

11 September 2014

Dear Shareholder

**McMillan Shakespeare Limited
2014 Annual General Meeting**

The 2014 Annual General Meeting of McMillan Shakespeare Limited is to be held on Wednesday, 29 October 2014 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 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 2014. The items of business set out in the Notice of Meeting will then be considered. Please also refer to the 2014 Annual Report for further information, 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 back to us. The instructions for voting by proxy or in person are set out in the Information for Shareholders section on page 2 of 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 Wednesday, 29 October 2014 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 2014.

2. Adoption of the Remuneration Report

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

The Remuneration Report for the financial year ended 30 June 2014 is adopted.

3. Re-election of Mr John Bennetts as a Director

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

Mr John Bennetts is re-elected as director of the Company.

4. Election of Mr Tim Poole as a Director

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

Mr Tim Poole is elected as director of the Company.

5. Election of Mr Ian Elliot as a Director

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

Mr Ian Elliot is elected as director of the Company.

6. Non-Executive Directors Remuneration

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

That Shareholders approve the maximum total amount of fees payable to Non-executive Directors of the Company be increased from \$600,000 to \$900,000.

By Order of the Board



Mark Blackburn
Company Secretary

Melbourne, 11 September 2014

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 7:00 pm (Melbourne time) on Monday, 27 October 2014. 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 an 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 Monday, 27 October 2014:

- at its registered office at Level 21, 360 Elizabeth Street, Melbourne, Victoria, Australia 3000;
- on-line 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; or
- 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. VOTING INTENTIONS

Subject to any voting restrictions and exclusions, the Chairman intends to vote in favour of all resolutions on the agenda.

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.

In relation to item 2 (Adoption of Remuneration Report) 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 this resolution, even though this item is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. If you do not wish to give the Chairman of the Meeting such express authorisation, you should ensure that a box other than the 'For' box is clearly marked.

In relation to item 6 (Non-Executive Directors Remuneration) 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 this resolution, even though this item is connected directly or indirectly with the remuneration of the directors. If you do not wish to give the Chairman of the Meeting such express authorisation, you should ensure that a box other than the 'For' box is clearly marked.

6. 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.

7. 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 2014 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 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.

The Remuneration Report set out on pages 6 to 15 of the Company's 2014 Annual Report:

- explains the Board's policies in relation to the nature and level of remuneration paid to Directors and the 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 key management personnel (KMP) of the Company, explaining why they were chosen and how performance is measured against them;
- sets out remuneration details for each Director and other key management personnel of the group; and
- makes clear that the basis of remunerating non-executive Directors is distinct from the basis for remunerating executives, including the Chief Executive Officer.

A reasonable opportunity will be provided to the members as a whole to ask questions about, or make comments on the Remuneration Report at the Meeting.

If at least 25% of the votes cast on the resolution to adopt the Remuneration Report are against adoption of the report, then:

- if comments are made on the report at the annual general meeting, the Company's Remuneration Report for the financial year ending 30 June 2015 will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for this; and
- if, at the Company's 2015 annual general meeting, at least 25% of the votes cast on the resolution for adoption of the Remuneration Report for the relevant financial year are against its adoption, the company will be required to put to shareholders a resolution proposing that a general meeting (**Spill Meeting**) be called to consider the election of directors of the Company (**Spill Resolution**). The Spill Meeting must be held within 90 days of the date of the 2015 annual general meeting. 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 directors (other than any managing director) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.

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.

VOTING PROHIBITION 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 by:

- (a) a member of the key management personnel, details of whose remuneration are included in the remuneration report; or
- (b) a closely related party of such a member.

However, the Company need not disregard a vote cast in respect of the resolution in Item 2 if it is cast by a person as proxy appointed by writing that directs the proxy how to vote on Item 2, and the vote is not cast on behalf of a member of the KMP, details of whose remuneration are included in the remuneration report or a closely related party of such a member.

If you are a member of the KMP or a Closely Related Party for a member of the KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as indicated above), you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

Please note that persons referred to in paragraphs (a) and (b) above, including the Chairman, cannot vote on Item 2 as proxy unless given voting directions on the proxy form. Please direct your proxy how to vote by crossing the 'For', 'Against' or 'Abstain' box for Item 2 on the proxy form. 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 this resolution, even though this item is connected directly or indirectly with the remuneration of a member of the KMP.

ITEM 3: 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 Bennetts is retiring by rotation at this Meeting and, in accordance with the Constitution, is offering himself for re-election.

John Bennetts B Ec, LLB

Mr Bennetts is an experienced investor and a founder and director of a number of companies, including being a former director of Cellestis Limited and private equity investment firm, Mooroolbark Investments Pty Limited (M-Group). He has also provided advisory services to a range of companies in Australia and Asia. Prior to the establishment of the M-Group, he was Group Legal Counsel and Company Secretary of Datacraft Limited. Before joining Datacraft Limited, he practised as a solicitor.

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

ITEM 4: ELECTION OF DIRECTOR RETIRING CLAUSE 19.4 UNDER THE CONSTITUTION OF THE COMPANY

On 17 December 2013, the Company announced the appointment Mr Tim Poole as an independent Non-executive Director. The Company's Constitution and the ASX Listing Rules require that the election of Mr Poole be put at the next annual general meeting following his appointment.

Tim Poole CA, B Com

Mr Poole is currently a non-executive Director of Newcrest Mining Limited, Japara Healthcare and AustralianSuper, and the non-executive Chairman of Lifestyle Communities. Mr Poole is also the non-executive director of several unlisted private companies. He was formerly Managing Director of Hastings Funds Management and non-executive Chairman of Asciano 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 5: ELECTION OF DIRECTOR RETIRING CLAUSE 19.4 UNDER THE CONSTITUTION OF THE COMPANY

On 27 May 2014, the Company announced the appointment Mr Ian Elliot as an independent Non-executive Director. The Company's Constitution and the ASX Listing Rules require that the election of Mr Elliot be put at the next annual general meeting following his appointment.

Ian Elliot

Mr Elliot is currently a non-executive Director of Salmat Limited, a non-executive Director of Hills Industries Limited and a Commissioner of the Australian Rugby League. Mr Elliot was formerly Chairman and CEO at Australia's largest advertising agency George Patterson Bates. Mr Elliot is considered an independent director under the Company's definition of independence.

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

ITEM 6: NON-EXECUTIVE DIRECTORS REMUNERATION:

The Company's Constitution and the ASX Listing Rules require shareholder approval of changes to the total level of directors' fees payable to non-executive directors. Shareholders last approved an increase in the annual aggregate remuneration of Non-executive Directors at the 2010 annual general meeting. The remuneration report contains other details regarding fees currently paid.

Shareholder approval is sought to increase the annual aggregate remuneration of Non-executive Directors from \$600,000 to \$900,000.

As the Directors have an interest in the outcome of the resolution, the Directors consider that it would not be appropriate to make a recommendation to Shareholders in relation to how to vote on this resolution.

VOTING PROHIBITION STATEMENT

The Company will disregard any votes cast on the resolution the subject of item 6 by:

- a director of the Company; and
- an associate of any director of the Company.

However, the Company need not disregard a vote if:

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

Glossary

In this Notice and the Explanatory Notes:

Annual General Meeting means the annual general meeting of the Company to be held on Wednesday, 29 October 2014 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;

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 means this Notice of Annual General Meeting;

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

Resolution means a resolution set out in the Notice of Meeting;

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

Shareholder means a holder of at least one Share.

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 10am (Melbourne time) Monday, 27 October 2014**

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

I ND

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 Wednesday, 29 October 2014 at 10am (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 6 (except where I/we have indicated a different voting intention below) even though Items 2 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

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 6 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 Re-election of Mr John Bennetts as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Election of Mr Tim Poole as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Election of Mr Ian Elliot as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6 Non-Executive Directors Remuneration	<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. 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

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /