

PS&C Ltd

ACN 164 718 361

Notice of Annual General Meeting

Notice is hereby given that the 2016 Annual General Meeting of PS&C Ltd (ACN 164 718 361) ('**Company**') will be held at the time and location, and to conduct the business, specified below:

Date	Wednesday 16 November 2016
Registration	10.30am (AEDT)
Meeting Start Time	11.00am (AEDT)
Location	Moore Stephens, Level 18, 530 Collins Street, Melbourne, VIC., 3000

Business

The following business will be conducted:

- 1. Chairman's Address and Report**
- 2. Financial Statements and Reports**

To receive and consider the reports of the Directors and the Auditor and the financial statements for the year ended 30 June 2016 for the Company and its controlled entities. *(Refer to the Explanatory Statement annexed for further details).*

3. Remuneration Report

To consider, and if thought fit, pass the following resolution as an Ordinary Resolution:

Resolution 1

"That the Remuneration Report for the financial year ended 30 June 2016 be adopted." *(Refer to the Explanatory Statement annexed for further details)*

Please note the vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement

A vote must not be cast (in any capacity) on Resolution 1 – Remuneration Report by or on behalf of a member of the PS&C Ltd's key management personnel ("**KMP**"), details of whose remuneration are included in the Remuneration Report, and their closely related parties, whether as a shareholder or as a proxy.

However, the Company will not disregard a vote cast on Resolution 1 by a KMP, or a closely related party of a KMP, if the vote is cast as a proxy:

- (a) Appointed by writing that specifies how the proxy is to vote on Resolution 1; and
- (b) The vote is not cast on behalf of KMP or a closely related party of a KMP.

Please note that the Chairman of the Meeting intends to vote undirected proxies in favour of all resolutions.

If the Chairman of the Meeting is appointed as your proxy, or if the Chairman of the Meeting becomes your proxy by default, and you do not provide a voting direction, you are expressly authorising the Chairman of the Meeting to exercise your proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

4. Election of Director

Mr. Terry Benfold who, in accordance with clause 12 of the Constitution of the Company, retires by rotation as a Director of the Company has informed the Board that he has decided to seek re-election to the Board.

To consider, and if thought fit, pass the following resolution as an Ordinary Resolution:

Resolution 2

“To re-elect Mr. Terry Benfold as a director of the company under clause 12.17 of the Constitution of the Company”. *(Refer to the Explanatory Statement annexed for further details).*

5. Ratification and approval of previous allotment and issue of securities

To consider, and if thought fit, pass the following resolution as an Ordinary Resolution:

Resolution 3

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify and approve the previous allotment and the issue of 4,046,740 shares calculated on the Volume Weighted Average Price (VWAP) for the period 30 days prior to 4 October 2016 to the vendors of Bexton IT Services Pty Ltd.

Voting Exclusion

The Company will disregard any votes cast on this resolution by:

- (a) the vendors of Bexton IT Services Pty Ltd and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- (b) any associates of those persons.

However, the Company will not disregard a vote on this resolution if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the Proxy Form; or
- (d) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction of the Proxy Form to vote as the proxy decides.

6. Ratification and approval of previous allotment and issue of securities

To consider, and if thought fit, pass the following resolution as an Ordinary Resolution:

Resolution 4

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify and approve the previous allotment and the issue of 1,065,213 shares calculated on the Volume Weighted Average Price (VWAP) for the previous 30 days as at 30 November 2015 to the vendors of Certitude Pty Ltd”. *(Refer to the Explanatory Statement annexed for further details).*

Voting Exclusion

The Company will disregard any votes cast on this resolution by:

- (a) the vendors of Certitude Pty Ltd and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- (b) any associates of those persons.

However, the Company will not disregard a vote on this resolution if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the Proxy Form; or
- (d) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction of the Proxy Form to vote as the proxy decides.

7. Approval of placement facility

To consider, and if thought fit, pass the following resolution as a Special Resolution:

Resolution 5

“That, for the purposes of ASX Listing Rule 7.1A, shareholders approve the Company having the capacity to issue fully paid ordinary shares in the capital of the Company up to the maximum number permitted under ASX Listing Rule 7.1A at an issue price which is not less than 75% of the volume weighted average market (closing) price of the Company's ordinary shares calculated over the last 15 days on which trades of the Company's ordinary shares were recorded on ASX immediately before the date on which the issue price is agreed or the date the issue is made”. *(Refer to the Explanatory Statement annexed for further details).*

Voting Exclusion

The Company will disregard and votes cast on this resolution by:

- (a) a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed; and
- (b) any associates of those persons.

However, the Company will not disregard a vote on this resolution if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the Proxy Form; or

- (d) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction of the Proxy Form to vote as the proxy decides.

8. Approval of proposed issue of options to Mr. Terry Benfold

It is proposed that members of the Company consider, and if thought fit, pass the following resolution as an Ordinary Resolution:

Resolution 6

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval be given for the issue of 100,000 options under the PS&C Employee & Directors Benefit Plan to Mr. Terry Benfold, Chairman, on the terms described in the Explanatory Statement annexed”.

(Refer to the Explanatory Statement annexed for further details).

Voting Exclusion

The Company will disregard any votes cast on this resolution by:

- (a) a director of the Company; or
- (b) any associate of a director of the Company.

However, the Company will not disregard a vote on this resolution if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the Proxy Form; or
- (d) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction of the Proxy Form to vote as the proxy decides.

Except for the Chairman of the meeting, when authorised to vote an undirected proxy (as described above), members of the key management personnel and their closely related parties may not vote as proxy on this resolution unless the proxy appointment specifies the way the proxy is to vote on this resolution.

9. Approval of proposed issue of options to Ms. Cass O'Connor

It is proposed that members of the Company consider, and if thought fit, pass the following resolution as an Ordinary Resolution:

Resolution 7

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval be given for the issue of 100,000 options under the PS&C Employee & Directors Benefit Plan to Ms Cass O'Connor, Non-Executive Director, on the terms described in the Explanatory Statement annexed”.

(Refer to the Explanatory Statement annexed for further details).

Voting Exclusion

The Company will disregard any votes cast on this resolution by:

- (a) a director of the Company; or
- (b) any associate of a director of the Company.

However, the Company will not disregard a vote on this resolution if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the Proxy Form; or
- (d) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction of the Proxy Form to vote as the proxy decides.

Except for the Chairman of the meeting, when authorised to vote an undirected proxy (as described above), members of the key management personnel and their closely related parties may not vote as proxy on this resolution unless the proxy appointment specifies the way the proxy is to vote on this resolution.

10. Whitewash

In connection with the acquisition of Certitude Pty Ltd described in resolution 4, it is proposed that members of the Company consider, and if thought fit, pass the following resolution as a Special Resolution:

Resolution 8

“That, for the purposes of section 260B(2) of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the financial assistance to be provided by Certitude Pty Ltd in connection with the Facility Agreement described in the Explanatory Statement annexed.
(Refer to the Explanatory Statement annexed for further details).”

By order of the Board of Directors

14 October 2016

NOTES

The Explanatory Statement forms part of this Notice of Annual General Meeting and should be read in conjunction with it.

VOTING ENTITLEMENTS

Pursuant to regulation 7.11.37 of the *Corporations Regulations*, the Board has determined that, for the purpose of voting at the meeting, members are those persons who are the registered holders of shares at 7.00pm (AEDT) on Monday 14 November 2016.

PROXIES

In accordance with section 249L of the *Corporations Act 2001* (Cth):

A member who is entitled to attend and vote at the Annual General Meeting may appoint a proxy. A proxy can be either an individual or a body corporate. Should you appoint a body corporate as your proxy, that body corporate will need to ensure that it:

- (a) appoints an individual as its corporate representative to exercise its powers at meetings, in accordance with section 250D of the *Corporations Act 2001* (Cth); and
- (b) provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

If satisfactory evidence of appointment as corporate representative is not received before the meeting, then the body corporate (through its representative) will not be permitted to act as your proxy.

If a shareholder is entitled to cast two or more votes they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise. If the proxy appointments do not specify the proportion of the member's voting rights that each proxy may exercise, each proxy may exercise half of the member's votes. A proxy need not be a member.

To be effective, the proxy form (and, if the appointment is signed by the appointer's attorney, the authority under which it was signed or a certified copy of the authority) must be received by the Company's share registry, Boardroom Pty Limited, no later than 48 hours prior to the commencement of the Annual General Meeting which will be held at 11.00am (AEDT), on Wednesday 16 November 2016.

If you appoint a proxy, the Company encourages you to direct your proxy how to vote on each item of business.

The Chairman of the Meeting intends to vote undirected proxies able to be voted in favour of all items of business.

The completed proxy form may be:

Mailed/delivered to the Company's share registry, Boardroom Pty Limited at:

Street Address:	Postal Address:	Fax to:
Boardroom Pty Limited	Boardroom Pty Limited	Boardroom Pty Limited
Level 12, 225 George Street	GPO Box 3993	+61 2 9290 9655
Sydney NSW 2000	Sydney NSW 2001	

Or lodged online at <http://www.votingonline.com.au/pszagm2016>

CORPORATE REPRESENTATIVES

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the *Corporations Act 2001* (Cth) in which case the Company will require a Certificate of Appointment of Corporate Representative executed in accordance with the *Corporations Act 2001* (Cth). The Certificate must be lodged with the Company before the meeting or at the registration desk on the day of the meeting. The Company will retain the certificate.

EXPLANATORY STATEMENT

Introduction

This Explanatory Statement has been prepared for the shareholders of PS&C Ltd (**Company**) to provide information about the items of business to be considered at the Annual General Meeting of shareholders to be held on 16 November 2016.

Resolutions 1, 2, 3, 4, 6, and 7 are to be voted on as ordinary resolutions. Ordinary resolutions require a simple majority of votes cast by shareholders entitled to vote on the resolution.

Resolutions 5 and 8 require a special resolution. A special resolution requires at least 75% of votes cast by shareholders entitled to vote on the resolution to be in favour of the resolution for it to be passed.

ITEM 1 – Chairman’s Address and Report

The Chairman will address the meeting and comment on the performance of the Company for the Financial Year ended 30 June 2016 as well as future strategic and operational initiatives. The Chairman will also respond to questions raised by Shareholders.

ITEM 2 – Financial Statements and Reports

As required by section 317 of the *Corporations Act 2001* (Cth), the annual accounts of the Company and the associated reports of the Directors and the Auditor for the most recent financial year will be laid before the meeting.

No resolution is required for this item, but shareholders will be given the opportunity to ask questions and to make comments on all aspects of the accounts and reports.

ITEM 3 – Remuneration Report

Resolution 1 – Remuneration Report

The Board submits its Remuneration Report to shareholders for consideration and adoption by way of non-binding resolution. This resolution is advisory only and does not bind the Directors of the Company.

However, if at least 25% of the votes cast on the resolution are voted against adoption of the Remuneration Report at the meeting, and then again at the 2017 AGM, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (spill resolution).

If more than 50% of shareholders vote in favour of the spill resolution, the Company must then convene an extraordinary general meeting (spill meeting) within 90 days of the 2017 AGM. All of the Directors who were in office when the 2016 Director’s Report is approved, other than the Managing Director, will cease to hold office immediately before the end of the spill meeting but may stand for re-election at the spill meeting. Following the spill meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

The Remuneration Report is set out in the Director’s Report in the 2016 Annual Report. The Report:

- (a) Explains the Board’s policy for determining the nature and amount of remuneration of executive directors and senior executives of the Company;

- (b) Sets out the actual remuneration for the financial year ended 30 June 2016 for each Director and each member of the Company's senior executive management team; and
- (c) Details and explains any performance hurdles applicable to the remuneration of executive directors and senior executives of the Company.

Shareholders will be given the opportunity to ask questions and to make comments on the reports.

Recommendation

The Directors recommend voting in favour of this resolution. The Chairman of the meeting will be voting any undirected proxies in favour of this resolution.

ITEM 4 – Election of Director

Resolution 2

Clause 12.11 of the Company's Constitution requires one-third of the directors to retire from office by rotation.

Clause 12.13 of the Company's Constitution permits retiring directors to be re-elected. Pursuant to clause 12.14 of the Company's Constitution, Mr. Terry Benfold retires by rotation and has decided to seek re-election to the Board of PS&C Ltd.

This resolution seeks the re-election of Mr. Terry Benfold as a director of the company under clause 12.17 of the Constitution of the Company

Recommendation

The Directors recommend voting in favour of this resolution. The Chairman of the meeting will be voting any undirected proxies in favour of this resolution.

ITEM 5 – Ratification and approval of previous allotment and issue of securities

Resolution 3

The purpose of Resolution 3 is for shareholders to approve and ratify, under ASX Listing Rule 7.4, the issue of securities by the Company during the 12 months before the date of the meeting which count toward the Company's 15% limit under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides that subject to certain exceptions (none of which are relevant here) prior approval of shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the entity during the previous 12 months, exceed 15% of the number of the securities at the commencement of that 12 month period.

The allotment and issue of securities detailed in Resolution 3 did not exceed the 15% threshold. However, ASX Listing Rule 7.4 provides that where an entity ratifies an issue of securities, the issue will be treated as having been made with the approval for the purpose of ASX Listing Rule 7.1, thereby replenishing that entity's 15% capacity and enabling it to issue further securities up to that limit.

Resolution 3 proposes the ratification and approval of the allotment and issue of fully paid ordinary shares (**Shares**) detailed below for the purposes of satisfying the requirements of ASX Listing Rule 7.4.

The following table shows the number of shares issued based on VWAP for the 30 day period prior to 4 October 2016.

Shares issued to the vendors of Bexton IT Services Pty Ltd	
Issue Date:	14 October 2016
Number of Securities:	4,046,740 ordinary shares
Issue Price:	\$0.3515, being the Volume Weighted Average Price of the securities for the period 30 days prior to 4 October 2016
Terms of Issue:	The Shares rank equally with all existing Shares on issue
Allottees:	Laura Catherine Gowans as vendor of Bexton IT Services Pty Ltd Blair Cameron Gowans as vendor of Bexton IT Services Pty Ltd
Use of funds:	No funds were raised as the Shares were issued as part consideration for the acquisition of Bexton IT Services Pty Ltd

Recommendation

The Directors recommend voting in favour of the allotment and issue of securities to Laura Catherine Gowans and Blair Cameron Gowans as vendors of Bexton IT Services Pty Ltd. The Chairman of the meeting will be voting any undirected proxies in favour of this resolution.

ITEM 6 - Ratification and approval of previous allotment and issue of securities

Resolution 4

The purpose of Resolution 4 is for shareholders to approve and ratify, under ASX Listing Rule 7.4, the issue of securities by the Company during the 12 months before the date of the meeting which count toward the Company's 15% limit under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides that subject to certain exceptions (none of which are relevant here) prior approval of shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the entity during the previous 12 months, exceed 15% of the number of the securities at the commencement of that 12 month period.

The allotment and issue of securities detailed in Resolution 4 did not exceed the 15% threshold. However, ASX Listing Rule 7.4 provides that where an entity ratifies an issue of securities, the issue will be treated as having been made with the approval for the purpose of ASX Listing Rule 7.1, thereby replenishing that entity's 15% capacity and enabling it to issue further securities up to that limit.

Resolution 4 proposes the ratification and approval of the allotment and issue of fully paid ordinary shares (**Shares**) detailed below for the purposes of satisfying the requirements of ASX Listing Rule 7.4.

The following table shows the number of shares issued based on VWAP as at 30 November 2015.

Shares issued to the vendors of Certitude Pty Ltd	
Issue Date:	13 January 2016

Number of Securities:	1,065,213 ordinary shares
Issue Price:	\$0.9817, being the Volume Weighted Average Price of the securities for the previous 30 days as at 30 November 2015
Terms of Issue:	The Shares rank equally with all existing Shares on issue
Allottees:	Keser Holding Pty Ltd as vendor of Certitude Pty Ltd
Use of funds:	No funds were raised as the Shares were issued as part consideration for the acquisition of Certitude Pty Ltd

Recommendation

The Directors recommend voting in favour of the allotment and issue of securities to Keser Holding Pty Ltd as vendor of Certitude Pty Ltd. The Chairman of the meeting will be voting any undirected proxies in favour of this resolution.

ITEM 7 - Approval of placement facility

Resolution 5

Under ASX Listing Rule 7.1A, certain companies may seek shareholder approval by special resolution passed at an annual general meeting to have the additional capacity to issue equity securities which do not exceed 10% of the existing ordinary share capital without further shareholder approval.

Approval of the special resolution outlined in Item 7 is sought for the Company to issue ordinary shares under Listing Rule 7.1A.

If the special resolution is approved, the Company may make an issue of ordinary shares under ASX Listing Rule 7.1A at any time – on either a single date or progressively – up until the earlier of:

- (a) The date which is 12 months after the date of the 2016 Annual General Meeting (16 November 2017); or
- (b) The date on which shareholders approve a transaction under ASX Listing Rule 11.1.2 (significant change to nature or scale of activities) or 11.2 (disposal of main undertaking).

As at the date of this Explanatory Statement, the Company is an “eligible entity” and able to seek approval under Listing Rule 7.1A as it is not included in the S&P/ASX 300 and has a market capitalisation of \$300 million or less. If the Company ceases to be an eligible entity by the date of the 2015 Annual General Meeting, this resolution will be withdrawn.

The maximum number of ordinary shares which may be issued in the capital of the Company under the approval sought by this resolution is calculated in accordance with the following formula as set out in Listing Rule 7.1A.2:

$$(A \times D) - E$$

Where:

A is the number of fully paid ordinary shares on issue 12 months before the date of issue or agreement to issue:

- (a) Plus the number of fully paid ordinary shares issued in the past 12 months under an exception in ASX Listing Rule 7.2;
- (b) Plus the number of partly paid shares that become fully paid in the 12 months;
- (c) Plus the number of fully paid shares issued in the 12 months with approval of holders of ordinary shares under ASX Listing Rule 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the Company's 15% placement capacity without shareholder approval;
- (d) Less the number of fully paid ordinary shares cancelled in the 12 months.

D is 10%

E is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue, that are not issued with shareholder approval under ASX Listing Rule 7.1 or 7.4.

The ability of the Company to make an issue under ASX Listing Rule 7.1A is in addition to its 15% placement capacity under Listing Rule 7.1.

As at the date of this Notice, the Company has on issue 70,113,762 shares and therefore has a capacity to issue:

- (a) Subject to shareholder approval being received under Resolutions 3 and 4; 10,517,064 ordinary shares under Listing Rule 7.1; and
- (b) Subject to shareholder approval being received under Resolution 3 and 4; 7,011,376 ordinary shares under Listing Rule 7.1A.

The actual number of ordinary shares that the Company will have the capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the shares in accordance with the formula in Listing Rule 7.1A.2 (as described above).

For the purposes of Listing Rule 7.3A, the following information is provided:

The minimum price at which the ordinary shares the subject of this special resolution will be issued is 75% of the volume weighted average market (closing) price of the Company's ordinary shares calculated over the last 15 days on which trades are recorded immediately before either:

- (a) The date on which the price at which the securities are to be issued is agreed; or
- (b) If the securities are not issued within 5 trading days of the date on which the price at which the securities are to be issued is agreed, the date on which the securities are issued.

If this special resolution is approved and the Company issues ordinary shares under the 10% Placement Facility, the existing shareholders voting power in the Company will be diluted as shown in the table below.

There is a risk that:

- (a) The market price for the Company's ordinary shares may be significantly lower on the issue date than on the date of the approval of this special resolution; and

- (b) The ordinary shares may be issued at a price that is at a discount to the market price for the Company's ordinary share on the issue date, which may have an effect on the amount of funds raised by the issue.

The table below sets out the dilution of existing shareholders on the basis of the current market price of shares and the current number of ordinary shares 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:

- (a) Two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary shares the Company has on issue. The number of ordinary shares may increase as a result of issues of ordinary shares which do not require shareholder approval (for example, a pro rata entitlements issue) or future placements under Listing Rule 7.1 that are approved by shareholders; and
- (b) Two examples of where the issue price of ordinary shares has decreased by 50% and increased by 100% as against the current market price.

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The table has been prepared on the following assumptions. The Company does not represent that they will necessarily occur:

- (a) The Company issues the maximum number of shares available under the 10% Placement Facility.
- (b) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (c) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- (d) The table shows only the effect of issues of ordinary shares under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (e) The issue price is \$0.34, being the closing price of the Shares on ASX on 4 October 2016.
- (f) The number of shares in Variable "A" is the total shares on issue based on the shares issued to Vendors in Resolutions 3 and 4.
- (g) The number of shares issued for the 12 month period to 14 October 2016 under f) above is 5,111,953.

The Company may seek to issue ordinary shares under the Placement Facility for either:

- (a) A cash issue price, in which case the Company may use the funds for working capital or other corporate purpose; or
- (b) Non cash consideration, such as for the acquisition of new assets or investments, subject to applicable ASX requirements

In either case, the cash issue price or the value of the non-cash consideration must comply with the minimum issue price noted above.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

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

The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.

The total number of equity securities issued, including unlisted options, during the 12 months preceding the date of this meeting is 7,066,953. This represents 10.87% of the total number of equity securities on issue at the commencement of that 12 month period.

The following table details the issues of equity securities, including unlisted options, by the Company in the 12 month period prior to this meeting

	Purpose of issue	Number of Shares	Class of Shares	Issue Price		Date
				Per Share	Total	
Bexton IT Services Pty Ltd	Earn-out Payment and Acquisition Payment	4,046,740	Ordinary	0.3515	\$1,422,545	14/10/16
Certitude Pty Ltd	Acquisition Payment	1,065,213	Ordinary	0.9817	\$1,045,719	13/01/16
Employee and Directors' Benefit Plan	Employees	1,755,000	Unlisted Options	Exercise Price \$1.09	Nil	1/11/15
	Directors	200,000	Unlisted Options	Exercise Price \$1.17	Nil	1/12/15

A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the securities. No

existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Recommendation

As at the date of this Notice, the Company has no plans to raise additional capital, however approval of this special resolution will enable a capital raising to be implemented quickly by the Company during the following year. The Directors believe that Resolution 5 is in the best interests of the Company and recommend that shareholders vote in favour of the resolution. The Chairman of the meeting will be voting any undirected proxies in favour of this resolution.

ITEM 8 – Approval of proposed issue of options to Mr. Terry Benfold

Resolution 6

Issue of options to Mr Terry Benfold under the Directors and Employee Benefits Plan

ASX Listing Rule 10.14 prevents the Company from issuing securities to directors and their associates under the Company's Directors and Employee Benefits Plan unless approved by the members of the Company. The Company has previously adopted the PS&C LTD Directors and Employee Benefits Plan (**Plan**). A brief summary of the proposed terms of the Plan was contained in the Prospectus. Further details of the Plan are set out in the Schedule to this Explanatory Statement.

Accordingly, and subject to the required member approval, the Company intends to issue 100,000 options to Mr Terry Benfold within 30 days of receiving such approval. To enable the members to approve the resolution under Item 10, the following information is provided in compliance with ASX Listing Rule 10.15:

Eligibility	<p>The following individuals are eligible to participate under the Plan:</p> <ul style="list-style-type: none"> • A director or secretary of the Company or any of its subsidiaries; or • A permanent full-time or permanent part-time employee or a contractor of the Company selected by the Board to participate.
Number of options to be issued	100,000
Exercise price	15% premium to the 30 day VWAP prior to issue of the options.
Exercise Period	<p>The options will be exercisable in 2 tranches of 33,333 each on 31 October 2017 and 31 October 2018 and 1 tranche of 33,334 on 31 March 2019. The options will lapse in the event that Terry Benfold ceases his employment with the Company.</p>

Loan Available	No
Date by which the Company will issue the options	Within 30 days of receiving required member approval.
Number of options previously issued to Terry Benfold	100,000 options at an exercise price of \$1.17
Names of directors and directors' associates who are entitled to participate in the Plan	Terry Benfold Cass O'Connor Kevin McLaine
Names of directors and directors' associates who received options under the Plan since its last approval	Terry Benfold 100,000 Cass O'Connor 200,000

Recommendation

The Directors, other than Mr. Terry Benfold, recommend voting in favour of this resolution. The Chairman of the meeting will be voting any undirected proxies in favour of this resolution.

ITEM 9 – Approval of proposed issue of options to Ms. Cass O'Connor

Resolution 7

Issue of options to Cass O'Connor under the Directors and Employee Benefits Plan

ASX Listing Rule 10.14 prevents the Company from issuing securities to directors and their associates under the Company's Directors and Employee Benefits Plan unless approved by the members of the Company. The Company has previously adopted the PS&C Directors and Employee Benefits Plan (**Plan**). A brief summary of the proposed terms of the Plan was contained in the Prospectus. Further details of the Plan are set out in the Schedule to this Explanatory Statement. An intention to invite Ms Cass O'Connor to participate in the Plan was expressed in her employment agreement with the Company (as described in the Prospectus).

Accordingly, and subject to the required member approval, the Company intends to issue 100,000 options to Ms O'Connor within 30 days of receiving such approval. To enable the members to approve the resolution under Item 11, the following information is provided in compliance with ASX Listing Rule 10.15:

Eligibility	The following individuals are eligible to participate
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	<p>under the Plan:</p> <ul style="list-style-type: none"> • A director or secretary of the Company or any of its subsidiaries; or • A permanent full-time or permanent part-time employee or a contractor of the Company selected by the Board to participate.
Number of options to be issued	100,000
Exercise price	15% premium to the 30 day VWAP prior to issue of the options.
Exercise Period	The options will be exercisable in 2 tranches of 33,333 each on 31 October 2017 and 31 October 2018 and 1 tranche of 33,334 on 31 March 2019. The options will lapse in the event that Cass O'Connor ceases her employment with the Company.
Loan Available	No
Date by which the Company will issue the options	Within 30 days of receiving required member approval.
Number of options previously issued to Cass O'Connor	100,000 options at an exercise price of \$1.20 100,000 options at an exercise price of \$1.17
Names of directors and directors' associates who are entitled to participate in the Plan	Terry Benfold Cass O'Connor Kevin McLaine
Names of directors and directors' associates who received options under the Plan since its last approval	Terry Benfold 100,000 Cass O'Connor 200,000

Recommendation

The Directors, other than Ms. O'Connor, recommend voting in favour of this resolution. The Chairman of the meeting will be voting any undirected proxies in favour of this resolution.

ITEM 10 – Whitewash

Resolution 8

This part of the Explanatory Statement has been prepared in connection with a resolution proposed to be passed as a special resolution of the Company to approve the giving by Certitude Pty Ltd, a wholly owned subsidiary of the Company of financial assistance within the meaning of section 260A of the Corporations Act (**Financial Assistance Resolution**).

Pursuant to section 260A(1) of the Corporations Act, a company may financially assist a person to acquire shares in the company or a holding company of the company only if:

- (a) Giving the financial assistance does not materially prejudice:
 - (i) the interests of the company or its shareholders; or
 - (ii) the company's ability to pay its creditors; or
- (b) the assistance is approved by shareholders under section 260B of the Corporations Act; or
- (c) the assistance is exempted under section 260C of the Corporations Act.

Under section 260B(1) of the Corporations Act for a company to financially assist a person to acquire shares in itself or a holding company of the company, the financial assistance must be approved by its shareholders by:

- (a) a special resolution passed at a general meeting of the company with no votes being cast in favour of the resolution by the person acquiring the shares or by their associates; or
- (b) a resolution agreed to, at a general meeting, by all ordinary shareholders.

If immediately after the acquisition, the company will be a subsidiary of another domestic corporation that is listed in Australia (Ultimate Holding Company) then the financial assistance must also be approved by a special resolution passed under section 260B(2) (in the case of the Ultimate Holding Company) of the Corporations Act at a general meeting of that corporation.

PS&C has completed an agreement to acquire Certitude Pty Ltd. Following completion, PS&C is the Ultimate Holding Company of Certitude Pty Ltd.

The Company has entered into a Facility Agreement with the ANZ Bank pursuant to which the Company (as Borrower), each entity named in the Schedule to that agreement, Australian and New Zealand Banking Group Limited (as Lender) under which the Lender has agreed to provide financial accommodation to the Company in the amount of \$18,300,000 (the Facility).

The Facility will be used by the Company to assist with the acquisition strategies of the Company.

The entry by Certitude Pty Ltd into the Facility Agreement and the provision of the security and guarantee and indemnity may conceivably constitute the giving of financial assistance in connection with the Facility Agreement within the meaning of Part 2J.3 of the Corporations Act.

Pursuant to section 260B of the Corporations Act, it is proposed that the giving by Certitude Pty Ltd of the financial assistance be approved by:

- (a) a resolution agreed to by all ordinary shareholders of Certitude Pty Ltd pursuant to section 260B(1) of the Corporations Act; and
- (b) the Financial Assistance Resolution pursuant to section 260B(2) of the Corporations Act.

The reasons for the giving of the financial assistance described above is to enable PS&C to comply with certain of its obligations under the Facility.

The effects of the giving of the financial assistance are unlikely to have any adverse effect of the Company.

The advantages of the giving of the financial assistance are to enable the Company to obtain the benefit of the financial accommodation from the Lender. As described above, the Facility is being entered into to enable PS&C to fund its acquisition strategy. The benefits of the proposed resolutions will be to give PS&C the ability to expand its operations.

As required by section 260B(5) of the Corporations Act, copies of the Notice and this Explanatory Statement were lodged with the Australian Securities and Investments Commission prior to their dispatch to shareholders.

The Board considers that this Explanatory Statement contains all information known to the Company which would be material to shareholders in deciding how to vote on the proposed Financial Assistance Resolution other than information which it would be unreasonable to require the Company to include because it has previously been disclosed to shareholders of the Company.

Recommendation

The Directors recommend that Shareholders vote in favour of the Financial Assistance Resolution to approve the giving of financial assistance. The Chairman of the meeting will be voting any undirected proxies in favour of this resolution.

Schedule

EMPLOYEE & DIRECTORS' BENEFIT PLAN

PS&C Ltd has adopted the PS&C Employee & Directors' Benefit Plan (the **Plan**).

Under the Plan, PS&C Ltd is entitled to issue shares, options and/or performance rights to Directors, officers, employees and contractors, subject to such terms and restrictions as the Board identifies and at issue or exercise prices as the Board determines.

Invitations under the Plan must be made in writing and identify any restrictions to which the person accepting such an invitation will be subject under the terms of the Plan. Options and performance rights are non-transferable. Unless otherwise determined by the Board, options will only be exercisable into Shares 1 year from the date they are granted and will lapse 18 months from that date, or on the date that a participant ceases to be a Director, officer or employee, except in certain defined special circumstances such as total and permanent disablement or redundancy.

Performance rights will confer an entitlement to Shares at no cost upon satisfaction of certain performance criteria determined by the Board.

Shares issued pursuant to the Plan will be issued fully paid and rank equally for dividends with other Shares on or after the date of allotment. Further, the Directors may also determine that Shares may be purchased on market for the benefit of participants under the Plan. Shares, options or performance rights issued under the Plan that are subject to restrictions on disposal cannot be dealt with in any way until the restrictions have expired. However, if a takeover bid is made to acquire the whole or any number of the Shares, or a scheme of arrangement, selective capital reduction or other similar transaction is initiated that has a similar effect to a full takeover bid for all of the Shares, then the Board may in its absolute discretion lift the restrictions.

In the event that there is a reorganisation of the Company's capital by way of bonus issue or rights issue or on reconstruction, the numbers of options or performance rights issued under the Plan may be adjusted. The Board must not issue any Shares, options or performance rights under the Plan if, immediately after the issue, the sum of: the total number of Shares issued during the preceding five years under the Plan and any other employee incentive scheme which may be adopted by the Company, plus the total number of unissued shares over which options, performance rights or other options (which remain outstanding) have been granted under any other PS&C Ltd group employee incentive scheme, would exceed 5% of the total number of shares on issue at the time of the proposed issue.

The Board will administer the Plan and have an absolute discretion to: implement procedures for the administration of the Plan; resolve all questions of fact or interpretation arising in respect of the Plan; delegate to one or more persons any powers in respect of the Plan; amend the rules of the Plan, provided that such amendments do not unduly prejudice the rights of existing participants.

The Plan may be suspended, terminated or amended at any time by the Board, subject to any resolution of the Shareholders as required by the ASX Listing Rules. No broker's fees or commissions are payable by participants in the Plan for the issue of shares, options or performance rights under the Plan.

Participants issued shares, options or participation rights are bound by the rules of the Plan and by the Constitution of PS&C Ltd.