

27 November 2018

## NOTICE OF UNMARKETABLE PARCELS SHARE BUY-BACK

MCS Services Limited (**MCS Services** or the **Company**) (ASX: MCS) is pleased to announce today the details of a buy-back offer for holders of less than marketable parcels of shares in MCS Services (**Buy-Back**). Under the ASX Listing Rules, holdings of MCS Services shares valued at less than \$500 are considered to be less than marketable parcels (**Unmarketable Parcels**).

The Directors of MCS Services value all of the Company's shareholders, including recognising that holders of Unmarketable Parcels may find it difficult or costly to dispose of their shares. This Buy-Back will allow holders of Unmarketable Parcels to sell their shares in the Company without incurring brokerage and other expenses. A 'buy-back' approach will also allow eligible holders of Unmarketable Parcels to receive the proceeds from the sale of their shares on a more timely basis than if a 'share sale facility' approach was used to dispose of shares.

The Buy-Back will also assist in reducing share registry and other administrative costs for the Company associated with maintaining a large number of small shareholders. Of the Company's 739 current shareholders, 1.12 percent hold Unmarketable Parcels.

Based on the share register of MCS Services as at 4pm (Perth time) on Friday 23 November 2018 (**Record Date**), and a Buy-Back price of 1.64 cents per share, being the volume weighted average price for the five-day trading period preceding the Record Date:

- a) A less than marketable parcel is any shareholding of 30,487 shares or less;
- b) 434 shareholders hold Unmarketable Parcels, totalling 2,125,602 shares; and
- c) The aggregate value of MCS Services shares held by all holders of Unmarketable Parcels, based on the Buy-Back price, is \$34,859.87.

MCS Services will pay for all costs related to the Buy-Back (excluding tax consequences from the sale of shares, which remain the responsibility of holders of Unmarketable Parcels).

The shares acquired by the Company under the Buy-Back will be cancelled in accordance with the *Corporations Act 2001* (Cth). MCS Services shareholders who own more than 30,488 shares will not be eligible to participate in the Buy-Back. 187,184,006 shares will not be eligible to participate in the Buyback.

A summary of the key dates in relation to the Buy-Back of the Unmarketable Parcels is as follows:

Unmarketable Parcels Record Date	4pm (Perth time), 23 November 2018
Letter to holders of Unmarketable Parcels	28 November 2018
Closing Date for receipt of Share Sale Election Form	15 January 2019
Estimated Unmarketable Parcels payment date	As soon as practical after the Closing Date

Attached is a copy of the shareholder letter and Share Sale Election Form (including contact details for further information in respect of the Buy-Back), which will be sent out to all holders of Unmarketable Parcels on 28 November 2018.

If you have any queries, please contact the under-signed on 0438 885 055.

Yours faithfully



Jonathan Asquith  
Company Secretary  
MCS Services Limited

#### About MCS Services

MCS Services provides security services at major commercial property sites and retail shopping centres throughout the Perth metropolitan area and regional country areas of Western Australia. These security services include mobile patrols and response vehicle services. In addition, MCS provides electronic security services including the design, supply, installation and commissioning of security alarms, CCTV, biometric and access control systems to commercial, industrial and domestic sectors.

28 November 2018

Dear Shareholder

**Offer to buy-back less than marketable parcels of shares**

As announced on 27 November 2018 MCS Services Limited (**MCS Services** or the **Company**) (ASX:MSG) intends to complete a buy-back of ordinary shares for shareholders that hold less than a marketable parcel of shares as at 4pm (Perth time) on Friday 23 November 2018 (**Record Date**).

The Directors of MCS Services recognise that holders of MCS Services shares valued at less than \$500 (**Unmarketable Parcels**) may find it difficult or costly to dispose of their shares. In order to allow these shareholders to sell their shares without incurring brokerage and other expenses, and to reduce the share registry and other administrative costs for the Company, the Directors have resolved to undertake a buy-back of Unmarketable Parcels under the terms set out in this letter of offer, the ASX listing rules and the procedure in the MCS Services Constitution (**Buy-Back**).

Shares purchased by MCS Services under the Buy-Back will be cancelled in accordance with the *Corporations Act 2001* (Cth).

Based on the buy-back price of 1.64 cents per share, being the volume weighted average price for the five-day trading period preceding the Record Date, an Unmarketable Parcel is any shareholding of 30,487 shares or less. Our share registry shows that the number of shares held by you or an entity that is associated with you as at the Record Date is an Unmarketable Parcel.

**Your options:**

1. If you would like the Company to purchase your Unmarketable Parcel of shares for 1.64 cents per share, you do not need to do anything.

Australian residents will only be paid their sale proceeds in Australian dollars by direct credit to an account held with an Australian financial institution. You must provide your direct credit of payment instruction either online at <https://investor.automic.com.au/#/home> or alternatively completing section B and signing the enclosed form.

Non-resident holders who do not have an account with an Australian financial institution will be paid in Australian dollars by cheque.

2. If you do not want your shares to be purchased by the Company under the Buy-Back, you must either:

- lodge your election online at <https://investor.automic.com.au/#/home> or correctly complete, sign and return the enclosed Share Sale Facility Election Form so that it is received by 7.00pm (Perth time) on 15 January 2019, being the Closing Date of this Buy-back. Please read the instructions on your personalised Share Sale Election Form carefully before completing it; or
- complete and return the attached form (Share Sale Election Form) to the address on the form so that it is received by 7.00pm (Perth time) on 15 January 2019. Please read the instructions on your personalised Share Sale Election Form carefully before completing it.
- arrange to have multiple holdings consolidated into the one holding which has 30,488 or more shares on the Closing Date; or

- make your own arrangements outside this Facility to purchase additional shares so that you are the registered holder of 30,488 or more shares on the Closing Date. For a purchase to be an effective notification that you wish to retain your shares, any additional shares purchased must be registered by 7:00pm (Perth time) on the Closing Date under the same name and address and with the same holder number (SRN or HIN) as set out in this letter.

If you successfully take one of these steps, MSG will not be entitled to sell your shares under this Facility.

You are advised to allow reasonable time for the Share Sale Election Form to be received by Automic by the Closing Date. If you hold shares in multiple holdings, some of which are Unmarketable Parcels, then the Company will purchase those Unmarketable Parcels unless a Share Sale Election Form is received for each holding.

If your shareholding is purchased, the sale proceeds will be forwarded to you by Automic on behalf of the Company as soon as practicable after the Closing Date.

### Key Dates

A summary of the key dates in relation to the Buy-Back of the Unmarketable Parcels:

Unmarketable Parcels Record Date	4pm (Perth time), 23 November 2018
Letter to holders of Unmarketable Parcels	28 November 2018
Closing Date for receipt of Share Sale Election Form	15 January 2019
Estimated Unmarketable Parcels payment date	As soon as practical after the Closing Date

The Company makes no recommendation as to whether you should participate in the Buy- Back. You should seek independent professional advice when deciding whether to retain your shares and if you have any questions on how the sale may affect you.

It is important to note that the market price of MCS Services shares will change from time to time.

The buy-back price under the Buy-Back may be less than the actual market price at the time of sale and may not be the best price obtainable on the day your MCS Services shares are bought back.

While the Company will pay for all costs associated with this sale, any taxation consequences arising from the sale of Unmarketable Parcels under this Buy-Back will be your responsibility. Please consult your legal, financial or taxation advisor if you require information regarding possible taxation implications of the sale of Unmarketable Parcels under the Buy-Back.

If you require further information in respect of the Buy-Back, please contact the MCS Services share registry, Automic on 1300 288 664 (within Australia) or on +61 2 9698 5414 (outside Australia) on business days between the hours of 9am and 5pm (Sydney time) Monday to Friday.

Yours faithfully,



The Hon. RC (Bob) Kucera, APM JP Chair  
MCS Services Limited (MSG)

## **INFORMATION SHEET – MCS SERVICES UNMARKETABLE PARCEL SHARE BUY-BACK**

### **What is an unmarketable parcel of shares?**

Under the ASX Listing Rules, any shareholding valued at less than \$500 is considered to be less than a marketable parcel of shares.

As at the close of trade on the Record Date, an unmarketable parcel of MCS Services shares is any shareholding of 30,487 shares or less based on the Buy-Back price of 1.64 cents per share, being the volume weighted average price for the five-day trading period preceding the Record Date. This represents 2,125,602 shares held by 434 affected registered shareholders.

### **Why is MCS Services focusing on small shareholdings?**

While MCS Services welcomes the support of all shareholders, those who hold a small number of shares often find it difficult or costly to dispose of their shares, and may not have access to a broker. There are also administrative costs, which apply regardless of the size of the shareholding. As such, this cost is often disproportionately high and is presently a cost burden for the Company.

### **What price will I receive for my shares?**

The price that you will receive for your shares under the Buy-Back is 1.64 cents per share, being the volume weighted average price in the five trading days prior to the Buy-Back Record Date.

### **When will I receive the proceeds of the Buy-Back?**

If your shareholding is purchased, the sale proceeds will be remitted to you as soon as practicable after the Closing Date. Payment will be made in Australian dollars (AUD) and will be deposited into the bank account noted on your holding on the register. You will be notified by way of a transaction confirmation statement of the number of your shares sold, and the price and total sale proceeds. Australian residents will only be paid their sale proceeds in Australian dollars by direct credit to an account held with an Australian financial institution. You must provide your direct credit of payment instruction either online at <https://investor.automic.com.au/#/home> or alternatively completing section B and signing the enclosed form.

Non-resident holders who do not have an account with an Australian financial institution will be paid in Australian dollars by cheque.

### **If I buy more shares, will I retain my holding?**

Yes, the Company will treat any purchase of additional shares to increase the value of a MCS Services shareholding to more than \$500 as an indication that you do not want your shares to be sold through the Facility.

For a purchase to be an effective notification that you wish to retain your shares, any additional shares must be registered by 4.00pm (Perth time) on 15 January 2019 under the same name and address and with the same holder number (SRN or HIN) as set out in this letter.

### **What if my shares are held in a CHESS holding?**

If your shares remain in a CHESS holding at 4.00pm (Perth time) on 15 January 2019, the Company may move those shares to an issuer sponsored holding and the shares will be sold through the Facility.

**Where can I get further information?**

If you have any further questions concerning your shareholding or how the Buy-Back will work, please contact MCS Services share registry, Automic by telephone on 1300 288 664 (within Australia) or on +61 2 9698 5414 (outside Australia) on business days between the hours of 9am and 5pm (Sydney time) Monday to Friday.

**Important Notes**

MCS Services reserves the right to change any of the dates referred to in this letter by notice to the ASX.

*This letter and accompanying information sheet do not constitute advice and are not intended as a recommendation to buy, sell, or hold shares, or as a recommendation that the Buy-Back is the best way to sell your shares.*

*The sale of shares can have tax consequences. If you are in doubt about what to do, you should consult your independent legal, financial or taxation adviser.*



[EntityRegistrationDetailsLine1Envelope]  
[EntityRegistrationDetailsLine2Envelope]  
[EntityRegistrationDetailsLine3Envelope]  
[EntityRegistrationDetailsLine4Envelope]  
[EntityRegistrationDetailsLine5Envelope]  
[EntityRegistrationDetailsLine6Envelope]

No. of Securities Held: [MSGUMPWRKHolding]

Security Code: MSG

Holder Reference (SRN/HIN): [HolderNumber]

## LESS THAN MARKETABLE PARCEL: SHARE SALE ELECTION FORM

**IMPORTANT:** YOUR ELECTION MUST BE RECEIVED BY NO LATER THAN 5.00PM (PERTH TIME) ON TUESDAY 15 JANUARY 2019.

This is an important document and requires your immediate attention. This document should be read in conjunction with the enclosed shareholder letter. If you are in any doubt as to how to deal with this form, you should consult your professional advisor.

### Option A: Elect Online (Recommended)

Visit <https://investor.automic.com.au/#/home>

To elect online, simply scan the barcode to the right with your tablet or mobile device or enter the above link into your browser. Once logged in to the Investor Portal you will be able to access your election by clicking on the 'Offers' menu on the left-hand navigation panel.

- ✓ **It's fast and simple:** Electing online is very easy to do, it eliminates any postal delays and removes any potential risk of it being lost in transit.
- ✓ **It's secure and confirmed:** Electing online provides you with greater privacy over your instructions and provides you with confirmation that your Election has been successfully processed.



### Option B: Paper Election

**Step 1:** Make your election below:

**A PLEASE TICK THE BOX TO INDICATE YOU WISH TO RETAIN YOUR SHARES**

☐

### B REQUEST FOR DIRECT CREDITING OF PAYMENTS – SELL YOUR SHARES

Please provide your EFT details below.

BSB Number

Account Number

Name in which account is held (e.g.: John Smith)



**DO NOT USE YOUR CARD NUMBER**

If you are unsure of your account or BSB number, please check with your bank, building society or credit union.

**Note:** Do not complete section B if you wish to retain your shares. By completing your details online OR above you are agreeing to the sale of your shares even if you tick the above box in section A.

**Step 2:** Provide your contact details:

Telephone Number ( )	Contact Name (PLEASE PRINT)
Email Address	

**SUPPORT YOUR COMPANY:** By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).

**Step 3:** Sign and return the form in accordance with the instructions provided:

I/We authorise you to act in accordance with my/our instructions set out above. I/We acknowledge that these instructions supersede and have priority over all previous instructions relating to payments to which I/we am/are entitled to be paid in cash.

Individual or Securityholder 1

Securityholder 2

Securityholder 3




Sole Director or Sole Director &  
Sole Company Secretary

Director

Director/Company Secretary

# INSTRUCTIONS FOR COMPLETION OF THIS FORM

## ELECTION OPTIONS

### **A** RETENTION OF SHARES

If you wish to retain your shares, please place a tick in the box provided. Should you validly sign the form but fail to place a tick in the box, it will be at the Company's discretion as to whether or not it is your intention to retain your shares.

### **B** SELLING YOUR SHARES - REQUEST FOR DIRECT CREDITING OF PAYMENTS

If you wish to sell your shares, please provide your bank details in this section. Do not complete this section if you wish to retain your shares. If you provide your direct credit instruction details, you are agreeing to the sale of your shares even if you have placed a tick in Box A.

## SIGNING REQUIREMENTS

<b>Individual:</b>	Where the holding is in one name, the Shareholder must sign.
<b>Joint holding:</b>	Where the holding is in more than one name, all of the Shareholders must sign.
<b>Power of Attorney:</b>	If any signatory signs under Power of Attorney, please attach an originally certified photocopy of the Power of Attorney to this Form when you return it.
<b>Companies:</b>	To be signed in accordance with your Constitution. Please sign in the box which indicates the office held by you.
<b>Estates:</b>	If any signatory signs in the capacity of Executor/s, please attach to this Form when you return it, a certified photocopy of the Probate or Death Certificate together with the Will.

### LODGING YOUR SHARE SALE FACILITY FORM

This form must be received at an address given below by 5.00PM (Perth Time) on Tuesday, 15 January 2019

#### ONLINE

By following the instructions overleaf

#### BY EMAIL

Scan and email a copy of your form to [corporate.actions@automic.com.au](mailto:corporate.actions@automic.com.au)

#### BY FACSIMILE

+61 2 8583 3040

#### BY MAIL

MCS Services Ltd  
C/- Automic  
GPO Box 5193  
Sydney NSW 2001

#### BY HAND DELIVERY (Between Sydney office hours 9.00am – 5.00pm AEDT)

Automic  
Level 5  
126 Philip Street  
Sydney NSW 2000

**YOUR SHARE SALE FACILITY FORM MUST BE RECEIVED BY NO LATER THAN  
5.00PM (PERTH TIME) TUESDAY 15 JANUARY 2019**