



Company	McMillan Shakespeare
Code	MMS
Meeting	AGM
Date	22 October 2019
Venue	State Library Theatrette, Swanston Street, Melbourne
Monitor	Mike Muntisov assisted by Hans Ha

Number attendees at meeting	15 shareholders/proxy holders plus 29 visitors
Number of holdings represented by ASA	38 (down from 40 last year)
Value of proxies	\$3.0m (up from \$2.5m)
Number of shares represented by ASA	201,000 (up from 156,000)
Market capitalisation	\$1.2b (down from \$1.3b)
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with Chair Tim Poole and Company Secretary Mark Blackburn

Solid result despite headwinds

The Chair touched on four key areas in his address. On the 2019 financial year (FY19) financial performance, he indicated that although underlying profit was down about 5%, the core GRS (Group Remuneration Services) remuneration services business performance had improved in a challenging economy. The retail and asset management businesses declined in performance. Nevertheless dividends were up 1.4% for the year.

He touched on the impact of the Financial Services Royal Commission and warned of two risks. First that some creditworthy customers may be unable to borrow or insure, and secondly that the activity and growth in the sector may be impacted if market participants become too conservative.

He spoke to the failed acquisition of Eclix (ECX) and highlighted that the company continues to look for potential acquisitions where the return meets their criteria.

Finally he highlighted how the new Plan Partners business in the NDIS (National Disability Insurance Scheme) sector had reached profitably this year with more potential growth to come.

The CEO Mike Salisbury summarised some of the business performance metrics in FY19 and showed the benefits that had flowed already from their 'Beyond 2020' digital transformation.

He mentioned the buy back scheme, just completed and oversubscribed, which returned franking credits to shareholders and improved earnings per share (EPS).

Finally he touched on the first quarter FY20 performance which he said remained challenging and was similar to the second half of FY19.

The ASA commended the company for their buy back initiative which favoured retail shareholders and allowed them to receive additional franking credits if they were in a position to use them.

In response to an ASA question on the remuneration report the Chair explained that when underlying EPS is used to evaluate performance awards, impairment would not be ignored if it was considered attributable to management. The chair also confirmed that 'face value' will be used to calculate number of performance rights to be allocated from next year.

The remuneration report was adopted with a 97% vote in favour, as were the issue of performance rights to the CEO. ASA voted against the issue of performance rights because of the use of the 'fair value' calculation methodology this year.

On the re-election of Directors, the ASA sought assurance that by next year the company achieve a majority of Independent Directors on the Board and meet the ASA 30% target for gender diversity. The Chair said that they had planned to achieve these objectives this year but the decision not to proceed with the ECX acquisition and the directors that would have come with it scuppered that plan. However, he confirmed they are on track to achieve these objectives this financial year.

Independent Chair Tim Poole was comfortably re-elected with 93% in favour including ASA.

Director Ross Chessari received a 18% vote against re-election. ASA voted against Mr Chessari because of his non-independent status.

The only comments or questions at the meeting were from the ASA.

The Chair's address can be found at this link

<https://www.asx.com.au/asxpdf/20191022/pdf/449qmp9scjvdvp.pdf>

The CEO's presentation at this link

<https://www.asx.com.au/asxpdf/20191022/pdf/449qmmfq4jzk35.pdf>