

McMillanShakespeareGroup

McMillan Shakespeare Limited: 10% off-market share buy-back

This document is important.

If you wish to find out more information with a view to participating in the proposed off-market share Buy-back, you should follow the process outlined in this letter.

MMS announces a proposed share buy-back

On Monday 29 August 2022, McMillan Shakespeare Limited (**MMS**) announced its intention to buy back up to 10% of its ordinary shares (**Shares**) in an off-market tender process, as part of MMS' capital management strategy seeking to maximise shareholder returns (**Buy-Back**).

This represents up to 7,738,110 ordinary shares in MMS¹ worth up to \$86 million, based on an illustrative share price of \$12.95² and a discount of 14%,³ and subject to any scale back that is applied by MMS. It is expected that a significant component of the Buy-Back proceeds will be characterised as a fully franked dividend for tax purposes, and certain eligible shareholders may be able to utilise the benefit of available franking credits. As a result, the Buy-Back will facilitate MMS returning excess capital and excess franking credits to MMS shareholders that will deliver value to all MMS shareholders.

The purpose of this letter is to inform you of the proposed Buy-Back and to communicate how you can participate in this initiative after reading the Buy-Back information booklet (**Booklet**).

Participation in the Buy-Back is voluntary.

Are you eligible to participate?

You may participate in the Buy-Back if Shares are registered in your name at 7.00pm (Melbourne time) on Tuesday 6 September 2022 and your registered address is in Australia or New Zealand. Other foreign shareholders (including shareholders residing in the United States or Canada) are not eligible to participate because of foreign laws and practical considerations. More information about eligibility is outlined in the Booklet.

¹ Assuming 10% of ordinary shares are bought back

² Worth up to \$86,202,545, based on an illustrative share price of \$12.95 (being the volume-weighted average price of MMS shares traded on ASX over the five trading days up to and including Friday 26 August 2022) and a discount of 14%. The actual price at which shares will be bought will be calculated by reference to a volume-weighted average market price and subject to a discount. This remains subject to movements in the MMS share price and other matters and will not be known until after the tender period closes.

³ The actual discount will depend on shareholder participation in the Buy-Back.

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Why you may wish to participate

Depending on your individual circumstances, the Buy-Back may provide you with an opportunity for a greater after-tax return compared with what you would achieve by selling your Shares on-market without incurring brokerage fees. However, participating in the Buy-Back may not suit your individual position and you may be able to sell your Shares for a higher price on-market during or after the Buy-Back period. You may also wish to retain your Shares to potentially benefit from increased earnings per share after completion of the Buy-Back.

This is a complex transaction and MMS strongly recommends that you seek professional advice on the financial and taxation implications relevant to your individual financial position. You must read all the information in the Booklet before deciding whether to participate.

Where to get more information?

If you are interested in participating in the Buy-Back, you must read the Booklet which has more information about the Buy-Back, the off-market tender process and how to participate.

You can download an electronic copy of the Booklet from the website www.mmsbuyback.com.au from Monday 29 August 2022 until the expected Buy-Back closing date of Friday 21 October 2022. Alternatively, you may request a paper copy along with a personalised tender form by calling the MMS Buy-Back Information Line (details provided below). On or before Monday 19 September 2022, shareholders who have elected to receive electronic shareholder communications will receive an email from MMS including a link to electronically access the Booklet along with a personalised tender form. You will not be able to participate in the Buy-Back if you do not choose one of these options.

The Buy-Back tender period is expected to open on Monday 19 September 2022 and expected to close on Friday 21 October 2022 so you should obtain the Booklet as soon as possible if you are interested in participating. Other key dates are summarised below.

How to participate

If you would like to participate and are eligible to do so, please follow these steps:

1. Obtain the Booklet (available from Monday 29 August 2022)

- Download an electronic copy from the website www.mmsbuyback.com.au from Monday 29 August 2022; or
- Follow the link in the email MMS will send to you on or before Monday 19 September 2022 (for shareholders who have elected to receive electronic shareholder communications only); or
- Request a paper copy by calling the MMS Buy-Back Information Line on 1300 850 505 within Australia or +61 3 9415 4000 from outside Australia (Monday to Friday – 8.30am to 5.00pm Melbourne time) (Note: an automated response facility operates outside these times).

2. Read the Booklet in full

The Booklet is an important document containing details of the Buy-Back. You must read the Booklet thoroughly before deciding whether to participate in the Buy-Back.

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3. Decide whether to participate

Participation in the Buy-Back is entirely voluntary. If you do not wish to participate in the Buy-Back, you can do nothing and retain your existing shareholding. If you decide to participate after obtaining and reading the Booklet, please follow the instructions in the Booklet and ensure the bank account details nominated for your shareholding(s) are correct.

Key Dates*

Friday 2 September 2022	Last day to acquire Shares on market, to participate in Buy-Back and qualify for franking credits on part of the Buy-Back consideration
Tuesday 6 September 2022	Buy-Back record date
Monday 19 September 2022	Buy-Back tender period opens
Friday 21 October 2022	Buy-Back tender period closes
Monday 24 October 2022	Buy-Back date – announcement of Buy-Back price and any scale back
Tuesday 1 November 2022	Buy-back proceeds despatched to successful participants

**MMS reserves the right to vary these dates and times. Any change in date or time will take effect from the time it is authorised by MMS and will be publicly announced as soon as possible after authorisation by MMS. MMS may, at its absolute discretion, also decide to vary the Buy-Back tender or not to proceed with the Buy-Back.*

Important information

The information presented here is current as at Monday 29 August 2022. Please note that the information presented here does not constitute or give rise to a legally binding offer capable of your acceptance. After reading the Booklet, if you decide to tender your Shares into the Buy-Back, you will be making a formal offer to sell those Shares to MMS on the terms and conditions set out in the Booklet. You will not be able to deal with the Shares you tender into the Buy-Back. If MMS accepts all or part of your tender, a Buy-Back contract will be formed, and the relevant Shares will be sold to MMS on those terms and conditions.

This document does not provide financial product advice or investment advice and MMS is not making any recommendation or giving any advice on the value of its Shares, or whether (or how) you should sell your Shares. This document has been prepared without taking into account your particular investment objectives, financial situation, taxation circumstances or needs. You should consider the appropriateness of the Buy-Back having regard to these factors. MMS strongly recommends that you consult your own financial, taxation or other professional adviser.

McMillan Shakespeare Limited
 Level 21, 360 Elizabeth Street, Melbourne, Victoria 3000
 ABN 74 107 233 983 AFSL No. 299054
 Phone: +61 3 9097 3000 Web: www.mmsg.com.au