

31 October 2016

Dear Shareholder

As set out in our 2016 Annual Report and Notice of Meeting, the Company's Annual General Meeting (AGM) will be held in Sydney at 11am on 24 November 2016.

You may have seen the Company's ASX release on 12 September 2016 notifying the market of my retirement at the conclusion of this year's AGM. I am therefore writing firstly to thank you for your support over the past five and a half years, particularly the last two and a half years during my tenure as Chairman. Secondly, I wish to inform you of the significant progress that has been made to our Corporate Governance practices in the last twelve months which should give shareholders confidence to support the three resolutions proposed by the Board this year.

Your Board and Company have demonstrated commitment to the process of continual improvement of our Corporate Governance practices, building a strong governance culture over the last two years. During the last year we have completed a Corporate Governance benchmarking exercise, updated our Board and Committee Charters, introduced minimum shareholding requirement guidelines for Directors, reinvigorated our board skills and attributes matrix, broadened our stakeholder engagement and further enhanced the structure and transparency of our remuneration practices.

Our disciplined approach to improving Corporate Governance has been undertaken whilst maintaining focus on our key strategic imperatives as we endured the impact of several State regulatory changes and increased competition.

As part of our emphasis on Corporate Governance we have established clear guidelines for seeking and appointing future Board candidates so as to ensure that they possess the necessary skills and attributes which we have identified as being important for new Directors joining the Cabcharge Board. I am confident that after I retire as a Non-Executive Director and Chairman of the Board the Company's newly configured Board will continue to apply those same principles.

New Directors through the Board refreshment program are only part of the picture. In order to properly focus and harness their skills attributes and expertise in the shortest time possible your Board believes that it is fundamental to facilitate the orderly transition of important industry knowledge and contacts - that important role will fall to Donn McMichael, our longest serving Director.

After 20 years of service, Mr McMichael has given notice to the Company that he intends to retire as a Director. However, having regard to my impending retirement and Mr McMichael's deep operational experience in the personal transport industry (particularly in the taxi sector), the Board recommends that shareholders vote to re-elect Mr McMichael as after my retirement the average tenure for the remaining Non-Executive Directors will be less than 2 years. I genuinely believe that in today's extremely competitive and continually evolving industry it is critical that your Board has a level of stability and adequate industry knowledge and understanding at the Non-Executive Director level, particularly during the Board transition period.

Mr McMichael does not intend to serve a full 3 year term if re-elected and the Board expects the transition process to take approximately 12 months.

For this reason, I encourage all shareholders to vote in support of the Board's recommendations on each of the three resolutions at this year's AGM, including the re-election of Mr Donald McMichael.

Yours sincerely



Russell Balding, AO  
Chairman

Further details about Cabcharge's corporate governance and remuneration practices can be found on pages 27 to 58 of our 2016 Annual Report and in our Notice of Meeting. You can also visit the Company's website at [www.cabcharge.com.au](http://www.cabcharge.com.au) or call our share registry Link Market Services Limited on +61 1300 554 474 or send an email to [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)