

Continuous Disclosure and Shareholder Engagement Policy

McMillan Shakespeare Group of Companies

Legal, Risk and Compliance



McMillanShakespeareGroup

Reviewed and Adopted by the Board on 23 September 2019

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1. Introduction

1.1. Continuous Disclosure

As a publicly listed company, McMillan Shakespeare Limited (“**McMillan Shakespeare**” or “**Company**”) has obligations under the *Corporations Act 2001* (Cth) (“**Corporations Act**”) and the ASX Listing Rules to keep the market fully informed of all information which may have, or could reasonably be expected to have, a material effect on the price or value of its securities.

The ASX Listing Rules contain provisions requiring the continuous disclosure of information to keep the market informed of events and developments as they occur.

ASX Listing Rule 3.1 provides that once the Company becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company's securities, the Company must immediately disclose that information to the ASX.

Further, ASX Listing Rule 15.7 requires that an entity not release information intended for release to the market to anyone until it has given the information to the ASX, and has received an acknowledgement from the ASX that the information has been released to the market.

The Company is committed to complying with the continuous disclosure obligations contained in the ASX Listing Rules and the Corporations Act.

1.2. Shareholder Communication

The Company acknowledges the importance of effective communication with its shareholders and market participants. The Board recognises its duty to ensure that its shareholders are informed of all major developments affecting the Company's operations and affairs.

To ensure that its shareholders are properly informed, the Company is committed to:

- (a) communicating effectively with its shareholders;
- (b) providing shareholders with ready access to balanced and understandable information about the Company and its corporate proposals; and
- (c) making it easier for shareholders to participate in general meetings of the Company.

1.3. Purposes of Policy

The purposes of this Policy are:

- (a) to ensure that the Company, as a minimum, complies with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules. This is achieved, in part, by ensuring that:
 - (i) the market is provided with timely and equal access to information known to the Company, which is likely to impact upon its share price;
 - (ii) the Company, through adherence to and regular review of this Policy, seeks to achieve and exceed best practice;
 - (iii) the Australian Securities and Investments Commission's (**ASIC**) “Better Disclosure to Investors” guidance principles and ASX Guidance Note 8 “Continuous Disclosure: Listing Rule 3.1” are appropriately incorporated into the Policy; and

- (iv) personnel with key roles under this Policy are educated in their obligations and responsibilities under the Policy; and
- (b) to provide that Company information will be communicated to shareholders and the market through:
 - (i) the Annual General Meeting and other general meetings called to seek the approval of shareholders to a particular matter(s) as appropriate;
 - (ii) the Annual Report which is distributed to shareholders (usually with the notice of Annual General Meeting);
 - (iii) the Half-Yearly Directors' and Financial Reports; and
 - (iv) other announcements released to ASX as required under the continuous disclosure requirements of the ASX Listing Rules and other information that may be mailed to shareholders.

1.4. ASX Corporate Governance Principles

To the extent practicable, the Company has adopted the recommendations provided in the *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd Edition, 2014)* as amended from time to time and, in particular, to the recommendations regarding continuous disclosure and shareholder communications.

1.5. Consequence of breach

A breach of this Policy will be regarded as a serious breach of the policies and procedures of the Company and may lead to disciplinary action against an individual, including dismissal.

1.6. Questions

Any queries relating to this policy should be referred to the Company Secretary.

2. Continuous Disclosure Principles

2.1. ASX Listing Rules

ASX Listing Rule 3.1 provides as follows:

"Once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell ASX that information."

An entity becomes aware of the information if a director or key management personnel has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties.

Pursuant to its legal, statutory and ASX listing requirements (particularly ASX Listing Rule 3.1), the Company must immediately (that is 'promptly and without delay') disclose all information concerning it, of which it is or becomes aware, that a reasonable person would expect to have a material effect on the price or value of its securities.

Disclosure is not required where:

- (a) a reasonable person would not expect the information to be disclosed;
- (b) the information is confidential (and the ASX has not formed the view that such information has ceased to be confidential); and

- (c) the information concerns an incomplete proposal or negotiation; comprises matters of supposition; is insufficiently definite to warrant disclosure; is generated for internal management purposes; is a trade secret; or it would be a breach of law to disclose the information.

2.2. Material effect on price or value

Section 677 of the Corporations Act provides that a reasonable person is taken to expect information to have a material effect on the price or value of an entity's securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of those securities. Relevant considerations include matters of fact, opinion, and intention, and need not be measurable in financial terms. The effect on the share price can be positive or negative.

2.3. Continuous disclosure compliance

The Company is responsible for:

- (a) ensuring that each employee can obtain a copy of this Policy;
- (b) conducting education sessions for new employees;
- (c) ensuring that each employee is aware of and adequately understands its responsibility to protect confidential information (including, when instructing advisers or conducting negotiations in relation to any matter that may give rise to price-sensitive information);
- (d) implementing an effective reminder system regarding the obligations of employees to notify the Chief Executive Officer (CEO) of matters that may be required to be disclosed by the Company under this Policy, and to otherwise comply with this Policy; which may be via email, in staff meetings or by annual refresher courses;
- (e) including in the reminder system a requirement that all employees report potential breaches of this Policy directly to the CEO; and
- (f) ensuring that directors and officers are briefed in detail regarding the continuous disclosure regime.

2.4. Information to the ASX

The CEO, in consultation with the Company Secretary and the Chair, has responsibility for determining whether a particular piece of information is material or falls within the exception, otherwise the information should be provided to the ASX for a determination.

The Board has designated the Company Secretary as the person responsible for coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the ASX Listing Rules, the Company will notify the ASX immediately of information:

- (a) concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- (b) that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

The procedure for the release of ASX announcements by the Company is as follows:

- (a) prior to release to the market, the Board will review and provide approval to the Company Secretary in respect of all key announcements;
- (b) the Chair (and in his/her absence the CEO) is to give the final sign-off before release to the ASX;

- (c) all announcements are to be released electronically by the Company Secretary;
- (d) after confirmation of the release has been obtained from the ASX, the Secretary will circulate the release to all Directors and Officers of the Company;
- (e) all announcements released are to be posted on the Company's website as soon as practicable.

2.5. Trading Halts

The Company may ask ASX to apply a trading halt. To request a trading halt, the Company must give ASX the information set out in the ASX Listing Rules, including information about the reasons for the trading halt, how long it wants the trading halt to last and the event it expects to happen that will end the trading halt. Generally, a trading halt can only last until the commencement of trading on the second trading day after the trading halt is imposed. The use of trading halts are encouraged by ASX to assist an entity in managing its continuous disclosure obligations where it is not able to make an announcement immediately.

2.6. Inadvertent disclosure or mistaken non-disclosure

If any market-sensitive information is inadvertently disclosed by an employee or director in discussions outside the Company or if any director or employee becomes aware of information that has not been disclosed in accordance with this policy, the employee must immediately contact the Company Secretary and, in the case of a director, the CEO, so that the appropriate action can be taken.

2.7. Disclosure agreements

In accordance with ASX Guidance Note 22 of the ASX Listing Rules (Director Disclosure of Interests and Transactions in Securities – Obligations of Listed Entities), each Director of the Company from time to time must enter into a Director Disclosure Agreement with the Company.

The Company Secretary is to maintain records of signed copies of these agreements.

3. Dealing with the media and analysts

3.1. Media and Public Statements

Only authorised spokespersons may speak to the media on behalf of McMillan Shakespeare.

3.2. Media release

The CEO must refer any proposed media releases with respect to McMillan Shakespeare to the Company Secretary who must promptly determine whether the relevant disclosure contains price sensitive information.

If the Company Secretary considers that the proposed media release contains price sensitive information, the Company Secretary must refer the relevant disclosure to the Board for disclosure to the ASX in accordance with the procedure noted above.

If the proposed media release does not contain price sensitive information, however, the Company Secretary may dispatch the release to the media upon receipt of the approval of the CEO and one non-executive director.

3.3. Managing market speculation and rumours

Market speculation and rumours, whether substantiated or not, have a potential to impact McMillan Shakespeare. Speculation may also result in the ASX formally requesting disclosure by the Company on the matter. Speculation may also contain factual errors that could materially affect the Company.

McMillan Shakespeare's general policy is that it does not respond to market speculation or rumours. If any comment is to be made, this is a decision for Board.

McMillan Shakespeare may issue a statement in relation to market speculation or rumour where:

- (a) the Board considers it has an obligation at that time to make a statement to the market about a particular matter; or
- (b) the Company is required to respond to a formal request for information from the ASX.

3.4. Briefings to analysts and institutions

Only the CEO, Chief Financial Officer (CFO), Chair or the Company Secretary are authorised to speak with analysts, stockbrokers and institutional investors.

It is in the interest of the Company's shareholders that stockbroking analysts have a thorough understanding of McMillan Shakespeare's business operations and activities. During this education phase, McMillan Shakespeare will make every attempt to ensure analysts are fully acquainted with the operation of the Company's business. Presentations are comprehensive and form the basis of discussions with analysts and investors. Webcast is available on the ASX and McMillan Shakespeare website and these are archived for five years.

McMillan Shakespeare may hold briefings with institutional investors and/or stockbroking analysts to discuss information that has been released to the market. At these briefings, the Company may provide background and technical information to assist stockbroking analysts in their understanding of the Company's business.

McMillan Shakespeare's policy for conducting briefings is not to disclose any price sensitive information that has not been announced to the market generally. No discussions or briefings will be held with analysts or investors during the black-out period.

3.5. Advance provision of briefing materials

Any written materials to be used at briefings with institutional investors or stockbroking analysts will be approved in advance by the Company Secretary to determine whether all information has previously been disclosed to the market.

4. Shareholder Communication

McMillan Shakespeare is committed to giving investors comprehensive, timely and equal access to information about the Company and its activities so that investors can make informed investment decisions and gain a deeper understanding of the Company's business, operations and performance.

In addition to meeting the Company's ongoing continuous disclosure obligations, it also employs a wide variety of methods to communicate with its shareholders.

4.1. Website

The Company will actively promote communication with shareholders through a variety of measures, including the use of the Company's website (<https://www.mmsg.com.au>). The Company's reports and ASX announcements will be available to view and download from the Investor Centre on its website and/or the ASX website under ASX code "MMS".

In particular, where appropriate, after confirmation of receipt by the ASX, the following will be posted to the Company's website:

- (a) relevant announcements made to the market via the ASX;

- (b) media releases;
- (c) investment updates;
- (d) Company presentations and media briefings;
- (e) copies of press releases and announcements for the preceding three years; and
- (f) copies of corporate governance materials;
- (g) copies of annual and half yearly reports.

The Investor Centre gives shareholders access to certain Company information via telephone conference facilities.

4.2. Annual General Meeting

In order to ensure a high level of accountability and to encourage shareholder identification with the Company's strategy and goals, the Board encourages full participation of shareholders at the Annual General Meeting.

The Company will use general meetings as a tool to communicate effectively with shareholders. Shareholders will have a reasonable opportunity to ask questions of the Board and otherwise to participate in the meeting.

The external auditor of the Company will be asked to attend each Annual General Meeting and to be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Important issues requiring shareholder approval are put to the vote of shareholders for their approval. The shareholders are also responsible for voting on the appointment of Directors.

4.3. Reports to Shareholders

The Annual Report is distributed to all shareholders (unless a shareholder has specifically requested not to receive the Annual Report). The Board ensures that the Annual Report includes:

- (a) relevant information about the operations of the Company during the year;
- (b) changes in the state of affairs of the Company;
- (c) details of future developments; and
- (d) any other disclosures required by the Corporations Act.

The Annual Report will be posted on the Company's website and will be available for download.

The half-yearly report contains summarised financial information and a review of the operations of the Company during that period. Half-yearly audited financial statements prepared in accordance with the requirements of the Accounting Standards and the Corporations Act are lodged with ASIC and the ASX. The half-yearly audited financial statements are sent to any shareholder who requests them.

4.4. ASX Announcements

Regular ASX announcements released by the ASX will be placed on the Company's website as soon as practicable after release.