

Board Charter

McMillan Shakespeare Group of Companies



McMillanShakespeareGroup

Document Owner	Chairperson of the Board
Version Control	Version 3 – June 2019
Reviewed and adopted by the Board	24 June 2019

Table of Contents

1. Purpose	3
2. Values	3
3. Membership	3
4. Role and responsibilities of the Board	3
Strategy	4
Governance including management oversight	4
Risk management, audit and compliance	4
Auditors	5
Board membership	5
Ethics	5
Oversight of financial management	6
5. Guidelines for nomination of Directors	6
6. Role and responsibilities of the Chairperson, CEO and Company Secretary	6
Chairperson	6
CEO	7
Company Secretary	7
7. Board Committees	8
8. Administrative Matters	8
8.1. Meetings	8
8.2. Quorum	8
8.3. Convening and notice of meeting	8
9. Conflicts of Interest and Material Personal Interests	8
10. Review	9

1. Purpose

The Board of Directors (**the Board**) of McMillan Shakespeare Limited (**MMS**) is responsible for the overall governance of MMS and exercises its powers and discharges its duties in good faith and in the best interests of the MMS Group (**MMSG**).

The Board promotes a culture within MMSG of accountability, integrity and transparency.

This charter specifies the authority reserved by the Board for itself and the authority delegated to management. The charter sets out the role and responsibilities of the Board, the Chairperson, the Chief Executive Officer (**CEO**) and the Company Secretary.

2. Values

The Board approves MMS' values, which are as follows:



3. Membership

The majority of MMS Directors should be independent non-executive Directors.

The Chairperson of the Board should be an independent non-executive Director and hence the CEO cannot be the Chairperson of the Board.

4. Role and responsibilities of the Board

The role of the Board is to define MMS' purpose, set strategic direction and provide effective oversight of management while safeguarding MMS' interest and fostering sustainable value creation. The Board simultaneously takes into account the reasonable interests of relevant stakeholders (including but not limited to) shareholders, customers, employees and the wider community in which MMS operates.

The Board will ensure that information on MMS' governance practices including relevant charters, codes, frameworks and policies are available on the MMS website.

The Board delegates responsibility for day-to-day management of MMS to the CEO. The CEO must, however, consult the Board on matters that are sensitive, extraordinary or strategic in nature or matters requiring Board notification and approval as noted in the Board approved Delegations.

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

Strategy

- reviewing and approving MMS' strategy development, business plan and significant initiatives and innovation;
- reviewing and approving MMSG's annual budget as recommended by the CEO;
- ensuring that appropriate resources are available for the implementation of that strategy; and
- monitoring the implementation of the strategy approved by the Board.

Governance including management oversight

- overseeing and monitoring MMSG's performance and the achievement of MMSG's strategic goals and objectives;
- appointing and removing the CEO;
- monitoring and appraising the performance of the CEO;
- approving material market announcements;
- approving a Continuous Disclosure and Shareholder Engagement Policy which is compliant with the continuous disclosure obligations under the Listing Rules, including a process for new and substantive investor or analyst presentation materials to be released on the ASX Market Announcements Platform ahead of the presentation
- ratifying the appointment and, where appropriate, the removal of senior executives, the Chief Financial Officer and the Company Secretary;
- reviewing and approving the authority and limits of such authority delegated to the CEO and other executives; and
- ensuring appropriate succession planning of senior management and Board members.

Risk management, audit and compliance

- having management design and implement risk management and internal control and compliance program to manage MMS' material business risks;
- overseeing effectiveness of the risk management and compliance program;
- annually reviewing and approving MMS' risk appetite statement, risk management policy and framework and compliance framework;
- reviewing and approving other relevant codes, frameworks and policies;
- overseeing MMSG's compliance with laws and regulations; and

- overseeing MMSG's progress in implementing audit recommendations.

Auditors

- ensuring that external auditor attend the AGM and are available to answer questions from security holders relevant to the audit;
- recommending appointment / removal of external auditors to shareholders; and
- discussing and approving internal and external audit plans with internal and external auditors respectively.

Board membership

- determining the appropriateness of the size and composition of the Board;
- determining criteria for non-executive board membership;
- selecting the Chairperson;
- selecting candidates for directorship;
- evaluating the Board's and individual Director's overall performance;
- assessing whether the Board has an appropriate mix of experience, skills, knowledge, diversity and expertise; and
- determining remuneration payable to non-executive Directors taking into account time spent including membership of sub-committees.

Ethics

- setting the standards of behavior to strengthen MMSG's reputation in the marketplace and the community;
- overseeing and monitoring compliance with the Employee Code of Conduct;
- monitoring MMSG's reputation;
- approving the Code of Conduct applicable to Directors and employees;
- considering the social, environmental, and economic impact of MMSG's operations;
- overseeing the Fraud & Corruption Policy and consideration of matters that are deemed to be of substance;
- overseeing compliance by MMS Directors and employees with the MMS Securities Trading Policy; and
- overseeing the Whistleblower program and consideration of matters that are deemed to be of substance.

Oversight of financial management

- monitoring financial performance against agreed objectives;
- approving the annual and half-year financial reports and liaison with external auditors;
- approving and monitoring the progress of major capital expenditure, acquisitions and divestments;
- overseeing MMS' capital management and funding; and
- determining MMS' dividend policy.

5. Guidelines for nomination of Directors

- the Board should comprise a majority of independent non-executive Directors;
- the Chairperson of the Board should be an independent non-executive Director;
- the Board may be increased in number if additional expertise is required in a specific area, or if necessary to meet increased demands due to the growth or increased complexity of MMSG;
- the Board should comprise persons having a variety of professional skills and expertise that are relevant to the business of MMSG;
- when making a new appointment, regard should be had to the skills of the candidate in relation to the skills profile of existing Directors to ensure continuity at Board level. It should also be recognised that MMSG is an equal opportunity employer;
- terms and conditions of appointment shall be advised in writing to each new non-executive Director;
- undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; and
- 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.

6. Role and responsibilities of the Chairperson, CEO and Company Secretary

Chairperson

- providing direction to the Board and effectively conduct Board meetings;
- chair Board meetings;
- determine the meeting agenda;
- brief other Directors on matters for discussion before the Board;
- facilitate effective contribution from other Directors;

- provide a link between the Board and CEO;
- conducts the AGM; and
- spokesperson for the Board.

CEO

- authority to manage day to day affairs of MMSG;
- authority to make decisions except for matters which require Board approval;
- authority to sub-delegate to the executive team;
- accountable to the Board for overall management and performance of MMSG; and
- manage MMSG in accordance with strategic direction / plan approved by the Board.

Company Secretary

- accountable directly to the Board;
- advises the Board on corporate governance matters;
- organises board meetings;
- prepares Board agenda;
- implement an investor relations program
 - facilitate effective two-way communication with investors;
 - facilitate and encourage participation at meetings of security holders; and
 - give security holders the option to receive communications from, and send communications to, MMS and its security registry electronically;
- ensuring that resolutions at a meeting of MMS' security holders are decided by a poll rather than by a show of hands;
- prepares minutes of meetings and resolutions for approval by the Board; and
- prepares and circulates minutes from Committee meetings to the Board.

7. Board Committees

The Board may establish Board committees and delegate its powers, duties and responsibilities. The Board will appoint the Chairperson and the members of each committee. Each committee will have its own charter setting out the role, responsibilities, membership and operation of the Committee.

The Board has established the following Board Committees:

- the Audit, Risk and Compliance Committee; and
- the Remuneration and Nomination Committee.

8. Administrative Matters

8.1. Meetings

The Directors shall determine the frequency of meetings and will meet as required.

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

8.2. Quorum

Three non-executive Directors shall constitute a quorum, 2 of whom must be independent non- executive

8.3. 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). A minimum notice period of 5 business days should be provided, unless there is a waiver by a majority of the Directors. An acknowledgement of receipt of notice by all Directors is not required before the meeting may be validly held.

9. Conflicts of Interest and Material Personal Interests

To ensure that Directors are at all times acting in the interests of MMS, 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 MMS; 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.

10. Review

The charter will be reviewed by the Board annually.