

ACN 119 641 986 NOTICE OF ANNUAL GENERAL MEETING

The Annual general meeting of the Company will be held at the offices of Stantons International, 40 Kings Park Rd, West Perth Western Australia on Wednesday 30 November 2022 commencing at 11:00 am (WST)

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 (0)438 885 055

Shareholders are urged to attend or vote by lodging the proxy form attached to this Notice.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of MCS Services Limited (**Company**) will be held at the offices of Stantons International, 40 Kings Park Rd, West Perth Western Australia on Wednesday 30 November 2022 commencing at 11:00 am (WST)

The Explanatory Memorandum provides additional information on the matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form part of this Notice.

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 as Shareholders on 28 November 2022 at 4.00 pm (WST).

Terms and abbreviations used in this Notice (including the Explanatory Memorandum) are defined in Schedule 1.

Agenda

Financial Report

To receive and consider the Annual Financial Report of the Company and its controlled entities, the Directors' Report and the Auditors' Report for the year ended 30 June 2022

Resolution 1 – Adoption of the Remuneration Report

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

"That, in accordance with section 250R(2) of the Corporations Act, the Remuneration Report for the financial year ended 30 June 2022 be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

Voting Prohibition: A vote on this Resolution must not be cast (in any capacity) by or on behalf of:

- (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 described above may vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the person is appointed as proxy by writing that specifies how the proxy is to vote on the proposed resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy:
 - (i) does not specify the way the proxy is to vote on the resolution; and
 - (ii) expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Note: This Resolution is advisory only and does not bind the Directors or the Company.

Resolution 2 - Re-Election of Director - Mr Matthew Ward

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of Article 38.1(c) of the Constitution and for all other purposes, Mr Matthew Ward, being a director of the Company, retires by rotation, and being eligible, is re-elected as a director of the Company."

Resolution 3 – Approval of Additional 10% Placement Capacity

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

"That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the Shares on issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum"

Voting Exclusion Statement: In accordance with Listing Rule 14.11.1, the Company will disregard votes cast in favour of Resolution 3 from:

- 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 Equity Securities in the Company); and
- an Associate of that person or those persons. the Proxy decides.

However, this does not apply to a vote cast in favour of this Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy
 - o or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - o 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 the Resolution; and the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

SPECIAL BUSINESS

Resolution 4 - Issue of Options to a Director - Mr Bob Kucera

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

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue Mr Bob Kucera (or his nominee) 3,000,000 Options on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement: In accordance with Listing Rule 14.11.1, the Company will disregard votes cast in favour of Resolution 4 from:

- 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 Equity Securities in the Company); and
- an Associate of that person or those persons. the Proxy decides.

However, this does not apply to a vote cast in favour of this Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - o 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 the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 4 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 4 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- the proxy is either:
- a member of the Key Management Personnel; or
- a Closely Related Party of such a member; and
- 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:

- the proxy is the Chair; and
- 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.

Resolution 5 - Issue of Options to a Director - Mr Matthew Ward

To consider, and if thought fit, subject to the passing of Resolution 2 to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue Mr Matthew Ward (or his nominee) 3,000,000 Options on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement: In accordance with Listing Rule 14.11.1, the Company will disregard votes cast in favour of Resolution 5 from:

- 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 Equity Securities in the Company); and
- an Associate of that person or those persons, the Proxy decides.

However, this does not apply to a vote cast in favour of this Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - o 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 the Resolution; and
 - o the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 4 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 4 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- the proxy is either:
- a member of the Key Management Personnel; or
- a Closely Related Party of such a member; and
- 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:

- the proxy is the Chair; and
- 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.

Resolution 6 – Issue of Options to a director – Mr Geoffrey Martin

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

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue Mr Geoffrey Martin (or his nominee) 3,000,000 Options on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement: In accordance with Listing Rule 14.11.1, the Company will disregard votes cast in favour of Resolution 6 from:

- 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 Equity Securities in the Company); and
- an Associate of that person or those persons, the Proxy decides.

However, this does not apply to a vote cast in favour of this Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - o 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 the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 4 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 4 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- the proxy is either:
- a member of the Key Management Personnel; or
- · a Closely Related Party of such a member; and
- 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:

- the proxy is the Chair; and
- 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.

Resolution 7 – Issue of Performance Shares and Long term Premium Priced Options to a director – Mr Paul Simmons

To consider, and if thought fit, to pass 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 2,301,923 Long term Premium Priced Options and 1,955,000 Performance Rights to Mr Paul Simmons (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Paul Simmons, (or 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.

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.

Resolution 8 - Approval of Salary Sacrifice 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 Listing Rule 7.2 Exception 13(b) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Salary Sacrifice Share Plan, and for the issue of a maximum of 9,915,896 Shares in the Company, upon and subject to the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is eligible to participate in the employee incentive scheme or an associate of that person or those persons.

However, the Company need not disregard a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair 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 the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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.

Resolution 9 – Replacement of Constitution

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

"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes."

Resolution 10 - Election of Proposed Director - Warwick Sauer

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

"That, for the purposes of Articles 36.3(b) of the Constitution, ASX Listing Rule 14.3, and for all other purposes, Mr Warwick Sauer, a proposed director who has nominated himself, being eligible and having consented to act, be appointed as a Director of the Company with effect from the close of the Meeting."

Dated: 31 October 2022

By order of the Board

Jonathan Asquith

Company Secretary

Important Notes

Proxies

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

Proxy Forms as attached to this Notice have been mailed to all shareholders. They are to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

An appointment of a proxy or power of attorney is not effective for the Annual General Meeting unless and until the Company receives:

- (a) in the case of a proxy, the Proxy Form and, if it is executed by an attorney, the relevant power of attorney or a certified copy of it; and
- (b) in the case of an attorney, the power of attorney or a certified copy of it.

Proxy Forms must be received by the Company no later than 10:00 am (WST) on 28 November 2022, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Nominating the Chairman as proxy

The Chairman (or the chair of the meeting) intends to vote all undirected proxies in favour of Resolutions 1 to 3.

Corporate representatives

A corporation may elect to appoint a representative in accordance with the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company before the Meeting.

Enquiries

Shareholders are asked to contact the Company by telephone on +61 (0)438 885 055 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY MEMORANDUM

Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the offices of Stantons International, 40 Kings Park Rd, West Perth Western Australia 6005 on Wednesday 30 November 2022 commencing at 10:00 am (WST).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

A Proxy Form is located at the end of this Explanatory Memorandum.

Annual Financial Report

The Corporations Act requires the Annual Financial Report, the Directors' Report, and the Auditor's Report ("Annual Report") to be received and considered at the Meeting. The Corporations Act does not require Shareholders to vote on the Annual Report. However Shareholders attending the Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the financial statements and reports contained within the Annual Report which can be downloaded from the ASX website at www.asx.com.au (ASX:MSG).

The Company's auditor will be present at the Meeting and Shareholders will have the opportunity to ask the auditor questions in relation to the conduct of the audit, the Auditor's Report, the Company's accounting policies, and the independence of the auditor.

Resolution 1 – Adoption of the Remuneration Report

The Directors' Report for the year ended 30 June 2022 contains a Remuneration Report which sets out:

- the Board's policy for the remuneration of Directors and executive officers; and
- the remuneration details of each Director and each executive officer named in the Remuneration Report.

In accordance with section 250R(2) of the Corporations Act, the Company submits its Remuneration Report for the year ended 30 June 2022 to Shareholders for consideration and adoption by way of a non-binding resolution.

The Corporations Act provides that the vote on this Resolution is advisory only and does not bind the Directors or the Company, nor does it affect the remuneration paid or payable to the Company's Directors or executives. However, the Board will take the outcome of the Resolution into account when considering future remuneration policy.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, a resolution ("spill resolution")

must be put to Shareholders at the second of those meetings to determine whether the Directors who were in office at the date of approval of the applicable directors' report must stand for re-election.

If the spill resolution is passed by the requisite majority (being an ordinary resolution), then the Company must convene a general meeting of Shareholders (a "spill meeting") within 90 days of the second annual general meeting, at which all of those Directors will cease to hold office but may offer themselves for re-election. This is being referred to as the '2 strikes rule'.

At the Company's 2021 AGM, less than 25% of the votes cast on the resolution to adopt the Company's 2021 remuneration report voted against its adoption. As such, regardless of the voting on Resolution 1, a spill resolution is not required to be considered at the 2021 AGM.

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

Resolutions 2 – Re-Election of Director – Mr Matthew Ward

Background

Article 38.1(c) of the Constitution requires that one third of all directors, or if their number is not a multiple of three, then the greater of one or the number nearest but not exceeding one-third, to retire at each annual general meeting.

Article 38.8 of the Constitution states that a retiring director is eligible for re-election.

Resolution 2 provides that Mr Matthew Ward retires by rotation and seeks re-election as a director.

Details of the qualifications and experience of Mr Matthew Ward are in the Annual Report.

Resolution 2 is an ordinary resolution.

The Board (excluding Matthew Ward) intends to instruct the Chairman of the meeting to exercise all available proxies in favour of Resolution 2.

The Board (excluding Matthew Ward) supports the re-election of Mr Matthew Ward and recommends that shareholders vote in favour of Resolution 2.

Resolution 3 – Approval of Additional 10% Placement Capacity

ASX Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval by special resolution at its annual general meeting to issue Equity Securities up to 10% of its issued share capital over a period of up to 12 months after the annual general meeting, in addition to those under the 15% annual placement capacity (10% Placement Capacity). An Eligible Entity is one that, as at the date of the relevant annual general meeting:

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

As at the date of the Notice of Meeting, the Company is an Eligible Entity. If at the date of the Meeting the Company ceases to be an Eligible Entity, the Company will withdraw this Resolution.

If passed, the effect of this Resolution will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue during the period up to 12 months after the meeting, without further shareholder approval and without those securities being included in the calculation of the Company's 15% annual placement capacity granted under Listing Rule 7.1. If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has only one class of Equity Securities on issue, being fully paid ordinary shares. The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

 $(A \times D) - E$

Where:

- A = the number of Shares on issue at the commencement of the Relevant Period,
 - plus the number of Shares issued in the Relevant Period under an exception in ASX Listing Rule 7.2 other than exceptions 9, 16, or 17;
 - plus the number of Shares issued in the Relevant Period on the conversion of convertible securities within rule 7.2 exception 9 where:
 - o the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or
 - o the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4,
 - plus the number of Shares issued in the Relevant Period under an agreement to issue securities within rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the Relevant Period:
 - o the agreement or issue was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4
 - plus the number of partly paid Shares that became fully paid in the Relevant Period;
 - plus the number of any other Shares issued in the Relevant Period with approval of holders of Shares under ASX Listing Rule 7.1 or 7.4; and
 - less the number of Shares cancelled in the Relevant Period.

D = 10%

E = the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the Relevant Period where the issue or agreement has not been subsequently approved by the holders of its Shares under ASX Listing Rules 7.4.

Information Required under ASX Listing Rule 7.3A

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

(a) Issue Period

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of this Annual General Meeting at which approval is obtained and expiring on the first to occur of the following:

- (i) 12 months after the date of this Annual General Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the date of approval by shareholders of any transaction under ASX Listing Rule 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) or such longer period if allowed by ASX.

(b) 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 (**Agreed Issue Date**); or
- (ii) if the Equity Securities are not issued within 10 ASX Trading Days of the Agreed Issue Date, the date on which the Equity Securities are issued.

(c) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for various purposes including to raise cash as consideration for marketing and client acquisition, market access, business development and general working capital.

As at the date of this Notice, the Company has not formed an intention to offer any equity securities under Listing Rule 7.1A during the issue period.

(d) Risk of dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the voting interests and may dilute the economic interests of shareholders who do not receive Equity Securities under the issue. There is also a risk that:

- (i) the market price for the Equity Securities may be significantly lower on the issue date than on the date Resolution 3 is approved; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the closing market price of Shares as at 5 November 2021 (**Current Share Price**) and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

• two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a

takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

• example of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in Listing Rule 7.1A.2	Dilution	50% decrease in issue price	Issue Price	100% increase in issue price
		\$0.020	\$0.039	\$0.060
Current Variable "A"	10%	198,317,939	198,317,939	198,317,939
198,317,939 Shares	Funds raised	\$396,635	\$773,439	\$1,170,075
50% increase in Current Variable "A"	10%	297,476,909	297,476,909	297,476,909
297,476,909 Shares	Funds raised	\$594,953	\$1,160,159	\$1,755,113
100% increase in Current Variable "A"	10%	396,635,878	396,635,878	396,635,878
396,635,878 Shares	Funds raised	\$793,271	\$1,546,879	\$2,340,151

Notes:

- 1. Based on the total number of fully paid ordinary Shares on issue as at 18 October 2022.
- **2.** Based on the closing price of the Company's Shares on ASX as at 18 October 2022.
- 3. The table assumes that the Company issues the maximum number of ordinary Shares available to be issued under Listing Rule 7.1A.
- **4.** The table does not show an example of dilution that may be caused to a particular Shareholder by reason of issues of equity securities under Listing Rule 7.1A based on that Shareholder's holding at the date of this Explanatory Statement.
- 5. The table shows the effect of an issue of equity securities under Listing Rule 7.1A only, not under the Company's 15% placement capacity under Listing Rule 7.1.

(e) Allocation under the 10% Placement Capacity

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees 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 allottees 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 legal, corporate, financial and broking advisers (if applicable).

(f) Previous Approval under ASX Listing Rule 7.1A

The Company has not previously obtained approval under ASX Listing Rule 7.1A.

Special Resolution

This Resolution 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 the Resolution for it to be passed.

Directors' Recommendation

The Board recommends that Shareholders vote in favour of Resolution 3.

Voting Exclusion

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

Resolutions 4, 5 and 6 – Issue of Options to Directors

Background

Resolutions 4, 5 and 6 seek Shareholder approval for the issue of a total of 9,000,000 Options to the following Directors (or their nominees) as follows (together, the **Related Parties**):

Resolution	Director	Quantity	Exercise Price	Expiry Date
Resolution 4	Mr Bob Kucera	3,000,000	6 cents	30 November 2025
Resolution 5	Mr Matthew Ward	3,000,000	6 cents	30 November 2025
Resolution 6	Mr Geoff Martin	3,000,000	6 cents	30 November 2025

The terms and conditions and valuation of the Options are set out in Schedule 3.

The specific number of Options for each of Mr Kucera, Mr Ward and Mr Martin was chosen by the Board (excluding Mr Kucera, Mr Ward and Mr Martin respectively) as an appropriate number to attract and also retain directors of their particular skills and experience, to form part of a reasonable remuneration package and to provide a realistic and meaningful incentive to Mr Kucera, Mr Martin and Mr Ward. In this regard, the Option exercise price is at a premium to the Company's share price as at 3 October 2022, the last date practicable before finalising this document.

The issue of Options to Mr Kucera, Mr Ward and Mr Martin is a more cost effective incentive for the Company as opposed to the payment of additional cash compensation to those directors. Alternatives such as providing higher directors fees, cash payments or cash bonuses to Mr Kucera, Mr Ward and Mr Martin were considered by the Board (excluding Mr Kucera, Mr Ward and Mr Martin respectively) however, these were considered inappropriate by the Board (excluding Mr Kucera, Mr Ward and Mr Martin respectively) because they would reduce the Company's cash position at a time when the Company wishes to minimise cash expenditure and preserve its cash reserves.

Listing Rule 10.11

Listing Rule 10.11 provides that the Company must not issue equity securities to a related party (such as a director of the Company) unless one of a number of exceptions applies, or shareholder approval is

obtained. Accordingly, Resolutions 4, 5 and 6 seek the approval of the Company's shareholders to the proposed issue of Options to each of Mr Bob Kucera, Mr Matthew Ward and Mr Geoffrey Martin (or their nominee(s)) for the purposes of Listing Rule 10.11.

As the Company is seeking Shareholder approval under Listing Rule 10.11 pursuant to Resolutions 4, 5 and 6, the Company is not required to seek separate Shareholder approval under ASX Listing Rule 7.1. Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue, or agree to issue, during any 12 month period any equity securities (or other securities with rights to conversion to equity), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period. Accordingly, one of the effects of passing Resolutions 4, 5 and 6 will be to allow the Company to issue the 9,000,000 Options proposed to be issued without using up any of the Company's 15% placement capacity.

Technical Information required by ASX Listing Rule 10.13 and section 219 of the Corporations Act

Pursuant to and in accordance with Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in respect of the 9,000,000 Options proposed to be issued under Resolutions 4, 5 and 6:

- (a) (names of the person receiving the securities): the Options will be issued to Mr Bob Kucera, Mr Matthew Ward and Mr Geoffrey Martin (or their nominee(s)), who each fall within the category set out in Listing Rule 10.11.1 as each are a related party of the Company by virtue of being a Director;
- (b) (maximum number of securities): the combined maximum number of Options to be issued by the Company to Messrs Kucera, Ward and Martin (or their nominee(s)) is 9,000,000 Options in the proportions set out in the table above;
- (c) (date of issue): subject to receiving Shareholder approval, the Options will be issued as soon as practicable following the Meeting and in any event 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 Listing Rules);
- (d) (**issue price and terms of the securities**): the issue price for the Options will be nil and the Options will be exercisable at 6 cents each. The terms and conditions of the Options are set out in Schedule 3;
- (e) (voting exclusion statement): voting exclusion statements in respect of Resolutions 4, 5 and 6 are included in the Notice; and
- (f) (use of funds): no funds will be raised by the issue of the Options although the Company will raise 6 cents per Option if and when those Options are exercised. Any funds raised will be used to fund the Company's ongoing activities and for general working capital purposes.
- (g) the total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Party	Current Financial Year Ended 2023	Previous Financial Year Ended 2022 ¹
Bob Kucera	40,000	40,000
Matthew Ward	35,000	35,000
Geoffrey Martin	35,000	35,000

Notes:

- 1. Comprising Directors' fees/salary only.
- (h) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares ¹	Options ²	Undiluted	Fully Diluted
Bob Kucera	512,909	3,000,000	0.26%	1.62%
Matthew Ward	1,047,875	3,000,000	0.53%	1.87%
Geoffrey Martin	360,000	3,000,000	0.18%	1.55%

Post issue of the Options to Related Parties

Related Party	Shares ¹	Options
Bob Kucera	512,909	$6,000,000^3$
Matthew Ward	1,047,875	$6,000,000^4$
Geoffrey Martin	360,000	$6,000,000^5$

Notes:

- 2. Fully paid ordinary shares in the capital of the Company (ASX: MSG).
- 3. Unquoted Options exercisable at 4 cents each on or before 30 November 2022 (ASX: MSGAA).
- Comprising:
 - 3,000,000 unquoted Options exercisable at 4 cents each on or before 30 November 2022 (ASX: MSGAA); and
 - 3,000,000 Options the subject of Resolution 4, on the terms and conditions set out in Schedule 3.
- 5. Comprising:
 - 3,000,000 unquoted Options exercisable at 4 cents each on or before 30 November 2022 (ASX: MSGAA); and
 - 3,000,000 Options the subject of Resolution 5, on the terms and conditions set out in Schedule 3.
- 6. Comprising:
 - 3,000,000 unquoted Options exercisable at 4 cents each on or before 30 November 2022 (ASX: MSGAA); and
 - 3,000,000 Options the subject of Resolution 6, on the terms and conditions set out in Schedule 3.
- (i) if the Options issued to the Related Parties are exercised, a total of 9,000,000 Shares would be issued. This will increase the number of Shares on issue from 198,317,939 (being the total number of Shares on issue as at the date of this Notice) to 207,317,939 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 4.34%, comprising 1.45% by Bob Kucera, 1.45% by Matthew Ward, 1.45% by Geoffrey Martin;
- (j) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	0.075	5/11/2021
Lowest	0.035	14/06/2022
Last	0.039	18/10/2022

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits an Australian public company from providing a financial benefit to a related party unless a specific statutory exception applies or prior shareholder approval is obtained to the giving of the financial benefit. A related party under the Corporations Act includes each director of a public company. "Financial benefit" has a wide meaning and includes the issue of securities by a public company to a director. The issue of Options to Kucera, Ward and Martin amounts to the provision of a "financial benefit" to a related party.

As the Options are proposed to be issued to all of the Directors other than Paul Simmons, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Options. Accordingly, Shareholder approval for the issue of Options to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

Resolutions 4 to 6 seek the required Shareholder approval for the issue of the Options under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11.

Technical information required by ASX Listing Rule 14.1A

If Resolutions 4, 5 and 6 are passed, the Company will be able to proceed with the issue of the 9,000,000 Options to the Related Parties within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing

Rule 7.1 is not required for the issue of the Options (because approval is being obtained under Listing Rule 10.11), the issue of the Options will not use up any of the Company's 15% annual placement capacity.

If Resolutions 4, 5 and 6 are not passed, the Company will not be able to proceed with the issue of the Options.

Directors' recommendation

Mr Paul Simmons recommends that Shareholders vote in favour of Resolutions 4 to 6 for the reasons set out above. In forming their recommendation, Mr Paul Simmons considered the experience of the Related Parties, the current market price of Shares, the current market standards and practices when determining the number of Options to be issued to each of the Related Parties, as well as the exercise price and expiry date of those Options.

Each Director (other than Paul Simmons has a material personal interest in the outcome of Resolutions 4 to 6 on the basis that the Directors (other than Paul Simmons) (or their nominees) are to be issued Options on the same terms and conditions should Resolutions 4 to 6 be passed. For this reason, the Directors (other than Paul Simmons) do not believe that it is appropriate to make a recommendation on Resolutions 4 to 6 of this Notice.

The Chairman of the meeting intends to vote any undirected proxies in favour of Resolutions 4, 5 and 6.

Resolution 7 – Issue of Performance Rights and Long Term Premium Priced Options to Related Party

General

Mr Paul Simmons is the Managing Director of the Company.

The Company has agreed, subject to obtaining Shareholder approval, to issue 1,995,000 Performance Rights (**Related Party Performance Rights**) and 2,301,923 Long Term Premium Priced Options (**Related Party Long Term Premium Priced Options**) to Mr Simmons (or his nominee) on the terms and conditions set out below. The issue is designed to provide short term incentives and long term incentives to Mr Simmons.

Resolution 7 seeks Shareholder approval for the grant of the Related Party Performance Rights to Mr Simmons (or his nominee).

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 grant of the Related Party Performance Rights constitutes giving a financial benefit and Mr Simmons is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Simmons who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of the Related Party Performance Rights because the agreement to grant the Related Party Performance Rights, reached as part of the remuneration package for Mr Simmons, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

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 grant of the Related Party Performance Rights involves the issue of securities to a related party 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.

Technical information required by ASX Listing Rule 14.1A

If Resolution 7 is passed, the Company will be able to proceed with the issue of the Related Party Performance Rights and Related Party Long Term Premium Priced Options to Mr Simmons (or his nominee). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Related Party Performance Rights and Related Party Long Term Premium Priced Options (because approval is being obtained under Listing Rule 10.11), the issue will not use up any of the Company's 15% annual placement capacity.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of the Related Party Performance Rights and Related Party Long Term Premium Priced Options.

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 Resolution 7:

- (a) the Related Party Performance Rights and Related Party Long Term Premium Priced Options will be granted to Mr Simmons (or his nominee) who falls within the category set out in Listing Rule 10.11.1 as a related party of the Company by virtue of being a Director;
- (b) the number of Related Party Performance Rights to be granted is 1,995,000, and the number of Related Party Long Term Premium Priced Options is 2,301,923;
- (c) the Related Party Performance Rights and the Related Party Long Term Premium Priced Options will be granted 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 grant of the Performance Rights will occur on the same date;
- (d) the Related Party Performance Rights and the Related Party Long Term Premium Priced Options will be granted for nil cash consideration, accordingly no funds will be raised; and
- (e) the terms and conditions of the Related Party Performance Rights are set out in Schedule 4 and the terms and conditions of the Related Party Long Term Premium Priced Options are set out in Schedule 5.
- (f) the current total remuneration package for Mr Simmons is \$264,650, comprising of directors' fees/salary of \$234,500, a superannuation payment of \$19,950 and share-based payments of \$10,200. If the Performance Rights are issued, the total remuneration package of Mr Simmons will increase by \$79,500 to \$344,150, being the value of the Performance Rights (based on 0.039 cents per share being the closing price of the Company's Shares as at 18 October 2022);

Of the 1,995,000 Related Party Performance Rights granted:

- 1,396,500 Related Party Performance Rights will vest on a linear pro-rata basis to the Earnings per Share of the Company (adjusted for certain non-cash items) for the period 1 July 2022 to 30 June 2023 of between 0.5 cent per share and 1.0 cent per share.
- 598,500 Related Party Performance Rights will vest wholly subject to the Earnings per Share of the Company (adjusted for certain non-cash items) for the period 1 July 2022 to 30 June 2023 being greater than 0.5 cents per share and Strategic Milestones as set out below.

Strategic Milestones: Achievement of demonstrable improvements in at least three of the following broad performance categories:

- Business Success Planning: demonstrated improvements measured through development and maintenance of Board approved Business Strategic Plan addressing acquisitions framework and target business areas, growth of existing business segments, financial forecasts and targeted growth in earnings and share price;
- **Financial Performance:** improving a range of key financial performance metrics including increasing organic growth, operating cash flow and the net profit margin of the company
- Integration and operation of acquired businesses: generation of integration synergies arising from common ownership of acquired businesses and their profitability improvements, and;
- **Investor Relations**: increasing effectiveness of investor communications through improvements including programmed updates and discussions with major shareholders, appropriate continuous disclosure to all shareholders and planning, and documenting and implementing strategies to introduce the company to new potential investors.

Satisfaction of the Strategic Milestones is to be determined at the discretion of the Board.

All Of the 2,301,923 Related Party Long Term Premium Priced Options granted vest in proportion to the Earnings per Share of the Company (adjusted for certain non-cash items) for the period 1 July 2022 to 30 June 2023 of between 0.5 cents per share and 1 cent per share. Vesting occurs 3 years after the grant date, and the Options may be exercised during the subsequent 12-month period.,

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Related Party Performance Rights as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Related Party Performance Rights to Mr Simmons (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

Resolution 8 – Approval of Salary Sacrifice Share Plan

General

Resolution 8 seeks Shareholder approval for the adoption of the employee incentive scheme titled "Salary Sacrifice Share Plan" (**Salary Sacrifice Plan**) and for the issue of up to a maximum of 9,915,896 Shares under the Salary Sacrifice Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Salary Sacrifice Plan is to attract, motivate and retain key employees and the Company considers that the adoption of the Salary Sacrifice Plan and the future issue of Shares under the Salary Sacrifice Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

As summarised under Resolution 3 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 8 is passed, the Company will be able to issue Shares under the Salary Sacrifice Plan to Eligible Participants over a period of 3 years. The issue of any Shares to Eligible Participants under the Salary Sacrifice Plan (up to the maximum number of Shares stated in below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Shares under the Salary Sacrifice 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.

If Resolution 8 is not passed, the Company will be able to proceed with the issue of Shares under the Salary Sacrifice Plan to Eligible Participants, but any issues of Shares will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Shares.

Technical information required by Listing Rule 7.2 (Exception 13)

Listing Rule 7.2 (exception 13(b)) sets out the requirements for the notice of meeting and GN 21 paragraph 4.13 provides further information in this regard.

In relation to the maximum number of securities proposed to be issued under the scheme, GN 21 states that the actual number of securities to be issued does not need to be predicted but a maximum number for the purposes of a ceiling needs to be disclosed. The intention is for shareholders to understand the dilutionary impact of the plan when it is approved. Once the maximum number is reached, the entity will need to obtain fresh shareholder approval for any further issues of securities under the plan.

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 8:

- (a) a summary of the key terms and conditions of the Salary Sacrifice Plan is set out in Schedule 2;
- (b) the Company has not issued any Shares under the Salary Sacrifice Plan as this is the first time that Shareholder approval is being sought for the adoption of the Salary Sacrifice Plan; and
- (c) the maximum number of Shares proposed to be issued under the Salary Sacrifice Plan, following Shareholder approval, is 9,915,896 Shares. It not envisaged that the maximum number of Shares for which approval is sought will be issued immediately.

Resolution 9 – Replacement of Constitution

General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of shareholders.

Resolution 9 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and Listing Rules.

This will incorporate amendments to the Corporations Act and Listing Rules since the current Constitution was adopted in 2016.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the office of the Company. A copy of the Proposed Constitution 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.

Summary of material proposed changes

(a) Restricted Securities (clause 2.12)

The Proposed Constitution complies with the changes to Listing Rule 15.12 which took effect from 1 December 2019. As a result of these changes, ASX will require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will permit the Company to issue restriction notices to holders of restricted securities in the form of the new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

(b) Minimum Securityholding (clause 3)

Clause 3 of the Constitution outlines how the Company can manage securityholdings which represent an "unmarketable parcel" of securities, being a securityholding that is less than \$500 based on the closing price of the Company's securities on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with "unmarketable parcels" outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their securityholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

(c) Joint Holders (clause 9.8)

CHESS is currently being replaced by ASX with a projected go-live date of April 2023. As part of the CHESS replacement, the registration system will be modernised to record holder registration details in a structured format that will allow up to four joint holders of a security. Clause 9.8 of the Proposed Constitution provides that the number of registered joint holders of securities shall be as permitted under the Listing Rules and the ASX Settlement Operating Rules.

(d) Capital Reductions (clause 10.2)

The Proposed Constitution now permits sales of unmarketable parcels to a sale nominee as part of a capital reduction.

(e) Direct Voting (clause 13, specifically clauses 13.35 – 13.40)

The Proposed Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any Resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

(f) Use of technology (clause 14)

The Proposed Constitution includes a new provision to permit the use of technology at general meetings (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.

(g) Closing date for Director nominations (clause 15.3)

On 19 December 2019, ASX amended Listing Rule 3.13.1 to provide that companies must release an announcement setting out the date of its meeting and the closing date for nominations at least 5 business days before the closing date for the receipt of such nominations. The closing date period under clause [15.3] of the Proposed Constitution has been amended to at least 30 business days [(previously it was 30 calendar days)] to allow the Company time to issue the required notification for director nominations prior to circulating the notice of meeting.

(h) Dividends (clause 23)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not a pay a dividend unless:

- (i) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (ii) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (iii) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.]

(i) Partial (proportional) takeover provisions (new clause 37)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a Resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (iv) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (v) assisting in preventing Shareholders from being locked in as a minority;
- (vi) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (vii) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (i) proportional takeover bids may be discouraged;
- (ii) lost opportunity to sell a portion of their Shares at a premium; and
- (iii) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 9.

Resolution 10 – Election of Proposed Director – Warwick Sauer

General

In accordance with Article 36.3(b) of the Constitution, the Company may appoint a person as a Director by resolution passed at a annual general meeting.

In accordance with Article 38.13(a) of the Constitution, nominations for election to the office of Director must be accepted by the Company up to 30 Business Days before the date of an annual general meeting at which directors will be elected or re-elect.

The Company has received a nomination letter dated 24 October 2022 from Mr Warwick Sauer, an external non-Board endorsed candidate (**Proposed Director**), nominating himself to stand for election as a director of the Company (**Nomination Letter**). A copy of the Nomination Letter received from Mr Sauer is attached to this Notice at Schedule 6.

Warwick Sauer, having nominated himself as a candidate for election as a Director and having consented to his nomination, is eligible for election in accordance with Articles 36.3(b) and 38.13(a) of the Constitution.

Resolution 10 seeks Shareholder approval for the election of Warwick Sauer, to be appointed with effect from the close of the Meeting. If elected the Board considers Mr Sauer would be an independent Director.

Qualifications and other material directorships

Mr Sauer has provided the following biographical details for inclusion in this Notice of Meeting:

"Mr Sauer is a corporate lawyer with 25 years' experience, focusing on commercial law, capital markets / M&A, and litigation. Mr Sauer spent 14 years with property services multinational JLL, including seven years as JLL's APAC General Counsel. In his time at JLL, Mr Sauer developed a detailed understanding of security service contracting and its associated risks. To complement his legal capabilities, Mr Sauer also has a degree in commerce, and extensive personal and professional involvement with shareholder activism and the Takeovers Panel."

Board Recommendation

The Nomination Letter was prepared by Mr Sauer and is not supported or endorsed by the Board.

The Board makes the following comments with regards to the information provided in the Nomination Letter:

- (a) based on the limited information Mr Sauer has provided to the Company, the Board does not consider Mr Sauer to have skills or experience that are not otherwise provided by existing members of the Board or that could add value to the Board for the benefit of all Shareholders;
- (b) the Board has a nomination process to identify and nominate Directors in a professional and structured manner:
- (c) the Board has been unable to independently verify the information contained in the Nomination Letter:
- (d) the Company remains focused on minimising non-essential costs and the appointment of an additional director would likely further increase costs;
- (e) the Proposed Director is located in Queensland which would be sub-optimal to maintaining an efficient Board structure;
- (f) as at the date of this Notice, Mr Sauer is not a shareholder of the Company;
- (g) Mr Sauer has nominated himself for directorships of other listed public companies but has not been appointed by shareholders; and
- (h) Searches undertaken by the Company with the registers maintained by ASIC on the name Warwick Sauer do not indicate that Mr Sauer has any previous experience as a Director of an Australian publicly listed company

The Board unanimously recommends that Shareholders vote <u>against</u> the appointment of Warwick Sauer and accordingly, to vote against Resolution 10.

Schedule 1 - Terms and Abbreviations

\$ means Australian dollars.

7.1A Mandate has the meaning given in under Resolution 3.

ASIC means the Australian Securities & Investments Commission.

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

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 MCS Services Limited (ACN 119 641 9861).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

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.

Listing Rules means the Listing Rules of ASX.

Meeting means the meeting convened by the Notice.

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

Option means an option to acquire a Share.

Performance Right means a right to acquire a Share.

Proposed Constitution has the meaning given under Resolution 9 of this Notice.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2022.

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 Listing Rule 7.1A.2.

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

Schedule 2 - Key Terms and Conditions of the Salary Sacrifice Share Plan

The key terms of the Salary Sacrifice Plan are as follows:

1. Eligible Participant

The Board may from time to time determine that an Eligible Participant may participate in the Salary Sacrifice Plan.

2. Purpose

The purpose of the Salary Sacrifice Plan is to:

- a. assist in the reward, retention and motivation of Eligible Participants by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Participant Shares (being a Share issued, transferred or allocated to a Participant under the Salary Sacrifice Plan);
- b. provide competitive remuneration for the retention of key Eligible Participants; and
- c. support a culture of share ownership by Eligible Participants;
- d. provide the Company with the ability to attract employees of a high calibre; and
- e. assist with remuneration planning for Eligible Participants.

3. Administration of the Salary Sacrifice Plan

The Salary Sacrifice Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Salary Sacrifice Plan rules in its sole and absolute discretion (except to the extent that it prevents the Participant relying on the deferred tax concessions under Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth)). The Board may delegate its powers and discretion.

4. Eligibility, Invitation and Application

The Board may from time to time determine that an Eligible Participant may participate in the Salary Sacrifice Plan and make an invitation to that Eligible Participant to apply for Participant Shares on such terms and conditions as the Board decides. On receipt of an invitation, an Eligible Participant may apply for the Participant Shares the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

5. Salary Sacrifice Contributions

Each Participant (being an Eligible Participant who has been granted any Security under the Salary Sacrifice Plan) must elect in accordance with the instructions that accompany the Invitation to make their salary sacrifice contributions by way of:

- a. regular deductions from the Participant's remuneration during the relevant year; or
- b. a lump sum deduction from the Participant's remuneration in the first payroll period during the relevant year; or
- c. application of part or all of any bonus.

Salary sacrifice contributions deducted from a Participant's remuneration will be held for the relevant Participant, subject to applicable law, on trust by the Company in an account with an Australian authorised deposit-taking institution that is kept solely for the purpose of holding Participant's Salary Sacrifice contributions, until those Salary Sacrifice contributions have

been used to or applied toward the grant, issue, transfer or allocate Participant Shares to a Participant.

6. Issue of Participant Shares

The Company will, to the extent that it has accepted a duly completed application form, and deduction of any salary sacrifice contribution, either issue, transfer or allocate to the Participant the prescribed number of Participant Shares, subject to the terms and conditions set out in the invitation, the rules of the Salary Sacrifice Plan and any ancillary documentation required.

7. Rights attaching to Participant Shares

All issued, transferred or allotted under the Salary Sacrifice Plan will rank pari passu in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference to a record date prior to the date of the allotment or transfer of the Participant Shares. A Participant will be entitled to any dividends declared and distributed by the Company on the Participant Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Participant Shares. A Participant may exercise any voting rights attaching to Participant Shares.

8. Disposal restrictions on Participant Share

The Board may, at its discretion, impose restrictions on dealing in respect of any Participant Shares allocated under the Salary Sacrifice Plan and may implement any procedure it considers appropriate to enforce such restrictions including to allow for the deferred tax concessions under Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) to apply.

A Participant may, in Special Circumstances (including in the case of death or total or permanent disability of the Participant), request, in writing to the Board, to remove any restrictions on dealing, which the Board may accept or decline the request in its sole and absolute discretion.

9. General Restrictions on Transfer of Participant Shares

If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Participant Shares issued under the Salary Sacrifice Plan may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Act.

Restrictions are imposed by applicable law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available. These laws may restrict the acquisition or disposal of Shares by you during the time the holder has such information.

Any Participant Shares issued to a holder under the Salary Sacrifice Plan shall be subject to the terms of the Company's Securities Trading Policy.

10. Change of control

Notwithstanding any other provisions of the Salary Sacrifice Plan, if a change of control event occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Participant Shares will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

11. Restrictions on and amendments to the Salary Sacrifice Plan

Subject to the following paragraph, the Board may at any time amend any provisions of the Salary Sacrifice Plan rules.

No amendment may be made which would affect adversely any of the subsisting rights of a Participant except either with his consent in writing or with the consent of the majority of Participants affected by the amendment or addition.

12. Termination of Salary Sacrifice Contributions

A Participant may, in writing to the Board, request to terminate a prior Salary Sacrifice arrangement and their participation in the Salary Sacrifice Plan at any time.

Subject to applicable law, with effect from the time the Board receives a termination notice the salary sacrifice arrangement will be terminated and no further salary sacrifice contributions for Participant Share will be made in respect of the Participant and no Participant Shares will be granted, issued, transferred or allocated to the Participant in consideration for any salary sacrifice contributions made under the Salary Sacrifice Plan that have not at the time of receipt of the termination notice been used for or applied been used for or applied to the grant of Participant Shares and will be repaid to the Participant with any interest.

13. Termination of Salary Sacrifice Plan

The Salary Sacrifice Plan terminates and is to be wound up (as provided below) on the occurrence of any of the following events:

- a. if an order is made or an effective resolution is passed for the winding up of the
 Company other than for the purpose of amalgamation or reconstruction; or
- b. if the Board determines that the Salary Sacrifice Plan is to be wound up.

14. Income Tax Assessment Act

The Salary Sacrifice Plan is a plan to which Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies (subject to the conditions in that Act) except to the extent an invitation provides otherwise.

Schedule 3 – Terms and Conditions and Valuation of the Options

Terms and Conditions of the Options

(a) Exercise Price

Subject to adjustment in accordance with paragraph (j), the exercise price of each Option is 6 cents (\$0.06).

(b) Entitlement

Each Option shall entitle the holder the right to subscribe (in cash) for one Share in the capital of the Company upon valid exercise of the Option.

(c) Option Period

The Options will expire at 5:00 pm (WST) on 30 November 2025 Subject to clause (g), Options may be exercised at any time prior to the expiry date and Options not so exercised shall automatically expire on the expiry date.

(d) Ranking of Share Allotted on Exercise of Option

Subject to any restriction or escrow arrangements imposed by ASX or voluntarily agreed with the Company, each Share allotted as are sult of the exercise of any Option will, subject to the Constitution of the Company, rank in all respects pari passu with the existing Shares in the capital of the Company on issue at the date of issue.

(e) Voting

A registered owner of an Option (**Option Holder**) will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Option Holder, a member of the Company.

(f) Transfer of an Option

Options are transferrable at any time prior to the expiry date. This right is subject to any restrictions on the transfer of Options that may be imposed by the ASX or any voluntary restriction agreement applicable to the Options.

(g) Method of Exercise of an Option

Subject to paragraph (h):

- (i) The Company will provide to each Option Holder a notice that is to be completed when exercising the Options (**Notice of Exercise of Options**). Options may be exercised by the Option Holder by completing the Notice of Exercise of Options and forwarding the same to the Company Secretary to be received prior to the expiry date. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of ordinary shares in the capital of the Company to be allotted; which number of Options must be a multiple of 10,000 if only part of the Option Holder's total Options are exercised, orif the total number of Options held by an Option Holder is less than 10,000, then the total of all Options held by that Option Holder must be exercised.
- (ii) The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full for the relevant number of shares being subscribed, being an amount of 6 cents (\$0.06) per Share or written notice from the Option Holder which states that the Option Holder elects to use the Cashless Exercise Facility as set out at (h) below.
- (iii) Subject to paragraph (g) (i) above, the exercise of less than all of an Option Holder's Options will not prevent the Option Holderfrom exercising the whole or any part of the balance of the Option Holder's entitlement under the Option Holder's remaining Options.
- (iv) Within 14 days from the date the Option Holder properly exercises Options held by the Option Holder, the Company shall issue and allot to the Option Holder that

number of Shares in the capital of the Company so subscribed for by the Option Holder.

- (v) If the Company is listed on the ASX, the Company will on the date of issue of Shares pursuant to the exercise of an Option, apply to the ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act and the Listing Rules of the ASX.
- (vi) The Company will generally comply with the requirements of the Listing Rules in relation to the timetables imposed when Options are due to expire. Where there shall be any inconsistency between the timetables outlined herein regarding the expiry of the Options and the timetable outlined in the Listing Rules, the timetable outlined in the Listing Rules shall apply.

(h) Cashless Exercise Facility

If the Option Holder wishes to exercise some or all of their Options, they may elect to pay the exercise price by using the Cashless Exercise Facility. The Cashless Exercise Facility entitles an Option Holder to set-off the exercise price against the number of Shares which the Option Holder is entitled to receive upon exercise of their Options.

If an Option Holder elects to use the Cashless Exercise Facility, the Option Holder will only be issued that number of Shares (rounded down to the nearest whole number) as determined by the following formula:

Fraction of a Share x Number of Options exercised

Where:

Fraction of a Share = Current Share Price - Option exercise price
Current Share Price

Current Share Price The Volume Weighted Average share price for the 10 days preceding the date the Optionholder issues an Option exercise notice.

(i) ASX Quotation

The Options will not be quoted on ASX.

(j) Reconstruction

In the event of a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option Holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.

(k) Participation in New Share Issues

There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the expiry date unless and until the Options are exercised. The Company will ensure that during the exercise period, the record date for the purposes of determining entitlements to any new such issue, will be at least seven (7) business days after such new issues are announced (or such other date if required under the Listing Rules) in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.

(l) Adjustment for pro-rata issues (except a bonus issue)

There are no rights to change the exercise price of the Options or the number of underlying Shares if there is a bonus issue to the holders of ordinary shares. If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of ordinary shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Option exercise price shall be reduced according to the formula specified in the Listing Rules.

Valuation of the Options

The Options to be issued to the Related Parties pursuant to Resolutions 4 to 6 have been valued by internal management.

Using the Black & Scholes option model and based on the assumptions set out below, the Options were ascribed the following value:

Assumptions:	
Valuation date	17 October 2022
Market price of Shares	0.039 cents
Exercise price	0.06 cents
Expiry date (length of time from issue)	3 years from date of issue
Risk free interest rate	3.55%
Volatility (discount)	100%
Indicative value per Related Party Option	0.021 cents
Total Value of Options (\$AUD)	\$189,000
3,000,000 (Resolution 4)	\$63,000
3,000,000 (Resolution 5)	\$63,000
3,000,000 (Resolution 6)	\$63,000

Note: The valuation noted above is not necessarily the market price that the Options could be traded at and is not automatically the market price for taxation purposes.

Schedule 4 – Terms and Conditions of Related Party Performance Rights

A summary of the terms of the Performance Rights to be granted on the passing of Resolution 4 are set out below:

- (a) Each Performance Right will, subject to vesting, entitle the holder on exercise to one Share.
- (b) A Performance Right granted will not vest unless the Vesting Conditions have been satisfied and the Board has notified Mr Simmons.
- (c) The Performance Rights are only transferrable with the prior written consent of the Board of the Company or by force of law upon death to Mr Simmon's legal personal representative or upon bankruptcy to Mr Simmons's trustee in bankruptcy.
- (d) The Company shall notify Mr Simmons when the relevant vesting requirements have been satisfied and Mr Simmons may then exercise his right to accept the vesting of the Performance Rights and be issued the Shares at any time during the succeeding 48 months.
- (e) Unless the Board decides otherwise, any vested Performance Right that has not been exercised within 48 months of becoming vested shall automatically lapse.
- (f) Where Mr Simmons ceases his employment with the Company any unvested Performance Rights shall lapse (subject to certain good leaver exceptions).
- (g) The Company will, subject to the ASX Listing Rules, apply to the ASX for the listing of the Shares issued upon the exercise of the Performance Rights.
- (h) Shares resulting from the vesting of the Performance Rights shall, from the date of issue, rank pari passu with all other Shares on issue.
- (i) The Board may determine that Shares allocated on the exercise of Performance Rights are subject to the restrictions on sale, transfer or other dealing by Mr Simmons.
- (j) In the event of a change in control of the Company or the Company passes a resolution for voluntary winding up or an order is made for the compulsory winding up of the Company, the Board may, in its absolute discretion, determine that all or a specified number of unvested Performance Rights vest. Any Performance Right which the Board determines does not vest will automatically lapse, unless the Board determines otherwise.
- (k) There are no participating rights or entitlements inherent in the Performance Rights.
- (l) A Performance Right does not confer a change in the number of underlying Shares over which the Performance Right can be exercised.

If, at any time, the issued capital of the Company is reorganised, all rights of a Mr Simmons are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation in relation to the Performance Rights.

Schedule 5 – Terms and Conditions of the Long Term Premium Priced Options

(a) Exercise Price

Subject to adjustment in accordance with paragraph (j), the exercise price of each Option is 6 cents (\$0.06).

(b) Entitlement

Each Option shall entitle the holder the right to subscribe (in cash) for one Share in the capital of the Company upon valid exercise of the Option.

(c) Option Period

The Options will expire at 5:00 pm (WST) on 30 November 2026 Subject to clause (g), Options may be exercised at any time after 30 November 2025 and prior to the expiry date and Options not so exercised shall automatically expire on the expiry date.

(d) Ranking of Share Allotted on Exercise of Option

Subject to any restriction or escrow arrangements imposed by ASX or voluntarily agreed with the Company, each Share allotted as are sult of the exercise of any Option will, subject to the Constitution of the Company, rank in all respects pari passu with the existing Shares in the capital of the Company on issue at the date of issue.

(e) Voting

A registered owner of an Option (**Option Holder**) will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Option Holder, a member of the Company.

(f) Transfer of an Option

Unless authorised by the Board of Directors, Options are not transferrable.

(g) Method of Exercise of an Option

Subject to paragraph (h):

- The Company will provide to each Option Holder a notice that is to be completed when exercising the Options (**Notice of Exercise of Options**). Options may be exercised by the Option Holder by completing the Notice of Exercise of Options and forwarding the same to the Company Secretary to be received prior to the expiry date. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of ordinary shares in the capital of the Company to be allotted; which number of Options must be a multiple of 10,000 if only part of the Option Holder's total Options are exercised, orif the total number of Options held by an Option Holder is less than 10,000, then the total of all Options held by that Option Holder must be exercised.
- (ii) The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full for the relevant number of shares being subscribed, being an amount of 6 cents (\$0.06) per Share or written notice from the Option Holder which states that the Option Holder elects to use the Cashless Exercise Facility as set out at (h) below.
- (iii) Subject to paragraph (g) (i) above, the exercise of less than all of an Option Holder's Options will not prevent the Option Holderfrom exercising the whole or any part of the balance of the Option Holder's entitlement under the Option Holder's remaining Options.
- (iv) Within 14 days from the date the Option Holder properly exercises Options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of Shares in the capital of the Company so subscribed for by the Option Holder.

- (v) If the Company is listed on the ASX, the Company will on the date of issue of Shares pursuant to the exercise of an Option, apply to the ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act and the Listing Rules of the ASX.
- (vi) The Company will generally comply with the requirements of the Listing Rules in relation to the timetables imposed when Options are due to expire. Where there shall be any inconsistency between the timetables outlined herein regarding the expiry of the Options and the timetable outlined in the Listing Rules, the timetable outlined in the Listing Rules shall apply.

(h) Cashless Exercise Facility

If the Option Holder wishes to exercise some or all of their Options, they may elect to pay the exercise price by using the Cashless Exercise Facility. The Cashless Exercise Facility entitles an Option Holder to set-off the exercise price against the number of Shares which the Option Holder is entitled to receive upon exercise of their Options.

If an Option Holder elects to use the Cashless Exercise Facility, the Option Holder will only be issued that number of Shares (rounded down to the nearest whole number) as determined by the following formula:

Fraction of a Share x Number of Options exercised

Where:

Fraction of a Share = <u>Current Share Price</u> - <u>Option exercise price</u> Current Share Price

Current Share Price = The Volume Weighted Average share price for the 10 days preceding the date the Optionholder issues an Option exercise notice.

(i) ASX Quotation

The Options will not be quoted on ASX.

(j) Reconstruction

In the event of a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option Holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.

(k) Participation in New Share Issues

There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the expiry date unless and until the Options are exercised. The Company will ensure that during the exercise period, the record date for the purposes of determining entitlements to any new such issue, will be at least seven (7) business days after such new issues are announced (or such other date if required under the Listing Rules) in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.

(l) Adjustment for pro-rata issues (except a bonus issue)

There are no rights to change the exercise price of the Options or the number of underlying Shares if there is a bonus issue to the holders of ordinary shares. If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of ordinary shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Option exercise price shall be reduced according to the formula specified in the Listing Rules.

24 October 2022

To: MCS Services Ltd ("MCS") 3/108 Winton Road Joondalup WA 6027

This document is notice to MCS of my candidature for election as a director of MCS at MCS's 2022 Annual General Meeting.

Here is my biography for your inclusion in the notice of meeting for the 2022 AGM.

Warwick is a corporate lawyer with 25 years' experience, focusing on commercial law, capital markets / M&A, and litigation. Warwick spent 14 years with property services multinational JLL, including seven years as JLL's APAC General Counsel. In his time at JLL Warwick developed a detailed understanding of security service contracting and its associated risks. To complement his legal capabilities, Warwick also has a degree in commerce, and extensive personal and professional involvement with shareholder activism and the Takeovers Panel.

yours faithfully

Warwick Sauer

PO Bdx 573

Paddington Qld 4064



MCS Services Limited | ACN 119 641 986

Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **11.00am (WST) on Monday, 28 November 2022,** being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: https://investor.automic.com.au/#/home Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 - APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking 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 SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

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

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

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at https://automic.com.au.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

https://investor.automic.com.au/#/log insah

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic GPO Box 5193

Sydney NSW 2001

IN PERSON:

Automic

Level 5, 126 Phillip Street Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE: https://automicgroup.com.au/

PHONE: 1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).

Date (DD/MM/YY)

Contact Daytime Telephone