issue price: \$0.008	Consideration: Issued as part payment in lieu of the capital raising fee pursuant to the mandate agreement with Emerald Capital Australia Pty Ltd  Current value <sup>3</sup> : \$135,225
	12,349,315	Quoted Options <sup>4</sup>	Issued to Emerald Capital Australia Pty Ltd (or its nominees) as approved by Shareholders at the Company's annual general meeting held on 26 April 2019	No issue price (non-cash consideration)	Consideration: Part issue in lieu of the payment of the capital raising fee pursuant to the mandate agreement with Emerald Capital Australia Pty Ltd  Current value <sup>3</sup> : \$12,349
	1,500,000	Shares <sup>1</sup>	Issued to Brand TV Media Pty Ltd (or its nominees) as approved by Shareholders at the Company's annual general meeting held on 26 April 2019	No issue price (non-cash consideration)  Deemed issue price: \$0.008	Consideration: Issued as consideration for services provided  Current value <sup>3</sup> : \$22,500
	5,000,000	Shares <sup>1</sup>	Issued to Adam Wellisch (or his nominees) as approved by Shareholders at the Company's annual general meeting held on 26 April 2019	No issue price (non-cash consideration)  Deemed issue price: \$0.008	Consideration: Issued in lieu of outstanding consultancy fees  Current value <sup>3</sup> : \$75,000

	4,000,000	Shares <sup>1</sup>	Issued to Mark Clements (or his nominees) as approved by Shareholders at the Company's annual general meeting held on 26 April 2019	No issue price (non-cash consideration) Deemed issue price: \$0.008	Consideration: Issued in lieu of outstanding consultancy fees Current value <sup>3</sup> : \$60,000
	6,000,000	Quoted Options <sup>4</sup>	Issued to CPS Capital Group Pty Ltd (or its nominees) as approved by Shareholders at the Company's annual general meeting held on 26 April 2019	No issue price (non-cash consideration)	Consideration: Issued as partial consideration for lead manager services provided in respect of the February placement Current value <sup>3</sup> : \$6,000
	6,000,000	Quoted Options <sup>4</sup>	Issued to CPS Capital Group Pty Ltd (or its nominees) as approved by Shareholders at the Company's annual general meeting held on 26 April 2019	No issue price (non-cash consideration)	Consideration: Issued as partial consideration for lead manager services provided in respect of the entitlement issue Current value <sup>3</sup> : \$6,000
	20,812,500	Shares <sup>1</sup>	Issued to CPS Capital Group Pty Ltd (or its nominees) as approved by Shareholders at the Company's annual general meeting held on 26 April 2019	No issue price (non-cash consideration) Deemed issue price: \$0.008	Consideration: Issued in lieu of the payment of the capital raising fee and the advisory fee Current value <sup>3</sup> : \$312,188
	3,000,000	Shares <sup>1</sup>	Issued to EAS Advisors LLC (or its nominees) as approved by Shareholders at the Company's annual general meeting held on 26 April 2019	No issue price (non-cash consideration) Deemed issue price: \$0.008	Consideration: Issued in consideration for advisory services Current value <sup>3</sup> : \$45,000
Issue – 20 June 2019 Appendix 3B – 19 June 2019	5,650,685	Quoted Options <sup>4</sup>	Issued to Emerald Capital Australia Pty Ltd (or its nominees) as approved by Shareholders at the Company's annual general meeting held on 26 April 2019	No issue price (non-cash consideration)	Consideration: Part issue of options in lieu of the payment of the capital raising fee pursuant to the mandate agreement with Emerald Capital Australia Pty Ltd Current value <sup>3</sup> : \$5,651
	4,125,000	Shares <sup>1</sup>	Issued to Emerald Capital Australia Pty Ltd (or its nominees) as approved by Shareholders at the Company's annual general meeting held on 26 April 2019	No issue price (non-cash consideration) Deemed issue price: \$0.008	Consideration: Issued as part payment in lieu of the capital raising fee pursuant to the mandate agreement with Emerald Capital Australia Pty Ltd Current value <sup>3</sup> : \$61,875



Issue – 15 July 2019  Appendix 3B – 17 July 2019	35,050	Shares <sup>1</sup>	Issued to contractors under the Company's Stock Incentive Plan approved by Shareholders at the Company's annual general meeting held on 29 November 2016	No issue price (non-cash consideration)	Consideration: Performance based remuneration for services provided to the Company  Current value <sup>3</sup> = \$526
	205,714,286	Shares <sup>1</sup>	Issued to professional, sophisticated and institutional investors who participated in the convertible note raising as approved by Shareholders at the Company's annual general meeting held on 26 April 2019	Deemed issue price: \$0.007	Consideration: Issued on conversion of convertible notes – no additional funds were raised at the time of conversion  Proceeds of the convertible note raise have been used to fund the subscription for shares and secured, first ranking, interest free loan notes in RTE and for general working capital  Current value <sup>3</sup> : \$3,085,714
Issue – 24 September 2019  Appendix 3B – 24 September 2019	35,050	Shares <sup>1</sup>	Issued to contractors under the Company's Stock Incentive Plan approved by Shareholders at the Company's annual general meeting held on 29 November 2016	No issue price (non-cash consideration)	Consideration: Performance based remuneration for services provided to the Company  Current value <sup>3</sup> = \$526

**Notes:**

1. Fully paid ordinary shares in the capital of the Company, ASX Code: MSM (terms are set out in the Constitution).
2. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
3. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.015) or Options (\$0.001) as the context requires on the ASX on 21 October 2019.
4. Quoted Options, exercisable at \$0.10 each on or before 7 November 2019, ASX Code: MSMOA.

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## SCHEDULE 2 – TERMS AND CONDITIONS OF NEW OPTIONS

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### 1. Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise.

### 2. Exercise Price and Expiry Date

Subject to paragraph 10, the Options are exercisable at \$0.04 each at any time up to 5.00pm (WST) on the date that is 3 years from the date of issue (**Expiry Date**). Any Option not exercised by the Expiry Date will automatically expire on the Expiry Date.

### 3. Exercise

The Options are exercisable by delivering to the registered office of the Company a notice in writing (**Notice of Exercise**) stating the intention of the Optionholder to exercise a specified number of Options, accompanied by an Option certificate, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the Options held does not affect the Optionholder's right to exercise the balance of any Options remaining.

### 4. Timing of issue of Shares upon exercise

After an Option is validly exercised, the Company must as soon as possible following receipt of the Notice of Exercise and receipt of cleared funds equal to the subscription monies due:

- (a) issue the Shares;
- (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (c) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX by no later than 5 Business Days after the date of exercise of the Option.

### 5. Ranking of Shares

Subject to the Constitution, all Shares issued on the exercise of Options will rank in all respects (including rights relating to dividends) equally with the then existing fully ordinary shares of the Company at the date of issue.

### 6. Transferability

Subject to the Corporations Act, Constitution and the ASX Listing Rules, the Options are transferable.

### 7. Quotation of Shares on exercise

The Company will apply to ASX for Official Quotation of the Shares issued on exercise of Options.

## **8. Participation rights**

The Optionholder is not entitled to participate in any issue to existing Shareholders of securities unless they have exercised their Options before the relevant "record date" for determining entitlements to the issue of securities and participate as a result of holding Shares. The Company must give the Optionholder notice of the proposed terms of the issue or offer in accordance with the ASX Listing Rules.

## **9. Reorganisation**

If there is a reorganisation (including consolidation, sub-division, reduction or return) of the issued share capital of the Company, then the rights of the Optionholder (including the number of Options to which the Optionholder is entitled to and the exercise price) is changed to the extent necessary to comply with the Corporations Act and the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

## **10. Amendments**

There will be no change to the exercise price of the Options in the event the Company makes a pro rata rights issue of securities.

## **11. Adjustments**

Any calculations or adjustments which are required to be made will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Optionholder.

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### SCHEDULE 3 – TERMS AND CONDITIONS OF INCENTIVE OPTION PLAN

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The principle terms of the Incentive Option Plan (**Option Plan**) are summarised below:

- (a) **Eligibility:** Participants in the Option Plan may be:
- (i) a Director (whether executive or non-executive) of the Company and any Associated Body Corporate of the Company (each, a **Group Company**);
  - (ii) a full or part time employee of any Group Company;
  - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**); or
  - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,
- who is declared by the Board to be eligible to receive grants of Options under the Option Plan (**Eligible Participants**).
- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant to apply for up to a specified number of Options, upon the terms set out in the Option Plan and upon such additional terms and conditions as the Board determines.
- (c) **Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Options offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (d) **Issue price:** Unless the Options are quoted on the ASX, Options issued under the Option Plan will be issued for no more than nominal cash consideration.
- (e) **Vesting Conditions:** An Option may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Option (**Vesting Conditions**).
- (f) **Vesting:** The Board may in its absolute discretion by written notice to a Participant (being an Eligible Participant to whom Options have been granted under the Option Plan or their nominee where the Options have been granted to the nominee of the Eligible Participant (**Relevant Person**)), resolve to waive any of the Vesting Conditions applying to Options due to:
- (i) special circumstances arising in relation to a Relevant Person in respect of those Options, being:
    - (A) a Relevant Person ceasing to be an Eligible Participant due to:
      - (I) death or total or permanent disability of a Relevant Person; or

- (II) retirement or redundancy of a Relevant Person;
  - (B) a Relevant Person suffering severe financial hardship;
  - (C) any other circumstance stated to constitute “special circumstances” in the terms of the relevant offer made to and accepted by the Participant; or
  - (D) any other circumstances determined by the Board at any time (whether before or after the offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant,
- (Special Circumstances), or
- (ii) a change of control occurring; or
  - (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- (g) **Lapse of an Option:** An Option will lapse upon the earlier to occur of:
- (i) an unauthorised dealing in, or hedging of, the Option occurring;
  - (ii) a Vesting Condition in relation to the Option is not satisfied by its due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the Vesting Conditions and vest the Option in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Options to remain unvested after the Relevant Person ceases to be an Eligible Participant;
  - (iii) in respect of unvested Option only, a Relevant Person ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Option in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Options to remain unvested after the Relevant Person ceases to be an Eligible Participant;
  - (iv) in respect of vested Options only, a Relevant Person ceases to be an Eligible Participant and the Options granted in respect of that Relevant Person are not exercised within one (1) month (or such later date as the Board determines) of the date that Relevant Person ceases to be an Eligible Participant;
  - (v) the Board deems that an Option lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
  - (vi) the Company undergoes a change of control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Option; and
  - (vii) the expiry date of the Option.
- (h) **Not transferrable:** Subject to the ASX Listing Rules, Options are only transferrable in Special Circumstances with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death, to the

Participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.

- (i) **Shares:** Shares resulting from the exercise of the Options shall, subject to any Sale Restrictions (refer to paragraph (j)), from the date of issue, rank on equal terms with all other Shares on issue.
- (j) **Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Options, that a restriction period will apply to some or all of the Shares issued to a Participant on exercise of those Options (**Restriction Period**). In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such Restriction Period.
- (k) **Quotation of Shares:** If Shares of the same class as those issued upon exercise of Options issued under the Option Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any Restriction Period applying to the disposal of Shares ends. The Company will not apply for quotation of any Options on the ASX.
- (l) **No Participation Rights:** There are no participation rights or entitlements inherent in the Options and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (m) **Change in exercise price or number of underlying securities:** An Option does not confer the right to a change in exercise price or in the number of underlying Shares over which the Option can be exercised.
- (n) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), the terms of the Options will be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (o) **Amendments:** Subject to express restrictions set out in the Option Plan and complying with the Corporations Act, ASX Listing Rules and any other applicable law, the Board may, at any time, by resolution amend or add to all or any of the provisions of the Option Plan, or the terms or conditions of any Option granted under the Option Plan including giving any amendment retrospective effect.

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### ONLINE PROXY APPOINTMENT

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



### MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

## 2019 ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of MSM Corporation International Ltd and entitled to attend and vote hereby:

### APPOINT A PROXY

The Chair of the meeting **OR**

**PLEASE NOTE:** If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the meeting 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 law, as the proxy sees fit), at the Annual General Meeting of the Company to be held at **BDO, 38 Station Street, SUBIACO WA 6008 on 29 November 2019 at 3:30 pm (WST)** and at any adjournment or postponement of that Meeting.

**Chair authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1, 4, 5 & 11 (except where I/we have indicated a different voting intention below) even though these resolutions are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair. I/we acknowledge the Chair of the Meeting intends to vote all undirected proxies available to them in favour of each Resolution of Business.

### VOTING DIRECTIONS

#### Resolutions

	For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-Election of Director – Mark Clements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Issue of Shares to Related Party - Adam Wellisch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Issue of Shares to Related Party - Mark Clements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Placement of New Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Related Party Participation in Option Placement – Adam Wellisch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Related Party Participation in Option Placement – Mark Clements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Related Party Participation in Option Placement – Chris Jones	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 Issue of New Options to Vert Capital Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 Adoption of Incentive Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



\* If you mark the Abstain box for a particular resolution, you are directing your proxy not to vote on your behalf on a show of hands or 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, all the shareholders should 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).

Email Address

☐

Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

### CHANGE OF ADDRESS

This form shows your address as it appears on 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.

### APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

### DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

### VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution 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 resolution 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 a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

### PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolution 1, 4, 5 & 11, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolution 1, 4, 5 & 11.

**PLEASE NOTE:** If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

### 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 Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each 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.

### CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

### SIGNING INSTRUCTIONS ON THE PROXY FORM

#### Individual:

Where the holding is in one name, the security holder must sign.

#### Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

#### Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or 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 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.

### LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 3:30 pm (WST) on 27 November 2019, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



#### ONLINE PROXY APPOINTMENT

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



#### BY MAIL

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009; or  
PO Box 1156, Nedlands WA 6909



#### BY FAX

+61 8 9262 3723



#### BY EMAIL

[admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)



#### IN PERSON

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009



#### ALL ENQUIRIES TO

Telephone: +61 8 9389 8033