THIS IS AN IMPORTANT DOCUMENT

AND REQUIRES YOUR ATTENTION

The matters raised in this document will affect your shareholding in the Company. You are advised to read this document in its entirety before deciding how you propose to vote at the meeting referred to below.

If you are in any doubt as to how to interpret any aspect of this document or otherwise deal with it, please consult your financial or other professional adviser.

TMA Group of Companies Limited

ABN 66 006 627 087

Notice of Meeting and Explanatory Statement

Date:	Tuesday, 20 September 2011
Time:	10.00 a.m. AEST
Place:	Nexus Room 1, Level 1, The Pullman Hotel, Olympic Park, Homebush Bay, NSW, 2127

In this document you will find:

Part 1. A letter from the Chairman outlining the Resolution to be considered at the Meeting and a recommendation as to how you should vote;

Part 2. Notice of Meeting;

Part 3. An Explanatory Statement containing an explanation of, and information about, the Resolution to be considered at the Meeting; and

Part 4. Proxy Form.

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PART 1 – CHAIRMAN'S LETTER

15 August 2011

Dear Shareholder,

Enclosed is a Notice of Meeting and accompanying Explanatory Statement which details the business of a Meeting of TMA Group of Companies Limited (**TMA** or the **Company**) to be held at 10.00 am (AEST) on Tuesday, 20 September 2011 at Nexus Room 1, Level 1, The Pullman Hotel, Olympic Park, Homebush Bay, NSW, 2127.

TMA is seeking approval by Shareholders for:

1. TMA to be removed from the Official List (**Delisting**); and
2. the Directors to be authorised to do all things reasonably necessary to give effect to the Delisting.

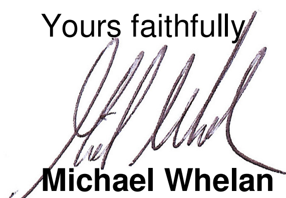
A majority of the Independent Directors, being Michael Whelan and Tony Saad, recommend that Shareholders vote **in favour of** the Resolution set out in the Notice of Meeting for the reasons provided in Section 6.5 of the Explanatory Statement. However, James Schwarz (the remaining Independent Director) recommends that Shareholders vote **against** the Resolution for the reasons provided in Section 6.6 of the Explanatory Statement.

Both Anthony Karam and Corriene Karam have abstained from voting, each in their capacity as a Director, in respect of the Board's decision to convene this Meeting and also abstain from making any recommendation to Shareholders as to whether or not they should approve the Resolution, as both believe that they have a material personal interest in whether or not the Resolution is approved. Details of those material personal interests are set out in detail in Table 1 of Section 6.3 of the Explanatory Statement.

If you cannot attend the Meeting, you are strongly urged to complete and return the attached Proxy Form. The Proxy Form and, if applicable, the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received as soon as possible by the Company but in any event no later than 10.00 am (AEST) on Friday, 16 September 2011.

I look forward to welcoming you at the Meeting.

Yours faithfully



Michael Whelan

Chairman

PART 2 - NOTICE OF MEETING

Notice is hereby given that a Meeting of the Members will be held at 10:00 am (AEST) on Tuesday, 20 September 2011 at Nexus Room 1, Level 1, The Pullman Hotel, Olympic Park, Homebush Bay, NSW, 2127 (**Meeting**).

All capitalised terms used in this Notice of Meeting, Explanatory Statement and Proxy Form are defined in Section 1.3 of the Explanatory Statement, unless otherwise expressly defined.

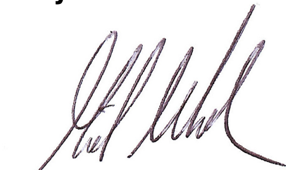
BUSINESS

Delisting

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

> "*That, for the purpose of satisfying any condition required by ASX under LR 17.11 and for all other purposes:*
>
> *(a) the Company be removed from the Official List; and*
>
> *(b) the Directors be authorised to do all things reasonably necessary to give effect to the Company's removal from the Official List,*
>
> *by a date, and in accordance with such condition or conditions, if any, as is or are prescribed or approved of by ASX.*"

By order of the Board



Michael Whelan **Date:** 15 August 2011

Chairman

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PART 3 – EXPLANATORY STATEMENT

1. INTRODUCTION

1.1 General

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at **10.00 am (AEST) on Tuesday, 20 September 2011 at Nexus Room 1, Level 1, The Pullman Hotel, Olympic Park, Homebush Bay, NSW, 2127**. It forms part of the Notice of Meeting and must be read together with that Notice of Meeting.

The Directors recommend Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolution.

1.2 Purpose of the Meeting

The purpose of the Meeting is to consider and vote on the Resolution.

1.3 Definitions

Unless otherwise indicated herein, in this Notice of Meeting, Explanatory Statement and Proxy Form:

2009 Notice means the Notice of Annual General Meeting and Explanatory Memorandum dated 26 October 2009, a copy of which is marked as Exhibit "A" to the Deed of Variation.

AEST means Australian Eastern Standard Time.

Antcor means Antcor Pty Ltd ACN 094 787 112.

Antcor Investments means Antcor Investments Pty Limited ACN 120 558 527.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691.

Board means the board of Directors.

Company or **TMA** means TMA Group of Companies Limited ACN 006 627 087.

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

Constitution means the constitution of the Company, as amended from time to time.

Deed of Variation means the unsigned "Deed of Variation to the Terms of Redeemable Preference Shares", annexed hereto as Annexure "A".

Delist means removing the Company's securities from quotation on the Official List in accordance with the terms of the Resolution, and the terms **Delisting** and **Delisted** have corresponding meanings.

Director means a director of the Company from time to time.

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Explanatory Statement means the information, or any part thereof, set out in this Part 3 of the Explanatory Statement.

Independent Director means any of Michael Whelan, James Schwarz and Tony Saad.

KFH means Karam Family Holdings Pty Limited ACN 075 733 318.

Listing Rules or **LRs** means the official listing rules of ASX from time to time.

Meeting means the meeting that is the subject of the Notice of Meeting, more particularly defined in paragraph 1 of the Notice of Meeting.

Member or **Shareholder** means a person whose name is entered in the Share Registry.

Notice of Meeting means the Notice of General Meeting dated 28 July 2011 referred to in, which accompanies and of which, the Explanatory Statement forms part.

Official List has the meaning ascribed to that term by Chapter 19 of the Listing Rules.

Proxy Form means the proxy form attached to and forming part of the Notice of Meeting.

Record Date means the date prescribed in Section 3 of the Explanatory Statement.

Redeemable Preference Shares means 14,666,666 unlisted redeemable preference shares of the Company held exclusively by Antcor.

Removal Date has the meaning given to that term in Section 6.7(a) of the Explanatory Statement.

Resolution means the resolution referred to in the Notice of Meeting.

SEATS means the Stock Exchange Automated Trading System operated by ASX.

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

Shareholder means the registered holder of a Share.

Share Registry means the registry of Shareholders maintained by Boardroom Pty Limited ACN 003 209 836.

Terms mean the terms of issue of the Redeemable Preference Shares, as provided in Annexure A to the 2009 Notice.

Undertaking means the undertaking referred to in Section 6.1.

1.4 Further information

If you have any questions in relation to the Delisting or the Meeting please call the Company directly on +61 2 9892 9999 between 9.00am and 5.00pm (AEST), Monday to Friday, or consult with your investment or other professional adviser.

2. VOTING

Ordinary resolutions require the approval of more than 50% in number of Shareholders who are entitled to vote in person, by proxy, representative or attorney.

The Resolution will be decided in the first instance by a show of hands. A poll may be demanded in accordance with the provisions of the Constitution.

On the show of hands, every Shareholder who is entitled to vote and is present in person or by proxy, representative or attorney will have one vote.

If a Shareholder appoints two proxies or two attorneys, neither proxy nor attorney shall be entitled to vote on a show of hands.

3. VOTING ENTITLEMENT

The Directors have determined that, for the purpose of voting at the Meeting, Shares will be taken to be held by the registered holder at **3.00pm (AEST) on Friday, 16 September 2011** (**Record Date**). Accordingly, Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

4. PROXIES

A Shareholder who is entitled to attend and vote at the Meeting may appoint one or two persons to attend and vote at the Meeting as the Shareholder's proxy. A proxy need not be a Shareholder. A proxy can be either an individual or a body corporate. A body corporate appointed as your proxy will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at the Meeting, in accordance with section 250D of the Corporations Act; and
- 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, the Shareholder 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 Shareholder's voting rights that each proxy may exercise, each proxy may exercise half of the Shareholder's votes

In order for the appointment of a proxy to be valid, the proxy form (and, if the appointment is signed by the Shareholder's attorney, the authority under which it was signed or a certified copy of the authority) must be received at the Company's office no later than **10.00am AEST** on **Friday, 16 September 2011.**

Duly completed and signed proxy forms should be **sent directly to** the Company at:

Street Address:
The Secretary
TMA Group of Companies Limited

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4-6 Straits Avenue
Granville NSW 2142
Postal Address:
The Secretary
TMA Group of Companies Limited
Locked Bag 60
GRANVILLE NSW 2142

Fax No.: +61 (0)2 9892 9900
Email: proxy@tmagroup.com.au

5. CORPORATE REPRESENTATIVES

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act in which case the Company will require a Certificate of Appointment of Corporate Representative executed in accordance with the Corporations Act. 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.

6. RESOLUTION

6.1 Background to Delisting

On 11 July 2011, the Company applied to ASX, under Listing Rule 17.11, for the ASX's consent to the removal of the Company from the Official List (**Delisting Application**). The reasons for and against the Delisting Application are set out more fully in Section 6.5 and Section 6.6 (respectively) of this Explanatory Statement.

On 9 August 2011, ASX granted approval to the Company to effect the Delisting, subject to Company's compliance with the following conditions:

(a) the Resolution be approved by the requisite majority of Shareholders;

(b) the Notice of Meeting include a statement to the effect that the Delisting will take place no earlier than one (1) calendar month after Shareholder approval of the Resolution is granted; and

(c) the Company disclose the full terms of ASX's decision in relation to the Delisting Application to the market after that decision has been disclosed to the Company,

(collectively, **ASX Approval**).

ASX have also requested that each of Anthony Karam and Corriene Karam disclose their intention regarding the acquisition of Shares by each of them from the Removal Date (**Request**).

In accordance with:

(a) conditions (a) and (b) of the ASX Approval:

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(i) Shareholder approval of the Resolution is proposed to be obtained at the Meeting (i.e. on 20 September 2011); and

(ii) the Removal Date is proposed to be on or after 5.00 pm (AEST) on Friday, 21 October 2011, being a date no earlier than one (1) calendar month after Shareholder approval of the Resolution is granted; and

(b) condition (c) of the ASX Approval, the full terms of the ASX Approval were released to the market on or before Tuesday, 16 August 2011.

In addition, for the purpose of the Request, and for all other purposes, each of Anthony Karam and Corriene Karam have agreed to undertake to and in favour of the Company that, from the Removal Date to the first anniversary of that date, neither they nor any of their associates will acquire or purchase any Shares, unless pursuant to an issue by the Company to all Shareholders on a pro-rata basis for the purposes of a capital raising (**Undertaking**).

Further details of the timetable for the Delisting are set out in Section 7 of the Explanatory Statement.

6.2 Recommendation of Independent Directors

Following due consideration at a meeting of the Board – at which neither Anthony Karam nor Corriene Karam attended or otherwise took part – a majority of the Independent Directors resolved that it is in the best interests of the Company and all of its Shareholders that TMA apply to the ASX for the Delisting for the reasons outlined in Section 6.5 of this Explanatory Statement.

Each of Michael Whelan (Chairman) and Tony Saad – both Independent Directors – recommend that Shareholders vote **in favour** of the Resolution for the reasons set out in Section 6.5 of the Explanatory Statement.

James Schwarz – the other Independent Director – recommends that Shareholders vote **against** the Resolution, for the reasons set out in Section 6.6 of the Explanatory Statement.

6.3 Relevant interests of Directors

As at 30 May 2011, the Directors held the following relevant interests in the Shares. No individual Director has a relevant interest in the Shares of any other Director, other than as described immediately below.

Table 1: Directors' relevant interests in Shares (direct and indirect) as at 30th May 2011

	Relevant Interest	% of issued capital
Michael Whelan	nil	nil
Anthony Karam[1]	94,775,593	80.88%
Anthony Karam and Corriene Karam[2]	429,630	0.37%
James Schwarz[3]	250,000	0.21%
Tony Saad	25,000	0.02%
TOTAL	**95,480,223**	**81.48%**
Total Shares on issue	**117,179,086**	**100.0%**

Table 2: Directors' intention to vote in the Meeting in respect of their Shareholding

	Relevant Interest	% of maximum votes that could be cast
- in **favour** of the Resolution	95,230,223	81.30%
- **against** the Resolution	250,000	0.21%

6.4 No voting entitlement of Antcor

Antcor is the registered holder of all the Redeemable Preference Shares. Anthony Karam and Corriene Karam are the sole directors of Antcor and control Antcor through their holding of all the issued shares in Ticket Manufacturers Pty Ltd ACN 101 477 347, that company being the sole shareholder of Antcor.

If the Resolution is approved and the Delisting is effected, certain mechanical provisions of the Terms will no longer be able to be performed by the Company. On the basis that only mechanical changes to the Terms with be effected if the Resolution is approved, ASX has taken the view that Antcor's rights under the Redeemable Preference Shares

[1] Anthony Karam is a director of KFH which is the registered holder of the 94,775,593 Shares.
[2] Anthony Karam and Corriene Karam are both directors of Antcor Investments which is the registered holder of the 429,630 Shares.
[3] James Schwarz is a director of Jamber Investments Pty Ltd which is the registered holder of 250,000 Shares.

will not be affected and, accordingly, Antcor will not be entitled to vote in respect of the Resolution.

However, when and if the Resolution is approved and the Delisting occurs, the provisions of the Terms will thereupon be automatically amended in accordance with the provisions of clause 2 of the Deed of Variation so that the Company will be able to perform its obligations under the Redeemable Preference Shares.

6.5 Rationale for Delisting

References to an opinion or belief of "the Directors" in this Section 6.5 of the Explanatory Statement are references to the opinion or belief of each of Michael Whelan and Tony Saad, each an Independent Director.

The reasons set out in this sub-section of Section 6.5 of the Explanatory Statement are solely the views of Michael Whelan and Tony Saad. James Schwarz does not comment on, nor makes any representation as to the accuracy or relevance of, any of the facts or opinions upon which any of those views are based.

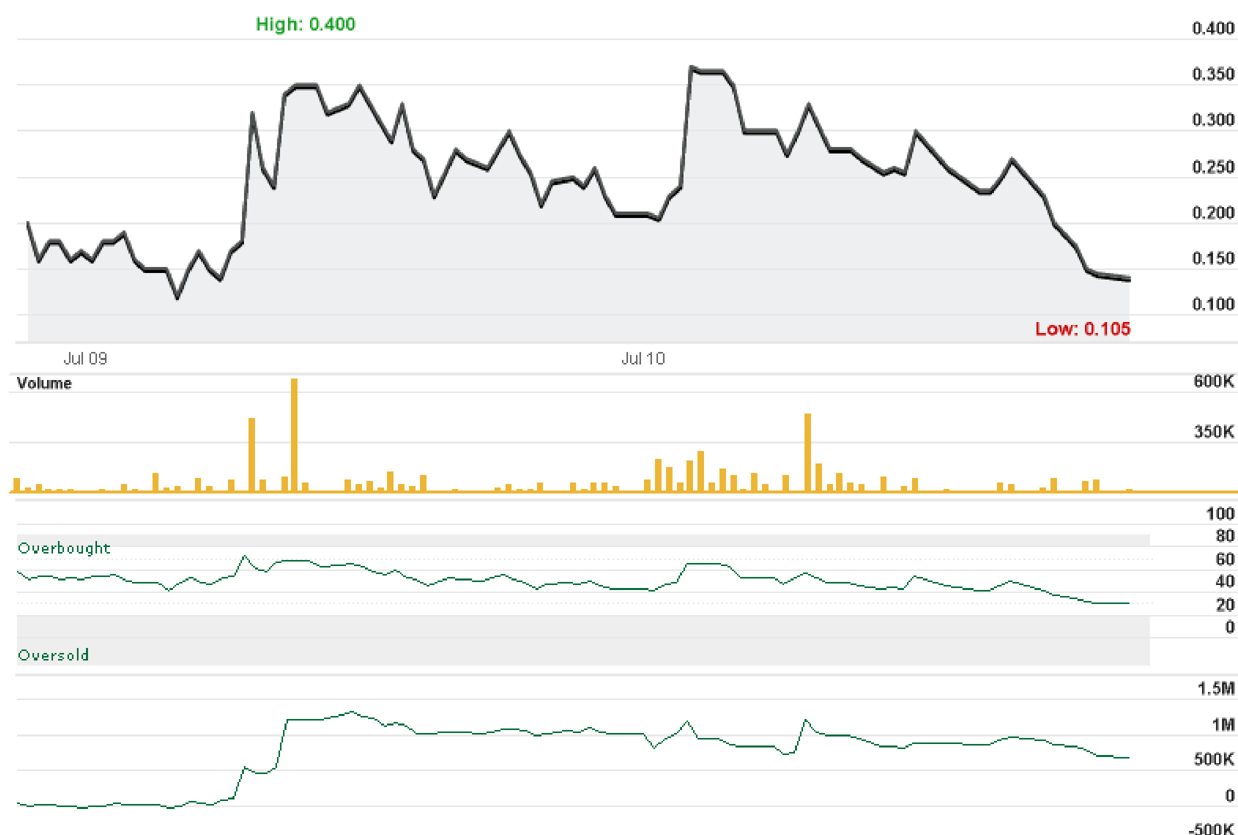
Low levels of liquidity

In the past two (2) calendar years, the number of Shares traded on the exchange conducted by ASX has continued at very low levels of between 2.8 million and 3.2 million Shares, representing between 2.4% and 2.7% per annum of the Shares on issue during those years. These numbers reflect the Company's smaller capitalised status, the large proportion of Shares controlled by Directors or their associated interests and a general lack of interest by Shareholders and other potential investors in the businesses conducted by the Company.

In the six (6) months to 31 May 2011, the volume of Shares traded on the Official List was 640,000 Shares, representing only 0.55% of the issued Shares or an average of less than 0.1% of the issued Shares per month.

This is reflected in the following Table 3:

Table 3: Shares traded in TMA on ASX (over the last 2 years)



Source: Comsec. TMA

Directors have been the major source of liquidity

Aside from the low levels of Shares traded on the exchange conducted by ASX over the past two (2) calendar years, the Directors have been the major source of buying liquidity for Shareholders wishing to sell their Shares. During the abovementioned period:

- Anthony Karam, or his associated interests, has or have acquired a relevant interest in 429,630 Shares and all the Redeemable Preference Shares;
- Corriene Karam, or her associated interests, has or have acquired a relevant interest in 429,630 Shares and all the Redeemable Preference Shares;
- James Schwarz, or his associated interests, has or have acquired a relevant interest in 250,000 Shares; and

- Tony Saad, or his associated interests, has or have acquired a relevant interest in 25,000 Shares.

Shareholder disinterest

Despite sustained efforts by the Company and the Share Registry to maintain current and accurate records of all Shareholders, the Directors estimate that the Company has lost contact with at least 47 Shareholders and a further 82 have requested that an Annual Report not be sent to them. This represents 13.3% in number of all Shareholders.

This sustained lack of interest from a significant percentage of Shareholders is evidenced by the fact that, excluding participation by or reference to the Directors and their associated interests:

(a) at the last two (2) general meetings of the Company, an average of 28 Shareholders attended and an average 4.6 million Shares (4.0%) of the total number of Shares were voted, whether in person or by proxy;

(b) at least 13.3% of all mailings to Shareholders – including annual financial statements – are either:

- returned to the Company with no forwarding address provided; or
- requested by the relevant Shareholder not to be mailed; and

(c) during the last two (2) years, the Company has only received inquiries from five (5) Shareholders about the commercial activities of the Company.

Adequacy of current funding

As at 30 March 2011, TMA had loan facilities of approximately $15 million, which were drawn to $9.9 million. These facilities are next due for renewal on 31 October 2013.

Assuming that:

(a) the undrawn element of these facilities will remain available to the Company, when and if wanted; and

(b) the Company's estimate of future revenues remain consistent with the Directors' expectations,

the Directors believe that the Company does not require access to further equity capital over the next 12 to 18 months.

The Directors further believe that should access to capital be required in the medium term:

(a) based on current trading volumes, and the comments in the immediately succeeding paragraph, neither the current Shareholders nor the public investor market would be likely to participate, to a meaningful extent, in such a capital raising, unless it was at a heavily discounted offer price; and

(b) funding alternatives such as joint venture funding, vendor/supplier financing and loans from Directors are more appropriate to the Company's business operations, cash flows and operating profiles.

Public company investors are disinterested in the paper converting sector and are unlikely to provide finance if required

TMA has made several attempts to attract investors over the last two (2) years to facilitate a capital restructure of its businesses. After committing significant management time and resources to several due diligence programmes and investor presentations, TMA has concluded that public company investors have little interest in the paper converting and distribution sector, and are unlikely to be willing to provide equity finance on parameters, other than on the basis of "distress equity" or "microcap" pricing. Given the Company's private sector competitors, raising equity at such prices would, in the opinion of the Directors, be to the material and equal detriment of all Shareholders.

TMA competes against many private companies who do not have to disclose similar levels of financial information

TMA's main competition is in the form of either overseas owned companies or Australian privately owned businesses.

In the case of overseas owned companies, Australian financial accounts often do not have to be disclosed, either to current or potential customers, or to competitors. None of the Australian private companies or overseas suppliers with whom the Company competes have public continuous disclosure obligations imposed under the Listing Rules, and many do not have to make the level of disclosures required in public company accounts, as they are either a proprietary company or have less than 100 shareholders.

The Company's business is highly competitive and commercially sensitive, and gives rise to difficulties for TMA as a publicly listed company, with continuous disclosure obligations, these being:

- TMA's accounts are relatively transparent to customers and hence leaves TMA vulnerable to those customers being able to determine and seek reductions in the margins that TMA seek to achieve;
- TMA's accounts are relatively transparent to potential competitors; and
- the Directors may be obliged to disclose information to public markets and investors which may be commercially sensitive and, if placed in the public domain, potentially detrimental to future performance.

It is acknowledged that if the Company retains in excess of 100 Shareholders, it is likely that it will be treated as an "unlisted disclosing entity" and that its Shares may be classified as unlisted "enhanced disclosure securities" (as defined respectively by Sections 111AL (2) and Section 111AD of the Corporations Act). Despite Delisting, the statutory requirements imposed by the abovementioned provisions would oblige TMA to

disclose to ASIC in a timely fashion information equivalent to that presently disclosed to ASX.

However, if the Resolution is approved and the Delisting effected, the Directors intend to apply for relief from elements of such disclosure which are potentially available under ASIC Regulatory Guide 95.

The Directors' believe a number of projects with other private companies have a preference for doing business with other private companies

Since the Company owns its distribution channels, and has been at the forefront of a number of innovative branding and packaging solutions in recent years, it is often approached by private companies seeking to engage in complimentary and mutually beneficial business initiatives. However, the Directors' believe that having publicly listed status, with continuous disclosure obligations, tends to act as a deterrent to such approaches, when the prospective participant becomes aware of reporting and timing obligations.

Cost of maintaining listing

Subject to the Company qualifying as an "unlisted disclosing entity" under Section 111AL(2) of the Corporations Act (discussed above in this section), the Directors estimate that operation of the Company as an unlisted public company, without the need to comply with listed Company reporting requirements and continuous disclosure requirements, will save the Company approximately $335,000 to $340,000 per year.

6.6 Disadvantages of Delisting

The Board has considered the potential disadvantages and risks associated with Delisting. In particular:

(a) the Delisting will directly impact liquidity that may have otherwise been available to Shareholders. Accordingly:

- the Shares will no longer be capable of being traded on the Official List; and
- there may be difficulties in finding a buyer for Shares if a Shareholder wishes to sell any or all of its Shares; and

(b) if the Company is Delisted, the Listing Rules will no longer apply to it. In particular, Shareholders will forgo the protections contained in the Listing Rules relating to:

- continuous disclosure;
- restrictions on the further issue of Shares or other securities, such as the inability to issue over 15% of the Company's capital in a twelve (12) month period without Shareholder approval;
- making significant changes to the Company's activities;

- ASX Corporate Governance Principles; and
- the requirement to announce publicly half yearly reports.

However, as noted previously, there has been very limited trading in Shares on the ASX (see Table 3 set out in Section 6.5 of the Explanatory Statement).

Objections to Delisting of James Schwarz, Independent Director

As referred to previously, James Schwarz – an Independent Director – voted against the Director's resolution to effect the Delisting. In addition to the disadvantages noted immediately above, James Schwarz recommends that all Shareholders vote **against** the Resolution because he believes that the Delisting will:

(a) present KFH and its associates, which currently hold approximately 81% of the Shares, with an opportunity to:

  (i) purchase Shares from minority Shareholders at a significant discount to their true value; and

  (ii) treat those minority Shareholders unequally, through offering differing prices for their Shares; and

(b) result in a greater lack of liquidity of the Shares than what currently exists whilst the Shares remain publicly quoted by ASX,

(**Dissenting Reasons**).

The remainder of the Independent Directors – namely Michael Whelan and Tony Saad – have carefully considered James Schwarz's reasons but disagree with the Dissenting Reason stated in paragraph (a), as they believe that:

(a) the basis of James Schwarz's belief is based on statements by Anthony Karam that have been taken out of context, and in any event are no longer applicable; and

(b) Anthony Karam and Corriene Karam have represented to the entire Board in writing that:

  (i) KFH and its associates have no current intent to purchase any more Shares; and

  (ii) as Directors, they have always been and remain committed to the equal treatment of all Shareholders.

  This representation is further supported by each of Anthony Karam and Corriene Karam having executed the Undertaking.

6.7 Effect of Delisting

If Shareholders approve the Resolution and the Delisting is effected:

(a) the Company will be removed from the Official List on or after 5.00 pm (AEST) Friday 21 October 2011 (**Removal Date**) – see Section 6.1 of the Explanatory

Statement. The Removal Date will be no earlier than one (1) month after the date such Shareholder approval is obtained. Upon notification by ASX of the Removal Date, the Company will release a timetable of the indicative dates for the Delisting process;

(b) before the Removal Date, the Shares may continue to be traded on the exchange conducted by ASX. This will provide Shareholders who wish to sell their Shares not less than one (1) month from the date of the Meeting to sell their Shares through the market conducted by ASX prior to the Removal Date should they not wish to remain as Shareholders;

(c) Shareholders who remain on the Share Registry after the Removal Date retain the protections afforded to them under the Corporations Act whether or not the Company remains on the Official List.

(d) the Company will continue to be subject to its various obligations under the Corporations Act and must also continue to comply with the provisions of its Constitution in relation to its affairs. In particular, it is likely that the Company will continue to have in excess of 50 shareholders, which will ensure that the relevant takeover provisions enshrined in Chapter 6 of the Corporations Act will continue to apply;

(e) whilst the Company has in excess of 100 Shareholders, and as noted in Section 6.5 of this Explanatory Statement, the Company may be classified as an “unlisted disclosing entity” and its Shares may be classified as unlisted “enhanced disclosure securities”, as defined respectively by Sections 111AL(2) and 111AD of the Corporations Act. Whilst such classification would require TMA to disclose to ASIC in a timely fashion information equivalent to that presently disclosed to ASX, the Company is under no obligation to lodge such information with a market operator, post such information onto its website or inform Shareholders thereof by mail; and

(f) any Shareholder who remains registered on the Company’s CHESS sub-register on or after the Removal Date will be issued Share certificates reflecting their Shareholding.

6.8 Exit mechanism

If Shareholders approve the Resolution, there will be no redemption or other facilities which will replace quotation of the Company's securities on the Official List.

However, Shareholders will continue to be entitled to transfer their Shares off-market to a willing third party purchaser in accordance with the Constitution both before and after the Removal Date. Such a third party market may not be liquid and Shareholders will be personally responsible for sourcing potential purchasers and ensuring payment or transfer of the agreed sale consideration.

Whilst the Company will maintain a list and contact details of interested parties who wish to buy or sell Shares, in order to facilitate such parties effecting transfers of

Shares, it will not seek to locate or source any such buyer or seller nor will it not operate a market in the Shares.

7.0 KEY DATES

Date	Action
Tuesday, 9 August 2011	Approval from ASX to commence Delisting process
Monday, 15 August 2011	ASX announcement made
Tuesday, 16 August 2011	Notice of Meeting dispatched to Shareholders, Directors, ASX and TMA's auditor
10.00 am (AEST) Friday, 16 September 2011	Proxy Forms return deadline
3.00 pm (AEST) Friday, 16 September 2011	Record Date
10.00 (AEST) Tuesday, 20 September 2011	Meeting
5.00 pm (AEST) Friday, 21 October 2011	Removal Date

CORPORATE DIRECTORY

TMA Group of Companies Limited
4-6 Straits Avenue
Locked Bag 60, Granville, NSW 2142
Phone +61 2 9892 9999
Fax +61 2 9892 9900
www.TMAgroup.com.au

Share Registry
Boardroom Pty Limited
Level 7, 207 Kent Street, Sydney, NSW 2000
Phone + 61 2 9290 9682 or
within Australia 1300 737 760
Fax: + 61 2 9279 0664
www.boardroomlimited.com.au
enquiries@boardroomlimited.com.au

Auditors
Hill Rogers Spencer Steer
Level 5, 1 Chifley Square, Sydney, NSW 2000

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PROXY FORM

TMA Group of Companies Limited ABN 66 006 627 087

Please complete this form if you wish to vote by proxy and return your completed form no later than **10.00 am (AEST) Friday, 16 September 2011** to an address stipulated in Section 4 of the Explanatory Statement.

If you wish your proxy to be able to exercise votes in respect of less that 100% of your Shares, specify the relevant proportion or number of your Shares here:

Proportion: .... % or Number: ....(..................................)

I/We, ... of ....

A Member appoints .... of

....

or, failing whom, or if no person is named above, the Chair of the Meeting, as my proxy to attend, act and exercise voting rights at the Meeting to be held at 10.00 am (AEST) on Tuesday, 20 September 2011 at Nexus Room 1, Level 1, The Pullman Hotel, Olympic Park, Homebush Bay, NSW, 2127 and at any adjournment of that meeting.

If the no voting direction is given, the Chair of the Meeting will vote in favour of the Resolution set out in this Notice of Meeting.

If you do not wish to direct your proxy how to vote, please place a mark in this box .... ☐

By marking this box, you acknowledge that the Chair of the Meeting may exercise your proxy even if he has an interest in the outcome of the Resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair of the Meeting will not cast your votes on the Resolution and your votes will not be counted in calculating the required majority if a poll is called on the Resolution.

My proxy is to vote in the following manner in relation to the Resolution, and may vote as the proxy thinks fit in relation to any Resolution in respect of which no voting direction is given below.

Resolution Number	Resolution	For	Against	Abstain
1	The Delisting of the Company by a date, and in accordance with such conditions, if any, as is or are prescribed or approved of by the ASX	☐	☐	☐

Should we need to contact you about your Proxy Form, please provide your phone number: (..............................)

This form must be signed by the Shareholder or by an attorney of the Shareholder. In the case of a body corporate, the proxy must be executed in accordance with section 127 of the Corporations Act 2001. In the case of a sole director/secretary company, please indicate "Sole Director".

SHAREHOLDER SIGNATORIES

Individual or Security holder 1

____

Dated: ____________________2011

Individual or Security holder 2

____

Dated: ____________________2011

Companies Only

Executed in accordance with the company's constitution and the Corporations Act 2001

____

* Director/Sole Director and Secretary (*Delete as Applicable)

____

* Director/Sole Director and Secretary (*Delete as Applicable)

Please return your completed Proxy Form to the address stipulated in Section 4 of the Explanatory Statement.

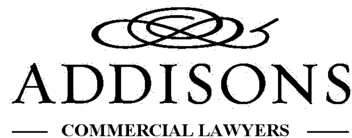
ANNEXURE "A"

DEED OF VARIATION

Deed of Variation to Terms of Redeemable Preference Shares

TMA Group of Companies Limited

Antcor Pty Limited



Level 12
60 Carrington Street
SYDNEY NSW 2000
DX 262 SYDNEY NSW
Tel: (02) 8915 1000
Fax: (02) 8916 2000
www.addisonslawyers.com.au
Ref: DPS:TMA001/4001

DETAILS

Date:

Parties

(1) TMA Group of Companies Limited (TMA)

ACN	006 627 087
Address	4-6 Straits Avenue Granville NSW 2142

(2) Antcor Pty Limited (Antcor)

ACN	094 787 112
Address	6 Straits Avenue Granville NSW 2142

Recitals

A. TMA proposes to apply to ASX to have itself removed from the Official List.

B. Antcor is the sole holder of all Redeemable Preference Shares.

C. If the Delisting is effected, the Parties will no longer be able to comply with all the Terms.

D. In light of the prospect referred to in Recital C, TMA and Antcor have agreed to vary the Terms in accordance with the terms set out in this Deed.

Operative Parts

1. Defined terms and interpretation

1.1 Defined terms

In this Deed:

(a) defined terms in the 2009 Notice have the same meaning in this Deed; and

(b) otherwise, the following definitions apply:

2009 Notice means the Notice of Annual General Meeting and Explanatory Memorandum dated 26 October, 2009, a copy of which is annexed hereto and marked Exhibit “A”.

Delisting means the removal of TMA from the Official List in accordance with the requirements of the Listing Rules.

Effective Date means 4.00 p.m. (AEST) on the date that TMA is removed from the Official List.

Listing Rules means the Listing Rules of the ASX and any other rules of ASX which are applicable while TMA is admitted to the Official List, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

Official List has the meaning ascribed to that term by Chapter 19 of the Listing Rules.

Party means any party to this Deed and its successors and permitted assigns.

Terms mean the terms of issue of the Redeemable Preference Shares, as provided in Annexure A to the 2009 Notice.

1.2 Interpretation

In this Deed, unless the context requires otherwise:

(a) a reference to a word includes the singular and the plural of the word and vice versa;

(b) if a word or phrase is defined, then other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;

(c) headings are included for convenience only and do not affect interpretation;

(d) a reference to a document includes a reference to that document as amended, novated, supplemented, varied or replaced;

(e) a reference to this Deed includes each appendix to this Deed;

(f) a reference to a Party to this Deed includes the Party's successors and permitted assigns and includes any person to whom this Deed is novated;

(g) a reference to a body which is not a Party to this Deed which ceases to exist or whose power or function is transferred to another body, is a reference to the body which replaces or substantially succeeds to the power or function of the first body.

2. Variation to Paragraph 4 (Redemption), Clause 3 of the Terms

2.1 Variation

With effect on and from the Effective Date, the Terms shall be varied by omitting in its entirety Paragraph 4 (Redemption), Clause 3 of the Terms and inserting the following in its place:

"*3) The redemption amount will be calculated in accordance with the following formula:*

$R = A \times B$

where:

R means the dollar value of the amount payable upon redemption of a Redeemable Preference Share;

A means the total number of Redeemable Preference Shares that are to be redeemed; and

B means the fair value of one (1) Ordinary Share as determined by an independent financial adviser, acting as an expert valuer of Ordinary Shares independent of the Company and any holder of Redeemable Preference Shares from time to time. For the avoidance of doubt, all costs and expenses arising from engaging the services of the independent financial adviser shall be paid by the Company and the Company shall determine the independent financial adviser at its sole discretion."

2.2 **Effective Date**

For the sake of clarity, the Parties agree that unless and until:

(a) the Effective Date occurs, the variation referred to in accordance clause 2.1 of this Deed will not be, or be deemed by the Parties to be, legally binding or effective; and

(b) agreed otherwise by the Parties, there is no time or date limit by which the Effective Date is required to have occurred by.

3. No termination

The Parties confirm that the terms of the Redeemable Preference Shares are and remain governed by the Terms, subject to the variation effected in accordance with the provisions of clause 2 of this Deed.

4. General

4.1 **Alterations**

This Deed may be altered only in writing signed by each Party.

4.2 **Assignment**

A Party may only assign this Deed or a right under this Deed with the prior written consent of each other Party.

4.3 **Counterparts**

This Deed may be executed in counterparts. All executed counterparts constitute one document. This Deed may be executed by either of the Parties by duly executing a counterpart and forwarding a copy of the signed counterpart to the other Party.

4.4 **Governing law and jurisdiction**

This Deed will be governed by and construed in accordance with the law for the time being in force in New South Wales and the Parties, by entering into this Deed, are deemed to have submitted to the non-exclusive jurisdiction of the courts of that State.

4.5 **Entire agreement**

This Deed constitutes the entire agreement of the Parties and supersedes all prior discussions, undertakings and agreements.

Executed as a **Deed**

Executed by **TMA Group of Companies Limited ACN 006 627 087** in accordance with Section 127 of the Corporations Act 2001 (Cth))
)
)

Signature of authorised person

Office held

Name of authorised person
(BLOCK LETTERS)

Signature of authorised person

Office held

Name of authorised person
(BLOCK LETTERS)

Executed by **Antcor Pty Limited ACN 094 787 112** in accordance with Section 127 of the Corporations Act 2001 (Cth))
)
)

Signature of authorised person

Office held

Name of authorised person
(BLOCK LETTERS)

Signature of authorised person

Office held

Name of authorised person
(BLOCK LETTERS)

EXHIBIT A – 2009 NOTICE

ASX Announcement

Monday, 26 October 2009

The Manager
Company Announcements Office
Australian Stock Exchange
Level 45, South Tower, Rialto,
525 Collins Street
Melbourne VIC 3000

RE: **ANNUAL GENERAL MEETING**

Dear Sir,

Please find attached:

1. Notice of Annual General Meeting and Explanatory Memorandum
2. Proxy Form

Please note that the above items together with the Annual Report will be forwarded to shareholders on Wednesday 28 October 2009.

Yours Sincerely

Michael Whelan
Director

Mark Sensing Limited * ABN 66 006 627 087 * 31 Jersey Road Bayswater Victoria Australia 3153 * P O Box 626 Bayswater
* Telephone +61 3 9720 7886 * Fax +61 3 9720 7940 * email: msl@mark-sensing.com.au * www.mark-sensing.com.au

MARK SENSING
Giving you a better image

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Mark Sensing Limited will be held at the **Sheraton on the Park, Castlereagh Room 2, 161 Elizabeth Street, Sydney** on **Monday 30 November 2009** at **10:30am**.

Business

1. Annual Report
To receive and consider the Directors' Report, Financial Report and the Auditor's Report for the year ended June 30 2009.
Note: Shareholders are advised that there is no requirement for shareholders to approve these reports.

2. Resolution 1: Adoption of Remuneration Report
To consider and if thought fit, to pass the following ordinary resolution:

"That the Remuneration Report for the year ended 30 June 2009 is adopted."
Note: Shareholders are advised that the vote on this resolution is advisory only and does not bind the directors or the Company.

3. Resolution 2: Election of Directors

To consider and if thought fit, to pass the following ordinary resolutions:

a) "That Corriene Karam, who retires from office by rotation in accordance with the Company's constitution and the ASX Listing Rules, is re-elected as a director of the Company."
b) "That Tony Saad, who retires from office by rotation in accordance with the Company's constitution and the ASX Listing Rules, is re-elected as a director of the Company."
c) "That James Schwarz, a director appointed to a casual vacancy, in accordance with the Company's constitution and the ASX Listing Rules, is elected as a director of the Company."

4. Resolution 3: Change of Company Name

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

"That, pursuant to Section 157(1) of the Corporations Act and for all other purposes, the Company changes its name to TMA Group of Companies Limited."

5. Resolution 4: Issue of Redeemable Preference Shares

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

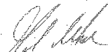
"That in accordance with Section 254A of the Corporations Act and for all other purposes, the terms of issue of the Redeemable Preference Shares, tabled at the meeting and signed for the purposes of identification by the Chairman, and as summarised in Attachment A of the Explanatory Statement, are approved immediately from the passing of this resolution."

6. Resolution 5: Replacement of Related Party Loan by Issuing Redeemable Preference Shares
To consider and if thought fit, to pass the following ordinary resolution:

"That subject to and conditional on the passing of Resolution 4, in accordance with Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 146,666,667 Redeemable Preference Shares to Antcor Pty Ltd at an issue price of $0.015 per Redeemable Preference Share on the previously approved terms of issue, to replace the existing loan between TMA Group of Companies Pty Ltd and Antcor Pty Ltd as set out in the Explanatory Memorandum accompanying this Notice of Meeting."

Voting exclusion statement: The Company will disregard any votes cast on resolution 5 by Antcor Pty Ltd, Anthony Karam and Corriene Karam or any associates of them.

26 October 2009



By Order of the Board
Michael Whelan, Chairman.

General Notes

Further Information

Further details of the resolutions in this Notice of Meeting dated 15 October 2009 are contained in the Explanatory Statement section, which is included in and forms part of this notice.

The directors recommend that shareholders read the Explanatory Statement in conjunction with the Notice of Meeting in full before determining whether or not to support the resolutions.

Voting Entitlement

The directors have determined in accordance with Regulation 7.11.37 of the Corporations Regulations 2001, that for the purpose of voting at the meeting, shares will be taken to be held by those persons recorded on the Company's register as at 10.30am (AEST) on 28 November 2009. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Corporate Representatives

If a representative of a corporation is to attend the meeting, the appropriate "Certificate of Appointment of Representative" executed in accordance with the Corporations Act should be produced prior to admission.

Proxies

A member entitled to attend and vote at the Annual General Meeting may appoint one or two persons to attend and vote at the meeting as the member's proxy. If you wish to appoint a proxy you will need to complete the member's proxy form. If you wish to appoint a second proxy you will need to complete a second form. The Company will provide additional proxy forms upon request.

A proxy need not be a member. If two proxies are appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. If the vote split is not specified, it is deemed to be equally divided between the two proxies.

In order for the appointment of a proxy to be valid, the proxy form must be received no later than 10:30am (AEST) on 28 November 2009. Duly signed proxy forms should be received by the Company:

> ***In Person***
> Mark Sensing Limited
> 31 Jersey Road, Bayswater, Victoria 3153
>
> ***By Mail***
> Mark Sensing Limited
> PO Box 626, Bayswater, Victoria 3153
>
> ***By Facsimile***
> +61 3 9720 7940
>
> ***By Email***
> msl@mark-sensing.com.au

Voting

On a show of hands, every member present in person or by proxy or by attorney or, in the case of a corporation, by duly appointed representative, shall have one vote and on a poll one vote for every share held provided that if a member appoints two proxies or two attorneys, neither proxy nor attorney shall be entitled to vote on a show of hands.

Voting Exclusion

The Company need not disregard a vote in accordance with a voting exclusion statement if:

a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions by the proxy form; or
b) it is cast by a 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.

Explanatory Statement

1. Purpose of this Document

The purpose of this Explanatory Statement (which is included in and forms part of the Notice of Annual General Meeting dated 15 October 2009) is to provide shareholders with an explanation of the business of the meeting and of the resolutions to be proposed and considered at the annual general meeting in order to allow shareholders to determine how they wish to vote on those resolutions.

A copy of this Notice of Meeting (including this Explanatory Statement) has been lodged with the Australian Securities and Investments Commission (***ASIC***) and ASX Limited (***ASX***). No responsibility is taken for the content of this Notice of Meeting (including this Explanatory Statement) by ASIC or the ASX.

2. Annual Report

Pursuant to the Corporations Act, the Company must table the Directors' Report, Financial Report and Audit Report (together the ***Annual Report***) of the Company for the previous year before the shareholders at the annual general meeting. A copy of the Annual Report for the year ended 30 June 2009 has been forwarded to each shareholder with this Notice of Meeting and Explanatory Statement and copies will be made available at the meeting.

Shareholders should note that the purpose of tabling the Directors' Report, Financial Report and Auditor's Report of the Company at the annual general meeting is to provide shareholders with the opportunity to ask questions or discuss matters arising from the financial reports or the reports on the Company's operations at the meeting. They will also be able to ask the Company's auditor (or its representative) questions. It is not the purpose of the meeting that the financial reports be accepted, rejected or modified in any way and as it is not required by the Corporations Act, no resolution to that effect will be put to shareholders at the meeting.

3. Resolution 1: Adoption of Remuneration Report

The Directors' Report for the year ended 30 June 2009 contains a Remuneration Report, which sets out the policy for the remuneration of the directors and certain group executives of the Company and its subsidiaries.

Section 300A(1) of the Corporations Act requires that the directors' report for a financial year must include a Remuneration Report (in a separate and clearly identified section of the report), which details board policy for determining the nature and amount of remuneration of directors, secretaries and senior managers of the company together with details in relation to the remuneration of each director of the company and the five highest paid company executives in that financial year.

The Corporations Act expressly provides that the vote is advisory only and does not bind the Company or its directors. However, the outcome of the vote on the report will be taken under advisement by the directors when formulating future remuneration policies.

The Remuneration Report for the Company is detailed in Note 11 (pp. 18 - 21) of the Annual Report for the year ended 30 June 2009. A reasonable opportunity will be provided to ask questions about, or make comments on, the Remuneration Report prior to the resolution.

4. Resolution 2: Election of Directors

Under the Company's constitution, at each Annual General Meeting one third of the directors (if their number is not a multiple of three, then the number nearest to, but not exceeding one third) must retire from office. The directors retire by rotation, with the directors who have been the longest in office since being appointed being the directors who must resign in any year. The Company's constitution ensures that no director (except the Managing Director) is able to remain in office longer than three years without facing re-election. Each director is entitled to offer himself or herself for re-election as a director at the Annual General Meeting.

The Company's constitution provides that a director appointed to fill a casual vacancy, or as an addition to the existing directors, is only eligible to hold office until the conclusion of the next annual general meeting following his or her appointment as a director. At that next annual general meeting, if eligible for re-election, that director may seek re-election.

4.1. Re-election of Corriene Karam

Corriene Karam, who was appointed as a director, retires in accordance with the requirements of the Company's constitution. As she is entitled to, and eligible for re-election, Corriene Karam seeks re-election as a director.

Corriene Karam joined the board on 22 October 2008 and is currently the Operations Director. She brings over ten years' experience of the position from her involvement with TMA Group of Companies Pty Ltd (***TMA***), a wholly owned subsidiary of the Company.

4.2. Re-election of Tony Saad

Tony Saad, who was appointed as a director, retires in accordance with the requirements of the Company's constitution. As he is entitled to, and eligible for re-election, Tony Saad seeks re-election as a director.

Tony Saad joined the board as a non-executive director on 22 October 2008. He is MBA qualified and a consultant specialising in business development, strategy, marketing, contract management and negotiations.

4.3. Election of James Schwarz
James Schwarz, a director appointed by casual vacancy in accordance with the Company's constitution, being eligible and having offered himself for election, seeks election as a director of the Company.

James Schwarz joined the board as a non-executive director on 28 July 2009. He is a lawyer by profession with 14 years' experience in equities, corporate finance and private equity investments.

4.4. Recommendation
The non-candidate directors unanimously support the re-election of Corriene Karam and Tony Saad and the election of James Schwarz.

5. Resolution 3: Change of Company Name

5.1. General
The new name of the Company proposed to be adopted under Resolution 3 is "*TMA Group of Companies Limited*".

As the name "TMA Group of Companies Pty Ltd" is already registered and wholly owned by the Company, should the resolution pass, this entity will change its name in order to allow the Company to become TMA Group of Companies Limited. Suitable arrangements have been made with the ASX to reserve the share code 'TMA' and, should the resolution pass, the Company will apply to have the share code changed.

Resolution 3 is a special resolution requiring it to be passed by a 75% majority of the votes cast by shareholders entitled to vote on it.

5.2. Recommendation
The directors have recommended that the Company name be changed.

The directors believe that the proposed name change provides an opportunity for the Company to leverage value from TMA's successful history, established reputation with blue chip clients of the Company and recognised brand. The directors consider that this new name more accurately reflects the intention following its successful merger with TMA on October 22 2008.

As such, the directors unanimously recommend that shareholders vote in favour of the special resolution to change the name of the Company to TMA Group of Companies Limited.

6. Resolution 4: Issue of Redeemable Preference Shares

6.1. General
The Company is seeking shareholder approval of the proposed terms of issue of Redeemable Preference Shares as required by section 254A of the Corporations Act. This is a special resolution which requires that it be passed by at least 75% of the votes cast by shareholders entitled to vote on it.

6.2. What is the proposed purpose of issuing Redeemable Preference Shares?
The Company wishes to issue Redeemable Preference Shares on the proposed terms as a means to replace a specific debt obligation of the Company with the issue of equity. This is proposed and further considered in Resolution 5 and in this Explanatory Statement at item 7.2.

6.3. Requirements of the Corporations Act
Section 254A(2) of the Corporations Act provides that for a company to issue preference shares, the rights attached to the preference shares with respect to the following matters be approved by special resolution:

a) repayment of capital;
b) participation in surplus assets and profits;
c) cumulative and non-cumulative dividends;
d) voting;
e) priority of payment of capital and dividends in relation to other shares or classes of preference shares.

Section 254A(3) of the Corporations Act provides that redeemable preference shares may be redeemed:

a) at a fixed time or on the happening of a particular event;
b) at the company's option; or
c) at the shareholder's option.

6.4. Terms of Issue of Redeemable Preference Shares
In accordance with section 254A(2) of the Corporations Act, Redeemable Preference Shares confer on its holder the following rights, privileges and conditions:

a) repayment of capital
The Redeemable Preference Shares rank in priority to Ordinary Shares of the Company (***Ordinary Shares***) in the repayment of capital.

b) participation in surplus assets and profits
The Redeemable Preference Shares rank in priority to Ordinary Shares in participation of any surplus assets and profits of the Company.

c) cumulative and non-cumulative dividends
Each Redeemable Preference Share confers on the holder a right to receive a preferential dividend, in priority to the payment of any dividend on the Ordinary Shares, if any. As dividends can only be paid out of profits, the payment of dividends in respect of the Redeemable Preference Shares is subject to the Board, at its discretion, declaring a dividend to be payable and funds legally available for the payment of such a dividend.

Dividends in respect of the Redeemable Preference Shares are to be paid half-yearly on a date determined by the Board upon the release of the half year and final year financial reports.

Dividends in respect of the Redeemable Preference Shares are cumulative and to the extent that all or any part of a dividend is not paid, the Company will be liable to pay, and the holders of the Redeemable Preference Share will have a right to be paid, any amount in respect of that dividend for the relevant accounting period. The dividend payment rate is the National Australia Bank daily overdraft interest rate as published in the Australian Financial Review on the day immediately prior to the date of the declaration of the dividend by the Board.

d) voting
Each Redeemable Preference Share confers the right on the holder to receive notice of and to attend general meetings of the holders of Ordinary Shares but does not confer any voting rights, except in the following circumstances:

a) on a proposal:
   i) to reduce the share capital of the Company;
   ii) that affects rights attached to the Redeemable Preference Shares;
   iii) to wind up the Company; or
   iv) for the disposal of the whole or a substantial part of the property, business and undertaking of the Company;
b) on a resolution to approve the terms of a buy-back agreement;
c) during the winding up of the Company; or
d) in any other circumstances in which the Listing Rules require holders of preference shares to be entitled to vote.

e) priority of payment of capital and dividends in relation to other shares or classes of preference shares

Redeemable Preference Shares rank in priority to Ordinary Shares in the event of the winding up of the Company but behind any creditors of the Company.

In accordance with section 254A(3) of the Corporations Act, the Company has determined that the Redeemable Preference Shares will have a right of redemption at the option and sole discretion of the Company. The Company may elect to redeem the Redeemable Preference Shares at any time.

The amount to be repaid on redemption is calculated as follows:

$A \times B$ where:

A = the total number of Redeemable Preference Shares that are to be redeemed; and

B = the 5-day volume weighted average price of the Ordinary Shares in respect of the period immediately proceeding the proposed date of redemption.

The Redeemable Preference Shares are not redeemable at the option of the holder and the Company is not in any circumstances obliged to redeem the Redeemable Preference Shares.

The Redeemable Preference shares carry no rights of conversion. The Board considers that there will be no dilutive effect on the ordinary shares as a result of the proposed transaction.

6.5. Recommendation
The directors unanimously support the issue of the Redeemable Preference Shares on the proposed terms of issue.

7. Resolution 5: Replacement of Related Party Loan by Issuing Redeemable Preference Shares

7.1. General
Resolution 5 seeks the approval of the shareholders to allot and issue Antcor Pty Ltd (***Antcor***) with 146,666,667 Redeemable Preference Shares, on the terms of issue approved in Resolution 4, at an issue price of $0.015 per Redeemable Preference Share. This is to replace the outstanding loan of $2,200,000 made by Antcor to TMA Group of Companies Pty Ltd (***TMA***), a wholly owned subsidiary of the Company.

Antcor is an entity controlled by Anthony Karam and Corriene Karam.

7.2. What is proposed by this resolution?
The shareholders approved the merger of the Company with TMA at the general meeting held on 22 October 2008. As part of the merger, a resolution was passed authorising TMA to enter into and perform its obligations under a loan agreement with Antcor (formerly TMA Properties Pty Ltd).

The loan agreement provided the terms on which the principal amount of $2,200,000 was borrowed by TMA from Antcor for working capital purposes of TMA. The terms of the loan had been negotiated between the Company, TMA and Antcor at arm's length and the loan was approved by shareholders as previously stated.

The Company has negotiated with Antcor for it to repay the loan to TMA by way of the issue of 146,666,667 Redeemable Preference Shares an issue price of $0.015 per Redeemable Preference Share. As a result TMA will no longer to be liable to Antcor for the loan.

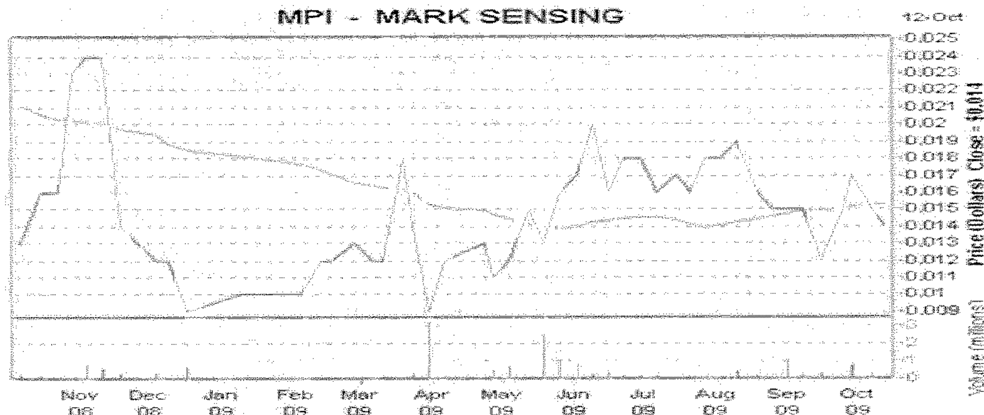
The directors consider this arrangement to be in the Company's and shareholders' best interests because, as TMA is a wholly owned subsidiary of the Company and forms part of its consolidated group, the loan will no longer appear on the Company's balance sheet. This effectively strengthens the Company's balance sheet position by allowing the debt (which currently ranks equally with other indebtedness) to be replaced by equity in the Company.

The following table has been prepared (based on the Financial Report in respect of the year ended 30 June 2009) which shows the impact on the debt to equity ratio if the proposed arrangement had been implemented at 30 June 2009:

	30 June 2009	*Proposed Change*	Restated Position
Total interest bearing debt	$ 7,710,273	*($2,200,000)*	$ 5,510,273
Total equity	$13,234,401	*$2,200,000*	$15,434,401
Debt to Equity ratio	**58%**		**36%**

The Redeemable Preference Shares to be issued to Antcor, should this resolution be approved, can only be redeemed at the discretion of the Company and not at Antcor's request. This provides the Company with flexibility to redeem the shares if and when it has sufficient profits to do so. Furthermore, both Anthony Karam and Corriene Karam would automatically exclude themselves from any director's consideration as to redemption due to the nature of their disclosed relationship to Antcor.

The issue price of $0.015 for the Redeemable Preference Shares has been determined by the non-conflicted directors to be a reasonable issue price based on the 12 month moving average price of the Ordinary Shares of the Company as traded on the ASX. The graph below shows the 12 month market price range of the Ordinary Shares in the Company and the latest closing price:



The Company has obtained independent tax advice which confirms that if the loan is replaced with the issue of Redeemable Preference Shares on the proposed terms by the Company to Antcor this will constitute an equity interest for the purpose of the debt/equity rules. The net effect is that there is no significant tax consequence for the Company as a result of the issue of the Redeemable Preference Shares in exchange for the loan to TMA by Antcor.

7.3. What happens if Resolution 4 is not approved?

The vote on Resolution 5 is conditional on Resolution 4 being approved by the required majority. If Resolution 4 is not approved, Resolution 5 will not be put to shareholders.

7.4. Requirements of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a 'financial benefit' to a 'related party' unless the giving of that financial benefit is approved by resolution passed at a general meeting of the company.

Section 208(1)(a) of the Corporations Act provides that 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 obtain the approval of the public company's shareholders and give the benefit within 15 months after the approval.

Anthony Karam and Corriene Karam are each directors of Antcor and control Antcor by way of their shareholdings in Ticket Manufacturers Pty Ltd (***Ticket Manufacturers***), being the sole shareholder of Antcor. Accordingly, pursuant to subsections 228(2), (4) and (6) of the Corporations Act, Antcor and Ticket Manufacturers are related parties of the Company.

The issue of the Redeemable Preference Shares by the Company to Antcor commencing on the date of the passing of the resolution will constitute the giving of a financial benefit by the Company to related parties of the Company, for which shareholder approval is usually required pursuant to subsection 208(1) of the Corporations Act

There are various exceptions to the requirement for shareholder approval. This includes, in accordance with section 210 of the Corporations Act, where the giving of the financial benefit:

a) would be reasonable in the circumstances if the public company or entity and the related party were dealing at arm's length; or
b) are less favourable to the related party than the terms referred to in paragraph (a).

The Redeemable Preference Shares to be issued to replace the loan by Antcor to TMA has been negotiated on arm's length terms and your directors believe that both the terms of the Redeemable Preference Shares and the subsequent allotment and issue of 146,666,667 Redeemable Preference Shares are reasonable in the circumstances.

On this basis, it follows that shareholder approval is not required under section 208 of the Corporations Act. Notwithstanding, in the interests of due and proper disclosure, the Company is seeking shareholder approval for the issue of the Redeemable Preference Shares to Antcor pursuant to Chapter 2E.

7.5. Specific disclosure of information as required by section 219

In accordance with section 219 of the Corporations Act the following information is provided:

	Requirement	**Explanation**
1.	The related parties to whom the proposed resolution would permit the financial benefits to be given.	Antcor, Anthony Karam and Corriene Karam. Antcor is an entity controlled by Ticket Manufacturers Pty Ltd, a company controlled by Anthony Karam and Corriene Karam, who are both directors of the Company, Antcor and Ticket Manufacturers.
2.	The nature of the financial benefits.	Subject to shareholder approval, Antcor will be issued 146,666,667 Redeemable Preference Shares at an issue price of $0.015 per Redeemable Preference Share.
3.	In relation to each Director of the Company: • if the Director wanted to make a recommendation to members about the proposed resolution - the recommendation and his or her reason for it; or • if not, why not; or • if the director was not available to consider the proposed resolution - why not.	Each non-excluded director recommends that shareholders vote in favour of Resolution 5. They consider that the proposed replacement of the loan to TMA by Antcor with the issue of 146,666,667 Redeemable Preference Shares at an issue price of $0.015 per Redeemable Preference Share is on commercially reasonable terms and in the best interests of the Company and all shareholders. Given the proposed resolution, Anthony Karam and Corriene Karam have not provided a recommendation.
4.	In relation to each Director: • whether the Director had an interest in the outcome of the proposed resolution; and • if so, what it was.	Anthony Karam and Corriene Karam are each directors of Antcor and control Antcor by way of their shareholdings in Ticket Manufacturers Pty Ltd, being the sole shareholder of Antcor. If the proposed resolution is passed, Antcor will be issued 146,666,667 Redeemable Preference Shares at an issue price of $0.015 per Redeemable Preference Share.

5.	All other information that: • is reasonably required by members in order to decide whether or not it is in the company's interest to pass the proposed resolution; and • is known to the company or any of its directors.	The terms of issue of the Redeemable Preference Shares are set out at Attachment A to this Explanatory Statement. Shareholders are otherwise advised to carefully and fully read this Notice of Meeting (including the Explanatory Statement). The Company has obtained independent tax advice which confirms that if the loan is replaced with an issue of the Redeemable Preference Shares on the proposed terms by the Company to Antcor this will constitute an equity interest for the purpose of the debt/equity rules. The net effect is that there is no significant tax consequence for the Company.

7.6. Requirements of the ASX Listing Rules

In addition, ASX Listing Rule 10.11 requires prior 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 Listing Rule 10.12 applies).

The directors have determined to seek shareholder approval for the issue of Redeemable Preference Shares to Antcor to replace the loan by Antcor to TMA.

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Redeemable Preference Shares to Antcor:

a) the related party is Antcor which is a related party of the Company by virtue of being a company controlled by Anthony Karam and Corriene Karam, directors of the Company;

b) the maximum number of Redeemable Preference Shares (being the nature of the financial benefit being provided) to be issued to Antcor is 146,666,667 Redeemable Preference Shares;

c) the Redeemable Preference Shares will be issued to Antcor no later than 1 month after the date of the meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Redeemable Preference Shares will be issued before that date;

d) the Redeemable Preference Shares will be issued at a deemed issue price of $0.015 per Redeemable Preference Share in replacement of the loan (together with accrued interest) by Antcor provided to TMA, a wholly owned subsidiary of the Company; and

e) the Company will disregard any votes cast on this resolution by Antcor, Anthony Karam and Corriene Karam or any associates of them.

7.7. Recommendation

The non-conflicted directors unanimously support the resolution for the existing loan arrangement between TMA and Antcor to be replaced by the allotment and issue of 146,666,667 Redeemable Preference Shares to Antcor at an issue price of $0.015 per share on the previously approved terms.

Attachment A: Redeemable Preference Shares - Terms of Issue

Ranking: Redeemable Preference Shares rank in priority to Ordinary Shares of the Company (***Ordinary Shares***) in the event of the winding of the Company but behind any creditors of the Company.

Dividend:

1) Each Redeemable Preference Share confers on the holder a right to receive a preferential dividend, in priority to the payment of any dividend on Ordinary Shares.
2) The payment of dividends is subject to:
   a) the Board, at its discretion, declaring a dividend to be payable;
   b) there being funds legally available for the payment of dividends.
3) Dividends are cumulative.
4) Dividends are to be paid half-yearly on a date determined by the Board upon the release of the half year and final year financial report.
5) To the extent that any part of a dividend is not paid during the financial year, the Company will have a liability to pay, and the holders of the Redeemable Preference Share will have the right to be paid, any amount in respect of the dividend not paid in that relevant financial year.

Dividend Rate: The dividend rate payable is the National Australia Bank daily overdraft interest rate as published in the Australian Financial Review on the day immediately prior to the date of declaration of a dividend by the Board.

Redemption:

1) Each Redeemable Preference Share has a right of redemption at the option and sole discretion of the Company.
2) The Company may elect to redeem all of the Redeemable Preference Shares at any time.
3) The redemption amount will be calculated in accordance with the following formula:

   $A \times B$ where:

   A = the total number of Redeemable Preference Shares that are to be redeemed; and

   B = the 5-day volume weighted average price of the Ordinary Shares trading on the ASX for the period immediately proceeding the proposed date of redemption.
4) The Redeemable Preference Shares are not redeemable at the option of the holder and the Company is not in any circumstances under a legal obligation to redeem the Redeemable Preference Shares.

Voting:

1) Each Redeemable Preference Share confers the right on the holder to receive notice of and to attend general meetings of the holders of ordinary shares.
2) A Redeemable Preference Share does not entitle its holder to vote at any general meeting of the Company except in the following circumstances:
   a) on a proposal:
      i) to reduce the share capital of the Company;
      ii) that affects rights attached to the Redeemable Preference Shares;
      iii) to wind up the Company; or
      iv) for the disposal of the whole or a substantial of the property, business and undertaking of the Company;
   b) on a resolution to approve the terms of a buy-back agreement;
   c) during the winding up of the Company; or
   d) in any other circumstances in which the Listing Rules require holders of preference shares to be entitled to vote.

Listing: The Redeemable Preference Shares will be unlisted securities.

Proxy Form

Mark Sensing Limited
ABN 66 006 627 087

Please complete this form If you wish to vote by proxy and return your completed form no later than 48 hours before the commencement of the meeting.

If you wish your proxy to be able to exercise votes in respect of less that 100% of your shares, specify the relevant proportion or number of your shares here:
Proportion: .... or Number: ....(..................................)

I/We, ...of ....
A member of Mark Sensing Limited appoint ....of
....
or, failing whom, or if no person is named above, the Chair of the Meeting, as my proxy to attend, act and exercise voting rights at the Meeting of the Company to be held at Sheraton on the Park, Castlereagh Room 2, 161 Elizabeth Street, Sydney, NSW on 30 November 2009 at 10:30am (AEST) and at any adjournment of that meeting.

If the no voting direction is given, the Chair of the Meeting will vote in favour of all resolutions set out in this Notice of Meeting.

If you do not wish to direct your proxy how to vote, please place a mark in this box ☐

By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

My proxy is to vote in the following manner in relation to the ordinary resolutions, and may vote as the proxy thinks fit in relation to any resolution in respect of which no voting direction is given below.

Resolution Number		For	Against	Abstain
1	**Adoption of Remuneration Report**	☐	☐	☐
2 (a)	**Re-election of Corriene Karam**	☐	☐	☐
2 (b)	**Re-election of Tony Saad**	☐	☐	☐
2 (c)	**Election of James Schwarz**	☐	☐	☐
3	**Change of Company Name**	☐	☐	☐
4	**Issue of Redeemable Preference Shares**	☐	☐	☐
5	**Replacement of Related Party Loan by Issuing Redeemable Preference Shares**	☐	☐	☐

Should we need to contact you about your Proxy Form, please provide your phone number: ( ) ....

This form must be signed by the Shareholder or by an attorney of the Shareholder. In the case of a body corporate, the proxy must be executed in accordance with section 127 of the Corporations Act 2001. In the case of a sole director/secretary company, please indicate "Sole Director".

SIGNATORIES
Shareholders

____

Dated: ____________________2009

____

Dated: ____________________2009

____

Dated: ____________________2009

Companies Only

Executed by:____

In accordance with the company's constitution and the Corporations Act 2001.

____

* Director/Sole Director and Secretary (*Delete as Applicable)

____

* Director/Sole Director and Secretary (*Delete as Applicable)

Please return your completed Proxy Form to:

In Person
Mark Sensing Limited
31 Jersey Road
Bayswater, 3153
Victoria Australia.

By Mail
The Secretary
PO Box 626
Victoria Australia

By Facsimile
+ 61 3 9720 7940 or
Email:
msl@mark-sensing.com.au