

Board Charter

McMillan Shakespeare Group of Companies



McMillanShakespeareGroup

Document Owner	Chairperson of the Board
Version Control	Version 2 – June 2018
Reviewed and adopted by the Board	26 June 2018

1. Introduction

The Board of Directors (**the Board**) of McMillan Shakespeare Limited (**McMillan Shakespeare**) is accountable to the shareholders for the proper management and the performance of McMillan Shakespeare and its related bodies corporate.

2. Membership

The majority of McMillan Shakespeare's Directors shall be non-executive Directors.

The Company Constitution states that a quorum requires two Directors unless determined otherwise by the Board.

The Chairperson of the Board shall be an independent non-executive Director, and hence the Managing Director cannot be the Chairperson of the Board.

The Board promotes a culture within McMillan Shakespeare of accountability, integrity and transparency. Key matters reserved to the Board or Board Committees include the following:

- appraising and providing comment and direction on the 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 Chief Executive Officer;
- reviewing and approving the business plans and the annual budget for McMillan Shakespeare as recommended by the Chief Executive Officer;
- having management design and implement risk management and internal control and compliance systems to manage the Company's material business risks;
- oversight of 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 Chief Executive Officer 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 (refer Appendix A for the current guidelines);
- selection of candidates for directorship;
- evaluation of the Board's and individual Director's overall performance;
- appointing and removing the Chief Executive Officer;
- ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer and the Company Secretary;
- ensuring appropriate succession planning of senior management and Board members;
- setting the standards of behavior 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 delegates responsibility for day-to-day management of McMillan Shakespeare to the Chief Executive Officer. The Chief Executive Officer must, however, consult the Board on matters that are sensitive, extraordinary or strategic in nature.

3. Administrative Matters

3.1. Meetings

The Directors shall determine the frequency of meetings, but it would be expected that as a minimum meetings would be held at least twice per year.

At least once per annum the Directors will meet with the external auditors in the absence of employees and executive management.

3.2. Quorum

Two Directors shall constitute a quorum.

3.3. Convening and notice of meeting

Any Director may, and the Company Secretary must upon request from any Director, convene a meeting of the Board. Notice will be given to every Director, of every meeting, at the Director's advised address for service of notice (or such other pre-notified interim address where relevant). However, there is no minimum notice period and acknowledgement of receipt of notice by all Directors is not required before the meeting may be validly held.

4. Conflicts of Interest and Material Personal Interests

To ensure that Directors are at all times acting in the interests of the Company, Directors must:

- (a) disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and
- (b) take such necessary and reasonable steps to remove any conflict of interest if requested by the Board, within seven days or such further period as may be permitted.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, in accordance with the Corporations Act, absent himself or herself from the room when Board discussion and/or voting occurs on matters about which the conflict relates (save with the approval of the remaining Directors and subject to the Corporations Act).

Any Director with a material personal interest in a matter being considered at the meeting must not be present for consideration of that matter or vote on the matter unless a resolution allowing the Director to be present has been passed or an order has been made by ASIC.

4.1. Agenda

The Chairperson will determine the meeting agenda after appropriate consultation.

Appendix A

Guidelines for nomination of Directors

1. The Board shall comprise a majority of non-executive Directors.
2. The Chairperson of the Board must be a non-executive Director.
3. The Board may be increased in number if additional expertise is required in a specific area, or if felt necessary to meet increased demands due to the growth or increased complexity of the Company.
4. The Board should comprise persons having a variety of professional skills and expertise that are relevant to the business of the Company.
5. When making a new appointment, regard should be had to the age and skills of the candidate in relation to the ages and skills profile of existing Directors to ensure continuity at Board level. It should also be recognized that the Company is an equal opportunity employer.
6. Terms and conditions of appointment shall be advised in writing to each new non-executive Director.