



MainstreamBPO Limited  
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1 September, 2017

Dear Shareholder,

On behalf of the Board of Directors I invite you to the 2017 Annual General Meeting (AGM) for MainstreamBPO Limited.

The AGM will be held at **9:00 am on Friday, 29 September 2017 at the Yuan Room, Level 2, Christie Centre, 3 Spring Street, Sydney.**

The AGM will be an opportunity for you to hear about the success of the Company over the past year as well as our plans for future growth. You will be asked to vote on the items included in the attached Agenda and can raise any questions you may have regarding the Company with the Board and the Executive team.

Enclosed are the following:-

1. Our 2017 Annual Report (if you elected to receive a printed copy). The electronic copy is available on MainstreamBPO's Shareholder Centre at [www.mainstreambpo.com/shareholdercentre](http://www.mainstreambpo.com/shareholdercentre);
2. Notice of the AGM;
3. Proxy Form; and
4. Dividend Re-Investment Plan Notice of Election.

I recommend that you read these documents carefully. If you are unable to attend the meeting, we invite you to appoint a proxy to attend and vote on your behalf using the enclosed Proxy Form.

If you plan to attend the meeting, please bring the enclosed Proxy Form to facilitate your registration which will commence at 8:30am. You are then invited to join the Board for light refreshments at the conclusion of the meeting.

I look forward to welcoming you at the AGM.

Yours faithfully,

Byram Johnston OAM  
Executive Chairman

## HOW TO VOTE

### **Entitlement to attend and vote at the Meeting**

All shareholders may attend the Annual General Meeting. The Board has determined that for the purposes of voting at the meeting, shareholders will be taken to be those persons recorded on the Company's register of members as at 9am on Wednesday, 27 September 2017 (Sydney time).

### **How to vote on the Items of Business**

You may vote by attending the meeting in person, by proxy or authorised representative.

In the case of joint shareholders, all holders may attend the meeting but only one holder may vote at the meeting in respect of the relevant shares (including by proxy). If more than one joint holder is present, and more than one of the joint holders vote in respect of the relevant shares, only the vote of the joint holder whose name stands first in the register in respect of the relevant shares is counted.

A corporate shareholder may appoint one or more persons to act as its representative(s), but only one representative may exercise the corporate shareholder's powers at any one time. The Company requires appropriate evidence of the appointment.

### ***Voting in Person***

If you attend the meeting, you will need to arrive prior to the meeting commencing to register at the registration desk on the day. The registration desk will be open from 8:30 am. You will be given a coloured card which will allow you to speak at the meeting and to vote on each of the resolutions.

### ***Voting by Proxy***

Your enclosed Proxy Form is an important document. Please read it carefully.

If you are unable to attend the Annual General Meeting please complete the enclosed Proxy Form and return it in accordance with the instructions set out on that form.

**The Proxy Form must be received by ShareBPO by no later than 5pm on Friday, 22 September, 2017 (Sydney time). If ShareBPO does not receive your Proxy Form by this time, it will be invalid.**

### **Questions**

We welcome shareholders' questions. If you have any questions for the Company, please send an email to [registry@sharebpo.com](mailto:registry@sharebpo.com) or write them on a separate piece of paper and return with your Proxy Form by 5pm on **Friday, 22 September 2017**. We also welcome your questions at the meeting.

# NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of MainstreamBPO Limited ACN 112 252 114 (the Company) will be held at 9am (Sydney time) on Friday, 29 September 2017 in the Yuan Room on Level 2, Christie Centre, 3 Spring Street, Sydney.

## ITEMS OF BUSINESS

### Item 1. Annual Report

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1.1 To receive the directors' report for the year ended 30 June 2017.

1.2 To receive the financial statements and auditor's report for the Company and its controlled entities for the year ended 30 June 2017.

Note: No resolution is required for this Item but shareholders will be given the opportunity to ask questions and to make comments on all aspects of these reports.

### Item 2. Remuneration Report

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To consider and if thought fit to pass the following as a non-binding ordinary resolution:

*"That for the purposes of section 250R(2) of the Corporations Act (Cmth) 2001 and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's Annual Financial Report for the financial year ended 30 June 2017 be adopted."*

### Item 3. Re-election of Directors

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3.1 To consider and, if thought fit, to pass the following as an ordinary resolution:

*"That for the purposes of clause 6.7 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Byram Johnston, Executive Chairman, retires by rotation, and being eligible, is re-elected as a Director."*

3.2 To consider, and if thought, fit to pass the following as an ordinary resolution:

*"That for the purposes of clause 6.7 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr John Plummer, Non-Executive Director, retires by rotation, and being eligible, is re-elected as a Director."*

### Item 4. Allocation of shares to Executive Directors under Employee Share Plan

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4.1 To consider and, if thought fit, as separate resolutions to pass the following as ordinary resolutions:

(a) *“That the grant of shares to the Chairman of the Company, Mr Byram Johnston, under the Company’s Directors’ Share Offer (DSO), as described in the Explanatory Statement, be approved.”*

(b) *“That the grant of shares on 1 October 2017, 1 October 2018 and 1 October 2019 to Mr Byram Johnston, under the Company’s Senior Management Share Offer (SMSO), as described in the Explanatory Statement, be approved.”*

**4.2 To consider and, if thought fit, as separate resolutions to pass the following as ordinary resolutions:**

(a) *“That the grant of shares to Mr Martin Smith, Executive Director, under the Company’s Directors’ Share Offer (DSO), as described in the Explanatory Statement, be approved.”*

(b) *“That the grant of shares on 1 October 2017, 1 October 2018 and 1 October 2019 to Mr Martin Smith, under the Company’s Senior Management Share Offer (SMSO), as described in the Explanatory Notes, be approved.”*

**4.3 To consider and, if thought fit, as separate resolutions to pass the following as ordinary resolutions:**

(a) *“That the grant of shares to Mr Michael Houlihan, Executive Director, under the Company’s Directors’ Share Offer (DSO), as described in the Explanatory Statement, be approved.”*

(b) *“That the grant of shares on 1 October 2017, 1 October 2018 and 1 October 2019 to Mr Michael Houlihan under the Company’s Senior Management Share Offer (SMSO), as described in the Explanatory Statement, be approved.”*

## **Item 5. Allocation of shares to Mr John McCann**

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**To consider and, if thought fit, to pass the following as an ordinary resolution:**

*“That for the purposes of Listing Rule 7.1 and for all other purposes, approval be given for the Company to issue up to 2,722,464 shares to Mr John McCann in connection with the acquisition of the Trinity Fund Administration business on the terms and conditions set out in the Explanatory Statement.”*

## Item 6. To approve the issue of shares to fund the purchase of part of IRESS's superannuation administration business

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To consider and, if thought fit, to pass the following as an ordinary resolution:

*“That for the purposes of Listing Rule 7.1 and for all other purposes approval be given for the Company to issue shares to fund the acquisition of part of IRESS's superannuation administration business on the terms and conditions set out in the Explanatory Statement”.*

## Item 7. Approval of Company name

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To consider and, if thought fit, to pass the following as a special resolution:

*“That the name of the Company be changed to Mainstream Group Holdings Limited and that the constitution (and all other relevant records) of the Company be amended to include the new name.”*

# VOTING EXCLUSION STATEMENT

## Item 2: Remuneration Report

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A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the Directors or Key Management Personnel including Messrs Byram Johnston, John Plummer, Martin Smith and Michael Houlihan, details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member. If such a person does cast a vote, it shall be ignored.

However, a person described above may cast a vote in this Resolution if appointed as a proxy:-

- by writing that specifies the way the proxy is to vote on this resolution: or
- he is the chair of the meeting and the appointment of the chair as proxy:
  - (i) does not specify the way the proxy is to vote on this resolution; and
  - (ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of that person or any of his Closely Related Parties.

## Item 4: Allocation of shares to Executive Directors under Performance Rights in Employee Share Plans

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A vote on any of the Resolutions in Item 4 must not be cast (in any capacity) by or on behalf of Mr Byram Johnston, Mr Martin Smith or Mr Michael Houlihan or their Closely Related Parties. If such a person does cast a vote in respect of the resolution, it shall be ignored.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person

chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### **Item 5: Allocation of shares to Mr John McCann**

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The Company will disregard any votes cast on this Resolution by Mr John McCann and any of his close associates and any person who might obtain a benefit (except a benefit solely in the capacity as a Shareholder) if this Resolution is passed. However the Company will not disregard a vote if it is cast by the person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form) or the person chairing the meeting as proxy for a person who is entitled in vote in accordance with a direction on the proxy form to vote as the proxy decides.

#### **Item 6: To approve issue of shares to fund the purchase of part of IRESS's superannuation administration business**

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The Company will disregard any votes cast on this Resolution by a person who may participate in the Private Placement and any of their close associates and any person who might obtain a benefit (except a benefit solely in the capacity as a Shareholder) if this Resolution is passed. However the Company will not disregard a vote if it is cast by the person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form) or the person chairing the meeting as proxy for a person who is entitled in vote in accordance with a direction on the proxy form to vote as the proxy decides.

## **EXPLANATORY STATEMENT**

This Explanatory Statement and all attachments are important documents. They have been prepared for Shareholders to provide information about the items of business to be considered at MainstreamBPO's (the Company's) Annual General Meeting on 29 September 2017. They should be read carefully.

#### **Item 1: Financial Report**

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The Financial Statements, Director's Report and Auditor's Report for the year ended 30 June 2017 will be tabled before the meeting. However, neither the Corporations Act 2001 (Cth) 2001 ('Corporations Act') nor the Company's Constitution require Shareholders to vote on the financial statements or the accompanying reports. However, Shareholders will be given the opportunity to raise questions or comments on the Financial Statements at the AGM. In addition, Shareholders will be given the opportunity to ask the Company's Auditor, Ernst & Young, questions relevant to the

conduct of the audit, the independence of the Auditor, the Company's accounting policies and the preparation and content of the Auditor's Report.

## Item 2: Adoption of Remuneration Report

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The Remuneration Report of the Company for the financial year ended 30 June 2017 is contained in the 2017 Annual Report. The Remuneration Report is required to be considered by Members of the Company in accordance with section 250R of the *Corporations Act*. The Remuneration Report details the Company's policy on remuneration of non-executive directors, executive directors and key executives.

The vote on the adoption of the Remuneration Report is advisory only and is not binding. However, the Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies and practices.

The Chairman will allow reasonable opportunity for shareholders to ask questions about, or make comments on the Remuneration Report at the meeting before calling on a vote.

### *Directors' Recommendation*

**The independent directors recommend that shareholders vote in favour of the adoption of the Remuneration Report. Subject to the Voting Exclusion Statement, the Chairman of the Meeting will be casting undirected proxies in favour of this Resolution.**

## Item 3: Re-election of Directors

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The Board continues to consider the mix of skills, diversity and experience of the Board in the context of opportunities and challenges facing the company.

In accordance with clause 6.7 of the Company's Constitution, Messrs Byram Johnston and John Plummer will retire at the Annual General Meeting and, being eligible, will offer themselves for re-election. The skills and experience of each Director are set out below.

**Byram Johnston OAM**, Executive Chairman, is a founder and director of MainstreamBPO since 2006. He is a member of the Audit and Risk Committee and the Remuneration and Nomination Committee.

Prior to establishing MainstreamBPO, Byram was the managing partner for international consulting firms and outsourcing organisations including Arthur Andersen, Andersen Consulting, AT Kearney, PA Consulting, The IQ Business Group and FinancialBPO. He has a wealth of experience in business strategy, operating models and business process solutions. This has allowed him in more recent times to focus on the design, implementation and management of business process outsource solutions.

Byram has previously been Chairman of a number of ASX listed companies and has held key positions with various bodies including Chairman of the Audit Committee of ASIC. He holds a Bachelor of Economics and is CA qualified. He was President of the Institute of Chartered Accountants in 1995-96. Byram was awarded an Order of Australia Medal in 2005.

**John Plummer**, Non-Executive Director, joined the MainstreamBPO Board as a Non-Executive Director in July 2015 and is the Chair of the Remuneration and Nomination Committee and member of the Audit and Risk Committee. John's professional experience includes more than 30 years of strategy, outsourcing, investment and business leadership experience.

John previously held executive and non-executive roles with Chandler Macleod Ltd, retiring as Deputy Chairman following the acquisition of the company by overseas interests. He has previously served on the boards of listed investment companies and Industry Super Funds. He sits on the boards of several private companies in recruitment, technology and investment markets. John is a past National President and life member of the Recruitment and Consulting Services Association and a Fellow of the Governance Institute of Australia. He holds a Bachelor of Commerce (Marketing) from the University of New South Wales and a Masters of Business Administration from Macquarie University.

#### ***Directors' Recommendation***

**The Board (other than Messrs Johnston and Plummer, who make no recommendation) unanimously support the re-election and recommend that shareholders approve Resolutions 3.1 and 3.2 for the re-election of Messrs Johnston and Plummer as Directors of the Company. The Chairman of the Meeting will be casting undirected proxies in favour of these Resolutions.**

#### **Item 4: Allocation of shares to Executive Directors under Employee Share Plans**

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The resolutions under this item of the Agenda are to approve the grant of shares to each of the Executive Directors, Messrs Byram Johnston, Martin Smith and Michael Houlihan under the Company's Director Share Offer (DSO) and Senior Management Share Offer (SMSO), which are equity incentives operating under the Company's Employee Share Plan (ESP). Consent to the issue of securities under these resolutions is sought under Rule 10.14 of the ASX Listing Rules. The details of all shares issued under the ESP will be disclosed in the Annual Reports of the Company in the year that those shares are issued.

The Company's Replacement Prospectus dated 21 August 2015 (the Replacement Prospectus), set out the initial grant of Performance Rights to the Executive Directors, with subsequent grants of Performance Rights set out in the Company's 2016 and 2017 Annual Reports. The Performance Rights were issued under the following offers:

- a) Directors' Share Offer (DSO) which provides Performance Rights that entitles the holder to be issued one (1) share for each Performance Right at no cost to the Director should the agreed vesting conditions be met. The vesting conditions for the 2016 grant of Performance Rights are



based on the Company's share price on the ASX at the vesting measurement date. The vesting conditions for the 2017 grant of Performance Rights are based on the Company's Earnings Per Share (EPS) target. The vesting conditions are designed to align remuneration with creation of shareholder value over the longer term;

- b) Senior Management Share Offer (SMSO) which provides Performance Rights that entitles the holder to be issued one (1) share for each Performance Right at no cost to the Executive Director should the agreed performance conditions be met. A combination of financial and non-financial measures are used to measure performance under the SMSO.

Messrs Byram Johnston, Martin Smith and Michael Houlihan have not opted out of the ESP.

### **Directors' Share Offer (DSO)**

Each Executive Director was granted a number of Rights as disclosed in the Company's Replacement Prospectus, with subsequent grant of Rights as disclosed in the Company's 2016 and 2017 Annual Reports.

DSO Performance Year 2016 (PY16):

The second tranche of the Rights issued under DSO PY16, amounting to 33% of the total Rights issued, is due to vest on or about 1 October 2017 subject to the vesting conditions described below:

<b>Tranche</b>	<b>Vesting Measurement date</b>	<b>Performance hurdle – Company share price<sup>1</sup> on ASX at vesting measurement date</b>	<b>% of Performance Rights that vest upon achieving vesting performance hurdle</b>
Tranche 2	1 October 2017	Less than Closing Price of 1 October 2016 (\$0.75)	Nil%
		Share price equal to Closing Price of 1 October 2017 up to Closing Price plus \$0.10	50%
		Share price greater than Closing Price of 1 October 2017 plus \$0.10	100%

As at the date of this notice it is not possible to anticipate if any of these Performance Rights will meet or exceed their performance hurdles.

DSO Performance Year 2017 (PY17):

<sup>1</sup> Measured by reference to the Volume Weighted Average Price (VWAP) of MainstreamBPO's shares on ASX for the 5 trading days immediately prior to the Vesting Measurement Date.

The first tranche of the Rights issued under DSO PY17, amounting to 33% of the total Rights issued, is due to vest on or about 1 October 2017 subject to the vesting conditions described below:

Tranche	Vesting Measurement date	Performance hurdle – MAI Earnings Per Share (EPS) at vesting measurement date	% of Performance Rights that vest upon achieving vesting performance hurdle
Tranche 1	1 October 2017	Less than FY17 EPS target	Nil%
		EPS equal to or greater than FY17 target up to plus 10%	50%
		Greater than FY17 EPS target plus 10%	100%

Upon vesting, each Executive Director will be allocated one Share for each Right that vests.

The EPS target plus 10% was achieved and therefore 100% of tranche 1 will vest on 1 October 2017.

The actual number of shares issued is subject to change based on the share price valuation on the 5 trading days immediately prior to 1 October 2017, however a vote on the Resolutions 4.1 (a), 4.2 (a) and 4.3 (a) will ensure the number of shares to be issued will not exceed the maximum number of shares stated in the table below.

Name of person to whom the securities will be issued	Maximum number of securities to be issued under Tranche 2 DSO PY16 and Tranche 1 of DSO PY17	Expected number of securities to be issued under Tranche 2 DSO PY16 and Tranche 1 of DSO PY17	Formula for calculating securities to be issued	Price of each security or the formula for calculating the price of each security	Names of all those who have participated in the DSO since the last approval	Names of all persons entitled to participate in the DSO
Byram Johnston	160,000	80,000	As described above	No cost to Mr Johnston	Byram Johnston, Martin Smith and Michael Houlihan	Byram Johnston, Martin Smith and Michael Houlihan
Martin Smith	66,666	33,333		No cost to Mr Smith		
Michael Houlihan	66,666	33,333		No cost to Mr Houlihan		

### Senior Management Share Offer (SMSO)

The SMSO provides Performance Rights that entitles Messrs Byram Johnston, Martin Smith and Michael Houlihan to be issued one (1) share for each Performance Right at no cost to the Executive Director should the agreed performance conditions be met. The agreed performance conditions for the 2017 grant of the SMSO focused on achievement of Company and subsidiary revenue and earnings for the financial year ending 30 June 2017, customer satisfaction and retention,

implementation of acquisitions and client transitions, prudent compliance and risk management, and employee engagement for the employee performance year ending 30 September 2017.

All Rights will vest over a period from 1 October 2017 to 1 October 2019, with the first tranche of these Rights, amounting to 33% of the total Rights issued, due to vest on or about 1 October 2017. A further tranche, amounting to a further 33% of the Rights is due to vest on or about 1 October 2018 and the remaining amount of the Rights is due to vest on or about 1 October 2019.

The performance hurdles have now been assessed for each of the Executive Directors. This has allowed the Company to determine the maximum number of shares, for each Executive Director that can vest over the period from 1 October 2017 to 1 October 2019 under the 2017 SMSO. The maximum shares that can vest over the period are set out in the table below.

However, the actual number of shares that will vest over the period is still subject to change including whether the Executive Director remains an employee of the Company on the vesting dates (although the Board of the Company have the right to waive this requirement under the ESP Rules). However a vote on the Resolutions 4.1 (b), 4.2 (b) and 4.3 (b) will ensure the number of shares to be issued will not exceed the maximum number of shares stated in the table below.

<b>Name of person to whom the securities will be issued</b>	<b>Maximum number of securities to be issued under the SMSO over 3 tranches</b>	<b>Formula for calculating securities to be issued</b>	<b>Price of each security or the formula for calculating the price of each security</b>	<b>Names of all those who have participated in the SMSO since the last approval</b>	<b>Names of all persons entitled to participate in the SMSO</b>
Byram Johnston	135,000	One (1) share for each	No cost to Mr Johnston	Byram Johnston, Martin Smith and Michael Houlihan	Byram Johnston, Martin Smith and Michael Houlihan
Martin Smith	360,000	Performance Right, should agreed	No cost to Mr Smith		
Michael Houlihan	60,000	performance conditions be met <sup>2</sup>	No cost to Mr Houlihan		

#### **Information required under ASX Listing Rule 10.15A**

There are no loans in relation to the acquisition of shares under either the DSO or SMSO.

<sup>2</sup> The agreed performance conditions for PY17 for Executive Directors focused on each Executive Director's achievement of Company and subsidiary revenue and earnings for FY17, customer satisfaction and retention, implementation of acquisitions and client transitions, prudent compliance and risk management, and employee engagement.

The details of securities issued under the DSO and SMSO will be published in each annual report of the Company relating to the period in which securities have been issued, and approval for the issue of securities shall be obtained under ASX Listing Rule 10.14.

Any additional persons who become entitled to participate in either the DSO or SMSO after the resolution is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

The dates upon which the entity will issue the securities under the DSO and SMSO are intended to be 1 October 2017, 1 October 2018 and 1 October 2019. In any event, the date will be no later than three years from the date of this meeting.

#### ***Directors' Recommendation***

**The non-executive directors consider the allocation of shares to be reasonable and appropriate having regard to the circumstances of the Company and the executive directors' responsibilities.**

**The Board recommends that shareholders vote in favour of the adoption of this Resolution. Subject to the Voting Exclusion Statement, the Chairman of the Meeting will be casting undirected proxies in favour of this Resolution.**

#### **Item 5: Grant of shares to Mr John McCann**

On 18 May 2017, the Company announced the execution of Sale Agreements to acquire Trinity Fund Administration (Trinity) in Ireland and the Cayman Islands (Acquisition), subject to regulatory approval. Trinity is a reputable and experienced fund administrator providing services to over 140 investment vehicles with approximately US\$7 billion in funds under administration.

The Acquisition is expected to provide the Company with established market positions in key fund domiciles in Europe and the Cayman Islands, providing cross-border revenue opportunity and supporting the Company's global client growth strategy. Upon completion of the Acquisition, Trinity's founder, Mr John McCann, will assume the role of CEO, Europe, for the Company.

The combined purchase price of Trinity is US\$5 million if earn-out conditions are met.

Of the total consideration:

- > US\$3.5 million is payable upfront as cash on completion.
- > Up to US\$0.5 million is payable in cash over 3 years, subject to earn-out conditions being met.
- > Up to US\$1.0 million is payable in the Company's shares to Mr McCann over three tranches, subject to Trinity meeting the following earn-out conditions in the prior financial year:

Tranche	Issue date	Maximum number of shares to be issued	Trinity's earn-out financial hurdle
1	17 May 2018	907,487	Profit before tax of US \$0.4 million, with the dollar value of shares to be issued to be

			reduced by 3.5x for every US \$1 below the target
2	17 May 2019	907,487	As above
3	17 May 2020	907,490	As above

This resolution is proposed to obtain shareholder approval for the grant of three tranches of shares to Mr John McCann in connection with the Acquisition.

Accordingly, the Company is seeking the approval of its shareholders to issue up to a total of 2,722,464 fully paid ordinary shares to Mr McCann over three tranches if the above financial hurdles are met.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period. One circumstance where an action or an issue is not taken into account in the calculation of this 15% threshold is where the issue has the prior approval of shareholders at a general meeting.

The effect of Resolution 5 will be to allow the Directors to issue shares under the earn-out without using the Company's 15% annual placement capacity.

The following information is provided in accordance with the requirements of ASX Listing Rule 7.3:

(a) The maximum number of shares to be issued will be up to 2,722,464 of fully paid ordinary shares in two tranches of a maximum of 907,487 shares per tranche and one tranche of a maximum of 907,490 shares;

(b) The Company intends to issue a tranche of shares on 17 May 2018, 17 May 2019 and 17 May 2020, being the anniversary of the date of the signing of the Sales Agreements for the next three years (or such later dates as may be permitted by an ASX waiver of the Listing Rules, the Corporations Act 2001 and/or the Australian Securities and Investments Commission), subject to performance hurdles being met. The company is applying to the ASX to grant a waiver from ASX Listing Rule 7.3.2 as these dates are later than three months after date of this meeting;

(c) The issue price of the securities will be \$0.4947, which was the 20 day Volume Weighted Average Price (VWAP) of the Company's ordinary shares during the 20 trading days immediately prior to the execution of the Sale Agreements on 17 May 2017;

(d) The shares will be issued and allotted to Mr John McCann, founder of Trinity Fund Administration, or a related entity of Mr McCann;

(e) The shares will rank equally with the Company's existing listed fully paid ordinary shares. The Company will apply to ASX for admission of the shares issued for quotation on ASX; and

(f) No funds will be raised by the issue of the shares.

### *Directors' Recommendation*

**The Board recommends that shareholders approve this Resolution. The Chairman of the Meeting will be casting undirected proxies in favour of this Resolution.**

### **Item 6: Approval of issue of shares to fund the purchase of part of IRESS' superannuation administration business**

On 13 July 2017, the Company announced that it had entered into an agreement to acquire part of the superannuation administration business of IRESS (ASX: IRE) to expand its presence in the growing superannuation administration sector (Transaction).

The Transaction involves the purchase of a number of long term client contracts for administration services, including the CUBS Superannuation Fund, a public offer retail fund targeting customer owned banks, and seven Retirement Savings Account products, with combined funds under management of approximately \$650 million.

The Company is implementing its trademark 'lift and shift' model to transition IRESS' superannuation clients to the Group and provide service continuity to members.

The Transaction is expected to positively impact the Company's FY18 revenue and earnings from the expected completion date in early October 2017, subject to the finalisation of commercial arrangements and certain conditions being met, and add scale and capability to its superannuation administration capability.

The total cost of the Transaction to the Company, including purchase price, transition fees, legal fees and funding fees, is approximately \$3.5 million. The Company intends to fund the purchase via the issue of up to \$3.5 million in ordinary shares by way of a placement to institutional shareholders. An initial deposit of \$500,000 has already been paid using existing cash reserves.

This Resolution is proposed to obtain shareholder approval for the issue of fully paid ordinary shares, each at an issue price of not less than 80% of the VWAP of the Company's shares for the five trading days prior to the date of issue of the securities, to institutional investors who are not related parties of the Company to fund the Transaction via a Private Placement (Placement).

Set out below is a table for illustrative purposes showing the number of shares that may be issued under the Placement at 80% and 100% of the closing price on 30 August 2017.

Shares under which the Company could issue under the Placement (A)	Shares on issue prior to the Placement (B)	Total Shares on issue following completion of the Placement (C)	Dilutive effect on existing shareholders (B/C)
5,882,353 <sup>3</sup>	98,803,848	104,686,201	6%

<sup>3</sup> Assumes all Placement shares are issued at \$0.60, being the closing price on 30 August 2017.

7,352,941 <sup>4</sup>	98,803,848	106,156,789	7%
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ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period. One circumstance where an action or an issue is not taken into account in the calculation of this 15% threshold is where the issue has the prior approval of shareholders at a general meeting.

The effect of Resolution 4 will be to allow the Directors to issue shares under the Placement without using the Company's 15% annual placement capacity.

The following information is provided in accordance with the requirements of ASX Listing Rule 7.3:

(a) The maximum number of shares to be issued will be \$3.5 million divided by the volume weighted average market price of the Company's shares for the five trading days prior to the date of issue of the shares;

(b) The shares will be issued no later than three (3) months after the date of the Annual General Meeting (or such later date as may be permitted by an ASX waiver of the Listing Rules, the Corporations Act 2001 and/or the Australian Securities and Investments Commission) and it is expected that the Private Placement shares will be issued on one date;

(c) The issue price of the shares will not be less than 80% of the volume weighted average market price for ordinary shares in the Company's shares calculated over the last five days on which sales in the shares were recorded before the day on which the issue is made;

(d) The shares will be issued and allotted to institutional investors who are not related parties of the Company;

(e) The shares will rank equally with the Company's existing listed fully paid ordinary shares. The Company will apply to ASX for admission of the shares issued for quotation on ASX; and

(f) Funds raised by the issue of the shares will be applied to fund the purchase of part of IRESS' superannuation business and to replenish the Company's cash reserves.

#### **Background:**

#### ***Directors' Recommendation***

**The Board recommends that shareholders approve this Resolution. The Chairman of the Meeting will be casting undirected proxies in favour of this Resolution.**

<sup>4</sup> Assumes all Placement shares are issued at \$0.48, being 80% of the closing price on 30 August 2017.

## Item 7: Change of Company Name

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The Directors of the Company have resolved, subject to Shareholder approval, to change the Company's name to "Mainstream Group Holdings Limited" and the Resolution seeks Shareholder approval for that change in accordance with section 157 of the Corporations Act.

The Directors wish to rebrand the business with a more generalised name that better reflects the Company's portfolio of interests.

The resolution is a Special Resolution and, as such, requires approval of 75% of the votes cast by Shareholders entitled to vote on the Resolution, in order to be passed.

If the resolution is approved by Shareholders, the change of name will take effect from the date on which ASIC updates its register, which may take several weeks following the Annual General Meeting. The Company's ASX ticker code, MAI, will remain unchanged.

### *Directors' Recommendation*

**The Board recommends that shareholders approve this Resolution. The Chairman of the Meeting will be casting undirected proxies in favour of this Resolution.**

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MainstreamBPO Limited  
ACN 112 252 114  
ASX Code: MAI

All registry communications to:  
ShareBPO Pty Limited  
ACN 122 708 169  
Part of the MainstreamBPO Group  
GPO Box 4968  
Sydney NSW 2001  
AUSTRALIA  
Telephone: 1300 658 680  
From outside Australia: +61 2 8259 8885  
Facsimile: +61 2 9251 3525  
Email [registry@sharebpo.com](mailto:registry@sharebpo.com)

**PROXY FORM**

Securityholder Reference Number (SRN) or Holder Identification Number (HIN)

Full Name(s) of Registered Holding

Registered Address

  

**A** **APPOINT A PROXY TO VOTE ON YOUR BEHALF**

I/We being a member(s) of MainstreamBPO Limited and entitled to attend and vote appoint:

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman’s nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Annual General Meeting of the Company to be held at 9 am (Sydney time) at 9am on Wednesday 27 September 2017 at the Yuan Room, Level 2, Christie Centre, 3 Spring Street, Sydney and any adjournment of that meeting.

The Chairman is appointed as proxy if the shareholder does not appoint another person to act as the shareholder’s proxy. The Chair of the meeting will vote undirected proxies on, and in favour of, all of the proposed resolutions.

**The Chairman is authorised to vote undirected proxies on resolutions related to remuneration and the issue of shares in the Company even if the resolution is connected directly or indirectly with the remuneration of Key Management Personnel (which includes the Chairman) or the issue of shares in the Company to an Executive Director (which includes the Chairman).**

Where I/we have appointed the Chairman of the meeting as my/our Proxy, I/we expressly authorise the Chairman to exercise my Proxy on Resolutions 2 and 3.1 (except where I/we have indicated to the contrary below) even though Resolution 2 is connected with the remuneration of Key Management Personnel which includes the Chairman and Resolution 3.1 is connected with the re-election of the Chairman.

**Important Note: If the Chairman of the meeting is or becomes your Proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 2 and/or Resolution 3.1 by marking the appropriate box for resolution 2 and 3.1 below.**



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 Facsimile: +61 2 9251 3525  
 Email [registry@sharebpo.com](mailto:registry@sharebpo.com)

**B VOTING DIRECTIONS**

Items of Business	For	Against	Abstain
2 To adopt the Remuneration Report			
3.1 To re-elect Byram Johnston			
3.2 To re-elect John Plummer			
4.1 (a) Grant of shares under performance rights in the Directors' Share Offer to Byram Johnston			
4.1 (b) Grant of shares under performance rights in the Senior Management Share Offer to Byram Johnston			
4.2 (a) Grant of shares under performance rights in the Directors' Share Offer to Martin Smith			
4.2 (b) Grant of shares under performance rights in the Senior Management Share Offer to Martin Smith			
4.3 (a) Grant of shares under performance rights in the Directors' Share Offer to Michael Houlihan			
4.3 (b) Grant of shares under performance rights in the Senior Management Share Offer to Michael Houlihan			
5 Grant of shares to John McCann			
6 Approval of issue of securities to fund the purchase of part of IRESS's superannuation administration business			
7 To change the Company name			

**C SIGNATURE(S) OF SHAREHOLDER(S) - THIS MUST BE COMPLETED**

Shareholder 1 (*Individual*)

Sole Director and Sole Company Secretary/Director (*delete one*)

Joint Shareholder 2 (*Individual*)

Director/Company Secretary (*delete one*)

Date

**If you wish to attend the meeting please bring this form with you to assist with registration.**

## **INSTRUCTIONS FOR COMPLETING APPOINTMENT OF PROXY OR REPRESENTATIVE**

1. A member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on their behalf. The appointment of proxy may specify the proportion or number of votes the proxy may exercise.
2. A member holding a number of shares giving a right to vote may appoint 2 proxies provided the appointment specifies the proportion or number of the member's votes each proxy may exercise.
3. Completion of a Proxy Form will not prevent individual shareholders from attending the meeting in person if they wish. Where a Shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.
4. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
5. Corporate Shareholders should comply with execution requirements set out in the Proxy Form.
6. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as the proxy.
7. To vote by proxy, a completed and signed Proxy Form must be received by the Company in one of the following ways:
  - Email the enclosed form to [registry@sharebpo.com](mailto:registry@sharebpo.com);
  - Mail to ShareBPO Pty Limited, GPO Box 4968, Sydney NSW 2001; or
  - Hand deliver to Level 1, 51 -57 Pitt Street, Sydney and mark to the attention of the Registry, ShareBPO.
8. The Proxy Form must be received by ShareBPO by no later than 5pm on Friday, 22 September 2017. If ShareBPO do not receive your Proxy Form by this time, it will be invalid.