



Dear Shareholder,

By now you should have received the Notice of Meeting for the company's Annual General Meeting which will be held in Sydney at 11am on 26 November 2014.

The Ordinary Business of the Meeting includes a number of important resolutions including those in relation to the Remuneration Report and the Long Term Incentive (LTI) scheme for the Chief Executive Officer.

As you know previous Remuneration Reports, although having received more than 50% shareholder approval, have not received more than the required 75%. The issues raised by shareholders in previous years have related to the Board's independence, the remuneration of the former Chairman and CEO and various concerns about governance and transparency.

The company has confronted the need for change with great conviction. This is why I am writing to inform you of the significant progress that has been made in recent months which should give shareholders confidence to support the resolutions proposed by the Board.

Cabcharge is undergoing a profound transformation with significant changes to the Board, a new CEO and a revised leadership team.

I was appointed Chairman in May 2014. In June the Board appointed Andrew Skelton as Chief Executive Officer and two new non-executive directors were appointed to the Board, Mr Rick Millen and Mr Rod Gilmour. Further appointments to the Board of new, independent non-executive directors can be expected.

In appointing Mr Skelton as CEO, we separated the roles of Chairman and CEO for the first time. We also implemented a new remuneration strategy that comprises significantly lower fixed annual remuneration for the CEO, the intention to use Short Term Incentives to encourage the achievement of challenging goals quickly, and, for the first time, the introduction of a Long Term Incentive so that the CEO's rewards are aligned to the total returns to shareholders over time.

The transformation of our governance arrangements, the increase in transparency and the renewed focus on accountability are already apparent.

I believe shareholders should be encouraged by our progress and I seek your endorsement of these initiatives by voting in support of the Board's recommendations on each of the resolutions, including the Remuneration Report.

Further details about our Corporate Governance and our Remuneration Report can be found on pages 24 to 51 of our 2014 Annual Report and in our Notice of Meeting. You can also visit the company's website at 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

Yours sincerely

A handwritten signature in blue ink, appearing to read "Russell Balding", is located below the "Yours sincerely" text.

Russell Balding, AO
Chairman