

# McMillanShakespeareGroup

## ASX ANNOUNCEMENT

### Issue of Equity Securities under Long Term Incentive Plan

McMillan Shakespeare Limited (ASX:MMS) (**Company**) has issued a number of performance rights and performance options to staff (excluding Managing Director, Mike Salisbury) under the Company's new Long Term Incentive Plan (**LTIP**), as set out in the attached Appendix 3B. The issue of these equity securities is in line with the Company's newly proposed remuneration structure for FY18, described in the 2017 Annual Report at page 38 and is the first issue of securities under the LTIP.

As set out in the Notice of AGM dated 22 September 2017, the Company will be seeking shareholder approval of the LTIP at the Annual General Meeting to be held on 24 October 2017. The reasons for seeking shareholder approval are for the Company to be able to issue equity securities as an exception to placement capacity under Listing Rule 7.1 and to avail itself of an exemption in respect of any financial assistance arising as a result of the issue and/or vesting of performance rights.

Notwithstanding that these performance rights and performance options have been issued, the terms of issue provide that if shareholders do not approve Resolution 5 (Adoption of the LTIP) at the AGM, the performance rights and performance options will lapse.

Further information about the LTIP is set out in the Notice of AGM.

The issue of performance rights and performance options to Mr Salisbury as incentive based remuneration is subject to a separate resolution at the AGM.

For more information please contact:



**Mark Blackburn**  
CFO and Company Secretary  
McMillan Shakespeare Limited

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

McMillan Shakespeare Limited

ABN

74 107 233 983

We (the entity) give ASX the following information.

### Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	1), 2), 7) and 8) Performance Rights  3), 4), 9) and 10) Performance Options  5) and 6) Voluntary Options
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	1) 97,982 Performance Rights (2 year offer) 2) 103,214 Performance Rights (3 year offer) 3) 390,354 Performance Options (2 year offer) 4) 362,294 Performance Options (3 year offer) 5) 8,979 Voluntary Options (2 year offer) 6) 12,500 Voluntary Options (3 year offer) 7) 4,365 Performance Rights (2 year offer) 8) 4,598 Performance Rights (3 year offer) 9) 17,340 Performance Options (2 year offer) 10) 15,920 Performance Options (3 year offer)

+ See chapter 19 for defined terms.

<p>3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>Issue date -  1) to 6) 27 September 2017  7) to 10) 02 October 2017</p> <p>Exercise price -  1) and 2) Nil  3) to 6) \$13.45 per option  7) and 8) Nil  9) and 10) \$14.97 per option</p> <p>Vesting date -  1), 3), 5), 7) and 9) Upon the lodgement of the Company's financial statements with ASX for FY19  2), 4), 6), 8) and 10) Upon the lodgement of the Company's financial statements with ASX for FY20</p> <p>Expiry date -  1), 2), 7) and 8) N/A  3) to 6), 9) and 10) 12 months following Vesting Date</p>
<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>1) to 4) and 7) to 10) Nil  5) \$2.23  6) \$2.40</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Issue of Performance Rights and Performance Options to staff under Long Term Incentive Plan.  Issue of Voluntary Options to staff.</p>

<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>Not applicable.</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>210,159 Performance Rights 785,908 Performance Options 21,479 Voluntary Options</p>
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>Not applicable.</p>
<p>6e Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)</p>	<p>Not applicable.</p>
<p>6f Number of +securities issued under an exception in rule 7.2</p>	<p>Not applicable.</p>
<p>6g If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.</p>	<p>Not applicable.</p>
<p>6h If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements</p>	<p>Not applicable.</p>
<p>6i Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements</p>	<p>11,463,162</p>

+ See chapter 19 for defined terms.

7 +Issue dates

Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.

Cross reference: item 33 of Appendix 3B.

1) to 6) 27 September 2017  
7) to 10) 02 October 2017

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	83,204,720	Ordinary
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	4,000	Employee Options (exercisable at \$11.87 expiring on 30 September 2018)
	538,129	Employee Options (exercisable at \$10.18 expiring on 30 September 2019)
	102,347	Employee Performance Rights vesting on lodgement of the Company's financial statements with ASX for FY19
	107,812	Employee Performance Rights vesting on lodgement of the Company's financial statements with ASX for FY20
	390,354	Employee Performance Options vesting on lodgement of the Company's financial statements with ASX for FY19 (exercisable at \$13.45 and expiring 12 months after vesting date)
	362,294	Employee Performance Options vesting on lodgement of the Company's financial statements with ASX for FY20 (exercisable at \$13.45 and expiring 12 months after vesting date)
	8,979	Employee Voluntary Options vesting on lodgement of the Company's financial statements with ASX for FY19 (exercisable at

	\$13.45 and expiring 12 months after vesting date)
12,500	Employee Voluntary Options vesting on lodgement of the Company's financial statements with ASX for FY20 (exercisable at \$13.45 and expiring 12 months after vesting date)
17,340	Employee Performance Options vesting on lodgement of the Company's financial statements with ASX for FY19 (exercisable at \$14.97 and expiring 12 months after vesting date)
15,920	Employee Performance Options vesting on lodgement of the Company's financial statements with ASX for FY20 (exercisable at \$14.97 and expiring 12 months after vesting date)

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) Not applicable.

## Part 2 - Pro rata issue

11 Is security holder approval required? Not applicable.

12 Is the issue renounceable or non-renounceable? Not applicable.

13 Ratio in which the +securities will be offered Not applicable.

14 +Class of +securities to which the offer relates Not applicable.

15 +Record date to determine entitlements Not applicable.

16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? Not applicable.

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+ See chapter 19 for defined terms.

17	Policy for deciding entitlements in relation to fractions	Not applicable.
18	Names of countries in which the entity has security holders who will not be sent new offer documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	Not applicable.
19	Closing date for receipt of acceptances or renunciations	Not applicable.
20	Names of any underwriters	Not applicable.
21	Amount of any underwriting fee or commission	Not applicable.
22	Names of any brokers to the issue	Not applicable.
23	Fee or commission payable to the broker to the issue	Not applicable.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable.
25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable.
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	Not applicable.
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable.
28	Date rights trading will begin (if applicable)	Not applicable.
29	Date rights trading will end (if applicable)	Not applicable.

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- 30 How do security holders sell their entitlements *in full* through a broker? Not applicable.
- 31 How do security holders sell *part* of their entitlements through a broker and accept for the balance? Not applicable.
- 32 How do security holders dispose of their entitlements (except by sale through a broker)? Not applicable.
- 33 <sup>+</sup>Issue date Not applicable.

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of <sup>+</sup>securities  
(tick one)
- (a)  <sup>+</sup>Securities described in Part 1
- (b)  All other <sup>+</sup>securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

- 35  If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders
- 36  If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories
- 1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000

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<sup>+</sup> See chapter 19 for defined terms.



100,001 and over

37  A copy of any trust deed for the additional +securities

**Entities that have ticked box 34(b)**

38 Number of +securities for which +quotation is sought 

Not applicable.
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39 +Class of +securities for which quotation is sought 

Not applicable.
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40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?  
  
If the additional +securities do not rank equally, please state:  

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

Not applicable.
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41 Reason for request for quotation now  
  
Example: In the case of restricted securities, end of restriction period  
  
(if issued upon conversion of another +security, clearly identify that other +security)  

Not applicable.
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	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	Not applicable.	Not applicable.

## Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



(Company secretary)

Date: 3 October 2017

Print name: Mark Blackburn

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+ See chapter 19 for defined terms.

# Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b><i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i></b>	
<b><i>Insert</i></b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	83,204,720
<p><b><i>Add</i></b> the following:</p> <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><b><i>Note:</i></b></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<b><i>Subtract</i></b> the number of fully paid +ordinary securities cancelled during that 12 month period	
<b>“A”</b>	83,204,720

<b>Step 2: Calculate 15% of “A”</b>	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply</b> “A” by 0.15	12,480,708
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<p>1) 97,982 unquoted performance rights (27/09/17)</p> <p>2) 103,214 unquoted performance rights (27/09/17)</p> <p>3) 390,354 unquoted performance options (27/09/17)</p> <p>4) 362,294 unquoted performance options (27/09/17)</p> <p>5) 8,979 unquoted voluntary options (27/09/17)</p> <p>6) 12,500 unquoted voluntary options (27/09/17)</p> <p>7) 4,365 unquoted performance rights (02/10/17)</p> <p>8) 4,598 unquoted performance rights (02/10/17)</p> <p>9) 17,340 unquoted performance options (02/10/17)</p> <p>10) 15,920 unquoted performance options (02/10/17)</p>
“C”	1,017,546
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	12,480,708
<b>Subtract</b> “C” <i>Note: number must be same as shown in Step 3</i>	1,017,546
<b>Total</b> [“A” x 0.15] – “C”	11,463,162 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b> <i>Note: number must be same as shown in Step 1 of Part 1</i>	
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10 <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <b>Notes:</b> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<b>“E”</b>	
<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
<b>“A” x 0.10</b>	
<b>Subtract “E”</b>	
<b>Total [“A” x 0.10] – “E”</b>	<i>Note: this is the remaining placement capacity under rule 7.1A</i>