



McMillan
Shakespeare Limited

**Corporate
Governance
Statement
2016**

Driving possibilities

McMillanShakespeareGroup

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McMillan Shakespeare Limited

ABN 74 107 233 983

This statement outlines the corporate governance policies and practices formally adopted by the Company. These policies and practices are in accordance with the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council (ASX Principles), unless otherwise stated.

Introduction

The Company's ASX Appendix 4G (a checklist cross-referencing the 3rd Edition Recommendations to the relevant disclosures in this statement) and the 2016 Annual Report are provided at www.mmsg.com.au/reports-notice.

This statement, together with our ASX Appendix 4G, have been lodged with the ASX on 24 August 2016.

Additional information on the Company's governance arrangements, including our Board and Board Committee Charters, key policies and other relevant information referred to in this Statement can also be found at the corporate governance section of the Company's website, www.mmsg.com.au.

www.mmsg.com.au



Role of the Board

The role of the Board is to provide strategic guidance for McMillan Shakespeare and its related bodies corporate and effective oversight of management. The Board is accountable to shareholders for the proper management and the performance of the Group. The Board delegates responsibility for day-to-day management of McMillan Shakespeare to the Chief Executive Officer (CEO). The CEO must, however, consult the Board on matters that are sensitive, extraordinary or strategic in nature.

The Board operates in accordance with the Company's Constitution, Board Charter and Delegated Authority Matrix, which describe the Board's composition, functions and responsibilities and designates authority reserved to the Board and that delegated to management.

Key matters reserved to the Board or Board Committees include the following:

- appraising and providing comment and direction on McMillan Shakespeare's strategy development;
- approving McMillan Shakespeare's corporate strategy and ensuring that appropriate resources are available for the implementation of that strategy;
- monitoring the implementation of the strategy approved by the Board;
- overseeing and monitoring organisational performance and the achievement of the Group's strategic goals and objectives;
- monitoring the performance of the CEO;
- reviewing and approving the business plans and the annual budget for McMillan Shakespeare as recommended by the CEO;
- having management design and implement risk management and internal control and compliance systems to manage the Company's material business risks;
- oversight of the effectiveness of the risk management system;
- monitoring financial performance against agreed objectives including approval of the annual and half-year financial reports and liaison with external auditors;
- reviewing and approving the authority and limits of such authority delegated to the CEO and other executives;
- approving and monitoring the progress of major capital expenditure, acquisitions and divestments;
- overseeing McMillan Shakespeare's capital management and funding;
- determining McMillan Shakespeare's dividend policy;
- overseeing McMillan Shakespeare's compliance with laws and regulations;
- determining the appropriateness of the size and composition of the Board;
- determining criteria for non-executive board membership;
- selection of candidates for directorship;
- evaluation of the Board's and individual Director's overall performance;
- appointing and removing the CEO;
- ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer (CFO) and the Company Secretary;
- ensuring appropriate succession planning of senior management and Board members;
- setting the standards of behaviour to enhance the reputation of McMillan Shakespeare in the marketplace and the community; and
- overseeing and monitoring compliance with the Employee Code of Conduct.

The Board charter can be accessed on the Company's website.

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Composition of the Board

The Board currently comprises five Non-Executive Directors and one Executive Director, being the CEO. The Chairman is an independent Director. The role of Chairman and CEO are not fulfilled by the same person.

The Directors are as follows:

| Name | Position | Appointment & Tenure | Last elected at an AGM |
|-----------------|------------------------------------|--|------------------------|
| Mr T. Poole | Independent Chairman | 17 December 2013 (2 years) | 2015 |
| Mr M. Salisbury | Managing Director and CEO | 1 October 2014 (CEO) 5 February 2015 (MD) | N/A |
| Mr J. Bennetts | Non-Executive Director | 1 December 2003 (12 years) | 2014 |
| Mr R. Chessari | Non-Executive Director | 1 December 2003 (12 years) | 2015 |
| Mr I. Elliot | Independent Non-Executive Director | 27 May 2014 (2 years) | 2014 |
| Ms. S. Dahn | Independent Non-Executive Director | 1 January 2016 | N/A |

Each Director is a senior executive with the skills and experience necessary for the proper supervision and leadership of the Company. As a team, the Board brings together a broad range of qualifications and experience. A summary of the key skills and experience of the members of the Board is set out in the adjacent table.

Details of the Directors, their experience and their special responsibilities with respect to the Company are set in the Directors Report section of the Company's 2016 Annual Report.



| Skills and experience | Number of directors |
|---|---------------------|
| Remuneration services | 4 |
| Financial services | 5 |
| Finance | 5 |
| Accounting | 2 |
| Law | 2 |
| Sales and marketing | 2 |
| Public company affairs | 4 |
| Senior executive experience | 6 |
| Prior board experience | 5 |
| CEO/CFO experience | 4 |
| UK or NZ experience | 3 |
| Ecommerce/technology | 3 |
| Risk management | 6 |
| Governance | 6 |
| Human resources | 2 |
| Mergers and acquisitions | 6 |
| Regulatory, government or public policy | 4 |
| Turnaround/structural change | 4 |

The Board considers that collectively the Directors have the range of skills, knowledge and experience necessary to direct the Company. The Directors consider the level of skills on the Board is strong in respect of all of the above categories where two or more Directors are represented.

In terms of achieving the appropriate mix of skills, experience and expertise required by the Board, the Board has historically been of the view that the establishment of a separate Nomination Committee was not justified given the size of the Company's operations. On this basis the responsibility for the selection and nomination of new Directors was retained as a function of the full Board. In light of the recent expansion in Company operations, and to further enhance its corporate governance practices, the Board has revised its position. To assist it in meeting its responsibilities, in May 2016 the Board broadened the charter of the Remuneration Committee to include responsibility for assisting and advising the Board in relation to the selection and appointment of new Directors, and reconstituted the committee as a combined Remuneration and Nomination Committee (see page 6 for further details).

Under its Charter, the Remuneration and Nomination Committee assists and advises the Board on Director selection, appointment and Board composition, Director performance evaluation processes and succession planning for the Board, CEO and executives.

The process adopted by the Remuneration and Nomination Committee for the selection, nomination and appointment of Directors is outlined below. We confirm that this process was also that adopted by the Board until responsibility passed to the Remuneration and Nomination Committee in May 2016.

The Remuneration and Nomination Committee establishes criteria regarding general and specific qualifications and experience required of candidates. The Remuneration and Nomination Committee will regularly assess the skills, experience and diversity which the Board collectively requires to fulfil its role effectively, and incorporates that into succession planning.

The Remuneration and Nomination Committee will usually engage an executive search firm to assist in the process. Appropriate checks are undertaken on the candidate before they are appointed to the Board or put forward to shareholders as a candidate for election as a Director, including character, experience, criminal record and bankruptcy history.

Any new Director appointed by the Board during the course of a year is required to stand for election at the next AGM. All material information known to the Company that is relevant to a decision on whether or not to elect or re-elect a Director is provided to shareholders in the AGM Notice of Meeting.

The Company has formal letters of appointment in place with all Directors setting out the terms of their appointment. On appointment, all Directors undertake a formal induction program to familiarise themselves with the Company, strategy and any current issues before the Board and undertake briefings with all key executives.

The Directors are responsible for maintaining their own professional accreditations and continuing professional development (CPD).

The Board considers a Director to be independent if that person is free of management and other business relationships that could materially interfere, or could reasonably be perceived to materially interfere, with the exercise of objective and independent judgement. More information can be obtained from the Group's Policy on the Independence of Directors, which can be accessed on the Company's website. The Chairman determines the relevant materiality thresholds on a case by case basis with reference to both quantitative and qualitative bases.

The ASX Guidelines recommend that a listed company should have a majority of Directors who are independent. The Board, as currently composed, does not comply with this recommendation. At the date of this report, the Board comprises an equal number of independent directors. Mr Chessari and Mr Bennetts currently hold, through their controlled entities, approximately 7.3% and 4.3% respectively of the shares in the Company. Mr Chessari and Mr Bennetts have also been directors of the Board for over ten years. These Directors have participated in the growth and development of McMillan Shakespeare and have a significant interest in the Company's continued success. Given their history and skills, the Board believes that it is appropriate for each of these Directors to be members of the Board.

Details of the experience of the Directors is contained in the Directors' Report section of the Company's 2016 Annual Report.



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Board practices

The Board meets regularly to evaluate, control, review and implement the Company's operations and objectives. The Directors receive monthly reports from the CEO, the CFO and operational managers. A Director, subject to prior approval of the Chairman (or, in the absence of that approval, the Board) may seek independent professional advice, including legal advice, at the Company's expense to assist them in carrying out their duties and responsibilities.

Performance review

The Board has delegated the responsibility for evaluating the performance of the Board, the Directors and the Board Committees to the Remuneration and Nomination Committee. The performance evaluation includes the examination of the performance of the Board and the individual Directors against the Board Charter. The evaluation may establish goals and objectives for the Board and provide any recommendations for improvement to Board performance as it sees fit. In accordance with the process established before the delegation of the performance evaluation function to the Remuneration and Nomination Committee, with respect to the financial year ended 30 June 2016, the Chairman of the Board carried out the performance appraisal of the Board, the individual Directors and the Board Committees in June 2016. The performance evaluation of the Chairman for the financial year ended 30 June 2016 will be undertaken by Mr Elliot during the second half of 2016 after canvassing the views of the other Directors.

The Board has delegated the responsibility for evaluating the performance of executive management to the Remuneration and Nomination Committee and the CEO.

Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

Remuneration and Nomination Committee

To further enhance its corporate governance practices and to reflect the expansion of Company operations, in May 2016 the Board increased the responsibilities of the Remuneration Committee and reconstituted it as a Remuneration and Nomination Committee.

The newly established Remuneration and Nomination Committee has a charter approved by the Board which establishes the Committee's terms of reference and operating procedures. A copy of the Charter is available on the Company's website.

The ASX Guidelines recommend that the Remuneration Committee should be structured so that it consists only of non-executive Directors (the majority of which are independent), is chaired by an independent Director and has at least three members. Due to the resignation of Mr Pitcher, during the period 28 October – 31 December 2015 the Remuneration Committee (as then constituted) had an equal number of independent directors. At all other times the Remuneration and Nomination Committee had a majority of independent Directors.

The Remuneration and Nomination Committee currently consists of three non-executive directors, two of whom are independent, and is chaired by an independent director. Details of names and relevant qualifications of the Directors appointed to the Remuneration and Nomination Committee (and its predecessor, the Remuneration Committee), the number of meetings of the Committees held during the year ended 30 June 2016 and the attendance record for each relevant member can be found in the Directors' Report section of the Company's 2016 Annual Report.

The Remuneration and Nomination Committee is empowered to investigate any matter brought to its attention and has direct access to any employee or any independent expert and adviser as it considers appropriate in order to ensure that its responsibilities can be carried out effectively.

The Company has formal letters of appointment in place with all senior executives setting out the terms of their appointment. The CEO carries out annual performance reviews with each member of the senior executive team, comparing the individual's performance against their agreed performance targets. This process was completed in accordance with a formal and rigorous process for the year ended 30 June 2016 with the CEO's report made to the July 2016 meeting of the Remuneration and Nomination Committee. The Remuneration and Nomination Committee has evaluated the performance of the CEO for the year ended 30 June 2016, taking account of the performance of the Group and other non-financial outcomes.

Audit, Risk and Compliance Committee

In May 2016 the Board expanded the responsibilities of the Audit Committee and reconstituted it as the Audit, Risk and Compliance Committee (ARCC) (see below). The ARCC is chaired by an independent director (who is not the chair of the Board) and consists of at least three members, all of whom are Non-Executive Directors.

The ASX Guidelines recommend that the Audit Committee should be structured so that it consists only of non-executive Directors (the majority of which are independent), is chaired by an independent Director who is not chair of the Board and has at least three members. Throughout most of the financial year, the Audit Committee met these conditions. However, due to the resignation of Mr Pitcher, during the period 28 October – 31 December 2015, the Audit Committee was comprised of two members only, did not have a majority of independent directors and Mr Poole served as both chair of the Board and the chair of the Audit Committee until an appropriate replacement chair of the Audit Committee could be appointed. Details of the names and relevant qualifications of the Directors appointed to the Audit Committee and the ARCC, the number of meetings of the committees held during the year ended 30 June 2016 and the attendance record for each relevant member can be found in the Directors' Report section of the Company's 2016 Annual Report.

The Board believes that during the financial year ended 30 June 2016, the Audit Committee and the ARCC had appropriate financial expertise with all members being financially literate and having a deep understanding of the industry in which the Company operates.

The ARCC is empowered to investigate any matter brought to its attention and has direct access to any employee, the independent auditors or any other independent experts and advisers as it considers appropriate in order to ensure that its responsibilities can be performed effectively. The ARCC has a documented charter approved by the Board. The charter can be accessed on the Company's website.

The external auditor (Grant Thornton) and the internal auditor (Deloitte) together with the CEO and the CFO are invited to attend the meetings. The ARCC also meets with the external auditor and the internal auditor twice a year without management to provide the auditor the opportunity to provide feedback on the conduct of the audit and management.

The Company has adopted procedures for the selection and appointment of the external auditor, and the rotation of external audit engagement partners in line with the Corporations Act 2001 (Cth).

Financial reporting & risk management

The Board has ultimate responsibility for the integrity of the Company's financial reporting and for risk management. Historically the Board was of the view that the establishment of a separate committee to oversee risk was not justified on the basis of the nature and size of the Company's operations, and responsibility for risk management was retained by the full Board. The Board has since revised its position in light of the recent expansion in Company operations and to further enhance its corporate governance practices. To assist it in meeting its responsibilities, in May 2016 the Board broadened the charter of Audit Committee to include responsibility for risk and compliance oversight and reconstituted it as a combined Audit, Risk and Compliance Committee.

The ARCC's risk management responsibilities include oversight of the risk management framework, the system of risk management and the internal control framework and that company operations are conducted within the scope of those frameworks. The ARCC will review the risk management framework annually to satisfy itself that it continues to be sound.

As part of the Group's risk management processes, senior management attend a monthly Risk and Compliance Committee (RCC), which is supported by internal control processes for identifying, evaluating and managing significant financial, operational and compliance risks to the achievement of the Company's objectives, which are subject to ARCC and Board oversight from time to time. As previously mentioned, Deloitte has been appointed to service the internal audit function, providing independent assurance over the effectiveness of the Company's risk management, internal control and governance processes. In addition, the Company has an internal audit function. A Group Audit and Risk Manager reports to the CFO and into the RCC and attends all meetings of the RCC.

The Board reviewed the formal Risk Management Policy and Framework for the year ended June 2016. The Credit Committee and Interest Committee met on a monthly basis during the year. The Risk Management Policy and Framework are accessible to all staff on the Group's intranet and identify the material risks affecting the Company and the manner in which each of those risks will be managed. No material environmental or social sustainability risks were identified. The economic risks identified, and how those risks are managed, are detailed in the Note 2 of the Notes to the Financial Statements contained in the company's 2016 Annual Report. A copy of the Company's Risk Management Policy can be accessed on the Company's website.

Considerable importance is placed on maintaining a strong control environment. There is an organisation structure with clear lines of accountability and delegation of authority. Adherence to the Director and Employee Codes of Conduct is required at all times and the Board actively promotes a culture of quality and integrity.

Before approving the Company's financial statements for the financial period, the ARCC received and considered a declaration from the CEO and the CFO in accordance with ASX Principles - the declaration that:

- in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and its controlled entities; and
- the above statement is founded on a sound system of risk management and internal control which is operating effectively.

The Company's external auditor has been invited to attend the Annual General Meeting and will be available to answer questions from the members of the Company relevant to the audit and the preparation and content of the Independent Audit Report.

Remuneration policy

Information about the Company's remuneration framework, policies and practices can be found in the Directors' Report under the heading 'Remuneration Report' in the Company's 2016 Annual Report.

Communication with shareholders and the market

Shareholders can obtain information about the Company and our governance practices via the Company website.

The Company's commitment to communicating with its shareholders is embodied in its Shareholder Communication Policy and its Continuous Disclosure Policy, which contain policies and procedures on information and disclosure to facilitate continuous disclosure of any information concerning the Group that a reasonable person would expect to have a material effect on the price of the Company's securities. The Company's Continuous Disclosure Policy and the Shareholder Communication Policy can be accessed on the Company's website.

The Company values effective two-way communication with shareholders and investors as a way of providing information quickly and efficiently to shareholders and to provide a forum for shareholders and investors to express their views on matters that are of concern or of interest to them.

The Company is committed to giving investors comprehensive, timely and equal access to information about the Company and its activities so that investors can make informed investment decisions and gain a deeper understanding of the Company's business, operations and performance. In addition to meeting the Company's ongoing disclosure obligations, the Company employs a wide variety of methods to communicate with its shareholders. All relevant company information is published on McMillan Shakespeare website www.mmsg.com.au. In addition to providing shareholders with access to company announcements and corporate governance materials (including Company policies and Board and Committee charters), the website gives shareholders access to certain company information via telephone conference facilities. Shareholders also have the option to receive communications from, and to send communications to, the Company and to the security registry (Computershare) electronically.

Shareholders are encouraged to attend the Annual General Meeting. Prior to the Annual General Meeting, shareholders are given the opportunity to submit questions to the Chairman or the CEO so that they can assess and respond to common queries and topics.

Ethics and codes of conduct

The Company has adopted a Director Code of Conduct that applies to the Directors of the Company. The Director Code of Conduct reflects the commitment of the Company to ethical standards and practices. The Director Code of Conduct can be reviewed on the Company's website.

The Company has also adopted an extensive Employee Code of Conduct that applies to all employees of the Company, which acknowledges the need for, and continued maintenance of, the highest standard of ethics and seeks to ensure that employees act honestly, transparently, diligently and with integrity. A summary of the Employee Code of Conduct can be accessed on the Company's website.

The Company has also implemented a policy on securities trading that binds all of the Group's officers and employees. In addition to ensuring that all officers and employees are aware of the legal restrictions on trading in the Company's securities whilst in possession of unpublished price-sensitive information, the policy also:

- places restrictions on when Directors and employees can deal in the Company's securities;
- prohibits staff from entering into transactions designed or intended to hedge that employee's exposure to Company's securities that are subject to retention arrangements or on unvested MMS options;
- requires the Directors and certain employees to notify the Company Secretary upon dealing in the Company's securities.

The McMillan Shakespeare Group Securities Trading Policy can be accessed on the Company's website.

The Company has adopted a Whistleblower Policy, which is designed to ensure that employees of the Group can raise concerns in good faith regarding actual or suspected improper conduct or malpractice in the Group, without fear of reprisal or feeling threatened by doing so. The policy can be accessed on the Company's website.

The Company has an Equal Opportunity & Diversity Policy which assists in confirming the Company's commitment to a diverse workforce, ensuring there is ongoing development and implementation of relevant plans, programs and initiatives to recognise and promote diversity, and in establishing the process for appropriate reporting.

The policy includes requirements for the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the Company's progress in achieving them. The policy can be accessed on the Company's website.

The Board encourages and supports the Company's commitment to ensuring a work environment that provides equal opportunity for all. Equal opportunity protects the principle that every person has the right to be treated fairly. The Company fosters an environment which encourages and values diversity in the workplace. The Company applies merit based policies and practices, and believes that the application of these achieves diversity outcomes.

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A number of targeted measurable objectives have been approved by the Board in order to assist monitoring and application of the Company's approved policies. The details of the measurable objectives selected for the financial year ended 30 June 2016 and the report against them is contained below.

| | | |
|---|--|-----|
| 1. Retain and continue to grow the number of women in leadership roles, subject to merit against role requirements | MMSG continues to reflect gender diversity across leadership and specialist roles | |
| | – CEO (or equivalent) | 0% |
| | – Key management personnel | 0% |
| | – Other Executives / GMs | 23% |
| | – Senior managers | 27% |
| | – Other managers | 36% |
| | – Professionals | 50% |
| | – Other | 46% |
| 2. Provide development and promotion opportunities regardless of gender | – Attendance at leadership development programs (women) | 52% |
| | – Promotions secured by women | 59% |
| | – Talent / Succession management (women) | 43% |
| 3. Ensure at least one woman on interview short-list for Senior and Executive level leadership / specialist roles, subject to merit against role requirements | – Number of vacancies / opportunities | 9 |
| | – Women applicants | 12% |
| | – Women on short list | 12% |
| | – Women as successful candidates | 11% |
| 4. Ensure an annual review by the Board of the EEO & Diversity Policy and the gender diversity measurable objectives | – The Board confirms it has undertaken an annual review of the EEO & Diversity Policy, and to the extent it deems necessary or appropriate, changes have been made. | |
| | – The Board has reviewed the measurable objectives for the financial year ended 30 June 2016 and has determined to maintain the existing measurable objectives for the financial year ending 2017. | |

The new Workplace Gender Equity Agency (WGEA) reporting framework document for 2015-2016 (the Company's 'Gender Equality Indicators') can be accessed on the Company's website www.mmsg.com.au/reports-notices

Approved by the Board of McMillan Shakespeare Limited on 24 August 2016.





McMillan Shakespeare Limited

ABN 74 107 233 983

AFSL No. 299054

Level 21, 360 Elizabeth Street

Melbourne Victoria 3000

www.mmsg.com.au

McMillanShakespeareGroup

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Introduced 01/07/14 Amended 02/11/15

Name of entity

McMillan Shakespeare Limited

ABN / ARBN

74 107 233 983

Financial year ended:

30 June 2016

Our corporate governance statement² for the above period above can be found at:³

- These pages of our annual report:
- This URL on our website: <http://www.mmsg.com.au/about/governance>

The Corporate Governance Statement is accurate and up to date as at 24 August 2016 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 24 August 2016

Name of Director or Secretary authorising lodgement: Mark Blackburn, Company Secretary

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
|---|---|---|--|
| PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT | | | |
| 1.1 | A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.2 | A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. | ... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at : <i>1.2(a) in our Corporate Governance Statement</i> <i>1.2(b) all material information relevant to elect or re-elect a director is found in the McMillan Shakespeare Ltd AGM Notice of meeting</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.3 | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.4 | The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

⁴ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
|---|---|---|---|
| 1.5 | <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> | <p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at http://www.mmsg.com.au/about/governance</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at http://www.mmsg.com.au/about/reports-notice</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 1.6 | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 1.7 | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at the Remuneration Report section of the 2016 Annual Report.</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at the Remuneration Report section of the 2016 Annual Report</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ | |
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| PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE | | | |
| 2.1 | <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> http://www.mmsg.com.au/about/governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at the Director's Report section of the 2016 Annual Report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 2.2 | <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p> | <p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

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| 2.3 | A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director. | ... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> at the Director's Report section of the 2016 Annual Report ... and, where applicable, the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i> ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 2.4 | A majority of the board of a listed entity should be independent directors. | ... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i> | <input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.5 | The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.6 | A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY | | | |
| 3.1 | A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it. | ... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> at http://www.mmsg.com.au/about/governance | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |

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| PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING | | | |
| 4.1 | <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://www.mmsg.com.au/about/governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at the Director's Report section of the 2016 Annual Report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| 4.2 | <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> | <p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| 4.3 | <p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p> | <p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable</p> |

Key to Disclosures Corporate Governance Council Principles and Recommendations

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| PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE | | | |
| 5.1 | A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it. | ... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at http://www.mmsg.com.au/about/governance | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS | | | |
| 6.1 | A listed entity should provide information about itself and its governance to investors via its website. | ... information about us and our governance on our website: <input checked="" type="checkbox"/> at http://www.mmsg.com.au/about/governance | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 6.2 | A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 6.3 | A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders. | ... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at http://www.mmsg.com.au/about/governance | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable |
| 6.4 | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |

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| PRINCIPLE 7 – RECOGNISE AND MANAGE RISK | | | |
| 7.1 | <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://www.mmsg.com.au/about/governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at Director's Report section of the 2016 Annual Report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| 7.2 | <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p> | <p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |

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| 7.3 | <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... how our internal audit function is structured and what role it performs:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| 7.4 | <p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p> | <p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at Note 2 of the Notes to the Financial Statements contained in the 2016 Annual Report</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |

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| PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY | | | |
| 8.1 | <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://www.mmsg.com.au/about/governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at Director's Report section of the 2016 Annual Report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 8.2 | <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p> | <p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at Remuneration Report section of the 2016 Annual Report</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 8.3 | <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p> | <p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at http://www.mmsg.com.au/about/governance</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

Key to Disclosures Corporate Governance Council Principles and Recommendations

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| ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES | | |
| <p>- <i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p> | <p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| <p>- <i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p> | <p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |