

21 September 2015

Dear Shareholder

**McMillan Shakespeare Limited
2015 Annual General Meeting**

The 2015 Annual General Meeting of McMillan Shakespeare Limited is to be held on 27 October 2015 at 10:00 am at the State Library of Victoria, Ground Floor, 328 Swanston St, Melbourne, Victoria in the Theatre.

Please find enclosed the Notice of Meeting, Explanatory Notes, question form and proxy form for your information.

At the meeting, the Managing Director and I will comment briefly on the Company's performance for the financial year ended 30 June 2015. The items of business set out in the Notice of Meeting will then be considered.

At the 2014 Annual General Meeting, the non-binding vote on the Company's Remuneration Report did not achieve at least 75% of votes in favour of the Remuneration Report. This is known as a 'first strike' under the Corporations Act.

In response to feedback received on last year's Remuneration Report, and after receiving a 'first strike', the Company has revisited the layout, structure and content of this year's Remuneration Report with a view to meeting the needs and expectations of Shareholders and other stakeholders.

If more than 25% of votes cast at the 2015 Annual General Meeting are against the adoption of the 2015 Remuneration Report, this will constitute a 'second strike'. If a 'second strike' occurs, then a Board spill meeting resolution (Resolution 3) will be put to the meeting. The resolution if passed would result in the calling of an extraordinary general meeting of Shareholders, at which all Directors in office at the time of the Remuneration Report was approved by the Board (excluding the Managing Director) would vacate their positions.

If the spill resolution is put to the meeting, the Board unanimously recommends that Shareholders vote against it, on the basis that it would be extremely disruptive to the Company and would distract it from pursuing its strategic direction of continuing diversification and refinement of its core business for the benefit of our Shareholders, clients, customers and the community.

All resolutions to be put to the meeting are discussed in the Explanatory Notes attached to the Notice of Meeting.

Directors' voting recommendations are set out in the Notice of Meeting and in the Explanatory Notes.

Please also refer to the 2015 Annual Report which is enclosed if you have previously requested a hard copy to be sent or may otherwise be obtained at www.mmsg.com.au.

If you plan to attend the meeting in person, please bring your Proxy Form to facilitate your registration. If you are not able to attend the meeting in person, please complete and return the enclosed Proxy Form to us. The instructions for voting by proxy or in person are set out in the Information for Shareholders section on page 4 of the Notice of Meeting.

If you would like to submit questions for consideration by the Board before the meeting, please complete and return the Shareholder question form that is included with the Notice of Meeting.

I look forward to seeing you at the meeting and invite you to join the Board members for light refreshments at the conclusion of the Meeting.

Yours sincerely



Ronald Pitcher, AM

Chairman

Encls

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of McMillan Shakespeare Limited (ABN 74 107 233 983) will be held on 27 October 2015 at 10:00 am at the State Library of Victoria, Ground Floor, 328 Swanston St, Melbourne, Victoria in the Theatre.

The Explanatory Notes that accompany and form part of this Notice describe in more detail the matters to be considered. Please ensure that you read the Explanatory Notes in full.

Please read this Notice of Meeting carefully and consider directing your proxy on how to vote on each resolution by marking the appropriate box on the proxy form.

ORDINARY BUSINESS

1. Financial Reports

To receive and consider the Financial Report, the Directors' Report and the Independent Audit Report for the financial year ended 30 June 2015.

2. Adoption of the Remuneration Report

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

That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the financial year ended 30 June 2015, as contained in the Directors' Report, be adopted.

Note: This resolution shall be determined as if it were an ordinary resolution, but under section 205R(3) of the Corporations Act, the vote is advisory only and does not bind the Directors or the Company. The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies. If 25% or more of the votes cast on the resolution are cast **against** the adoption of the Remuneration Report, then Item 3 will be put to the meeting.

A voting restriction applies to this resolution. See the Explanatory Notes for details.

3. Spill Meeting Resolution

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

That subject to and conditional on at least 25% of the votes cast in respect of Item 2 (Adoption of the Remuneration Report) being cast against the adoption of the Remuneration Report for the year ended 30 June 2015, as required by section 250V(1) of the Corporations Act:

- (a) an extraordinary general meeting of the Company (Spill Meeting) be convened within 90 days of the passing of this Resolution;*
- (b) all of the Directors in office when the Board resolution to approve the Directors' Report for the financial year ended 30 June 2015 was passed, excluding the Managing Director, Mr Mike Salisbury, and who remain in office as Directors at the time of the Spill Meeting, to cease to hold office immediately before the end of the Spill Meeting; and*
- (c) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting."*

Note: This is a contingent item and will only be put to the meeting if at least 25% of the votes cast on Item 2 (Adoption of the Remuneration Report) are against the adoption of the Remuneration Report for the year ended 30 June 2015. (A voting restriction applies to this resolution. See the Explanatory Notes for details.)

4. Re-election of Mr Ross Chessari as a Director

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

That Mr Ross Chessari is re-elected as director of the Company.

5. Re-election of Mr Tim Poole as a Director

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

That Mr Tim Poole is re-elected as director of the Company.

6. Financial assistance

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

*That for the purposes of section 260B of the Corporations Act and for all other purposes, approval is given for each of the following companies (the **Acquired Companies**):*

- (i) Presidian Holdings Pty Ltd (ACN 603 801 770);*
- (ii) ADU Investments Pty Ltd (ACN 159 109 010);*
- (iii) Australian Dealer Insurance Pty Ltd (ACN 158 647 271);*
- (iv) Davantage Group Pty Ltd (ACN 161 967 166);*
- (v) Franklin Finance Group Pty Ltd (ACN 166 741 564);*
- (vi) Money Now Pty Ltd (ACN 156 544 455);*
- (vii) Motorsure Pty Ltd (ACN 086 238 557);*
- (viii) National Finance Choice Pty Ltd (ACN 156 544 464);*
- (ix) Presidian Management Services Pty Ltd (ACN 166 382 369);*
- (x) National Financial Solutions (Aust) Pty Ltd (ACN 603 933 580);*
- (xi) National Insurance Choice Pty Ltd (ACN 603 933 571);*
- (xii) United Financial Services (QLD) Pty. Limited (ACN 073 887 813);*
- (xiii) United Financial Services Network Pty. Limited (ACN 095 911 283); and*
- (xiv) United Financial Services Pty. Limited (ACN 072 442 445),*

*to provide financial assistance in connection with the acquisition by the Company and its subsidiaries (the **Group**) of all the issued shares in the capital of each of the Acquired Companies by way of the grant of guarantees and security interests in favour of the Group's financiers.*

By Order of the Board



Mark Blackburn
Company Secretary

Melbourne, 21 September 2015

Information for Shareholders

1. ENTITLEMENT TO ATTEND AND VOTE

For the purposes of Regulation 7.11.37 of the *Corporations Regulations* 2001 (Cth), the Directors have determined that the voting entitlements for the purposes of the Meeting will be based on the registered holdings as at 10:00 am (Melbourne time) on Sunday, 25 October 2015. You may vote by attending the Meeting in person, by proxy, attorney or authorised representative.

2. VOTING BY PROXY

Each Shareholder has the right to appoint a proxy. A proxy need not be a Shareholder.

A proxy form and a reply paid envelope have been enclosed for Shareholders with this Notice. If an additional proxy form is required, the Company's share registry, Computershare Investor Services Pty Limited, will supply it on request (telephone: +61 3 9415 4000).

A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies, and may specify the proportion or number of votes each proxy is appointed to exercise. If no such proportion or number is specified, each proxy may exercise half of your votes. Fractions of votes will be disregarded.

Proxies given by corporate Shareholders must be executed in accordance with their constitutions or under the hand of a duly authorised officer or attorney.

To be effective, the Company must receive the completed proxy form and, if the form is signed by the Shareholder's attorney, the authority under which the proxy form is signed (or a certified copy of the authority), by no later than 10:00 am (Melbourne time) on Sunday, 25 October 2015:

- at its registered office at Level 21, 360 Elizabeth Street, Melbourne, Victoria, Australia 3000;
- online by going to investorvote.com.au or by scanning the QR Code, found on the enclosed Proxy Form, with your mobile device;
- by facsimile to its registered office on fax number +61 3 9097 3060;
- at its share registry, Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria, Australia 3001 or by facsimile on fax number 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

Any revocations of proxies must be received at one of these places before commencement of the Meeting, or at the registration desk for the Meeting at the State Library of Victoria, Ground Floor, 328 Swanston St, Melbourne, Victoria in the Theatre.

For more information concerning the appointment of proxies, please refer to the reverse side of the enclosed proxy form.

3. CUSTODIAN VOTING

For Intermediary Online subscribers only (custodians), please visit www.intermediaryonline.com to submit your voting intentions.

4. VOTING IN PERSON

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 30 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the share register and attendees recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the Meeting.

A corporation which is a Shareholder may appoint an individual to act as its representative and to vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed, unless previously given to the Company's share registry.

5. IMPORTANT NOTICE REGARDING ITEMS 2 AND 3

Shareholders should consider carefully how they wish to vote on Items 2 and 3 as they may wish to vote differently on each resolution. It is open to Shareholders to vote as they wish, however the following guidance is offered.

- (a) If you wish to vote **in favour** of Item 2 (Adoption of the Remuneration Report), then you may wish to vote **against** Item 3 (Spill Meeting Resolution), assuming you do not want a Spill Meeting to proceed if you are satisfied with the Remuneration Report. However, it is open to Shareholders to vote in favour of Item 3 even if they vote in favour of Item 2.
- (b) If you wish to vote **against** Item 2 (Adoption of the Remuneration Report), then you may wish to vote either **in favour** or **against** Item 3 (Spill Meeting Resolution), depending on whether or not you wish a Spill Meeting to be held.

If after reading the Explanatory Notes, you are in any doubt as to how you wish to vote, or the effect of your vote for or against Items 2 or 3, please seek advice from your accountant, solicitor or other professional advisor before voting.

Your Directors recommend that you vote:

- **in favour** of Item 2 (Adoption of the Remuneration Report); and
- **against** Item 3 (Spill Meeting Resolution).

Please also note below how the Chairman will vote any undirected proxies on these Items. Further information is set out in the Explanatory Notes accompanying this Notice of Meeting.

6. VOTING INTENTIONS

Subject to any voting restrictions and exclusions, the Chairman intends to vote in favour of all resolutions on the agenda other than Item 3 (Spill Meeting Resolution) where the Chairman intends to vote against the proposed resolution, notwithstanding that these items are connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

In respect of undirected proxies, subject to any voting restrictions and exclusions, the Chairman intends to vote in favour of all resolutions on the agenda other than Item 3 (Spill Meeting Resolution) where the Chairman intends to vote against the proposed resolution, notwithstanding that these items are connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

In relation to Items 2 (Adoption of the Remuneration Report) and 3 (Spill Meeting Resolution) if you have not marked the 'For', 'Against' or 'Abstain' boxes you will be deemed to have expressly authorised the Chairman of the Meeting to vote **in favour** of Item 2 and **against** Item 3. If you do not wish to give the Chairman of the Meeting such express authorisation, you should ensure that a box is clearly marked.

7. DEFINITIONS

Words that are defined in the Glossary have the same meaning when used in this Notice unless the context requires, or the definitions in the Glossary provide, otherwise.

8. PROXIES

Generally:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chairman of the Meeting, who must vote the proxies as directed.

Proxy vote if appointment specifies way to vote

An appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
- if the proxy has two or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the Chairman of the Meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the Proxy is not the Chairman of the Meeting – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

If:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the Chairman of the Meeting; and
- at the Meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the Meeting; or
 - the proxy does not vote on the resolution,

the Chairman of the Meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at that meeting.

Explanatory Notes on the Items of Business

ITEM 1: FINANCIAL REPORTS

Under section 317 of the Corporations Act, the Financial Report, Directors' Report and Independent Audit Report of the Company for the financial year ended 30 June 2015 will be laid before the Meeting.

There is no requirement for a formal resolution on this item of business. The Shareholders will, however, be given the opportunity to raise questions or comments on the reports at the Meeting.

The reports are available on the Company's website, www.mmsg.com.au.

ITEM 2: ADOPTION OF REMUNERATION REPORT

Under section 250R(2) of the Corporations Act, a resolution must be put to the Shareholders that the Remuneration Report be adopted. The vote on this resolution is advisory only and does not bind the Directors or the Company. The Board will, however, take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

At last year's AGM, more than 25% of the votes cast on the resolution to adopt the 2014 Remuneration Report were voted 'against' the resolution. Accordingly, the Company received what is known as a 'first strike' under Corporations Act.

If the votes against the 2015 Remuneration Report again exceed 25% of the votes cast, the Company will receive a 'second strike' and Item 3 will be put to the meeting. If Item 3 is put to the meeting and passed, then it will be necessary for the Board to convene a further general meeting ("Spill Meeting") of the Company within 90 days of this AGM in order to consider the composition of the Board.

The Remuneration Report set out on pages 16 to 38 of the Company's 2015 Annual Report:

- explains the Board's policies in relation to the nature and level of remuneration paid to Directors and the Executive Key Management Personnel of the Company;
- discusses the link between the Board's remuneration policies and the Company's performance;
- provides a summary of performance conditions applicable to the Directors and the Executive Key Management Personnel of the Company, explaining why they were chosen and how performance is measured against them;
- sets out remuneration details for each Director and other Executive Key Management Personnel of the Group; and
- makes clear that the basis of remunerating non-executive Directors is distinct from the basis for remunerating Executive Key Management Personnel, including the Chief Executive Officer.

Having regard to receiving a "first strike" at the last AGM, the Company has consulted with institutional Shareholders and proxy advisors in the last 12 months and has undertaken steps to address concerns regarding the remuneration of Executive Key Management Personnel.

Noting that each Director has a personal interest in their remuneration from the Company, as described in the Remuneration Report, the Board unanimously recommends that the Shareholders vote in favour of adopting the Remuneration Report.

ITEM 3: BOARD SPILL MEETING

As previously stated, Item 3 is a contingent item and will only be put to the meeting if 25% or more of votes are cast **against** Item 2 (i.e. are against the adoption of the Remuneration Report). If less than 25% of the votes on Item 2 are cast 'against' the adoption of the Remuneration Report, then there will be no 'second strike' and this Item 3 will not be put to the meeting.

Section 250V of the Corporations Act sets out the statutory requirements of a Spill Meeting resolution. If this resolution is put to the meeting and passed, then it will be necessary for the Board to convene a further general meeting ("Spill Meeting") of the Company within 90 days of the Annual General Meeting in order to consider the composition of the Board.

For any Spill Resolution to be passed, more than 50% of the votes cast on the resolution must be **in favour** of it. If a Spill Resolution is passed, all of the Non-Executive Directors in office when the Board resolution to approve the Directors' Report for the financial year ended 30 June 2015 was passed will cease to hold office immediately before the end of the Spill Meeting, unless re-elected at the Spill Meeting. Consequently, if a Spill Meeting is held, the following Directors will automatically vacate office at the conclusion of the meeting unless they are willing to stand for re-election and are re-elected at that meeting:

John Bennetts, Ross Chessari, Ian Elliott, Tim Poole

If the Spill Meeting Resolution is passed, Shareholders should note that each of the above-named Non-executive Directors intend to stand for re-election at the Spill Meeting.

Noting that each Director has a personal interest in relation to this resolution, if Item 3 is put to the meeting the Board unanimously recommends that Shareholders vote against Item 3 on the basis that it would be extremely disruptive to the Company and in the Board's view it would be inappropriate to remove all the Non-Executive Directors in the circumstances. The Board recognises that Shareholders can remove a Director by majority Shareholder vote at any time and for any reason.

VOTING EXCLUSION STATEMENT

In accordance with section 250R(4) of the Corporations Act, the Company will disregard any votes cast in respect of the resolution in Item 2 or Item 3 by:

- (a) a member of the Key Management Personnel (KMP), details of whose remuneration are included in the remuneration report and any Closely Related Party of such a member; or
- (b) a proxy of a member of the KMP or a KMP's Closely Related Party.

However, the Company need not disregard any vote by such person excluded from voting on Item 2 or Item 3 if:

- it is cast by any of them as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by any of them who is chairing the AGM as proxy for a person who is entitled to vote, in accordance with an express authorisation on the proxy form.

If you have not marked the 'For', 'Against' or 'Abstain' boxes on Item 2 or Item 3 and have elected for the Chairman to act as your proxy, you will be deemed to have expressly authorised the Chairman to vote in the manner indicated in the Notice of Meeting, being:

- **in favour** of Item 2 (Adoption of the Remuneration Report); and
- **against** Item 3 (Spill Meeting Resolution).

ITEM 4: RE-ELECTION OF DIRECTOR RETIRING BY ROTATION UNDER THE CONSTITUTION OF THE COMPANY

The Company's Constitution requires one third of the Directors to retire from office at each annual general meeting. The Directors that have been in office the longest since their last election must retire and are eligible for re-election to the Board at the annual general meeting. Mr Chessari is retiring by rotation at this Meeting and, in accordance with the Constitution, is offering himself for re-election.

Ross Chessari *LLB, M Tax*

Mr Chessari is a founder and director of the investment manager, SciVentures Investments Pty Limited (SciVentures). Prior to founding SciVentures, Mr Chessari was the Managing Director of ANZ Asset Management and the General Manager of ANZ Trustees.

The Directors (excluding Mr Chessari) unanimously recommend that the Shareholders vote in favour of this resolution.

ITEM 5: RE-ELECTION OF DIRECTOR RETIRING BY ROTATION UNDER THE CONSTITUTION OF THE COMPANY

The Company's Constitution requires one third of the Directors to retire from office at each annual general meeting. The Directors that have been in office the longest since their last election must retire and are eligible for re-election to the Board at the annual general meeting. Mr Poole is retiring by rotation at this Meeting and, in accordance with the Constitution, is offering himself for re-election.

Tim Poole *CA, B Comm*

Mr Poole is currently a non-executive Director and Chairman of Aurizon Holdings Limited. He is also the non-executive Chairman of Lifestyle Communities Limited. Mr Poole was formerly an executive of Hastings Funds Management (1995 to 2007) including as the Managing Director (2005 to 2007). He was also formerly non-executive Chairman of Asciano Limited and a non-executive Director of Newcrest Mining Limited and Japara Healthcare Limited. Mr Poole is considered an independent director under the Company's definition of independence.

The Directors (excluding Mr Poole) unanimously recommend that the Shareholders vote in favour of this resolution.

ITEM 6: FINANCIAL ASSISTANCE

The Company, as the holding company of each of the Acquired Companies is required to obtain a special resolution of all of its ordinary Shareholders approving the proposed financial assistance under section 260B in order for the proposed financial assistance to be given by the Acquired Companies.

Accompanying this Notice of Meeting is a copy of a statement approved by the Directors setting out all the information known to the Company that is material to the decision on how to vote on the resolution in Item 6 as required under section 260B(4) of the Corporations Act.

Glossary

In this Notice and the Explanatory Notes:

Annual General Meeting means the annual general meeting of the Company to be held on 27 October 2015 at 10:00 am at the State Library of Victoria, Ground Floor, 328 Swanston St, Melbourne, Victoria in the Theatre.

ASX means ASX Limited ACN 008 624 691 or, as the context requires, the financial market operated by it;

ASX Listing Rules means the listing rules of the ASX;

Board means the board of Directors of the Company;

Closely Related Party means, in relation to a member of a KMP, any of the following:

- a spouse, child or dependant of the member;
- a child or dependant of the member's spouse;
- anyone else who is one of the member's family and may be expected to influence, or be influenced by, the member in the member's dealings with the Company;
- a company the member controls; or
- a person prescribed by regulations (as at the date of this notice, no additional persons have been prescribed by regulation).

Company means McMillan Shakespeare Limited ACN 107 233 983;

Corporations Act means *Corporations Act 2001*;

Directors mean the directors of the Company and **Director** means any of them;

Glossary means this glossary;

Item or **Resolution** means a proposed resolution to be put to a vote of Shareholders at the Meeting, as set out in the Notice of Meeting;

KMP means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. Members of key management personnel include its directors and certain senior executives;

Meeting means the annual general meeting of the members of the Company convened by this Notice;

Notice of Meeting or **Notice** means this notice of meeting and the explanatory notes;

Share means a fully paid ordinary share in the Company; and

Shareholder means a holder of at least one Share.

Information statement: section 260B(4) of the *Corporations Act 2001* (Cth)

1. PROPOSED FINANCING RELATED TRANSACTIONS FOLLOWING PRESIDIAN AND UNITED FINANCIAL SERVICES ACQUISITIONS

(a) On 27th February 2015 McMillan Shakespeare Limited acquired all of the issued share capital in the capital of Presidian Holdings Pty Ltd. Presidian Holdings Pty Ltd is the holding company of each of the following companies and accordingly each of these companies are now wholly owned subsidiaries of McMillan Shakespeare Limited:

- (i) Australian Dealer Insurance Pty Ltd (ACN 158 647 271);
- (ii) ADU Investments Pty Ltd (ACN 159 109 010) (held by Australian Dealer Insurance Pty Ltd);
- (iii) Davantage Group Pty Ltd (ACN 161 967 166);
- (iv) Franklin Finance Group Pty Ltd (ACN 166 741 564);
- (v) Money Now Pty Ltd (ACN 156 544 455);
- (vi) Motorsure Pty Ltd (ACN 086 238 557);
- (vii) National Dealer Services Pty Ltd (ACN 603 758 872);
- (viii) National Finance Choice Pty Ltd (ACN 156 544 464);
- (ix) National Financial Solutions (Aust) Pty Ltd (ACN 603 933 580);
- (x) National Insurance Choice Pty Ltd (ACN 603 933 571); and
- (xi) Presidian Management Services Pty Ltd (ACN 166 382 369), (together with Presidian Holdings Pty Ltd, the **Presidian Companies**).

(b) On 31st July 2015 McMillan Shakespeare Limited acquired all of the issued share capital in each of the following companies:

- (i) United Financial Services Pty Limited (ACN 072 442 445);
- (ii) United Financial Services Network Pty Limited (ACN 095 911 283); and
- (iii) United Financial Services (QLD) Pty Limited (ACN 073 887 813), (the **UFS Companies**).

(c) The acquisitions have been financed by McMillan Shakespeare Limited through a combination of existing cash reserves and debt facilities available to McMillan Shakespeare Limited and its subsidiaries (the **Group**).

(d) It is proposed that each Presidian Company and each UFS Company enter into a transaction by which it grants certain guarantees and security interests with respect to its assets to secure repayment of certain financial accommodation provided to McMillan Shakespeare Limited and certain of its subsidiaries by National Australia Bank Limited, Commonwealth Bank of Australia Limited and Westpac Banking Corporation Limited (the **Group's Financiers**), to be evidenced by the following documents (the **Documents**):

- (i) New Guarantor Deed Poll;
- (ii) Accession Deed;
- (iii) General Security Deed and Share Security Deed;
- (iv) General Security Deed and Share Security Deed (Incremental Security – Australian);
- (v) Deed of Guarantee and Indemnity (Incremental Guarantee); and
- (vi) any document which any director or secretary thinks necessary, advisable or incidental in connection with any other Document or any transaction contemplated by any other Document.

As at the date of this statement, the financial accommodation provided by the Group's Financiers is summarised below:

- (i) A\$ and NZ\$ revolving Facility Agreement totalling A\$170m as varied on 27 March 2015 (of which a sub-limit of NZ\$10m is allocated for Maxxia Fleet Limited) between National Australia Bank Limited, Maxxia Fleet Limited and Interleasing (Australia) Limited;
- (ii) A\$85m revolving Facility Agreement as varied on 27 March 2015 between Westpac Banking Corporation Limited and Interleasing (Australia) Limited;
- (iii) A\$ and NZ\$ revolving Facility Agreement totalling A\$15m as varied on 27th March 2015 (of which a sub-limit of NZ\$10m is allocated for Maxxia Fleet Limited) between Commonwealth Bank of Australia Limited, Maxxia Fleet Limited and Interleasing (Australia) Limited;
- (iv) GBP £22m revolving Facility Agreement (annexing the Amended and Restated GBP£ Facility Agreement) as varied on 27 March 2015 between National Australia Bank Limited and Maxxia Finance Limited;
- (v) GBP £20m revolving Facility Agreement (annexing the Amended and Restated GBP£ Facility Agreement) as varied on 27 March 2015 between Westpac Banking Corporation Limited and Maxxia Finance Limited;
- (vi) GBP £15m revolving Facility Agreements (annexing the Amended and Restated GBP£ Facility Agreement) as varied on 27 March 2015 between Commonwealth Bank Limited and Maxxia Finance Limited;

- (vii) A\$27.5m fully amortising Acquisition Facility between Westpac Banking Corporation Limited and McMillan Shakespeare Limited dated 27th March 2015;
- (viii) A\$30.0m fully amortising Acquisition Facility between Commonwealth Bank of Australia Limited and McMillan Shakespeare Limited dated 27th March 2015; and
- (ix) GBP £6.0m fully amortising Acquisition Facility Agreement dated on 3rd April 2014 between National Australia Bank Limited and Maxxia (UK) Limited.

A summary of the debt facilities and amounts owing can be found in the McMillan Shakespeare Limited FY 2015 Results Presentation released to the Australian Stock Exchange on 25 August 2015.

Entry into the Documents may constitute financial assistance by each of the Presidian Companies and each of the UFS Companies in connection with the acquisition by McMillan Shakespeare Limited of all of its issued share capital for the purposes of section 260A of the *Corporations Act 2001* (Cth). Accordingly, each Presidian Company and each UFS Company is seeking approval from its shareholders, and from the shareholders of McMillan Shakespeare Limited, to the proposed transactions in accordance with section 260B of the *Corporations Act 2001* (Cth).

- (e) The reason each Presidian Company and UFS Company proposes to enter into the Documents is that it is a condition of the financing arrangements with the Group's Financiers that each wholly owned subsidiary of McMillan Shakespeare Limited grant a guarantee of the obligations of other Group members under those financing arrangements and provide security over its assets to secure repayment of those obligations. In the view of the directors, this requirement is a necessary part of obtaining finance for the Group on the most favourable terms.
- (f) If a Presidian Company or UFS Company does not give the proposed Financial Assistance within a specified period, an 'Event of Default' will occur under the Group's financing arrangements with the Group's Financiers. This would entitle each of the Group's Financiers to require immediate repayment of all amounts owing to them by the Group and to restrict the Group's access to further funding.

2. ADVANTAGES OF THE PROPOSED TRANSACTIONS

The benefit for the Company in entering into the Documents is that it will enable each member of the Group to continue:

- (a) to comply with its obligations to the Group's Financiers under the Group's financing arrangements (and thereby avoid the possibility of default by the Group, renegotiation on less favourable terms and/or any requirement for the Group to immediately repay amounts owing to the Group's Financiers); and
- (b) provide the Group with continued access to the funding provided by the Group's Financiers (which will also be available to fund indirectly the Company's own business and operations) on the terms such funding is presently available, which the directors consider to be favourable to the Group having regard to all relevant factors.

Further details regarding McMillan Shakespeare Limited's acquisition of the Presidian Companies and the UFS Companies can be found in the announcements released by McMillan Shakespeare Limited on the Australian Stock Exchange on 5 February 2015 and 23 July 2015 (respectively).

3. EFFECT ON THE INTERESTS OF THE COMPANY AND ITS SHAREHOLDERS AND ITS ABILITY TO PAY ITS CREDITORS

The effect on the interests of the Company of entering into the Documents will be that it will assume liability to and provide security over assets in favour of the Group's Financiers. As a consequence, if the Group fails to comply with the terms of the Group's financing arrangements, an event of default may occur and the Group's Financiers will be entitled to make claim on the Company by enforcing their rights under the guarantee and security provided by the Company.

Accordingly:

- (a) the effect on the interests of the shareholders of the Company will be that the Company may be required to contribute to a claim in relation to debt owing by another member of the Group, which is likely to have a materially adverse effect on its financial position and its ability to pay its creditors; and
- (b) the effect on the Company's ability to pay its creditors will be that, if the Group's Financiers were to enforce their rights under the Documents in the circumstances and manner noted above, this would be likely to have a material adverse effect on the Company's financial position, which would in turn be likely to compromise its ability to pay creditors.

Given the terms of the Group's financing arrangements with the Group's Financiers and the Group's financial performance and prospects, at the date of this statement the directors consider that the likelihood of default by the Group is low.

4. APPROVAL AND RECOMMENDATION BY DIRECTORS

The directors of the Company have unanimously approved this statement and determined that it includes all information known to the Company that is material to the decision on how to vote on the resolution required by section 260(B)(4) of the *Corporations Act* and recommend shareholder approval of the accompanying draft resolution.

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Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

┌ 000001 000 MMS
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Proxy Form



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

 **For your vote to be effective it must be received by 10:00 am (Melbourne time) Sunday, 25 October 2015**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf XX

I/We being a member/s of McMillan Shakespeare Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of McMillan Shakespeare Limited to be held at the State Library of Victoria, Ground Floor, 328 Swanston St, Melbourne, Victoria in the Theatre on Tuesday, 27 October 2015 at 10:00 am (Melbourne time) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 2 and 3 (except where I/we have indicated a different voting intention below) even though Items 2 and 3 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

The Chairman of the Meeting intends to vote undirected proxies in favour of each Item of business with the exception of Item 3 where the Chairman of the Meeting intends to vote against.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 2 and 3 by marking the appropriate box in step 2 below.

STEP 2 Items of Business **PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Item 2 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Spill Meeting Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Re-election of Mr Ross Chessari as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Re-election of Mr Tim Poole as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6 Financial assistance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business with the exception of Item 3 where the Chairman of the Meeting intends to vote against. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 <input style="width: 90%; height: 20px;" type="text"/>	Securityholder 2 <input style="width: 90%; height: 20px;" type="text"/>	Securityholder 3 <input style="width: 90%; height: 20px;" type="text"/>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name _____ Contact Daytime Telephone _____ Date ____/____/____