

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

McMillan Shakespeare Limited

ABN

74 107 233 983

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | 1) Performance Rights
2) Performance Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1) 18,937 Performance Rights
2) 105,272 Performance Options |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Issue date:
1) and 2) 23 October 2018
Exercise price:
1) Nil
2) \$16.64 per option
Vesting date:
1) and 2) Upon the lodgement of the Company's financial statements with ASX for FY21
Expiry date:
1) N/A
2) 30 September 2022 |

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?	Yes
	<p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	
5	Issue price or consideration	1) and 2) Nil
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Issue of Performance Rights and Performance Options to Mike Salisbury, the Company's Managing Director and CEO as incentive based remuneration (as approved by shareholders on 23 October 2018).
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	No
6b	The date the security holder resolution under rule 7.1A was passed	Not applicable.
6c	Number of +securities issued without security holder approval under rule 7.1	Not applicable
6d	Number of +securities issued with security holder approval under rule 7.1A	Not applicable.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable.				
6f	Number of +securities issued under an exception in rule 7.2	18,937 Performance Rights 105,272 Performance Options Shareholder approval granted 24 October 2017				
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable.				
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable.				
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	12,480,708				
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	1) and 2) 23 October 2018				
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="788 1599 963 1630">Number</th> <th data-bbox="970 1599 1380 1630">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="788 1639 963 1671">83,204,720</td> <td data-bbox="970 1639 1380 1671">Ordinary</td> </tr> </tbody> </table>	Number	+Class	83,204,720	Ordinary
Number	+Class					
83,204,720	Ordinary					

+ See chapter 19 for defined terms.

Number	+Class
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9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the ⁺ securities in section 2 if applicable)	538,129	Employee Options (exercisable at \$10.18 expiring on 30 September 2019)
		108,512	Employee Performance Rights vesting on lodgement of the Company's financial statements with ASX for FY19
		114,306	Employee Performance Rights vesting on lodgement of the Company's financial statements with ASX for FY20
		414,909	Employee Performance Options vesting on lodgement of the Company's financial statements with ASX for FY19 (exercisable at \$13.45 and expiring 30/09/20)
		385,084	Employee Performance Options vesting on lodgement of the Company's financial statements with ASX for FY20 (exercisable at \$13.45 and expiring 30/09/21)
		8,979	Employee Voluntary Options vesting on lodgement of the Company's financial statements with ASX for FY19 (exercisable at \$13.45 and expiring 30/09/20)
		12,500	Employee Voluntary Options vesting on lodgement of the Company's financial statements with ASX for FY20 (exercisable at \$13.45 and expiring 30/09/21)
		17,340	Employee Performance Options vesting on lodgement of the Company's financial statements with ASX for FY19 (exercisable at \$14.97 and expiring 30/09/20)
		15,920	Employee Performance Options vesting on lodgement of the Company's financial statements with ASX for FY20 (exercisable at \$14.97 and expiring 30/09/21)
		125,740	Employee Performance Rights vesting on lodgement of the Company's financial statements with ASX for FY22

+ See chapter 19 for defined terms.

699,068	Employee Performance Options vesting on lodgement of the Company's financial statements with ASX for FY21 (exercisable at \$16.64 and expiring 30/09/22)
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10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) Not applicable.

Part 2 - Pro rata issue

11 Is security holder approval required? Not applicable.

12 Is the issue renounceable or non-renounceable? Not applicable.

13 Ratio in which the +securities will be offered Not applicable.

14 +Class of +securities to which the offer relates Not applicable.

15 +Record date to determine entitlements Not applicable.

16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? Not applicable.

17 Policy for deciding entitlements in relation to fractions Not applicable.

18 Names of countries in which the entity has security holders who will not be sent new offer documents Not applicable.

Note: Security holders must be told how their entitlements are to be dealt with.

Cross reference: rule 7.7.

19 Closing date for receipt of acceptances or renunciations Not applicable.

20 Names of any underwriters Not applicable.

21	Amount of any underwriting fee or commission	Not applicable.
22	Names of any brokers to the issue	Not applicable.
23	Fee or commission payable to the broker to the issue	Not applicable.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable.
25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable.
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	Not applicable.
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable.
28	Date rights trading will begin (if applicable)	Not applicable.
29	Date rights trading will end (if applicable)	Not applicable.
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Not applicable.
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable.
32	How do security holders dispose of their entitlements (except by sale through a broker)?	Not applicable.
33	*Issue date	Not applicable.

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(tick one)

(a) +Securities described in Part 1

(b) All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories

- 1 - 1,000
- 1,001 - 5,000
- 5,001 - 10,000
- 10,001 - 100,000
- 100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

Not applicable.

39 +Class of +securities for which quotation is sought

Not applicable.

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

Not applicable.

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

Not applicable.

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	Not applicable.	Not applicable.

Quotation agreement

- +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.

+ See chapter 19 for defined terms.

- An offer of the *securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any *securities to be quoted and that no-one has any right to return any *securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the *securities be quoted.
- If we are a trust, we warrant that no person has the right to return the *securities to be quoted under section 1019B of the Corporations Act at the time that we request that the *securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before *quotation of the *securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:


(Company secretary)

Date: 25 October 2018

Print name:

Mark Blackburn

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	83,204,720
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p>Note:</p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	
“A”	83,204,720

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of "A"	
"B"	0.15 <i>[Note: this value cannot be changed]</i>
Multiply "A" by 0.15	12,480,708
Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
<p><i>Insert</i> number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
"C"	0
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
"A" x 0.15 <i>Note: number must be same as shown in Step 2</i>	12,480,708
Subtract "C" <i>Note: number must be same as shown in Step 3</i>	0
Total ["A" x 0.15] – "C"	12,480,708 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities
Step 1: Calculate "A", the base figure from which the placement capacity is calculated

<p>“A”</p> <p><i>Note: number must be same as shown in Step 1 of Part 1</i></p>	
<p>Step 2: Calculate 10% of “A”</p>	
<p>“D”</p>	<p>0.10</p> <p><i>Note: this value cannot be changed</i></p>
<p>Multiply “A” by 0.10</p>	
<p>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</p>	
<p><i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A</p> <p><i>Notes:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
<p>“E”</p>	
<p>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</p>	
<p>“A” x 0.10</p>	
<p>Subtract “E”</p>	
<p>Total [“A” x 0.10] – “E”</p>	<p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p>

+ See chapter 19 for defined terms.

