



**Mitchell**  
SERVICES

24 October 2019

The Manager  
Company Announcement Office  
Australian Stock Exchange  
Level 4, 20 Bridge Street  
Sydney NSW 2000

### **ASX Announcement**

#### **Mitchell Services Limited (ASX:MSV) Notice of Annual General Meeting**

Mitchell Services Limited advises that its Annual General Meeting will be held on 27 November 2019, commencing at 10:00am (Brisbane time) at Morgans Financial Ltd, Level 20, 123 Eagle Street, Brisbane, Queensland.

Please find **attached** the Notice of Annual General Meeting, Explanatory Memorandum and Proxy form which are being dispatched today.

Signed for and on behalf of Mitchell Services Limited:

Greg Switala  
Company Secretary

#### **Mitchell Services Limited**

ABN 31 149 206 333

112 Bluestone Circuit  
Seventeen Mile Rocks Qld 4073 Australia  
PO Box 3250 Darra Qld 4076 Australia

t +61 7 3722 7222 f +61 3722 7256  
e info@mitchellservices.com.au w www.mitchellservices.com.au

# Notice of Annual General Meeting

Mitchell Services Limited ACN 149 206 333

Notice is given that the Annual General Meeting of Mitchell Services Limited (**Company**) will be held at:

<b>Location</b>	Morgans Financial Ltd, Level 20, 123 Eagle Street, Brisbane
<b>Date</b>	27 November 2019
<b>Time</b>	10:00 am (Brisbane time)

## Ordinary business

### Financial statements and reports

‘To receive and consider the financial report, Directors’ report and auditor’s report for the financial year ended 30 June 2019.’

This item of business is for discussion at the Meeting and is not a resolution.

### Resolution 1 – Adoption of the remuneration report

To consider, and if in favour, pass the following resolution in accordance with section 250R of the Corporations Act:

‘That the remuneration report for the financial year ended 30 June 2019 be adopted.’

### Resolution 2 – Re-election of Peter Miller as Director

To consider, and if in favour, pass the following resolution as an ordinary resolution:

‘That Peter Miller, who retires in accordance with rule 5.1 of the Company’s constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.’

### Resolution 3 – Re-election of Neal O’Connor as Director

To consider, and if in favour, pass the following resolution as an ordinary resolution:

‘That Neal O’Connor, who retires in accordance with rule 5.1 of the Company’s constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.’

## Mitchell Services Limited

ABN 31 149 206 333

112 Bluestone Circuit  
Seventeen Mile Rocks Qld 4073 Australia  
PO Box 3250 Darra Qld 4076 Australia

t +61 7 3722 7222

e [info@mitchellservices.com.au](mailto:info@mitchellservices.com.au)

f +61 7 3722 7256

w [www.mitchellservices.com.au](http://www.mitchellservices.com.au)

## Special business

### Resolution 4 – Approval of additional 10% placement capacity under Listing Rule 7.1A

To consider, and if in favour, pass the following resolution as a special resolution:

'That for the purposes of Listing Rule 7.1A, and for all other purposes, Shareholders approve the Company having the additional capacity to issue equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, over a 12 month period from the date of this Meeting (or until a transaction under Listing Rule 11.1.2 or 11.2 is approved by Shareholders).'

### Resolution 5 – Approval of ESOP

To consider, and if in favour, pass the following resolution as an ordinary resolution:

'That for the purposes of Listing Rule 7.2 (Exception 9) and all other purposes, approval be given in relation to the issue of securities (including rights, options or Shares) under the Company's Employee Share and Option Plan (**ESOP**), as described in the explanatory memorandum'.

Dated: 24 October 2019

By order of the Board



---

Greg Switala  
Company Secretary

#### Mitchell Services Limited

ABN 31 149 206 333

112 Bluestone Circuit  
Seventeen Mile Rocks Qld 4073 Australia  
PO Box 3250 Darra Qld 4076 Australia

t +61 7 3722 7222  
e [info@mitchellservices.com.au](mailto:info@mitchellservices.com.au)

f +61 7 3722 7256  
w [www.mitchellservices.com.au](http://www.mitchellservices.com.au)

**Notes**

- (a) A member who is entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy.
- (b) The proxy need not be a member of the Company. A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the **attached** proxy form by 10:00 am (Brisbane time) on 25 November 2019.
- (d) A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the Meeting.
- (e) The Company has determined under regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that for the purpose of voting at the Meeting or adjourned meeting, Shares are taken to be held by those persons recorded in the Company's register of Shareholders as at 7pm (Brisbane time) 25 November 2019.
- (f) If you have any queries on how to cast your vote then you can call the Company on 07 3722 7222 during business hours.

**Voting exclusions:**

<p><b>Resolution 1 – Adoption of the remuneration report</b></p>	<p>In accordance with the requirements of section 250R of the Corporations Act, no votes may be cast on Resolution 1 in any capacity by, or on behalf of, a member of the key management personnel, details of whose remuneration are included in the remuneration report, or a closely related party of such member (including certain of their family members, dependants and companies they control), unless:</p> <ul style="list-style-type: none"> <li>(a) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on the resolution; or</li> <li>(b) the person is the chair of the Meeting and the appointment of the chair as proxy: <ul style="list-style-type: none"> <li>(i) does not specify the way the proxy is to vote; and</li> <li>(ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of key management personnel.</li> </ul> </li> </ul>
<p><b>Resolution 4 – Approval of additional 10% placement capacity under Listing Rule 7.1A</b></p>	<p>In accordance with the requirements of Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 4 by a person, and any associates of that person, who is expected to participate in, or who will receive a material benefit as a result of, the proposed issue of the securities, except a benefit solely by reason of being a holder of ordinary securities in the Company, if Resolution 4 is passed.</p> <p>However, the Company need not disregard a vote if:</p> <ul style="list-style-type: none"> <li>(a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or</li> <li>(b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.</li> </ul>

**Mitchell Services Limited**

ABN 31 149 206 333

112 Bluestone Circuit  
Seventeen Mile Rocks Qld 4073 Australia  
PO Box 3250 Darra Qld 4076 Australia

t +61 7 3722 7222

f +61 7 3722 7256

e info@mitchellservices.com.au

w www.mitchellservices.com.au

**Resolution 5 – Approval of ESOP**

In accordance with the requirements of Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 5 by or on behalf of a Director, or an associate of a Director, except a Director who is ineligible to participate in any employee incentive scheme in relation to the Company.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**Mitchell Services Limited**

ABN 31 149 206 333

112 Bluestone Circuit  
Seventeen Mile Rocks Qld 4073 Australia  
PO Box 3250 Darra Qld 4076 Australia

t +61 7 3722 7222

e [info@mitchellservices.com.au](mailto:info@mitchellservices.com.au)

f +61 7 3722 7256

w [www.mitchellservices.com.au](http://www.mitchellservices.com.au)

# Explanatory memorandum

Mitchell Services Limited ACN 149 206 333

---

## Introduction

This explanatory memorandum is provided to the Shareholders of the Company to explain the resolutions to be put to the Shareholders at the Annual General Meeting to be held at Morgans Financial Ltd, Level 20, 123 Eagle Street, Brisbane on 27 November 2019 at 10:00 am (Brisbane time).

The Board recommends that Shareholders read the accompanying Notice of Meeting and this explanatory memorandum in full before making any decision in relation to the resolutions.

## Financial statements and reports

- 1 The Corporations Act requires the Company's financial report (which includes the financial statements and Directors' declaration), Directors' report and auditor's report to be laid before the Meeting. There is no requirement either in the Corporations Act or the Company's constitution for Shareholders to approve the financial report, Directors' report or auditor's report. Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on these reports.
- 2 Whilst no resolution is required in relation to this item, the auditor of the Company or their representative will be available to receive questions relevant to:
  - (a) the conduct of the audit;
  - (b) the preparation and content of the auditor's report;
  - (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
  - (d) the independence of the auditor in relation to the conduct of the audit.

## Resolution 1 – Adoption of the remuneration report

- 3 The annual report for the financial year ended 30 June 2019 contains a remuneration report which sets out the remuneration policies applicable to the Company and reports the remuneration arrangements that were in place for the Company's Directors and senior executives for the financial year ended 30 June 2019.
- 4 A reasonable opportunity will be provided for discussion of the remuneration report at the Meeting before Shareholders are asked to vote on Resolution 1, to adopt the remuneration report.
- 5 The vote on the resolution is advisory only and does not bind the Directors or the Company. However, your Directors will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

### Mitchell Services Limited

ABN 31 149 206 333

112 Bluestone Circuit  
Seventeen Mile Rocks Qld 4073 Australia  
PO Box 3250 Darra Qld 4076 Australia

t +61 7 3722 7222

e [info@mitchellservices.com.au](mailto:info@mitchellservices.com.au)

f +61 7 3722 7256

w [www.mitchellservices.com.au](http://www.mitchellservices.com.au)

- 6 Under the provisions of the Corporations Act known generally as the "two strikes rule", Shareholders should note that if 25% or more of the votes that are cast are voted against the adoption of the remuneration report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than any managing director who may continue to hold office indefinitely without re-election under the Listing Rules) must stand for re-election. Shareholders should be aware that at the Company's 2018 annual general meeting, less than 25% of the votes that were cast voted against the adoption of the 2018 remuneration report. Accordingly, no spill resolution can result at this Meeting.

#### **Directors' recommendation**

- 7 Noting that each Director has a personal interest in his own remuneration from the Company, the Directors unanimously recommend that you vote in favour of Resolution 1.

#### **Resolution 2 – Re-election of Peter Miller as Director**

- 8 In accordance with rule 5.1 of the Company's constitution, Mr Miller will retire by rotation from office at the Meeting, and being eligible, offers himself for re-election as a Director.
- 9 Mr Miller was appointed as Director on 8 February 2011 and re-elected on 26 October 2016.
- 10 Mr Miller has been involved in all aspects of the drilling industry for the past 30 years and founded Drill Torque in 1992. His experience encompasses working with all types of drilling rigs, building rigs and managing drilling companies. Having worked in most exploration areas in Australia he is intimately familiar with drilling conditions, equipment requirements and pricing structures to maximise fleet productivity.

#### **Independent Directors' recommendation**

- 11 The Directors (with Mr Miller abstaining) unanimously recommend that Shareholders vote in favour of Resolution 2.

#### **Resolution 3 – Re-election of Neal O'Connor as Director**

- 12 In accordance with rule 5.1 of the Company's constitution, Mr O'Connor will retire by rotation from office at the Meeting, and being eligible, offers himself for re-election as a Director.
- 13 Mr O'Connor was appointed as Non-Executive Director on 21 October 2015 and was elected on 26 October 2016.
- 14 Mr O'Connor is Chairman of the Audit and Risk and Remuneration and Nomination Committees. Mr O'Connor was formerly General Counsel and Company Secretary and an Executive Committee member of the global Xstrata Copper. He has extensive experience in the resource industry.

#### **Independent Directors' recommendation**

- 15 The Directors (with Mr O'Connor abstaining) unanimously recommend that Shareholders vote in favour of Resolution 3.

#### **Resolution 4 – Approval of additional 10% capacity under Listing Rule 7.1A**

- 16 Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12-month period

#### **Mitchell Services Limited**

ABN 31 149 206 333

112 Bluestone Circuit  
Seventeen Mile Rocks Qld 4073 Australia  
PO Box 3250 Darra Qld 4076 Australia

t +61 7 3722 7222  
e info@mitchellservices.com.au

f +61 7 3722 7256  
w www.mitchellservices.com.au

without requiring Shareholder approval. In accordance with Listing Rule 7.1A, eligible entities (companies that are outside the S&P/ASX 300 index and that also have a market capitalisation of \$300 million or less), can obtain shareholder approval at an annual general meeting to issue a further 10% of the company's share capital on a non-pro rata basis over a 12 month period following the annual general meeting (or in the event that there is a transaction involving a significant change to the nature or scale of the company's activities, the date of the approval by holders of the company's ordinary securities of the transaction under Listing Rules 11.1.2 or 11.2).

- 17 At the date of this Notice of Meeting, the Company is an eligible entity and is expected to remain so at the time of the Meeting.
- 18 The number of Shares that may be issued (if Shareholder approval is obtained at the Meeting) will be determined in accordance with the following formula prescribed in Listing Rule 7.1A.2:

**(A x D) – E**

**A** is the number of fully paid Shares on issue 12 months before the date of issue or agreement:

- (a) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (b) plus the number of partly paid Shares that became fully paid in the 12 months;
- (c) plus the number of fully paid Shares issued in the 12 months with approval of holders of Shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid Shares under the entity's 15% capacity pursuant to Listing Rule 7.1 without Shareholder approval;
- (d) less the number of fully paid 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 the approval of Shareholders under Listing Rule 7.1 or 7.4.

- 19 Additional disclosure obligations are imposed when the special resolution is proposed, when securities are issued and when any further approval is sought. For the purposes of Listing Rule 7.3A the Company provides the following information:

<b>Shares</b>	Shares issued under the additional 10% placement capacity must be in the same class as an existing quoted class of shares of the Company. Under Resolution 4 the Company is seeking approval to issue an additional 10% of its share capital pursuant to Listing Rule 7.1A. It retains the right to issue an annual 15% of its share capital pursuant to Listing Rule 7.1.
<b>Minimum price at which the Shares may be issued</b>	The issue price of each Share must be no less than 75% of the volume weighted average price for the Shares calculated over the 15 trading days on which trades in that class were recorded immediately before: <ul style="list-style-type: none"> <li>(a) the date on which the price at which the securities are to be issued is agreed; or</li> <li>(b) if the securities are not issued within five trading days of the date in paragraph (a), the date on which the securities are issued.</li> </ul>

**Mitchell Services Limited**

ABN 31 149 206 333

112 Bluestone Circuit  
Seventeen Mile Rocks Qld 4073 Australia  
PO Box 3250 Darra Qld 4076 Australia

t +61 7 3722 7222  
e info@mitchellservices.com.au

f +61 7 3722 7256  
w www.mitchellservices.com.au



<p><b>Risk of economic and voting dilution</b></p>	<p>An issue of Shares under Listing Rule 7.1A involves the risk of economic and voting dilution for existing ordinary Shareholders. The risks include:</p> <ul style="list-style-type: none"> <li>(a) the market price for Shares may be significantly lower on the issue date than on the date of the approval under Listing rule 7.1A; and</li> <li>(b) the equity securities may be issued at a price that is at a discount to the market price for the Shares on the issue date.</li> </ul> <p>In accordance with Listing Rule 7.3A.2 a table describing the notional possible dilution, based upon various assumptions as stated, is set out in paragraph 22.</p>
<p><b>Date by which the Company may issue the Shares</b></p>	<p>The period commencing on the date of the Meeting at which approval is obtained and expiring on the first to occur of the following:</p> <ul style="list-style-type: none"> <li>(a) the date which is 12 months after the date of the annual general meeting at which approval is obtained; and</li> <li>(b) the date of the approval by holders of the Company's ordinary securities of a transaction under Listing Rules 11.1.2 or 11.2.</li> </ul> <p>The approval under Listing Rule 7.1A will cease to be valid in the event that holders of the Company's ordinary securities approve a transaction under Listing Rules 11.1.2 or 11.2.</p>
<p><b>Purposes for which the Shares may be issued, including whether the Company may issue them for non-cash consideration</b></p>	<p>If the Company were to offer or issue any Shares under the approval, funds raised under the issue would likely be used as follows:</p> <ul style="list-style-type: none"> <li>(a) to provide the Company with funds to assist it to develop its business and/or meet its strategic goals;</li> <li>(b) to provide the Company with funds for general working capital purposes; and</li> <li>(c) to raise funds for an acquisition or to assist the Company to make an acquisition, or as consideration for an acquisition, or partly to raise funds and partly as consideration, for an acquisition.</li> </ul> <p>The Company reserves the right to issue Shares for non-cash consideration, including as non-cash consideration for any acquisition.</p>
<p><b>Details of the Company's allocation policy for issues under approval</b></p>	<p>The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to Listing Rule 7.1A. The identity of the allottees will be determined on a case-by-case basis having regard to the factors including but not limited to the following:</p> <ul style="list-style-type: none"> <li>(a) the methods of raising funds that are available to the Company including but not limited to, rights issues or other issues in which existing Shareholders can participate;</li> <li>(b) the effect of the issue of the Listing Rule 7.1A Shares on the control of the Company;</li> <li>(c) the financial situation and solvency of the Company; and</li> <li>(d) advice from corporate, financial and broking advisers (if applicable).</li> </ul> <p>The allottees under the Listing Rule 7.1A facility have not been determined as at the date of this Notice of Meeting but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.</p> <p>If the Company makes an acquisition in exchange for Shares to be issued under the approval, it is likely that the persons to be issued the Shares will</p>

	be those who are interested in the acquisition, e.g. the sellers of assets or officers and employees of the acquired businesses.
<b>Previous approvals under Listing Rule 7.1A</b>	The Company has previously sought and obtained approval under Listing Rule 7.1A at its 2014, 2015, 2016, 2017 and 2018 annual general meetings.

#### Information under Listing Rule 7.3A.6(a)

20 The table below shows the total number of equity securities issued in the 12 months before the date of the Annual General Meeting and the percentages those issues represent of the total number of equity securities on issue at the commencement of the 12 month period.

<b>Equity securities on issue at the commencement of the 12 month period preceding the date of the Meeting</b>	1,738,376,346 Shares 41,053,330 Options 4,006,335 Rights
<b>Equity securities issued in the 12 month period preceding the date of the Meeting</b>	4,006,335 Shares 13,342,788 Options 3,993,907 Rights
<b>Percentage these issues represent of total number of equity securities on issue at commencement of 12 month period</b>	21,343,030 / 1,783,436,011 = 1.20%

#### Information under Listing Rule 7.3A.6(b)

21 The table below sets out specific details for each issue of equity securities that has taken place in the 12 month period prior to the Annual General Meeting:

<b>Date of issue and number issued</b>	(a) 14 June 2019 – 3,993,907 Rights. (b) 14 June 2019 – 13,342,788 Options. (c) 14 June 2019 – 4,006,335 Shares.
<b>Class and type of equity security</b>	(a) Unquoted rights to receive Shares, issued under the ESOP. (b) Unquoted management options to purchase Shares with an exercise price of \$0.11 for each Option, issued under the ESOP. (c) Ordinary fully paid shares.
<b>Summary of terms</b>	(a) The Rights are issued on the following terms: (i) the holder is entitled to exercise the Rights to receive Shares after one month of the date of issue; (ii) the Shares issued to the holder on exercise of the Rights will be held by a trustee subject to the satisfaction of vesting conditions; (iii) the Rights will expire on the vesting date as specified in the offer; and

#### Mitchell Services Limited

ABN 31 149 206 333

112 Bluestone Circuit  
Seventeen Mile Rocks Qld 4073 Australia  
PO Box 3250 Darra Qld 4076 Australia

t +61 7 3722 7222

e info@mitchellservices.com.au

f +61 7 3722 7256

w www.mitchellservices.com.au

	<p>(iv) the exercise price is nil.</p> <p>(b) The Options are issued on the following terms:</p> <p>(i) subject to the satisfaction of vesting conditions, each option entitles the holder to purchase one Share;</p> <p>(ii) the options will expire 7 years after vesting as specified in the offer; and</p> <p>(iii) the exercise price is \$0.11 for each Option.</p> <p>(c) The Shares were issued on conversion of Rights issued on 14 June 2018. The Shares are held by a trustee subject to the satisfaction of vesting conditions under the ESOP and otherwise rank equally with other Shares.</p>
<b>Names of persons who received securities or basis on which those persons were determined</b>	<p>(a) Persons who received Rights are members of the Company's senior management team eligible to receive Rights under the ESOP.</p> <p>(b) Persons who received Options are members of the Company's senior management team eligible to receive Options under the ESOP.</p> <p>(c) Persons who received Shares were holders of Rights who exchanged their Rights for Shares. These persons are members of the Company's senior management team who were eligible to receive Rights under the ESOP.</p>
<b>Price</b>	<p>(a) Rights – the exercise price is nil.</p> <p>(b) Options – the exercise price is \$0.11 for each Option.</p> <p>(c) Shares – the Shares were issued at an issue price of \$0.063 per Share.</p>
<b>Discount to market price (if any) on the date of issue</b>	<p>(a) Rights – not applicable.</p> <p>(b) Options – not applicable.</p> <p>(c) The Shares that were issued on 14 June 2019 were issued at \$0.063 per Share, being the closing price on the previous trading day</p>

<b>For cash issues</b>	
<b>Total cash consideration received</b>	N/A.
<b>Amount of cash consideration spent</b>	N/A.
<b>Use of cash consideration</b>	N/A.
<b>Intended use for remaining amount of cash (if any)</b>	N/A.
<b>For non-cash issues</b>	
<b>Non-cash consideration paid</b>	<p>Rights – not applicable.</p> <p>Options – not applicable.</p>

**Mitchell Services Limited**  
ABN 31 149 206 333

112 Bluestone Circuit  
Seventeen Mile Rocks Qld 4073 Australia  
PO Box 3250 Darra Qld 4076 Australia  
t +61 7 3722 7222 f +61 7 3722 7256  
e info@mitchellservices.com.au w www.mitchellservices.com.au

	Shares – the Shares were issued for nil consideration on the conversion of rights issued under the ESOP.
<b>Current value of that non-cash consideration</b>	Not applicable

### Information under Listing Rule 7.3A.2

22 As required by Listing Rule 7.3A.2, the table below shows the economic and voting dilution effect, in circumstances where the issued capital of the Company has doubled and the market price of the Shares has halved. The table below also shows additional scenarios in which the Company's issued capital has increased (by both 50% and 100%) and the market price of the Shares has:

- (a) decreased by 50%; and
- (b) increased by 100%.

Issued Shares	50% decrease in market price (\$0.029)		Current market price (\$0.058)		100% increase in market price (\$0.116)	
	10% voting dilution (Shares)	Capital raised	10% voting dilution (Shares)	Capital raised	10% voting dilution (Shares)	Capital raised
<b>Present =</b> 1,742,382,681	174,238,268	\$5,052,910	174,238,268	\$10,105,820	174,238,268	\$20,211,639
<b>If 50% increase =</b> 2,613,574,022	261,357,402	\$7,579,365	261,357,402	\$15,158,729	261,357,402	\$30,317,459
<b>If 100% increase =</b> 3,484,765,362	348,476,536	\$10,105,820	348,476,536	\$20,211,639	348,476,536	\$40,423,278

### Assumptions and explanations

23 The following assumptions and explanations have been made:

- (a) The market price is \$0.058 per Share, based on the closing price of the Shares on ASX on 9 October 2019.
- (b) The above table only shows the dilutionary effect based on the additional 10% placement capacity under Listing Rule 7.1A and not the annual 15% placement capacity under Listing Rule 7.1.
- (c) The 10% voting dilution reflects the aggregate percentage dilution against the Company's issued capital at the time of issue.
- (d) The Company issues the maximum number of Shares available to it under the additional 10% issue.
- (e) The Company's issued capital has been calculated in accordance with the formula in Listing Rule 7.1A(2) as at 9 October 2019.

### Mitchell Services Limited

ABN 31 149 206 333

112 Bluestone Circuit  
Seventeen Mile Rocks Qld 4073 Australia  
PO Box 3250 Darra Qld 4076 Australia

t +61 7 3722 7222  
e info@mitchellservices.com.au

f +61 7 3722 7256  
w www.mitchellservices.com.au

- (f) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of a Share issue under Listing Rule 7.1A, based on that Shareholder's holding at the date of the Meeting.
  - (g) The issue of equity securities under Listing Rule 7.1A consists only of Shares.
  - (h) The issue price of the Shares used in the table does not take into account the discount to the market price (if any).
- 24 At the date of the Annual General Meeting, the Company will have 1,742,382,681 Shares on issue. Subject to Shareholder approval being obtained for Resolution 4, the Company will have capacity to issue the following equity securities immediately following the Meeting:
- (a) 261,357,402 Shares (under Listing Rule 7.1); and
  - (b) 174,238,268 Shares (under Listing Rule 7.1A).
- 25 Listing Rule 7.1A requires Resolution 4 to be passed as a special resolution. A special resolution needs approval by at least 75% of the votes cast by Shareholders entitled to vote on the resolution.
- 26 A voting exclusion statement is included in the Notice in relation to Resolution 4. As at the date of the Notice, the Company has not approached or invited any existing Shareholder to participate in an issue of securities in the Company under ASX Listing Rule 7.1A. Therefore, no vote cast by, or on behalf of, an existing Shareholders in favour of Resolution 4 will be disregarded.

#### **Directors' recommendation**

- 27 The Directors unanimously recommend that you vote in favour of Resolution 4.

#### **Resolution 5 – Approval of ESOP**

- 28 As Shareholders are aware, the Company has an ESOP in place. The Directors are empowered to operate the ESOP and rights, options and/or shares to Eligible Participants under the ESOP in accordance with the Listing Rules and on the terms and conditions summarised in the Schedule. The objectives of the ESOP are to:
- (a) establish a method by which Eligible Participants can participate in the future growth and profitability of the Company;
  - (b) provide an incentive and reward for Eligible Participants for their contributions to the Company; and
  - (c) attract and retain a high standard of managerial and technical personnel for the benefit of the Company.
- 29 Listing Rule 7.1 provides that a company must not issue equity securities without shareholder approval if that issue, when added to other shares issued by the company in the previous 12 months, will exceed 15% of the ordinary shares on issue at the commencement of that 12 month period.
- 30 Unless an exemption applies, an issue of securities will reduce the Company's capacity to issue further securities under Listing Rule 7.1, without obtaining Shareholder approval. Listing Rule 7.2 (Exception 9) provides that, where an issue of securities under an employee incentive plan has been approved by Shareholders within the three years before the date of issue, issues of securities under the plan do not

#### **Mitchell Services Limited**

ABN 31 149 206 333

112 Bluestone Circuit  
Seventeen Mile Rocks Qld 4073 Australia  
PO Box 3250 Darra Qld 4076 Australia

t +61 7 3722 7222  
e info@mitchellservices.com.au

f +61 7 3722 7256  
w www.mitchellservices.com.au

count towards the Company's 15% capacity under Listing Rule 7.1 (or its 10% capacity under Listing Rule 7.1A if it applies).

- 31 For the ESOP to qualify for an exemption from the Listing Rule 7.1 limit on the number of shares the Company can issue without Shareholder approval, the Company must obtain Shareholder approval for issues under the ESOP every three years. As such, if Shareholders approve Resolution 5, the approval will remain valid for three years after the date of this Meeting.
- 32 In compliance with the information requirements of Listing Rule 7.2, Shareholders are advised of the following particulars:

<b>Summary of the terms of the ESOP</b>	Refer to the key terms of the ESOP outlined in the Schedule.
<b>Securities granted under the ESOP since the date of last approval (26 October 2016)</b>	(a) 11,410,757 Rights; (b) 38,033,723 Options; and (c) 7,416,850 Shares
<b>Securities vested or exercised</b>	Since the inception of the ESOP, 7,954,944 Shares have vested. Vested shares were transferred from the Plan Trustee to Eligible participants whilst un-vested shares remain held by the Plan Trustee.  Since inception of the ESOP, 26,482,007 Options have vested but have not been exercised.
<b>Securities lapsed / cancelled</b>	None.

#### Directors' recommendation

- 33 The Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

#### Mitchell Services Limited

ABN 31 149 206 333

112 Bluestone Circuit  
Seventeen Mile Rocks Qld 4073 Australia  
PO Box 3250 Darra Qld 4076 Australia

t +61 7 3722 7222  
e info@mitchellservices.com.au

f +61 7 3722 7256  
w www.mitchellservices.com.au

## Glossary

---

A number of capitalised terms are used throughout this Notice of Meeting. Capitalised terms in this Notice of Meeting have the same meaning given to them in the Corporations Act and:

<b>Term</b>	<b>Definition</b>
<b>Annual General Meeting or Meeting</b>	means the Company's annual general meeting the subject of this Notice of Meeting.
<b>ASX</b>	means ASX Limited and the exchange operated by it, being the Australian Securities Exchange.
<b>Board</b>	means the board of directors of the Company.
<b>Company</b>	means Mitchell Services Limited ACN 149 206 333.
<b>Corporations Act</b>	means <i>Corporations Act 2001</i> (Cth).
<b>Director</b>	means one or more directors of the Company.
<b>ESOP</b>	means the Company's Employee Share and Option Plan
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Notice of Meeting or Notice</b>	means the notice of meeting and includes the explanatory memorandum.
<b>Option</b>	means an unquoted option issued by the Company that is convertible into a Share.
<b>Option holder</b>	means a registered holder of an Option.
<b>Rights</b>	means an unquoted right issued by the Company that is convertible into a Share.
<b>Security</b>	means a Share, Option or Right.
<b>Securityholder</b>	means a registered holder of a Security.
<b>Shareholder</b>	means a registered holder of a Share.
<b>Shares</b>	means fully paid ordinary shares in the Company.

### **Mitchell Services Limited**

ABN 31 149 206 333

112 Bluestone Circuit  
Seventeen Mile Rocks Qld 4073 Australia  
PO Box 3250 Darra Qld 4076 Australia

t +61 7 3722 7222  
e [info@mitchellservices.com.au](mailto:info@mitchellservices.com.au)

f +61 7 3722 7256  
w [www.mitchellservices.com.au](http://www.mitchellservices.com.au)

## Schedule

A summary of the key terms of the ESOP is set out in the following table:

<b>Eligible Participants</b>	<p>The Board may designate a Director, employee or consultant of the Company as an eligible participant for the purposes of the ESOP (<b>Eligible Participant</b>). Eligible Participants may nominate a company that they control (<b>Permitted Nominee</b>) to hold their rights, options or Shares, though the Company has absolute discretion to decide whether the rights, options or Shares are granted to the Eligible Participant or the Permitted Nominee.</p> <p>For the purposes of this Schedule, 'Participant' means an Eligible Participant or its Permitted Nominee (as the case requires).</p>
<b>Offer of rights, options or Shares</b>	<p>The Board may offer any number of rights, options or Shares to an Eligible Participant on the terms the Board decides by giving the Eligible Participant a written offer to participate in the ESOP (<b>Offer</b>), subject to the ESOP rules and any applicable law or the Listing Rules. An Offer is required to set out details such as the total number of rights, options or Shares being offered, the exercise period and expiry date, the vesting date and vesting conditions, any disposal restrictions, and other terms attaching to the rights, options or Shares, as the case may be.</p>
<b>Acceptance of Offer by Eligible Participant</b>	<p>To accept an Offer, an Eligible Participant must complete, sign and return the acceptance form annexed to their Offer in accordance with the Offer.</p>
<b>Maximum rights, options or Shares granted</b>	<p>The ESOP rules impose restrictions on the number of rights, options or Shares which can be granted, for example if the number of Shares to be issued on vesting when aggregated with:</p> <ul style="list-style-type: none"> <li>(a) other Shares related to unexercised and unexpired options;</li> <li>(b) other Shares related to unvested and unexpired rights; and</li> <li>(c) the number of Shares issued during the previous five years under any similar employee scheme,</li> </ul> <p>would exceed 5% of the total Shares on issue at the time of the Offer (subject to certain exclusions).</p>
<b>No payment for grant of rights or options or issue of Shares</b>	<p>A Participant is not required to pay for the grant of any rights or options or the issue of Shares.</p>
<b>Vesting</b>	<p>The Board has sole discretion in determining the vesting conditions which apply in respect of each grant of rights, options or Shares under the ESOP. Once Shares vest, the Participant will be transferred those Shares by the Plan Trustee.</p> <p>Once options vest, they become exercisable by the Participant.</p>
<b>Adjustment for reconstruction of issued capital of the Company</b>	<p>If there is a reconstruction of the issued capital of the Company, the number of Shares over which a right or option exists will be adjusted (as appropriate) to the extent necessary to comply with the Listing Rules.</p>
<b>No dividend rights</b>	<p>A Participant does not have the right to participate in dividends on Shares until Shares have vested.</p>
<b>No voting rights</b>	<p>A Participant does not have the right to vote in respect of a right, option or an unvested Share. Once a Share has vested the Participant can direct the Plan Trustee how to vote that Share.</p>
<b>Participation in further issues</b>	<p>A Participant cannot participate in a pro rata or bonus issue of Shares without being issued Shares for their rights or options. If a pro rata bonus or cash issue of securities is awarded by the Company, the number of Shares</p>

**Mitchell Services Limited**  
ABN 31 149 206 333

112 Bluestone Circuit  
Seventeen Mile Rocks Qld 4073 Australia  
PO Box 3250 Darra Qld 4076 Australia  
t +61 7 3722 7222 f +61 7 3722 7256  
e info@mitchellservices.com.au w www.mitchellservices.com.au



	over which a right or option exists will be adjusted as specified in Listing Rules and written notice will be given to the Participant.
<b>Non-transferability of rights, options or Shares</b>	With the exception of transmission of rights, options or Shares to a legal personal representative of an Eligible Participant following an Eligible Participant's death, Participants must not create a security interest in, or transfer, assign, dispose or otherwise deal with, rights, options or Shares, or any interest in rights, options or Shares, without the prior written consent of the Board.
<b>Unquoted rights and options</b>	The Company will not apply to ASX for official quotation of any of the rights or options.
<b>No interest in Shares</b>	A Participant has no interest in Shares the subject of rights or options unless and until vesting of those rights or options occurs and Shares are transferred to that Participant.
<b>Change of Control Trigger Event</b>	<p>Unless the Board decides otherwise, if a Change of Control Trigger Event occurs, the vesting date of all rights or options is the date on which the Change of Control Trigger Event occurs. After a Change of Control Trigger Event occurs, the Board must decide whether the rights or options, or a pro rata proportion of those rights or options, vest on the vesting date (having regard to a number of factors).</p> <p>For the purposes of this Schedule, 'Change of Control Trigger Event' means:</p> <ul style="list-style-type: none"> <li>(a) a person acquires voting power (within the meaning of section 610 of the Corporations Act) in more than 50% of the ordinary shares in the Company;</li> <li>(b) an order of the court made for the purposes of section 411(4)(b) of the Corporations Act, in connection with a members' scheme of arrangement to effect a change of Control of the Company, is lodged with ASIC under section 411(10) of the Corporations Act;</li> <li>(c) the Company disposes of the whole or a substantial part of its assets or undertaking; or</li> <li>(d) an event set out in paragraph (a) or (b) is, in the opinion of the Board, likely to occur in the near future and the Board decides to nominate a date on which a Change of Control Trigger Event is taken to have occurred.</li> </ul>
<b>Issue of Shares on vesting</b>	The Company will issue or transfer vested Shares to a Participant at the next Board meeting, or within 20 Business Days, whichever first occurs after exercise or vesting, as the case may be. As the Shares are officially quoted by ASX, the Company will apply to ASX for official quotation of any Shares issued to a Participant after vesting within the time prescribed by the Listing Rules but, in any event, within ten Business Days of the issue of those Shares.
<b>Ranking of Shares issued</b>	A Share issued under a right or option after vesting ranks equally with all existing Shares on issue in the Company from the date of allotment.
<b>Disposal restrictions</b>	If an Offer contains disposal restrictions, the Participant must comply with the disposal restrictions in relation to all Shares issued after vesting for the period specified in the Offer. If the Shares issued after vesting to a Participant are subject to a disposal restriction the Company may implement any procedure (including a holding lock) it considers appropriate to ensure the disposal restriction is complied with for the period specified in the Offer. A disposal restriction ceases to apply immediately upon a Change of Control Trigger Event occurring. As soon as reasonably practicable after the Change of Control Trigger Event occurs, the Company must release the Shares from any procedure in place.

**Mitchell Services Limited**

ABN 31 149 206 333

112 Bluestone Circuit  
Seventeen Mile Rocks Qld 4073 Australia  
PO Box 3250 Darra Qld 4076 Australia

t +61 7 3722 7222  
e info@mitchellservices.com.au

f +61 7 3722 7256  
w www.mitchellservices.com.au

<b>Amending the ESOP</b>	Subject to certain restrictions such as when an amendment to the ESOP would have a material adverse effect or otherwise prejudice the rights of a Participant holding rights, options or Shares (except if it is necessary for compliance with laws and rules affecting the maintenance or operation of the ESOP) the Board may amend the ESOP in any manner it decides.
<b>Administration of the ESOP</b>	The Board may make policy and regulations for the operation of the ESOP which are consistent with the ESOP and may delegate necessary functions to an appropriate service provider or employee capable of performing those functions and implementing those policies.

**Mitchell Services Limited**

ABN 31 149 206 333

112 Bluestone Circuit  
Seventeen Mile Rocks Qld 4073 Australia  
PO Box 3250 Darra Qld 4076 Australia

t +61 7 3722 7222  
e [info@mitchellservices.com.au](mailto:info@mitchellservices.com.au)

f +61 7 3722 7256  
w [www.mitchellservices.com.au](http://www.mitchellservices.com.au)



## LODGE YOUR VOTE

**ONLINE**  
www.linkmarketservices.com.au

**BY MAIL**  
Mitchell Services Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

**BY FAX**  
+61 2 9287 0309

**BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138

**ALL ENQUIRIES TO**  
Telephone: +61 1300 554 474



X99999999999

## PROXY FORM

I/We being a member(s) of Mitchell Services Limited and entitled to attend and vote hereby appoint:

### APPOINT A PROXY

the Chairman of the Meeting (mark box)

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (Brisbane time) on Wednesday, 27 November 2019 at Morgans Financial Ltd, Level 20, 123 Eagle Street, Brisbane** (the Meeting) and at any postponement or adjournment of the Meeting.

**Important for Resolution 1:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

STEP 2

#### Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of the remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval of ESOP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Peter Miller as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Re-election of Neal O'Connor as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Approval of additional 10% placement capacity under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)




Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

STEP 3



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

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

### DEFAULT TO CHAIRMAN OF THE MEETING

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

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (Brisbane time) on Monday, 25 November 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



#### BY MAIL

Mitchell Services Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138

\* During business hours (Monday to Friday, 9:00am–5:00pm)

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