5 August 2021

ASX Announcement

ASIC Registration of Scheme Booklet

Mainstream Group Holdings Limited (**Mainstream** or **Company**) (ASX: MAI) refers to the announcement made on 4 August 2021 in relation to the proposed acquisition of Mainstream by Apex Fund Holdings Australia Pty Limited (**Apex**) by way of share scheme of arrangement (**Scheme**) and the orders made by the Federal Court of Australia (**Court**) convening the Scheme Meeting and approving the despatch of the Scheme Booklet.

Scheme Booklet

Mainstream confirms that the Scheme Booklet has today been registered with the Australian Securities and Investments Commission (**ASIC**). A copy of the Scheme Booklet is attached to this announcement and will also be available on Mainstream's website https://www.mainstreamgroup.com/shareholder-centre/.

Further details on where the Scheme Booklet can be viewed and downloaded, as well as the proxy forms, or, if applicable, copies of the Scheme Booklet, are expected to be despatched to Mainstream Shareholders on or before 18 August 2021.

Mainstream Shareholders who have elected to receive communications electronically will receive an email containing a link to download the Scheme Booklet and a personalised proxy form and shareholders who have elected to receive communications via post will be mailed a copy of the Scheme Booklet and a personalised proxy form.

Mainstream Shareholders who have not nominated a shareholder communication preference will receive a letter by post containing instructions on how to obtain a copy of the Scheme Booklet, together with a personalised proxy form and a reply paid envelope.

Mainstream Shareholders should read the Scheme Booklet in its entirety, including the material accompanying it, before deciding whether to vote in favour of the Scheme.

Independent Expert's Report

The Scheme Booklet includes a copy of the Independent Expert's Report prepared by Deloitte Corporate Finance Pty Limited (**Independent Expert**), that concludes that the Scheme is fair and reasonable and in the best interests of Mainstream Shareholders.

The Independent Expert's conclusion should be read in context with the full Independent Expert's Report and Scheme Booklet.

Board Recommendation

The Mainstream Board of Directors continues to unanimously recommend Mainstream Shareholders vote in favour of the Scheme, in the absence of a superior proposal.

Each Mainstream Directors intends to vote, or procure the voting of, all Mainstream Shares held or controlled by them in favour of the Scheme, subject to the same qualification.

Scheme Meeting

As previously announced, having regard to the uncertainty and public health risks created by the COVID-19 pandemic, and in accordance with the restrictions imposed by Australian Commonwealth and State governments in response to it, the Scheme Meeting will be held virtually only.

The Scheme Meeting will be held virtually at 10.30am on 6 October 2021 via the online platform at https://web.lumiagm.com/336923668.

All registered Mainstream Shareholders as at 7.00pm (AEST) on 4 October 2021 will be eligible to vote at the Scheme Meeting and are encouraged to do so via proxy, attorney or corporate representative or at the Scheme Meeting. Further information about how to participate in and vote at the Scheme Meeting will be provided in the Notice of Scheme Meeting and the Scheme Booklet.

If the requisite majorities of Mainstream Shareholders approve the Scheme at the Scheme Meeting, and all other conditions precedent to the Scheme except approval of the Court are satisfied or waived (if applicable), Mainstream will apply to the Court for orders approving the Scheme.

If, after reading the Scheme Booklet, you have any questions regarding the Scheme or require any further information, please call the Share Registry on 1300 658 680 (within Australia) or +61 2 8259 8885 (outside Australia) between 8.30 am and 5.30 pm (AEST), Monday to Friday, excluding New South Wales public holidays.

The Mainstream Board will continue to update Mainstream Shareholders for any material developments in relation to the Scheme.

Authorisation

This ASX Announcement has been authorised by the Company's Board of Directors.

For more information

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About Mainstream Group Holdings

Mainstream Group Holdings Limited (ASX: MAI) provides fund administration services underpinned by investment in people, processes and technology.

As at June 2021, the Group provides administration services to 1,416 funds and more than 184,000 investors with funds under administration in excess of AUD $287 billion.

Mainstream employs 349 people, with operations in Australia, Singapore, Hong Kong, the United States, the Isle of Man, Malta, Ireland and the Cayman Islands.

For more information, please visit: https://www.mainstreamgroup.com.

Mainstream Group Holdings Limited

ACN 112 252 114

Scheme Booklet

In relation to a proposal from Apex Fund Holdings Australia Pty Limited ACN 649 344 507 to acquire all of your Mainstream Shares by way of a scheme of arrangement between Mainstream and Mainstream Shareholders.

The Mainstream Directors unanimously recommend that you VOTE IN FAVOUR of the Scheme, in the absence of a Superior Proposal.

The Independent Expert has concluded that the Scheme is fair and reasonable and is in the best interests of the Mainstream Shareholders.

The Scheme Meeting will be held virtually at 10.30 am on 6 October 2021.

This is an important document and requires your immediate attention. You should read this document in full before you decide whether or not to vote in favour of the Scheme. If you are in any doubt about what action you should take, please consult your legal, financial, taxation or other professional advisers.

MAINSTREAM

MILES ADVISORY PARTNERS

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Important Notices

General

Mainstream Shareholders should read this Scheme Booklet in its entirety before making a decision as to how to vote on the Scheme Resolution to be considered at the Scheme Meeting. If you are in any doubt as to any action you should take, please consult your legal, financial, taxation or other professional adviser immediately.

This Scheme Booklet has been sent to you because you are shown in the Register as holding Mainstream Shares. If you have recently sold all of your Mainstream Shares, please disregard this Scheme Booklet.

Purpose of this document

The purpose of this Scheme Booklet is to explain the terms of the Scheme and the manner in which the Scheme will be considered and implemented (if approved) and to provide such information as is prescribed or otherwise material to the decision of Mainstream Shareholders whether or not to vote in favour of the Scheme. This Scheme Booklet includes the explanatory statement required to be sent to Mainstream Shareholders under Part 5.1 of the Corporations Act.

Responsibility for information

The information contained in this Scheme Booklet, other than the Apex Information and the Independent Expert's Report, has been prepared and given by, and is the sole responsibility of, Mainstream. Mainstream's Advisers do not assume any responsibility for the accuracy or completeness of the Mainstream Information. None of Apex, nor its directors, officers or Advisers assume any responsibility for the accuracy or completeness of the Mainstream Information and, to the maximum extent permitted by law, Apex will not be responsible for any Mainstream Information and disclaims liability for Mainstream Information appearing in this Scheme Booklet.

The Apex Information has been prepared and given by, and is the sole responsibility of, Apex. Apex's Advisers do not assume any responsibility for the accuracy or completeness of the Apex Information. None of Mainstream nor its directors, officers or Advisers assume any responsibility for the accuracy or completeness of the Apex Information and, to the maximum extent permitted by law, Mainstream will not be responsible for any Apex Information and disclaims liability for Apex Information appearing in this Scheme Booklet.

The Independent Expert has prepared the Independent Expert's Report in relation to the Scheme and takes responsibility for that report. None of Mainstream, Apex nor their respective directors, officers and Advisers assume any responsibility for the accuracy or completeness of the Independent Expert's Report.

ASIC and ASX

A copy of this Scheme Booklet has been provided to ASIC for review under section 411(2) of the Corporations Act and registered by ASIC under section 412(6) of the Corporations Act. Mainstream has asked ASIC to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the Second Court Date. Neither ASIC nor its officers take any responsibility for the contents of this Scheme Booklet.

A copy of this Scheme Booklet has been provided to ASX. Neither ASX nor its officers take any responsibility for the contents of this Scheme Booklet.

Important notice associated with Court order under subsection 411(1) of Corporations Act

The fact that, under subsection 411(1) of the Corporations Act the Court ordered on 4 August 2021 that the Scheme Meeting be convened and has directed that this explanatory statement accompany the Notice of Scheme Meeting does not mean that the Court:

(a) has formed any view as to the merits of the proposed Scheme or as to how Mainstream Shareholders should vote (on this matter Mainstream Shareholders must reach their own conclusion);

(b) has prepared, or is responsible for, the content of this Scheme Booklet; or

(c) has approved or will approve the terms of the Scheme.

The order of the Court that the Scheme Meeting be convened is not, and should not be treated as, an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

Notice of Second Court Hearing and if a Mainstream Shareholder wishes to oppose the Scheme

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the vote on the Scheme Resolution at the Scheme Meeting.

Any Mainstream Shareholder has the right to appear and be heard at the Second Court Hearing, and may oppose the approval of the Scheme at the Second Court Hearing.

If you wish to oppose approval of the Scheme in this manner, you may do so by filing with the Court and serving on Mainstream a notice of appearance, in the prescribed court form, together with any affidavit on which you wish to rely on at the Second Court Hearing. The notice of appearance and affidavit must be served on Mainstream at its address for service at least one day before the Second Court Date.

The address for service for Mainstream is: Level 1, 51 – 57 Pitt Street, Sydney, New South Wales 2000, Australia, attention: Company Secretary or by email to companysecretary@mainstreamgroup.com.

The Second Court Hearing is currently scheduled to be held at 10.15am (AEST) on 15 October 2021 at the Federal Court of Australia, 184 Phillip Street, Sydney, New South Wales 2000, Australia, though an earlier or later date may be sought. Any change to this date will be notified on Mainstream's website (https://www.mainstreamgroup.com/) and on the ASX website (https://www2.asx.com.au/).

No investment advice

This Scheme Booklet has been prepared without reference to the investment objectives, financial and taxation situation or particular needs of any Mainstream Shareholder or any other person. The information and recommendations contained in this Scheme Booklet do not constitute, and should not be taken as, financial product advice. Mainstream Shareholders should seek independent financial and taxation advice before making any investment decision and any decision as to whether or not to vote in favour of the Scheme.

Forward looking statements

Certain statements in this Scheme Booklet, including statements relating to Mainstream's or Apex's plans, intentions or expectations of future costs or revenues, relate to the future and are forward looking statements or information. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual events and results to vary significantly from those included in or contemplated by such statements. Such risks, uncertainties, assumptions and other important factors include, among other things, general economic conditions, exchange rates, interest rates, the regulatory environment, competitive pressures, selling price and market demand.

A description of certain of those risks as they relate to Mainstream is set out in Section 7.

Any estimates, targets or forecasts reflect certain assumptions by Mainstream and/or Apex which assumptions may differ with respect to future events, economic, competitive and regulatory conditions, financial market conditions and future business decisions, including a continuation of existing business operations on substantially the same basis as currently exists, all of which assumptions are difficult to predict and many of which are beyond Mainstream's and/or Apex's control. Accordingly, there can be no assurance that any estimate, forecast or target is indicative of Mainstream's or Apex's future performance or that actual events and results would not differ materially from them.

Without limiting the generality of the other provisions of this cautionary statement, the Independent Expert's Report may contain or refer to forward looking information and is subject to certain assumptions, limitations, risks and uncertainties as described in this Scheme Booklet and in the Independent Expert's Report.

Other than as required by law, neither Mainstream nor Apex, their respective directors, officers and Advisers, nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this Scheme Booklet will actually occur. Mainstream Shareholders are cautioned about relying on any such forward looking statements. The forward looking statements in this Scheme Booklet reflect views held only at the date of this Scheme Booklet. Additionally, statements of the intentions of Apex in this Scheme Booklet reflect present intentions as at the date of this Scheme Booklet and may be subject to change. Forward looking statements are made as at the date of this Scheme Booklet and neither Mainstream nor Apex undertakes to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise, except as expressly required by law.

All subsequent written and oral forward looking statements attributable to Mainstream or Apex or any person acting on their behalf are qualified by this cautionary statement.

Notice of Scheme Meeting

The Notice of Scheme Meeting is at Attachment 4 to this Scheme Booklet.

Tax implications of the Scheme

Section 8 of this Scheme Booklet provides a general outline of the Australian income tax, capital gains tax, GST and stamp duty consequences for Australian resident Mainstream Shareholders who dispose of their Mainstream Shares to Apex in accordance with the Scheme. It does not purport to be a complete analysis or to identify all potential tax consequences, nor is it intended to replace the need for specialist tax advice in respect of the particular circumstances of each individual Mainstream Shareholder.

Mainstream Shareholders who are subject to taxation outside Australia should also consult their tax adviser as to the applicable tax consequences of the Scheme in the relevant jurisdiction.

Privacy

Mainstream, Apex and the Share Registry may collect personal information in the process of implementing the Scheme. The personal information may include the names, addresses, other contact details and details of the security holdings of Mainstream Shareholders, and the names of individuals appointed by Mainstream Shareholders as proxies, corporate representatives or attorneys at the Scheme Meeting. The collection of some of this information is required or authorised by the Corporations Act.

The personal information is collected for the primary purposes of assisting Mainstream to conduct the Scheme Meeting and to enable the Scheme to be implemented. The personal information may be disclosed to Mainstream's and Apex's share registries/transfer agents, securities brokers, print and mail service providers and any other service provider to the extent necessary to conduct the Scheme Meeting and implement the Scheme.

If the information outlined above is not collected, Mainstream may be hindered in, or prevented from, conducting the Scheme Meeting and implementing the Scheme.

Mainstream Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. Such individuals should contact the Share Registry on 1300 658 680 (within Australia) or +61 2 8259 8885 (outside of Australia) if they wish to exercise these rights.

Mainstream Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at a Scheme Meeting should inform that individual of the matters outlined above.

Privacy notices for the jurisdictions in which Mainstream operates, and the Australian Privacy Policy of Mainstream and its Share Registry are available at https://www.mainstreamgroup.com/Privacy-Notice/. The Privacy Policy contains information about how an individual may access personal information about the individual that is held by Mainstream, seek the correction of such information or make a privacy related complaint and how such a complaint will be dealt with.

The Privacy Policy of Apex is available at https://www.theapexgroup.com/privacy-policy/ and contains information about how an individual may access personal information about the individual that is held by Apex, seek the correction of such information or make a privacy related complaint and how such a complaint will be dealt with.

Effect of rounding

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding, unless otherwise indicated. Accordingly, the actual calculation of these figures may differ from the figures set out in this Scheme Booklet.

Websites

The contents of Mainstream's and Apex's websites do not form part of this Scheme Booklet and Mainstream Shareholders should not rely on their content.

Any reference in this Scheme Booklet to a website is for information purposes only and no information in any website forms part of this Scheme Booklet.

Defined terms and Interpretation

Capitalised terms and certain abbreviations used in this Scheme Booklet have the meanings set out in the Glossary in Section 10. If a word or phrase is defined, its other grammatical forms have a corresponding meaning. The documents reproduced in the attachments to this Scheme Booklet may have their own defined terms, which may be different from those in the Glossary.

Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Scheme Booklet.

All references to times in this Scheme Booklet are references to time in Sydney, New South Wales, Australia (AEST), unless otherwise stated.

All financial amounts in this Scheme Booklet are expressed in Australian currency unless otherwise stated.

Queries

If you have any questions or require any further information, you can call the Share Registry on 1300 658 680 (within Australia) or +61 2 8259 8885 (outside Australia), Monday to Friday (excluding New South Wales public holidays), between 8.30 am and 5.30 pm (AEST).

Date of Scheme Booklet

This Scheme Booklet is dated 5 August 2021.

Contents

Key dates

Latest time and date by which completed Proxy Forms for the Scheme Meeting must be received by the Share Registry, including by lodging online through Mainstream's website (https://www.mainstreamgroup.com/ListedRegistryPortal)	10.30am (AEST) on 4 October 2021
Time and date for determining eligibility of registered Mainstream Shareholders to vote at the Scheme Meeting	7.00 pm (AEST) on 4 October 2021
Scheme Meeting In light of the COVID-19 pandemic, the Scheme Meeting will be held virtually. There will not be a physical meeting where Mainstream Shareholders can attend. Eligible Mainstream Shareholders who wish to participate in the Scheme Meeting may do so online. Mainstream encourages all eligible Mainstream Shareholders to submit their votes by proxy prior to the close of proxy submissions at 10.30am on 4 October 2021. Further details relating to the Scheme Meeting are set out in Sections 4.5 to 4.9 and in the Notice of Scheme Meeting at Attachment 4. Instructions on how to join the meeting and how to vote will also be available on Mainstream's website at https://www.mainstreamgroup.com/shareholder-centre/	10.30am (AEST) on 6 October 2021

If the Scheme is approved by Mainstream Shareholders, the expected timetable for implementation of the Scheme is set out below.

All of these dates are indicative only and, among other things, are subject to all necessary approvals from the Court and any relevant Authority. Any changes to the remainder of the timetable (which may include an earlier or later date for the Second Court Hearing) will be announced through the ASX website (https://www2.asx.com.au/) and notified on Mainstream's website (https://www.mainstreamgroup.com/).

Second Court Date for approval of the Scheme	10.15am (AEST) on 15 October 2021
Effective Date on which the Scheme comes into effect and is binding on Mainstream Shareholders Court order lodged with ASIC and announcement to the ASX Last day of trading in Mainstream Shares on the ASX (with Mainstream Shares suspended from close of trading)	18 October 2021
Record Date for determining entitlements to Scheme Consideration	7.00 pm (AEST) on 20 October 2021
Implementation Date payment of Scheme Consideration to be made to eligible Scheme Participants	27 October 2021

Letter from Chairman of Mainstream

5 August 2021

Dear Mainstream Shareholders,

On behalf of the Mainstream Board, I am pleased to provide you with this Scheme Booklet which contains information for your consideration in relation to the proposed acquisition of Mainstream by Apex.

On 28 June 2021 Mainstream announced that it had entered into a Scheme Implementation Deed with Apex in relation to the Scheme, under which, subject to the satisfaction of the Conditions, Apex will acquire all of your Mainstream Shares.

If the Scheme is approved and implemented, Mainstream Shareholders will receive a cash payment of $2.80 for each Mainstream Share held by them on the Record Date.

The Scheme Consideration of $2.80 cash per Mainstream Share represents a significant share price premium of:

- 128.6% to Mainstream's closing price of $1.23 per share on 9 April 2021, being the last trading price prior to the announcement of the then proposed scheme of arrangement with SS&C and entry into the SS&C SID;
- 153.4% to Mainstream's closing price of $1.11 per share on 8 March 2021, being the last trading price prior to the announcement of the then proposed scheme of arrangement with Vistra and entry into the Vistra SID;
- 161.8% to the 30-day volume weighted average price (**VWAP**) of $1.07[1] per share (based on calendar days);
- 178.0% to the 90-day VWAP of $1.01[2] per share (based on calendar days);
- 197.1% to the 180-day VWAP of $0.94[3] per share (based on calendar days); and
- 165.4% to the Mainstream closing price $1.06 per share since Mainstream announced its 1HY21 results on 19 February 2021.

The Scheme Consideration values Mainstream's issued equity at approximately $400 million.[4]

The Mainstream Board considers that, given the comprehensive market testing conducted by Mainstream and its Advisers during the Go Shop Period under the Vistra SID and the significant 133.3% increase in Apex's offer as against Vistra's offer, Mainstream Shareholders should have confidence that the Scheme Consideration of $2.80 cash per Mainstream Share has been subject to a full and fair testing of the market.

Mainstream Directors' recommendation

Your Mainstream Directors have carefully considered the advantages and disadvantages of the Scheme and have concluded that the Scheme is in the best interests of Mainstream Shareholders. The Mainstream Directors unanimously recommend that Mainstream Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal.

Each of the Mainstream Directors who have or Control Mainstream Shares intends to vote all the Mainstream Shares held or Controlled by them in favour of the Scheme, in the absence of a Superior Proposal.

[1] VWAP based on cumulative trading volume from 7 Feb 2021 to 8 Mar 2021 (inclusive).
[2] VWAP based on cumulative trading volume from 9 Dec 2020 to 8 Mar 2021 (inclusive).
[3] VWAP based on cumulative trading volume from 10 Sep 2020 to 8 Mar 2021 (inclusive).
[4] Fully diluted market capitalisation calculated based on 138,089,440 Mainstream Shares and taking into account the exercise of 4,767,982 Performance Rights and their conversion into Mainstream Shares.

The interests of the Mainstream Directors are set out in Section 9.1.

In reaching their recommendation, the Mainstream Directors had regard to a range of factors. While the Mainstream Board is confident of Mainstream's ability to continue to deliver returns to Mainstream Shareholders into the future, the Mainstream Directors consider the proposal from Apex to be an attractive outcome for Mainstream Shareholders.

In relation to the recommendation by Mainstream's CEO, Martin Smith, Mainstream Shareholders should have regard to the fact that, if the Scheme is implemented, all of the unvested Performance Rights held by Mr Smith will vest. Therefore, subject to the Scheme becoming Effective, Mr Smith will on the Record Date (assuming the vesting and exercise of all of his Performance Rights in the manner contemplated by Section 5.3.2 before the Record Date) hold a total of 858,334 Mainstream Shares (0.60% of all Mainstream Shares) represented by those Performance Rights, for which he will receive the Scheme Consideration. The maximum value of the net benefit to be received by Mr Smith if all of those Performance Rights are exercised is $2,403,335.20 (being 858,334 Mainstream Shares to be issued to Mr Smith on vesting and exercise of those Performance Rights multiplied by the Scheme Consideration).

This is in addition to the Mainstream Shares that Mr Smith currently holds, for which he will also receive the Scheme Consideration.

Apex has no current intention to replace Mr Smith as the CEO of Mainstream after implementation of the Scheme.

Given the importance of the Scheme and Mr Smith's deep understanding of Mainstream's business, the Mainstream Board (in the absence of Mr Smith) was satisfied that Mr Smith could, and should if he wished to do so, make a recommendation on the Scheme notwithstanding the nature and quantum of the benefits (being the additional Scheme Consideration due to the accelerated vesting of his unvested Performance Rights) that he will receive if the Scheme becomes Effective. Mr Smith considers that it is appropriate for him, notwithstanding the nature and quantum of the benefits described above, to make a recommendation on the Scheme in light of the importance of the Scheme and Mr Smith's deep understanding of Mainstream's business and his role as Mainstream's CEO.

Mainstream Shareholders should have regard to these matters which appear throughout the Scheme Booklet, when considering Mr Smith's recommendation on the Scheme.

The reasons to vote in favour of the Scheme Resolution are set out in Section 2.1. There are also reasons why you may choose to vote against the Scheme Resolution which are set out in Section 2.2 of this Scheme Booklet.

Independent Expert's Report

The Mainstream Board appointed Deloitte Corporate Finance Pty Limited ACN 003 833 127 as Independent Expert to prepare the Independent Expert's Report for the Scheme. The Independent Expert concluded that the Scheme is in the best interests of Mainstream Shareholders.

The Independent Expert has assessed the full underlying value of Mainstream at between $2.17 and $2.64 per Mainstream Share. The Scheme Consideration of $2.80 cash per Mainstream Share is above this range.

A complete copy of the Independent Expert's Report is included at Attachment 1 of this Scheme Booklet.

Tax Considerations of the Scheme

A general guide to the Australian taxation implications of the Scheme for Mainstream Shareholders is set out in Section 8 of this Scheme Booklet. Section 8 is expressed in general terms and is not intended to provide taxation advice in respect of the particular circumstances of any Mainstream Shareholder.

How to Vote

The Scheme can only be implemented if it is approved by the Requisite Majorities of Mainstream Shareholders at the Scheme Meeting to be held at 10.30 am on 6 October 2021.

This means that the Scheme Resolution must be approved by a majority in number (more than 50%) of Mainstream Shareholders present and voting (in person or by proxy, attorney or corporate representative) at the Scheme Meeting (referred to as the 'Headcount Test') and at least 75% of the votes cast on the Scheme Resolution.

In light of the COVID-19 pandemic, the Scheme Meeting will be held virtually. There will not be a physical meeting where Mainstream Shareholders can attend.

Your vote is important in determining whether or not the Scheme is implemented. Your Mainstream Directors strongly encourage you to vote, either by:

- attending the Scheme Meeting online (including by attorney or, if you are a corporate shareholder, by corporate representative); or alternatively,
- by proxy, by completing the Proxy Form accompanying this Scheme Booklet and submitting it either online (at https://www.mainstreamgroup.com/ListedRegistryPortal), via email, mail or in person.

To be effective, proxy forms must be received by the Share Registry before 10.30am on 4 October 2021 being no later than 48 hours before the commencement of the Scheme Meeting.

The Scheme also requires Court approval at the Second Court Hearing.

Further information

I encourage you to read this Scheme Booklet carefully and in its entirety as it contains important information that you should consider before you vote. You should also seek independent legal, financial, taxation or other professional advice before making an investment decision in relation to your Mainstream Shares

If you have any questions regarding the Scheme or require any further information, please call the Share Registry on 1300 658 680 (within Australia) or +61 2 8259 8885 (outside Australia) between 8.30 am and 5.30 pm (AEST), Monday to Friday, excluding New South Wales public holidays.

On behalf of the Mainstream Board, I would like to take this opportunity to thank you for your support of Mainstream.

Yours sincerely

Byram Johnston OAM
Chairman
Mainstream Group Holdings Limited

1. Summary of Scheme and Next Steps

1.1 Scheme

Topic	Details	Section References
Overview	On 28 June 2021, Mainstream announced that it had entered into the Scheme Implementation Deed with Apex, under which it is proposed that Apex will acquire all of the Mainstream Shares on issue by way of the Scheme. If the Scheme is approved by Mainstream Shareholders at the Scheme Meeting and by the Court, and if all other Conditions are satisfied or waived (as applicable), Mainstream will become a wholly-owned Subsidiary of Apex and will be delisted from the ASX.	Section 4.1
The Scheme Consideration	If the Scheme becomes Effective, Mainstream Shareholders will be entitled to receive the Scheme Consideration of $2.80 cash for each Mainstream Share they hold as at the Record Date. The Scheme Consideration will be paid on the Implementation Date. Payments will be made by electronic funds transfer to a bank account nominated by the Scheme Participant or, if no bank account has been nominated and no alternative arrangements have been agreed with Mainstream, by cheque for the relevant amount in Australian currency.	Section 4.3
Key Steps in the Scheme	The key steps to implement the Scheme are: ▪ Mainstream Shareholders will have an opportunity to vote to approve the Scheme at the Scheme Meeting which is scheduled to be held virtually at 10.30am (AEST) on 6 October 2021. ▪ If Mainstream Shareholders approve the Scheme Resolution by the Requisite Majorities, and all Conditions (other than Court approval) have been satisfied or waived, Mainstream will apply to the Court for approval of the Scheme. ▪ If the Court approves the Scheme, Mainstream will lodge with ASIC a copy of the Court orders approving the Scheme. The Scheme will then become Effective and the date on which this occurs will be the Effective Date for the Scheme and will be the last day for trading of Mainstream Shares on the ASX.	Section 4.2

Topic	Details	Section References
The Mainstream Directors' recommendation	The Mainstream Directors unanimously recommend that Mainstream Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal. [5]	Section 2
Independent Expert's Conclusion	The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Mainstream Shareholders.	Attachment 1

1.2 Next Steps

You should read this Scheme Booklet carefully in its entirety, including the reasons to vote in favour of or against the Scheme (as set out in Section 2 of this Scheme Booklet) before making any decision as to how to vote on the Scheme Resolution. Answers to various frequently asked questions about the Scheme are set out in Section 3 of this Scheme Booklet.

Topic	Details	Section References
Who is entitled to vote at the Scheme Meeting?	The time for determining eligibility to vote at the Scheme Meeting is 7:00pm (AEST) on 4 October 2021. Only those Mainstream Shareholders entered on the Register at that time will be entitled to attend virtually and vote online at the Scheme Meeting.	Section 4.8
Your vote is important	Your vote is important in determining whether or not the Scheme proceeds. Your Mainstream Directors strongly encourage you to participate in this important decision, either by attending the Scheme Meeting virtually and voting online or by submitting your Proxy Form either via email, mail, in person or online through Mainstream's website (https://www.mainstreamgroup.com/ListedRegistryPortal).	N/A
Details of the Scheme Meeting	The Scheme Meeting to approve the Scheme is scheduled to be held virtually at 10.30 am on 6 October 2021. There will not be a physical meeting for Mainstream Shareholders to attend.	Attachment 4
Voting virtually, by attorney or corporate representation	The Scheme Meeting is being held virtually only. Details on how to vote virtually at the Scheme Meeting, are set out in the Notice of Meeting at Attachment 4 and the Lumi Online Meeting Guide which is available at https://www.mainstreamgroup.com/shareholder-centre/. Persons who are attending the Scheme Meeting virtually as an attorney must provide a certified copy of the power of attorney to the Share Registry for notation by 10.30am on 4 October 2021. A Mainstream Shareholder or proxy which is a corporation and which wishes to appoint an individual to act as its representative, should contact the Share Registry on how to lodge the authority to act.	Sections 4.5 and 4.6

[5] When assessing the Board's recommendation and considering how to vote on the Scheme Resolution, Mainstream Shareholders should read and take into account the interests of the Mainstream Directors set out in Section 9.1 and the accelerated vesting of the unvested Performance Rights held by Mainstream's CEO, Mr Martin Smith, if the Scheme Resolution is passed by the Requisite Majorities of Mainstream Shareholders at the Scheme Meeting, as set out in Section 9.2.

Topic	Details	Section References
Voting by Proxy	A proxy form for the Scheme Meeting accompanies this Scheme Booklet at Attachment 5. You may vote by proxy by completing and lodging the Proxy Form online through Mainstream's website (https://www.mainstreamgroup.com/ListedRegistryPortal). Alternatively the Proxy Form can be lodged by mail, email or in person. Further information setting out how you may vote by proxy is contained in the Notice of Scheme Meeting at Attachment 4. If your proxy form is signed by an attorney, please also enclose the authority under which the proxy is signed (or a certified copy of the authority). Proxy forms should be completed and lodged in accordance with the instructions set out on the proxy form. Proxy forms, together with any power of attorney or authority under which the proxy form is signed, must be received no later than 10.30 am (AEST) on 4 October 2021 (48 hours prior to the commencement of the Scheme Meeting). Proxy forms received after this time will be invalid.	Sections 4, Attachment 4 and Attachment 5

2. Reasons to vote for and against the Scheme

This Section sets out the reasons why the Mainstream Directors consider that you should vote in favour of the Scheme. Whilst the Mainstream Directors acknowledge that there may be reasons for you to vote against the Scheme (see Section 2.2 titled 'Reasons why you may vote against the Scheme'), they believe that the reasons to vote in favour of the Scheme significantly outweigh the reasons to vote against the Scheme.

2.1 Reasons that you might vote FOR the Scheme

2.1.1 Mainstream's Directors unanimously recommend the Scheme and will be voting their Mainstream Shares in favour of it

The Mainstream Directors consider the Scheme to be in the best interests of Mainstream Shareholders, and unanimously recommend that Mainstream Shareholders vote in favour of the Scheme at the upcoming Scheme Meeting on 6 October 2021, in the absence of a Superior Proposal.

Each Mainstream Director who owns or Controls Mainstream Shares will vote all Mainstream Shares which they own or Control in favour of the Scheme, in the absence of a Superior Proposal.[6]

2.1.2 The Scheme Consideration of $2.80 cash per Mainstream Share represents a significant premium to Mainstream's share price, and resulted from a full and fair market testing during the Go Shop Period of Vistra's $1.20 cash offer and subsequent events

The Scheme Consideration represents a significant premium over the trading price of Mainstream Shares prior to the announcement of the proposed Scheme, and an even greater premium to Mainstream's share price prior to announcement of the then proposed scheme of arrangement with Vistra. The Scheme Consideration of $2.80 cash per Mainstream Share constitutes a:

(a) 128.6% to Mainstream's closing price of $1.23 per share on 9 April 2021, being the last trading day prior to the announcement of the SS&C Scheme and entry into the SS&C SID;

(b) 153.4% premium to the Mainstream closing price of $1.11 per share on 8 March 2021, being the last trading price prior to the announcement of the proposed scheme of arrangement with Vistra;

(c) 161.8% premium to the 30-day VWAP of $1.07 per share to 8 March 2021 (based on calendar days);

(d) 178.0% premium to the 90-day VWAP of $1.01 per share to 8 March 2021 (based on calendar days);

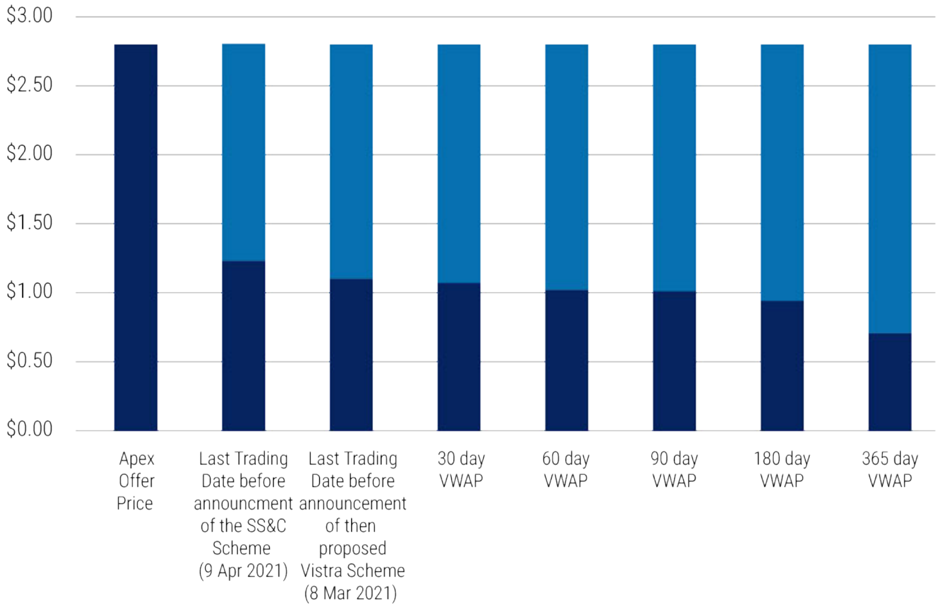
(e) 197.1% premium to the 180-day VWAP of $0.94 per share to 8 March 2021 (based on calendar days); and

(f) 165.4% premium to the Mainstream closing price of $1.06 per share since Mainstream announced its 1HFY21 results on 19 February 2021.

[6] When assessing the Board's recommendation and considering how to vote on the Scheme Resolution, Mainstream Shareholders should read and take into account the interests of the Mainstream Directors set out in Section 9.1 and the accelerated vesting of the unvested Performance Rights held by Mainstream's CEO, Mr Martin Smith if the Scheme Resolution is passed by the Requisite Majorities of Mainstream Shareholders at the Scheme Meeting, as set out in Section 9.2.

The graph below shows the premium to the Mainstream Share price prior to the announcement of the proposed Scheme.

Share price premium percentages to Apex Scheme Consideration



Under the Vistra SID, Mainstream had negotiated the Go Shop Period. The Go Shop Period allowed Mainstream and its Advisers a 5 week period to fully and fairly market test the $1.20 cash scheme consideration offered by Vistra under the terms of the Vistra SID. As a result of the Go Shop Period an offer from SS&C was received. Vistra had the right to, but chose not to, match or better SS&C's proposal. As a consequence, Mainstream entered into the SS&C SID. Following the announcement of the SS&C SID, Mainstream received multiple unsolicited offers from Apex, with the Mainstream Board deeming Apex's $2.80 offer per Mainstream Share to be superior to that of SS&C. SS&C had the right to, but chose not to, match or better Apex's offer.

The Mainstream Board considers that, given the comprehensive market testing conducted by Mainstream and its Advisers during the Go Shop Period under the Vistra SID and the significant 133.3% increase in Apex's offer as against Vistra's offer, Mainstream Shareholders should have confidence that the Scheme Consideration of $2.80 cash per Mainstream Share has been subject to a full and fair testing of the market.

2.1.3 The Apex Scheme meets the conditions of the Vistra Voting Deed and accordingly Vistra BVI (or any person it sells any Mainstream Shares to) is required to support and sell its Mainstream Shares into the Scheme

Under the Vistra Voting Deed Vistra is required to support a "control transaction" if:

(a) the control transaction is for all of the shares in Mainstream;

(b) the control transaction is for a price greater than $1.45 per Mainstream Share (noting that the Scheme Consideration offered by Apex is $2.80 per Mainstream Share);

(c) the control transaction is recommended by the Mainstream Directors; and

(d) if the control transaction is a scheme of arrangement, a scheme implementation deed is entered into by Mainstream with the bidder.

The Scheme satisfies each of these conditions.

On that basis, Vistra BVI (or any person it sells Mainstream Shares to) is required to vote all Mainstream Shares held by it in favour of the Scheme. This provides greater certainty of transaction execution to Mainstream and all Mainstream Shareholders.

As at the date of this Scheme Booklet, Vistra BVI holds 9.99% of Mainstream Shares on issue. Further details of Mainstream's share capital and the Top 20 Mainstream Shareholders are set out in Section 5.3.

2.1.4 The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Mainstream Shareholders

The Mainstream Directors appointed Deloitte Corporate Finance Pty Limited ACN 003 833 127 as Independent Expert to prepare an Independent Expert's Report providing an opinion on whether the Scheme is in the best interests of Mainstream Shareholders.

The Independent Expert has assessed the full underlying value of Mainstream to be in the range of $2.17 to $2.64 per Mainstream Share. The Scheme Consideration of $2.80 per Mainstream Share is above that range.

Based on the Scheme Consideration of $2.80 cash per Mainstream Share, the Independent Expert has concluded that the Scheme is in the best interests of Mainstream Shareholders.

The Independent Expert's Report is included at Attachment 1 of this Scheme Booklet. Mainstream Shareholders should carefully review the Independent Expert's Report in its entirety.

2.1.5 The Scheme provides the opportunity for Mainstream Shareholders to realise certain cash value for their investment in Mainstream, in a certain timeframe

The Scheme will provide Mainstream Shareholders with the opportunity to obtain certain value of $2.80 cash for each Mainstream Share they own in a certain timeframe. The Scheme will also provide an opportunity for Mainstream Shareholders to dispose of 100% of their Mainstream Shares in a single transaction. The Scheme Consideration represents a 100% cash offer from Apex. This offer provides a high degree of certainty of value and timing.

By way of contrast, if the Scheme does not proceed, the amount which Mainstream Shareholders might be able to realise for their investment in Mainstream Shares in the future will be uncertain. Apex's 100% cash offer provides certainty against all future risks of the business in relation to Mainstream Shareholders' continued investment in Mainstream. Further information in relation to risks associated with continued investment in Mainstream as a standalone entity, if the Scheme does not proceed, are set in in Section 7 of this Scheme Booklet.

Please see Section 6 for further background regarding Apex's source of funding to fund the Scheme Consideration. The Scheme is not subject to any financing condition.

2.1.6 If the Scheme is not implemented, and no Superior Proposal emerges, Mainstream Shares are likely to trade at a lower price

Mainstream Directors are confident in the future pathway for Mainstream if it was to remain independent.

However, if the Scheme is not implemented and no Superior Proposal emerges, the Mainstream Directors believe that, in the absence of substantially improved market conditions, the market price of Mainstream Shares is likely to trade at a lower price in the near term than the current Mainstream Share price, in part due to the risk factors described above and in Section 7.

2.1.7 Limited conditionality and no onerous Conditions

The Scheme is subject to customary conditions for transactions of this type including regulatory and Court approval, Mainstream Shareholder approval and no Material Adverse Change, no occurrence of a Mainstream Regulated Event and no material breach of a warranty by Mainstream or Apex, amongst others.

It is not subject to a finance condition or competition regulatory approval.

The approval of Authorities in Ireland, Malta, the Cayman Islands and the Isle of Man are required. Apex has received written notice from FIRB that the Commonwealth Treasurer has no objection to the acquisition by Apex of Mainstream Shares under the Scheme.

If Apex fails to obtain any such approval and Mainstream terminates the Scheme Implementation Deed on that basis, then (provided Mainstream has complied with its obligations under the Scheme Implementation Deed to co-operate with Apex, all Authorities and Third Parties in Good Faith), Apex must pay Mainstream the Apex Break Fee of $4,000,000 (excluding GST).

The Conditions are summarised in Section 9.7.1 and are set out in full in clause 3.1 of the Scheme Implementation Deed.

2.1.8 As at the date of this Scheme Booklet, no Superior Proposal has emerged

As at the date of this Scheme Booklet, since the Scheme was announced on 28 June 2021, no Superior Proposal as defined in the Scheme Implementation Deed with Apex has emerged.

If Mainstream receives a Superior Proposal from a Third Party, there are certain steps that must be taken by Mainstream in respect of that proposal under the Scheme Implementation Deed, including providing Apex with the opportunity to submit a Counter Proposal within four Business Days (pursuant to Apex's Matching Right).

2.1.9 Brokerage charges will not apply to the transfer of Scheme Shares

You will not incur any brokerage charges on the transfer of your Mainstream Shares to Apex under the Scheme.

However, it is possible that you could be charged brokerage if you sell your Mainstream Shares on the ASX through a broker, other than under the Scheme.

2.1.10 If the Scheme does not proceed, Mainstream Shareholders will continue to be subject to the risks associated with Mainstream's business and general market risks, rather than receiving certain value for their Mainstream Shares in a certain timeframe

If the Scheme does not proceed, the value that Mainstream Shareholders will be able to realise from their Mainstream Shares (in terms of any future dividends and the price of those Mainstream Shares) is uncertain, and subject to a number of risks.

These risks include the future performance of the Mainstream business, general economic and market conditions, and movements in the stock markets. Some of the other specific business risks associated with the investment in Mainstream may be heightened in circumstances where the Scheme does not proceed. Further information with risks associated with your investment in Mainstream are set out in Section 7.

There is no guarantee that, in the foreseeable future (or otherwise), Mainstream Shareholders will be able to realise a price equal to, or greater than, the Scheme Consideration of $2.80 per Mainstream Share.

The Scheme removes these risks for Mainstream Shareholders and allows Mainstream Shareholders to exit their investment in Mainstream at a price that the Mainstream Directors consider to be fair and reasonable.

2.2 Reasons why you might vote AGAINST the Scheme

Although the Mainstream Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal and the Independent Expert has concluded that the Scheme is in the best interests of Mainstream Shareholders, there may be reasons which lead a Mainstream Shareholder to consider voting against the Scheme, including as set out below.

2.2.1 You may disagree with the Mainstream Directors' recommendation and/or the conclusion in the Independent Expert's Report

Notwithstanding the unanimous recommendation of the Mainstream Directors (in the absence of a Superior Proposal) and the Independent Expert's opinion that the Scheme is in the best interests of Mainstream Shareholders, you may believe that the Scheme is not in your best interests.[7]

2.2.2 You may believe there is an opportunity for increased value from Mainstream remaining as a standalone entity, and you wish to participate in the future financial performance of the Mainstream business

[7] When assessing the Board's recommendation and considering how to vote on the Scheme Resolution, Mainstream Shareholders should read and take into account the interests of the Mainstream Directors set out in Section 9.1 and the accelerated vesting of the unvested Performance Rights held by Mainstream's CEO, Mr Martin Smith if the Scheme Resolution is passed by the Requisite Majorities of Mainstream Shareholders at the Scheme Meeting, as set out in Section 9.2.

If the Scheme is implemented, you will cease to be a Mainstream Shareholder. Accordingly, you will cease to have an interest in Mainstream, you will not participate in Mainstream's future performance, retain any exposure to Mainstream's business or assets or have the potential to share in the value that could be generated by Mainstream in the future.

You may consider that retaining an interest in Mainstream would have greater potential to generate future financial returns than receiving the Scheme Consideration if the Scheme is implemented, that Mainstream has stronger long-term growth potential, and/or that the Scheme Consideration does not reflect your views on long-term value.

You may therefore prefer to have the opportunity to retain your Mainstream Shares and realise the value accordingly over the long-term.

However, as is the case with all investments in listed securities, there is no guarantee as to Mainstream's future performance if it were to continue trading as a standalone business.

2.2.3 You may believe it is in your best interests to maintain your current investment and risk profile

You may prefer to keep your Mainstream Shares to preserve your investment in a listed company with the specific characteristics of Mainstream.

In particular, you may consider that, despite the risk factors relevant to Mainstream's potential future operations (including those set out in Section 7), Mainstream may be able to return greater value from its assets by remaining a standalone entity or by seeking alternative corporate transactions in the future.

You may also consider that it would be difficult to identify or invest in alternative investments that have a similar investment profile to that of Mainstream.

2.2.4 You may consider that there is potential for a Superior Proposal to be made in the foreseeable future

It is possible that a more attractive proposal for Mainstream Shareholders could materialise in the future, such as a takeover bid with a higher offer price than the Scheme Consideration.

However, as at the date of this Scheme Booklet, no Superior Proposal has emerged since the Scheme was announced on 28 June 2021. In addition, no Mainstream Director or Mainstream Adviser has received or is aware of any approach which would cause them to believe a Superior Proposal is likely to emerge in the foreseeable future.

As set out in the Scheme Implementation Deed, Mainstream is bound by customary exclusivity obligations, including in relation to a Competing Proposal.

2.2.5 The tax consequences of transferring your Mainstream Shares pursuant to the Scheme may not be suitable to you

The tax consequences of the Scheme will vary between Mainstream Shareholders and will depend on your personal characteristics and circumstances.

A general guide to the taxation implications is set out in Section 8 of this Scheme Booklet. Section 8 is expressed in general terms only, and Mainstream Shareholders should consult with their own independent taxation advisers regarding the taxation implications of the Scheme.

2.2.6 The Scheme is subject to Conditions that you may consider unacceptable

The implementation of the Scheme is subject to a number of customary Conditions including regulatory and Court approvals, Mainstream Shareholder approval and no Material Adverse Change, no occurrence of a Mainstream Regulated Event and no material breach of a warranty by Mainstream or Apex, amongst others. The Conditions are summarised in Section 9.7.1 and are set out in full in clause 3.1 of the Scheme Implementation Deed.

2.3 Other relevant considerations

2.3.1 The Scheme may be implemented even if you vote against it

You should be aware that even if you do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majorities of Mainstream Shareholders and by the Court and if the Scheme becomes unconditional. If this occurs, your Mainstream Shares will be transferred to Apex and you will receive the Scheme Consideration for your Mainstream Shares even though you did not vote on, or voted against, the Scheme.

2.3.2 Conditionality of the Scheme

Implementation of the Scheme is subject to a number of Conditions, which are summarised in Section 9.7.1 and set out in full in clause 3.1 of the Scheme Implementation Deed. If the Conditions are not satisfied or waived (as applicable), the Scheme will not become Effective and Mainstream Shareholders will not receive the Scheme Consideration.

2.3.3 Costs

Mainstream has incurred significant costs in preparing the proposed Scheme and revisions of that proposal to the point that it is capable of being submitted to Mainstream Shareholders as a scheme of arrangement for their consideration. These costs include negotiations with Apex, retention of Advisers, provision of information to Apex, facilitating Apex's access to due diligence, engagement of the Independent Expert, and preparation of this Scheme Booklet.

In addition, Mainstream:

(a) has paid a break fee of $1,708,000 to Vistra under the Vistra SID; and

(b) is liable to pay the SS&C Break Fee under the SS&C SID.

If the Scheme is implemented these costs will not impact the Scheme Consideration that Scheme Participants receive.

However, if the Scheme is not implemented and if no Superior Proposal emerges, Mainstream:

(a) will remain liable for the SS&C Break Fee; and

(b) expects to incur total costs of approximately $2.5 million and this may impact the value of the Mainstream Shares.

Mainstream has entered into the Break Fee Loan Agreement with Apex to assist it in satisfying the SS&C Break Fee.

If the Scheme is not implemented as a result of the Scheme Implementation Deed being terminated due to a default by Mainstream or because it is not approved by the Requisite Majorities and Mainstream has drawn down the Break Fee Loan, the Break Fee Loan will become repayable by Mainstream, subject to the terms of the Subordination Deed.

2.3.4 Mainstream Break Fee and Apex Break Fee

In certain circumstances provided for in the Scheme Implementation Deed:

(a) Mainstream may be required to pay a Mainstream Break Fee to Apex as summarised in Section 9.7.7 and set out in full in clause 14.3 of the Scheme Implementation Deed; or

(b) Apex may be required to pay an Apex Break Fee to Mainstream. as summarised in Section 9.7.8 and set out in full in clause 14.4 of the Scheme Implementation Deed.

3. Frequently Asked Questions

This Scheme Booklet contains detailed information on the proposed Scheme. The following Section provides summary answers to some basic questions you may have in relation to the Scheme and will assist you to locate further detailed information in this Scheme Booklet.

	Question	Answer	Section references
	The Scheme at a glance		
1	**Why have I received this Scheme Booklet?**	This Scheme Booklet has been sent to you because you are a Mainstream Shareholder, and Mainstream Shareholders are being asked to vote on a Scheme which, if approved, will result in Apex acquiring all Mainstream Shares for the Scheme Consideration of $2.80 cash for each Mainstream Share held on the Record Date. This Scheme Booklet is intended to help you to decide how to vote on the Scheme Resolution that needs to be passed at the Scheme Meeting to allow the Scheme to proceed and be implemented.	Chairman's Letter and Section 4
2	**What is a scheme of arrangement?**	A scheme of arrangement is a statutory procedure under the Corporations Act that is commonly used in Australia to undertake an acquisition of a publicly listed company.	
3	**What is the Scheme?**	The Scheme involves Apex acquiring all of the Mainstream Shares by way of a scheme of arrangement between Mainstream and the Mainstream Shareholders under Part 5.1 of the Corporations Act. Mainstream announced the proposed Scheme to the ASX on 28 June 2021. The Scheme requires approval of the Mainstream Shareholders by the Requisite Majorities at a meeting of Mainstream Shareholders convened by the Court, followed by Court approval. If the Scheme is approved and implemented, Scheme Participants will receive the Scheme Consideration of $2.80 cash per Mainstream Share they own at the Record Date (provided they are a registered Mainstream Shareholder on the Record Date) from Apex in consideration for the transfer of their Mainstream Shares to Apex.	Section 1
4	**Is this a takeover?**	The Scheme is not a takeover offer, it is a scheme of arrangement. However, if the Scheme is implemented, the outcome will be similar to a successful 100% takeover offer in that all of the Mainstream Shares on issue will be transferred to Apex.	
5	**How will the Scheme be implemented?**	In order for the Scheme to be implemented, all Conditions under the Scheme Implementation Deed must be satisfied or (if capable of waiver) waived, the Scheme Resolution must be approved by the Requisite Majorities of Mainstream Shareholders at the Scheme Meeting, and the Scheme must be approved by the Court.	Section 1
6	**What is the Scheme Consideration?**	If the Scheme is implemented, Mainstream Shareholders who hold Mainstream Shares on the Record Date will receive $2.80 cash for each Mainstream Share they hold on the Record Date.	Section 4
7	**What premium is being offered?**	The Scheme Consideration of $2.80 cash for each Mainstream Share represents a significant premium of: • 128.6% to Mainstream's closing price of $1.23 per share on 9 April 2021, being the last trading day prior to the announcement of the SS&C Scheme and entry into the SS&C SID; • 153.4% premium to the closing price of $1.11 per share on 8 March 2021, being the last trading day prior to the announcement of the then proposed scheme of arrangement with Vistra and entry into the Vistra SID;	Section 2.1.2

	Question	Answer	Section references
		• 161.8% premium to 30-day VWAP of $1.07 per share (based on calendar days); • 178.0% premium to 90-day VWAP of $1.01 per share (based on calendar days); • 197.1% premium to 180-day VWAP of $0.94 per share (based on calendar days); and • 165.4% premium to the Mainstream closing price of $1.06 per share since Mainstream announced its 1HFY21 results on 19 February 2021.	
8	**Is the Scheme subject to any conditions?**	There are a number of Conditions that must either be satisfied or (if capable of waiver) waived in order for the Scheme to be implemented. The Conditions include: • regulatory approvals; • Mainstream Shareholders approving the Scheme by the Requisite Majorities; • Court approval of the Scheme; and • no Material Adverse Change. The Scheme is subject to other standard Conditions for a scheme of this nature. The Conditions are summarised in Section 9.7.1, and set out in full in clause 3.1 of the Scheme Implementation Deed. Apex has received written notice from FIRB that the Commonwealth Treasurer has no objection to the acquisition by Apex of Mainstream Shares under the Scheme As at the date of this Scheme Booklet, neither Mainstream nor Apex is aware of any reason why the other Conditions will not be satisfied.	Section 9.7.1
9	**What happens if the Conditions are not satisfied or the Scheme Implementation Deed is terminated?**	The Scheme can be terminated by Mainstream or Apex (as applicable) in limited circumstances which are customary for a transaction of this nature. The circumstances in which Mainstream or Apex (as applicable) can terminate the Scheme are summarised in Sections 9.7.9 and 9.7.10 of this Scheme Booklet and set out in full in clauses 3.6 and 15 of the Scheme Implementation Deed. If the Conditions are not satisfied or waived, or the Scheme Implementation Deed is terminated for another reason, then the Scheme will not be implemented, and: • you will retain your Mainstream Shares; • you will not receive the Scheme Consideration; and • Mainstream will continue to operate as a standalone company listed on the ASX (it will not be acquired by Apex). Depending on the reasons for the Scheme not being implemented, Mainstream may be liable to pay a Mainstream Break Fee to Apex and, in addition, repay any amounts owing under the Break Fee Loan Agreement (subject to the Subordination Deed), or Apex may be required to pay an Apex Break Fee to Mainstream. No Mainstream Break Fee is payable merely because Mainstream Shareholders do not approve the Scheme.	Sections 4,9.7.9 and 9.7.10
10	**What happens if the Scheme is approved, all Conditions are satisfied and the Scheme is implemented?**	If the Scheme becomes Effective and is implemented: • provided that you are a Mainstream Shareholder on the Record Date, all of your Mainstream Shares will be transferred to Apex, and you will receive the Scheme Consideration of $2.80 cash for each Mainstream Share you hold; and	Section 4

	Question	Answer	Section references
		• Mainstream will be acquired by Apex and delisted from the ASX, with the last day of trading on the ASX being close of trading on the Effective Date.	
11	**When will the Scheme become Effective?**	Subject to the satisfaction or, as applicable, waiver of the Conditions, and approval of the Court at the Second Court Hearing, the Scheme will become Effective on the Effective Date.	Timetable Section 4
12	**What do the Mainstream Directors recommend?**	The Mainstream Directors unanimously recommend that you vote in favour of the Scheme Resolution to approve the Scheme, in the absence of a Superior Proposal.[8] The reasons for the Mainstream Directors' recommendation are set out in Section 2.1 of this Scheme Booklet.	Chairman's Letter and Section 2.1
13	**How do the Mainstream Directors intend to vote?**	Each of the Mainstream Directors who own or Control Mainstream Shares at the time of the Scheme Meeting intend to vote in favour of the Scheme, in the absence of a Superior Proposal.	Chairman's Letter, Sections 2.1 and 9.1.1
14	**What is the Independent Expert's conclusion?**	The Independent Expert has concluded that the Scheme is in the best interests of Mainstream Shareholders. The Independent Expert, in arriving at that conclusion, assessed that the Scheme was fair and reasonable to the Mainstream Shareholders. The Independent Expert's Report is at Attachment 1 to this Scheme Booklet.	Chairman's Letter and Independent Expert's Report at Attachment 1
15	**When is the Exclusivity Period?**	The Exclusivity Period commenced on 27 June 2021. It will expire on the earlier of: • the End Date, being the later of 28 March 2022 or such later date as agreed by Mainstream and Apex (acting reasonably); • the date the Scheme Implementation Deed is terminated; and • the Implementation Date.	Section 9.7.3
16	**What is the Vistra Voting Deed and why is it relevant?**	The Vistra Voting Deed between Mainstream and Vistra BVI requires that Vistra will support any 'control transaction' (scheme of arrangement or takeover) that satisfies the following conditions: • the control transaction is for all of the shares in Mainstream; • the control transaction is for a price greater than $1.45 per Mainstream Share (noting that the Scheme Consideration offered by Apex is $2.80 per Mainstream Share); • the control transaction is recommended by the Mainstream Directors; and • if the control transaction is a scheme of arrangement, a scheme implementation deed is entered into by Mainstream with the bidder. The Apex Scheme satisfies the above conditions. Accordingly, by virtue of the Vistra Voting Deed, Vistra (or any person Vistra sells Mainstream Shares to) is required to vote its Mainstream Shares in favour of the Scheme. This provides greater certainty of transaction execution, which is for the benefit of all Mainstream Shareholders.	Sections 2.1.3 and 5.3.1
17	**What will happen if a Superior Proposal emerges?**	If Mainstream receives a Superior Proposal from a Third Party, there are certain steps that must be taken by Mainstream in respect of that proposal, including providing Apex with the opportunity under its Matching Right to submit a Counter Proposal within four Business Days. A summary of these steps is set out in Section 9.7. However, please see the question immediately below titled "What are the prospects of receiving a Superior Proposal?"	Section 9.7

[8] When assessing the Board's recommendation and considering how to vote on the Scheme Resolution, Mainstream Shareholders should read and take into account the interests of the Mainstream Directors set out in Section 9.1 and the accelerated vesting of the unvested Performance Rights held by Mainstream's CEO, Mr Martin Smith if the Scheme Resolution is passed by the Requisite Majorities of Mainstream Shareholders at the Scheme Meeting, as set out in Section 9.2.

	Question	Answer	Section references
18	**What are the prospects of receiving a Superior Proposal?**	The Go Shop Period enabled Mainstream and its Advisers to conduct a full and fair testing of the market over a 5 week period. At the conclusion of the Go Shop Period, Mainstream announced that a superior proposal had emerged from SS&C and Mainstream had entered into the SS&C SID. Following the conclusion of the Go Shop Period and entry into the SS&C SID, Mainstream continued to receive unsolicited offers for the acquisition of Mainstream by way of a scheme of arrangement which ultimately concluded with Mainstream entering into the Scheme Implementation Deed with Apex. Since the announcement of the Scheme on 28 June 2021 and up to the date of this Scheme Booklet, no Superior Proposal has emerged and there are no Third Party discussions underway with or anticipated by Mainstream or its Advisers in relation to any Competing Proposal.	Section 2 and 4
19	**When is a Mainstream Break Fee payable to Apex?**	Under the Scheme Implementation Deed, Mainstream must pay to Apex a Mainstream Break Fee in the circumstances detailed in Section 9.7.7. Mainstream Shareholders failing to pass the Scheme Resolution will not, of itself, result in the payment of the Mainstream Break Fee.	Section 9.7.7
20	**When is an Apex Break Fee payable to Mainstream?**	Under the Scheme Implementation Deed, Apex must pay to Mainstream an Apex Break Fee in the circumstances detailed in Section 9.7.8.	Section 9.7.8
21	**Why should you vote in favour of the Scheme?**	The Mainstream Directors have described in Section 2.1 of this Scheme Booklet the reasons why Mainstream Shareholders should vote in favour of the Scheme. A summary of these reasons is: • the Scheme Consideration represents a significant premium to Mainstream's share price prior to the announcement of the Scheme and an even greater premium to Mainstream's share price prior to announcement of the proposed scheme of arrangement with Vistra. The Scheme represents a positive outcome of a very successful Go Shop Period which was intended to fully and fairly test the scheme consideration of $1.20 cash offered by Vistra. The Scheme Consideration offered by Apex is 133.3% greater than the scheme consideration offered by Vistra; • Mainstream Shareholders can have confidence in the fact that because the Apex Scheme meets the requirements of the Vistra Voting Deed, Vistra (or any person it sells any Mainstream Shares to) is required to support the Scheme by voting in favour of and selling its Mainstream Shares into the Scheme; • the cash nature of the Scheme Consideration represents an opportunity for certainty for Mainstream Shareholders to realise immediate cash value for their Mainstream Shares, and provides certainty against certain risks that Mainstream and/or Mainstream Shareholders may otherwise have to mitigate or address to achieve that value, as described in Section 7, including Mainstream's business and general market risks; • the Independent Expert has concluded that the Scheme is in the best interests of Mainstream Shareholders; • the Scheme has limited conditionality and no onerous Conditions; • since the Scheme was announced, no Superior Proposal has emerged nor has the Mainstream Board (or Mainstream's Advisers) received any Superior Proposal from a Third Party, and there are no Third Party discussions underway with Mainstream in relation to any Competing Proposal; • if the Scheme is not implemented and there is no Superior Proposal, the Mainstream Directors believe that Mainstream	Section 2.1

	Question	Answer	Section references
		Shares are likely to trade at a lower price in the near term than the current price; and • no brokerage will be payable on the transfer of Mainstream Shares under the Scheme.	
22	**Why you might consider voting against the Scheme?**	The Mainstream Directors have described in Section 2.2 of this Scheme Booklet the reasons why you may decide to vote against the Scheme. A summary of these reasons is: • you may disagree with the Mainstream Directors' recommendation or the Independent Expert's conclusion and believe that the Scheme is not in your best interests; • you may believe there is an opportunity for increased value from Mainstream remaining as a standalone entity and prefer to have the opportunity to participate in the future financial performance of the Mainstream business; • you may believe it is in your best interests to maintain your current investment and risk profile; • you may consider that, despite comprehensive market testing by Mainstream and its Advisers including during the Go Shop Period, there is potential for a Superior Proposal to emerge in the foreseeable future; • the tax consequences of transferring your Mainstream Shares pursuant to the Scheme may not be optimal for your financial position; and • the Scheme may be subject to Conditions that you consider are unacceptable.	Section 2.2
23	**What are the risks for me if the Scheme is not implemented?**	If the Scheme is not implemented, and no Superior Proposal is received, you will continue to be a Mainstream Shareholder and participate in the future financial performance of Mainstream's business, and continue to be subject to the specific risks associated with Mainstream's business, and other general risks. Mainstream considers that Mainstream's share price is likely to fall or trade at a price below the Scheme Consideration of $2.80 cash per Mainstream Share, at least in the near term, if the Scheme is not implemented. Mainstream will also incur costs relating to the Scheme, which may impact the value of Mainstream's shares if the Scheme is not implemented. Finally, depending on the reasons why the Scheme is not implemented, Mainstream may have to repay the Break Fee Loan (subject to the Subordination Deed).	Section 7
24	**What happens if the Scheme becomes Effective?**	If the Scheme becomes Effective and is implemented, no further action is required on the part of the Scheme Participants in order to implement the Scheme. Under the Scheme, Mainstream is given authority to effect a valid transfer of all Mainstream Shares to Apex and to enter the name of Apex in the Register as holder of all the Mainstream Shares.	Section 4
25	**What should I do?**	You should read this Scheme Booklet carefully and in its entirety and then vote by attending the Scheme Meeting virtually (or appointing an attorney or, if you are a corporate shareholder, a corporate representative to attend the Scheme Meeting on your behalf) or vote by proxy by submitting a completed Proxy Form either online through Mainstream's website (https://www.mainstreamgroup.com/ListedRegistryPortal), or by email, mail or in person. Proxy voting closes 48 hours before the meeting. Full details of who is eligible to vote and how to vote are set out in Section 4 of this Scheme Booklet.	Section 4

	Question	Answer	Section references
	What Scheme Participants will receive under the Scheme		
26	**Who is entitled to participate in the Scheme?**	Each person who is a Mainstream Shareholder as at 7.00 pm (AEST) on the Record Date will be entitled to participate in the Scheme.	Timetable Section 4.9
27	**What will I receive if the Scheme becomes Effective and is implemented?**	If the Scheme is approved, becomes Effective and is implemented, Scheme Participants will receive $2.80 cash per Mainstream Share they hold on the Record Date.	Section 4
28	**When will I be paid?**	If you are a Scheme Participant, you will receive the Scheme Consideration on the Implementation Date.	Section 4
29	**How will I be paid?**	All payments will be made in AUD by direct deposit into the Scheme Participant's nominated Australian bank account as advised to the Share Registry. If no Australian bank account has been nominated, payments will be made by AUD cheque dispatched by prepaid post to the Scheme Participants address shown in the Register as at the Record Date.	Section 4
30	**What happens if a dividend is payable to Mainstream Shareholders?**	If the Scheme does not become Effective within 120 days from the date of the Scheme Implementation Deed (such date being 25 October 2021) Apex has agreed that Mainstream may pay a Permitted Dividend, being a fully franked cash dividend (provided that Mainstream's franking account does not go into deficit) on Mainstream Shares at any time after that date and on or prior to the Record Date. The Permitted Dividend would be approximately $0.01 per Mainstream Share per month. While the Scheme Implementation Deed is in force, Mainstream will not be declaring any dividend other than a Permitted Dividend.	Section 9.7.13
31	**What are the Australian tax implications of the Scheme?**	If the Scheme becomes Effective, there may be tax implications for Scheme Participants. The tax treatment will depend on the specific nature and characteristics of each individual Scheme Participant and their specific circumstances. Section 8 of this Scheme Booklet provides a general outline of the Australian income tax, capital gains tax, GST and stamp duty consequences for Scheme Participants. Section 8 is expressed in general terms and is not intended to provide taxation advice in respect of the particular circumstances of any Mainstream Shareholder. You should consult with your tax adviser regarding the tax consequences of disposing of your Mainstream Shares in accordance with the Scheme, in light of current tax laws and your particular circumstances.	Section 8
32	**Will I have to pay brokerage fees?**	No, you will not have to pay brokerage if your Mainstream Shares are acquired by Apex under the Scheme. If you dispose of your Mainstream Shares before the Record Date, brokerage fees may be payable.	
	Voting to approve the Scheme		
33	**When and where will the Scheme Meeting be held?**	The Scheme Meeting will be held virtually at 10.30 am (AEST) on 6 October 2021.	Notice of Scheme Meeting

	Question	Answer	Section references
34	**Am I entitled to vote at the Scheme Meeting?**	If you are registered as a Mainstream Shareholder on the Register at 7.00 pm (AEST) on 4 October 2021, you will be entitled to attend virtually and vote online at the Scheme Meeting.	Section 4
35	**What vote is required to approve the Scheme?**	For the Scheme to proceed and be implemented, the Scheme Resolution must be approved by the Requisite Majorities of Mainstream Shareholders, being: • a majority in number (more than 50%) of Mainstream Shareholders present and voting (in person or by proxy, attorney or corporate representative) at the Scheme Meeting (referred to as the 'Headcount Test'); and • at least 75% of the votes cast on the Scheme Resolution. It is also necessary for the Court to approve the Scheme at the Second Court Hearing before the Scheme can become Effective. Under the Scheme Implementation Deed, if the Scheme is not approved by reason only of the non-satisfaction of the Headcount Test and Apex considers (acting reasonably) that 'share splitting' (being where a shareholder splits its shares into two or more 'parcels' of shares) or some abusive or improper conduct may have caused or contributed to the Headcount Test not being satisfied, Mainstream is required to apply for a Court order (under the Court's discretion) to approve the Scheme notwithstanding that the Headcount Test was not satisfied.	Section 4
36	**What choices do I have as a Mainstream Shareholder?**	As a Mainstream Shareholder, you have the following choices: • you can vote for or against the Scheme online, by proxy, by attorney or by corporate representative (if you are a corporate shareholder) at the Scheme Meeting; • you can elect not to vote at the Scheme Meeting; • you can sell your Mainstream Shares on market at any time before the close of trading on the ASX on the Effective Date; • you can sell your Mainstream Shares privately following the Effective Date provided that the transfer is lodged with the Share Registry by no later than 5:00 pm on the day on which the Record Date occurs; or • you can do nothing, in which case, if the Scheme becomes Effective and is implemented, your Mainstream Shares will be transferred to Apex and you will receive the Scheme Consideration, or, if the Scheme does not become Effective and is not implemented, you will continue to hold your Mainstream Shares.	Section 4
37	**Is voting compulsory?**	Voting is not compulsory. However, the Scheme will only be successful if it is approved by the Requisite Majorities of Mainstream Shareholders. The Mainstream Directors believe that the Scheme is important for all Mainstream Shareholders, and they unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal.[9] If the Scheme is approved by the Requisite Majorities at the Scheme Meeting and by the Court, and is implemented, you will be bound by the Scheme whether or not you voted and whether or not you voted in favour of it.	Section 4
38	**How do I vote?**	You may vote by attending the Scheme Meeting. Alternatively, you may vote by proxy by completing and lodging the Proxy Form online through Mainstream's website (https://www.mainstreamgroup.com/ListedRegistryPortal) or by submitting it in person, by mail or by email.	Section 4, Attachment 4and Attachment 5

[9] When assessing the Board's recommendation and considering how to vote on the Scheme Resolution, Mainstream Shareholders should read and take into account the interests of the Mainstream Directors set out in Section 9.1 and the accelerated vesting of the unvested Performance Rights held by Mainstream's CEO, Mr Martin Smith if the Scheme Resolution is passed by the Requisite Majorities of Mainstream Shareholders at the Scheme Meeting, as set out in Section 9.2.

	Question	Answer	Section references
		You can also vote by appointing a corporate representative (if you are a corporate shareholder) or an attorney to attend the Scheme Meeting online and vote on your behalf. Full details of how to vote (including by proxy, corporate representative appointment or power of attorney) are set out in Sections 4.5 to 4.9 of this Scheme Booklet.	
39	**What happens if I do not vote, or I vote against the Scheme?**	If you do not vote, or if you vote against the Scheme, the Scheme may not be approved at the Scheme Meeting. If this occurs the Scheme will not be implemented. If the Scheme is not implemented: • the Scheme Consideration will not be paid to Scheme Participants; • Mainstream will continue to be listed on the ASX; • Mainstream Shareholders will retain their Mainstream Shares and continue to share in any risks and benefits of Mainstream's ongoing business. Details of these risks are set out in Section 7; and • if no Superior Proposal emerges, Mainstream Shares will likely trade at a lower price in the near term than the current Mainstream Share price as at the date of this Scheme Booklet, in the absence of substantially improved market conditions. If the Scheme is approved by the Requisite Majorities at the Scheme Meeting and by the Court, and is implemented, all Mainstream Shares that you hold on the Record Date will be transferred to Apex and you will receive the Scheme Consideration for your Mainstream Shares. This will occur even if you did not attend the Scheme Meeting, or did not vote, or voted against the Scheme.	Sections 4 and 7
40	**When will the result of the Scheme Meeting be known?**	The results of the Scheme Meeting will be available shortly after the conclusion of the Scheme Meeting and will be announced to the ASX (https://www2.asx.com.au/) and accessible on the Mainstream website (https://www.mainstreamgroup.com/). Even if the Scheme Resolution is approved by the Requisite Majorities at the Scheme Meeting, the Scheme will not become Effective unless Court approval of the Scheme is obtained at the Second Court Hearing and all of the Conditions are satisfied or waived.	
	Questions about Apex		
41	**Is Apex related to Mainstream?**	As at the date of the Scheme Booklet, neither Apex, Apex Group Ltd nor any of their associates have a Relevant Interest in any Mainstream Shares.	Section 6
42	**Who is Apex?**	Apex is an Australian proprietary limited company incorporated on 9 April 2021 for the purposes of acquiring the Mainstream Shares pursuant to the terms of the Scheme. Apex is a wholly owned, indirect, subsidiary of Apex Group Ltd. Apex Group, established in Bermuda in 2003, is a global financial services provider. With the addition of Mainstream, the Apex Group will have 50 offices worldwide and over 5,000 employees and nearly USD $1.3 trillion in assets serviced across administration, depositary, custody, and under management. The Apex Group delivers a full suite of services to its global client including asset managers, capital markets, family offices and corporates. The Apex Group's core offerings include fund services, digital banking and bank accounts, depositary, custody, super ManCo services, compliance solutions, corporate services, business services including HR and payroll and a pioneering ESG Ratings and advisory service for private companies.	Section 6

	Question	Answer	Section references
43	**How is Apex funding the Scheme Consideration?**	The Apex Group intends to fund the Scheme Consideration from its existing internal cash reserves. As at the date of this Scheme Booklet, the Apex Group has more than $415 million in available cash that has been reserved to satisfy its obligation to pay the Scheme Consideration. The implementation of the Scheme is not contingent on the Apex Group confirming its funding arrangements.	Sections 2.1.5 and 6.6
	Other		
44	**Can I keep my Mainstream Shares?**	If the Scheme is approved by the Requisite Majorities at the Scheme Meeting and by the Court, and is implemented, all your Mainstream Shares will be transferred to Apex. This will happen even if you did not vote, or if you voted against the Scheme. If the Scheme does not become Effective and is not implemented, you will continue to hold your Mainstream Shares.	Sections 2 and 4
45	**Can I sell my Mainstream Shares on the ASX before the Scheme becomes Effective?**	Yes, you can sell your Mainstream Shares on the ASX up to and including the Effective Date. Trading in Mainstream Shares on the ASX will be suspended following close of trading on the Effective Date, so you will not be able to sell your Mainstream Shares on the ASX after that time. If you sell your Mainstream Shares on the ASX: ▪ you may pay brokerage on the sale; and ▪ you will not receive the Scheme Consideration. Shareholders may also sell their Mainstream Shares privately following the Effective Date provided that the transfer is lodged with the Share Registry by no later than 5:00pm on the day on which the Record Date occurs.	Section 4.4
46	**Are there any other approvals required?**	The change of control of Mainstream arising from the Scheme must be approved by Authorities in a number of jurisdictions in which Mainstream operates and by the Commonwealth Treasurer under FATA (commonly known as FIRB Approval). Apex has received written notice from FIRB that the Commonwealth Treasurer has no objection to the acquisition by Apex of Mainstream Shares under the Scheme. The Scheme must be approved by the Court on the Second Court Date. If the Scheme is approved by the Requisite Majorities of Mainstream Shareholders at the Scheme Meeting, Mainstream will apply to the Court for approval of the Scheme. Further details of the Court approval process are set out in Section 4.15 of this Scheme Booklet.	Sections 9.7.1 and 4.15
47	**Do I need to do or sign anything to participate in the Scheme and transfer my Mainstream Shares?**	No. If the Scheme becomes Effective and the Scheme is implemented: • To participate in the Scheme (if it is implemented), you simply need to hold Mainstream Shares on the Record Date. • Mainstream will automatically have authority to sign a transfer document on behalf of the Scheme Participants. You should be aware that, if you are a Scheme Participant, you will be deemed to have warranted to Mainstream, and authorised Mainstream to warrant to Apex on your behalf, that: • all of your Mainstream Shares are fully paid and free from all encumbrances (for example, mortgages or other Security Interests); • you have full power and capacity to transfer your Mainstream Shares to Apex; and • you have no existing right to be issued any Mainstream Shares.	Section 4
48	**Who is the Independent Expert?**	The Mainstream Board appointed Deloitte Corporate Finance Pty Limited ACN 003 833 127 as Independent Expert to provide a report as	Sections 2, 9.4.1 and

	Question	Answer	Section references
		to whether the Scheme is in the best interests of Mainstream Shareholders.	Attachment 1
49	**How was the Independent Expert appointed?**	The Mainstream Board undertook a review of potential independent experts, having regard to their expertise and previous experience in similar transactions. The Independent Expert was selected after this process and has confirmed its independence and ability to act as Independent Expert in relation to the Scheme.	
50	**What if I have further questions about the Scheme?**	If Mainstream Shareholders have any questions in relation to the Scheme or require further information they should call the Share Registry on 1300 658 680 (within Australia) or +61 2 8259 8885 (outside Australia), Monday to Friday (excluding New South Wales public holidays), between 8.30 am and 5.30 pm (AEST).	

4. Details of the Scheme and how to vote

4.1 Overview

On 28 June 2021, Mainstream announced that it had entered into the Scheme Implementation Deed with Apex, which provides for Scheme Consideration of $2.80 per Mainstream Share. Under the terms of the Scheme Implementation Deed it is proposed that Apex will acquire all Mainstream Shares by way of the Scheme and Mainstream has agreed to propose the Scheme to Mainstream Shareholders, noting the Scheme is subject to the satisfaction or waiver of certain Conditions. A copy of the Scheme Implementation Deed is attached to Mainstream's ASX announcement of 28 June 2021 and is available on the ASX website (https://www2.asx.com.au/).

By way of background, on 9 March 2021, Mainstream announced that it had entered into the Vistra SID, under which Vistra agreed that, subject to satisfaction of certain conditions, it would acquire 100% of the equity interests in Mainstream by way of scheme of arrangement for consideration of $1.20 cash per Mainstream Share.

The Vistra SID allowed Mainstream and its Advisers a 5 week 'Go Shop Period' to approach the market and solicit competing proposals from other prospective buyers to acquire the Mainstream business. During the Go Shop Period several parties (including Apex and SS&C) conducted due diligence on Mainstream. The Go Shop Period enabled a full and fair testing of the $1.20 cash per Mainstream Share offer by Vistra. The Go Shop Period ended at 11:59pm (AEST) on 11 April 2021.

Following the conclusion of the Go Shop Period, on 12 April 2021 Mainstream announced that a superior proposal to Vistra's offer had emerged from SS&C at a price of $2.00 cash per share, being a 67% increase from the scheme consideration offered by Vistra, and that Mainstream had entered into the SS&C SID.

Vistra then had a 'matching right' until Friday 16 April 2021 to match or better SS&C's offer. However, as announced by Mainstream on 19 April 2021 Vistra did not match. Accordingly, the Mainstream Board resolved to unanimously recommend the SS&C Scheme. On 19 April 2021, Mainstream terminated the Vistra SID and, paid Vistra a break fee of $1.708 million plus GST.

Following termination of the Vistra SID and the SS&C SID coming into full force and effect, and despite the Go Shop Period having ended, Mainstream continued to receive unsolicited offers from Apex for the acquisition of Mainstream by way of scheme of arrangement, which SS&C in turn responded to (including, where an offer was determined to be a superior proposal by the Mainstream Board, by exercising its matching right). On 10 June 2021 Mainstream received an offer from Apex to acquire 100% of the equity interests in Mainstream for $2.80 per Mainstream Share. In accordance with the SS&C SID, SS&C was given notice of the Apex offer and had the ability to match the Apex offer. SS&C did not exercise its matching right.

Accordingly, on 27 June 2021 Mainstream entered into the Scheme Implementation Deed with Apex for the Scheme Consideration of $2.80 per Mainstream Share.

Some of the key terms of the Scheme Implementation Deed are summarised in this Section 4. The terms of the Scheme Implementation Deed, including the Conditions, are described in more detail in Section 9.7 of this Scheme Booklet.

Further details of Apex are set out in Section 6.

4.2 Key steps

The key steps to implement the Scheme are:

- At the Scheme Meeting Mainstream Shareholders will have an opportunity to vote to approve the Scheme.
- If Mainstream Shareholders approve the Scheme Resolution by the Requisite Majorities at the Scheme Meeting, and all Conditions (other than Court approval) have been satisfied or waived, Mainstream will apply to the Court for approval of the Scheme.
- If the Court approves the Scheme, Mainstream will lodge with ASIC a copy of the Court orders approving the Scheme. The date on which this occurs will be the Effective Date, and will be the last day for trading of Mainstream Shares on the ASX.
- On the Implementation Date, Apex will acquire all of the Mainstream Shares from Scheme Participants and will pay the Scheme Consideration.
- After the Scheme becomes Effective, Mainstream will apply for suspension of trading in Mainstream Shares, and Mainstream will be removed from the official list of the ASX.

4.3 Scheme Consideration

If the Scheme is implemented, Mainstream Shareholders on the Register on the Record Date (being 7.00 pm (AEST) on the second Business Day following the Effective Date), will receive the Scheme Consideration of $2.80 cash per Mainstream Share in respect of the Mainstream Shares they hold on the Record Date.

The Scheme Consideration will be paid on the Implementation Date.

All payments will be made where a Scheme Participant has, before the Record Date, made a valid election in accordance with the requirements of the Share Registry.

All payments will be made in AUD by electronic funds transfer to an Australian bank account nominated by the Scheme Participant in accordance with that election. If no Australian bank account has been nominated and no other arrangements have been agreed with Mainstream, a cheque for the relevant amount in Australian currency will be dispatched by prepaid post to that Scheme Participant’s address shown in the Register as at the Record Date.

For Mainstream Shares held in joint names, the relevant payment will be made to the joint holders and the cheque will be sent to the holder whose name appears first in the Register as at the Record Date.

Mainstream may cancel a cheque if it is returned to Mainstream or has not been presented for payment within six months after the date on which the cheque was sent, and the *Unclaimed Money Act 1995* (NSW) will apply in relation to any Scheme Consideration which becomes ‘unclaimed money’ under that Act.

If the Scheme Meeting is adjourned or the Effective Date is otherwise delayed, payments of the Scheme Consideration to Scheme Participants described above may also be delayed.

Under the terms of the Scheme, Apex is required to deposit (or procure the deposit of) an amount equal to the aggregate amount of the Scheme Consideration into an Australian dollar denominated trust account, operated by Mainstream as trustee for the Scheme Participants, by no later than the Business Day before the Implementation Date. Then, on the Implementation Date, Mainstream will procure the payment from the trust account of the Scheme Consideration to each Scheme Participant in accordance with the above.

4.4 Your choices as a Mainstream Shareholder

As a Mainstream Shareholder, you have the following choices:

- you can vote for or against the Scheme at the Scheme Meeting online, by attorney, by proxy or, in the case of corporate shareholders, by corporate representative;
- you can elect not to vote at the Scheme Meeting;
- you can sell your Mainstream Shares on market at any time before the close of trading on the ASX on the Effective Date;
- you can sell your Mainstream Shares privately following the Effective Date provided that the transfer is lodged with the Share Registry by no later than 5.00 pm on the day on which the Record Date occurs; or
- you can do nothing, in which case:
  - if the Scheme becomes Effective and is implemented, your Mainstream Shares will be transferred to Apex and you will receive the Scheme Consideration; or
  - if the Scheme does not become Effective and is not implemented, you will continue to hold your Mainstream Shares.

You should be aware that even if you do not attend the Scheme Meeting online, or do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majorities of Mainstream Shareholders and by the Court, and if the Scheme becomes unconditional. If this occurs, any Mainstream Shares that you hold on the Record Date will be transferred to Apex and you will receive the Scheme Consideration for those Mainstream Shares, even though you did not vote on, or voted against, the Scheme.

4.5 How to vote online

Vote online at the Scheme meeting: via https://web.lumiagm.com/336923668 (see below for details).

How to attend and vote online:

- Mainstream Shareholders can watch and participate in the Scheme Meeting virtually online via the online platform by using a web-browser at https://web.lumiagm.com on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible.
- Please refer to the Lumi Online Meeting Guide on Mainstream's website at https://www.mainstreamgroup.com/shareholder-centre/.
- **The meeting** ID for the Scheme Meeting is: 336-923-668
- **Your username** is your SRN/HIN
- **Your password** which is your postcode registered on your holding if you are an Australian shareholder. Overseas shareholders should refer to the user guide for their password details.

- Participation at the Scheme Meeting online enables Mainstream Shareholders to view the Scheme Meeting live, ask questions and cast votes at the appropriate times during the Scheme Meeting.

4.6 How to vote by attorney or corporate representative

Persons who are attending virtually as an attorney must provide a certified copy of the power of attorney to the Share Registry by no later than 10.30am (AEST) on 4 October 2021.

Persons who are attending as a corporate representative for a corporation must provide evidence of their appointment. The appointment must comply with section 250D of the Corporations Act and must be lodged with the Share Registry. You should contact the Share Registry on how to lodge the authority to act as a corporate representative.

4.7 How to vote by proxy

A Proxy Form for the Scheme Meeting was included with (or accessible via) the letter to Mainstream Shareholders advising of the Scheme Meeting and how to obtain a copy of this Scheme Booklet.

You may vote by proxy by completing and lodging the Proxy Form online through Mainstream's website (https://www.mainstreamgroup.com/ListedRegistryPortal). Alternatively, the Proxy Form can be lodged in person, by mail or by email. Further information setting out how you may vote by proxy is contained in the Notice of Scheme Meeting at Attachment 4.

If your Proxy Form is signed by an attorney, please also enclose the authority under which the proxy is signed (or a certified copy of the authority).

Proxy Forms should be completed and lodged in accordance with the instructions set out on the Proxy Form.

All Proxy Forms, together with any power of attorney or authority under which the Proxy Form is signed, must be received no later than 10.30am (AEST) on 4 October 2021 (48 hours prior to the commencement of the Scheme Meeting). Proxy votes received after this time will be invalid.

Your appointment of a proxy does not preclude you from attending in person (online only) and voting at the Scheme Meeting. The appointment of your proxy is not revoked merely by your attendance to, and participation in, the Scheme Meeting. However if you vote on the Scheme Resolution, any vote made by your proxy on your behalf will not be counted.

4.8 Eligibility to vote

The time for determining eligibility to vote at the Scheme Meeting is 7.00 pm (AEST) on 4 October 2021. Only those Mainstream Shareholders entered on the Register at that time will be entitled to attend and vote at the Scheme Meeting.

4.9 How to ask questions

Mainstream Shareholders who would like to ask questions at the Scheme Meeting are encouraged to do so in writing before the Scheme Meeting by emailing their questions to company.secretary@mainstreamgroup.com prior to 10.30am on 4 October 2021.

Alternatively Mainstream Shareholders can submit questions when attending the Scheme Meeting virtually. More information regarding how to participate in the Scheme Meeting online (including how to ask questions online during the meeting) is set out in Section 4.5 and in the Notice of Scheme Meeting set out in Attachment 4.

4.10 Record Date

Those Mainstream Shareholders on the Register on the Record Date, being 7.00 pm (AEST) on the second Business Day following the Effective Date, will be entitled to receive the Scheme Consideration in respect of the Mainstream Shares they hold as at the Record Date.

4.11 No trading on ASX after Effective Date

After the Scheme becomes Effective, Mainstream will apply for suspension of trading in Mainstream Shares. The last date for trading Mainstream Shares on the ASX will be the Effective Date.

4.12 Determination of entitlement to Scheme Consideration

For the purposes of establishing who are Scheme Participants, dealings in Mainstream Shares will only be recognised if:

- in the case of dealings of the type to be effected by CHESS, the transferee is registered in the Register as the holder of the relevant Mainstream Shares on or before the Record Date; and

- in all other cases, registrable transmission applications or transfers in respect of those dealings are received on or before 5.00 pm on the day on which the Record Date occurs at the Share Registry.

Subject to the Corporations Act, Listing Rules and Mainstream's constitution, Mainstream must register transmission applications or transfers which it receives by 5.00 pm on the day on which the Record Date occurs. Mainstream will not accept for registration or recognise for any purpose any transmission application or transfer in respect of Mainstream Shares received after that time.

4.13 Deemed warranty that Mainstream Shares are fully paid and free of encumbrances on transfer of Mainstream Shares to Apex

Under the terms of the Scheme, each Scheme Participant is deemed to have warranted to Apex, and appointed and authorised Mainstream as its attorney and agent to warrant to Apex that all of their Mainstream Shares (including any rights and entitlements attaching to their Mainstream Shares) will, at the time of the transfer, be fully paid and free from all encumbrances (such as mortgages and other Security Interests), that they have full power and capacity to transfer their Mainstream Shares (including any rights and entitlements attaching to those Mainstream Shares) to Apex and that they have no existing right to be issued any Mainstream Shares.

Under the terms of the Scheme, Mainstream undertakes that it will provide such warranties to Apex as agent and attorney of each Scheme Participant.

You should ensure that your Mainstream Shares are free of all encumbrances (such as mortgages or other Security Interests).

Scheme Participants should be aware that, to the extent that this warranty is untrue in respect of their Mainstream Shares, and their Mainstream Shares are not transferred under the Scheme free from all encumbrances, they may be liable to compensate Apex for any damage caused to Apex resulting from that failure to transfer.

4.14 Deed Poll

On or about 2 August 2021, Apex executed the Deed Poll under which Apex agreed, subject to the Scheme becoming Effective, to pay the Scheme Consideration to Mainstream for distribution to the Scheme Participants and acquire all Scheme Shares held by Scheme Participants under the Scheme. A summary of the key terms of the Deed Poll is set out in Section 9.11. A copy of the Deed Poll is also included at Attachment 2.

4.15 Court approval

Mainstream will apply to the Court for an order approving the Scheme if:

- the Scheme is approved by the Requisite Majorities at the Scheme Meeting; and
- all other Conditions to the Scheme (except Court approval of the Scheme) have been satisfied or waived (if capable of waiver).

The Court has discretion as to whether to grant the orders approving the Scheme, even if the Scheme is approved by the Requisite Majorities.

Each Mainstream Shareholder and, with the Court's permission, any other interested person has the right to appear at the Second Court Date.

The Second Court Date is currently scheduled to be 10.15 am (AEST) on 15 October 2021, though an earlier date may be sought. Any change to this date will be notified on Mainstream’s website (https://www.mainstreamgroup.com/).

5. Information on Mainstream

5.1 Overview of Mainstream

5.1.1 Overview and history

Mainstream is a leading global fund administrator headquartered in Sydney, Australia. Mainstream was formed in 2006 and has been listed on the ASX since 2015, trading under the ASX code: MAI.

As at 31 December 2020, Mainstream provided administration services to 1,202 funds and more than 157,000 investors. With over 360 clients, Mainstream has funds under administration of approximately AUD $224 billion.

5.1.2 Current operations

Mainstream provides global outsourced fund administration and custody services to a range of wealth management sector participants. Its clients are all manufacturers or distributors of investment products. Clients include investment managers, private equity funds, superannuation trustees and family investment offices.

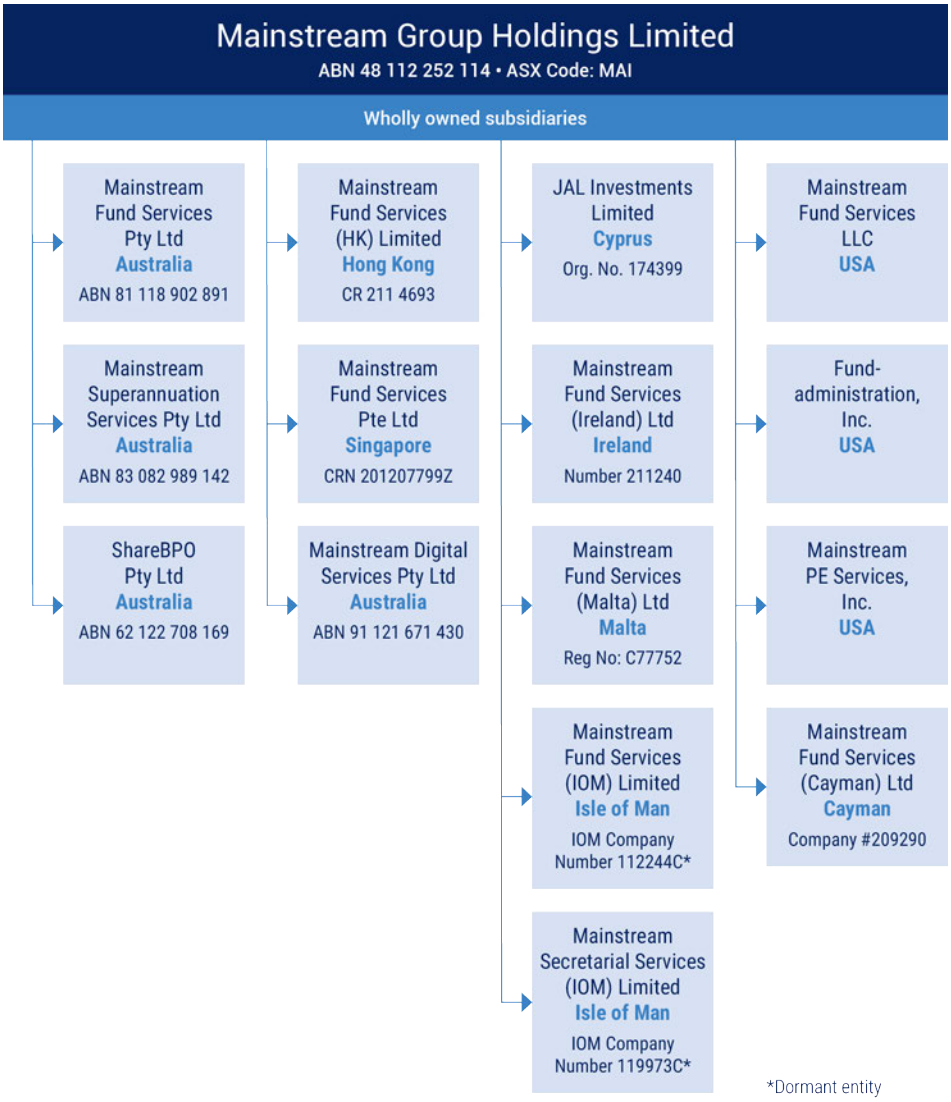
As at 31 December 2020, Mainstream employed 305 people, with operations in the following three regions:

- Asia-Pacific (Australia, Hong Kong and Singapore);
- Americas (USA and the Cayman Islands); and
- Europe (Ireland, Malta and the Isle of Man).

Global revenue from the provision of funds services, including custody, accounted for 98% of the Mainstream Group’s revenue in FY20, with the balance of Mainstream’s FY20 revenue (2%) relating to revenue from superannuation services.

5.1.3 Mainstream Group structure

The Mainstream Group structure is as follows.



5.2 Directors and senior management

5.2.1 Mainstream Board

As at the date of this Scheme Booklet, the Mainstream Directors are:

(a) **Byram Johnston OAM - Non-Executive Director since December 2004 & Chairman of the Mainstream Board**

Byram co-founded Mainstream and serves as its Non-Executive Chairman. Before establishing Mainstream, Byram served as the managing partner at Arthur Anderson in Sydney, Australia and has a strong advisory and consulting background. Byram was previously Chairman of ASX listed companies Greencap Ltd and Powerland Ltd and is a former Chairman of ASIC's Audit Committee. Byram is a Fellow of the Institute of Chartered Accountants and holds a Bachelor of Economics Degree from the University of Sydney. He was awarded an Order of Australia in 2004 for services to the accounting, medical research and motor sport industries.

(b) **Martin Smith - Chief Executive Officer since May 2017 and Executive Director since December 2004**

Martin is a founder, director and the CEO of Mainstream. Based in Sydney, Australia he has over 25 years of accounting, consulting and business leadership experience, more than 18 of which have been in fund administration. Prior to co-founding Mainstream in 2006, Martin worked for Financial BPO, The IQ Business Group and Arthur Andersen Business Consulting designing, implementing and managing outsourcing/shared services arrangements across a range of industries. Martin holds a Bachelor of Business, a Masters of Commerce and is a Certified Practising Accountant.

(c) **John Plummer - Non-Executive Director since July 2015**

John joined the Mainstream Board in 2015. John's professional experience includes more than 30 years of strategy, outsourcing, investment and business leadership experience. John held executive and non-executive roles with Chandler Macleod Ltd, retiring as Deputy Chairman, and has previously served on the board 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 member of the Chartered Governance Institute. John holds a Bachelor of Commerce (Marketing) from the University of New South Wales and a Masters of Business Administration from Macquarie University.

(d) **JoAnna Fisher - Non-Executive Independent Director since May 2018**

JoAnna joined the Mainstream Group Board in 2018. JoAnna has more than 20 years of senior management experience in funds management, capital markets and wholesale banking both in Australia and overseas. Her commercial experience includes serving as General Manager of Corporate Bank at Commonwealth Bank and Senior Vice President at Bankers Trust in Japan, New York and Sydney. JoAnna is currently Non-Executive Chair and Director of Morphic Ethical Equity Fund. She has also sat on the boards and committees of a number of investment management and not-for-profit organisations. JoAnna holds a Bachelor of Economics (Accounting) and Bachelor of Arts (Asian Studies) from the Australian National University and is a graduated member of the Australian Institute of Company Directors.

(e) **Debbie Last - Non-Executive Independent Director since July 2019**

Debbie joined the Board in 2019. Debbie has over 25 years of experience in the financial services sector. She has held senior executive positions including CFO of NAB Asset Management and director of a number of related entities. Debbie was also a Partner of PwC Sydney and KPMG London. She is currently Chief Financial Officer and Director of Corporate Services of St Vincent's Health Network Sydney. Debbie holds a Bachelor of Commerce from the University of Melbourne and is a Chartered Accountant.

5.2.2 The Mainstream Board's intentions

If the Scheme is implemented, Mainstream will become a wholly-owned Subsidiary of Apex and the Mainstream Board will be reconstituted in accordance with instructions of Apex.

It will be the responsibility of the reconstituted Mainstream Board to determine its intentions as to:

- the continuation of the business of Mainstream and/or how the business of Mainstream will be conducted;
- any major changes to be made to the business of Mainstream; and
- the future employment of the present employees of Mainstream.

Apex's current intention in relation to these matters is set out in Section 6.

If the Scheme is not implemented, the current intention of the Mainstream Board is to continue the operations of Mainstream in the ordinary course as a standalone entity listed on the ASX.

5.2.3 Mainstream senior management

As at the date of this Scheme Booklet, the senior managers of Mainstream are:

Name	Current Position
Martin Smith	Group Chief Executive Officer
Stacey Kelly	Chief Financial Officer
Silva Seferian Jacotine	Head of Risk and General Counsel
Alicia Gill	Head of Marketing and Company Secretary
Jenny Elhassan	Head of Transitions and Project Management Office
Tony Hawker	Head of Technology
Rachel Parris	Head of Human Resources
Nick Happell	Chief Executive Officer, Asia-Pacific
Andy Harrison	Chief Executive Officer, Australia
Jay Maher	Chief Executive Officer, Americas
Angela Nightingale	Chief Executive Officer, Mainstream Fund Services (Cayman) Limited
Barbara Purcell	Chief Executive Officer, Mainstream Fund Services Ireland
Natalya Pace	Country Manager, Malta
Amber Lo	Country Manager, Hong Kong
John Davis	Managing Director, Singapore
Nick Bradford	Head of Client Services

5.3 Capital Structure

5.3.1 Mainstream Shares on issue and Top 20 Mainstream Shareholders

As at 28 June 2021, Mainstream had 138,089,440 Mainstream Shares on issue, and the top 20 registered Mainstream Shareholders accounted for approximately 81% of Mainstream Shares on issue, as outlined in the table below.

Holder	Shares Held	% Held
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	16,534,057	11.97%
VISTRA GROUP HOLDINGS (BVI) LIMITED	13,808,805	9.99%
SODOR HOLDINGS PTY LTD	13,522,963	9.79%
JOHNSTON BROS PTY LTD	12,956,088	9.38%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	11,395,393	8.25%
JOHN PLUMMER	9,653,591	6.99%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	7,278,970	5.27%
CITICORP NOMINEES PTY LIMITED	5,583,665	4.04%
BNP PARIBAS NOMS PTY LTD	3,053,917	2.21%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	2,963,880	2.15%
FILDOT INVESTMENTS LIMITED	2,715,542	1.97%
NATIONAL NOMINEES LIMITED	2,642,530	1.91%
CS THIRD NOMINEES PTY LIMITED	2,593,661	1.88%
MR GERALD F MAHER	2,500,000	1.81%
MR MARTIN CHARLES SMITH	1,383,510	1.00%
KALAN SEVEN PTY LTD	1,060,557	0.77%
CERTANE CT PTY LTD	800,000	0.58%
ANDREW HARRISON	799,769	0.58%
MR BYRAM THOMAS JOHNSTON	652,960	0.47%
MR NICHOLAS JAMES BRADFORD	615,853	0.45%
	112,515,711	**81.48%**

Under the Vistra SID, Vistra had agreed, in the context of the “Go Shop” arrangements that were negotiated as part of the Vistra SID, that if Mainstream decided to accept a “Superior Proposal” (as defined in the Vistra SID) and that “Superior Proposal” was a “Qualifying Superior Proposal” (as also defined in the Vistra SID), Vistra would vote any Mainstream Shares held by it in favour of the Qualifying Superior Proposal.

Vistra BVI has subsequently agreed with Mainstream under the Vistra Voting Deed that it will support a qualifying ‘control transaction’ (scheme of arrangement or takeover) in respect of Mainstream provided certain conditions are met. Those conditions are met by the Scheme. Accordingly, Vistra BVI (or any person to whom it transfers any Mainstream Shares) is required to vote in favour of the Apex Scheme. This provides greater certainty of transaction execution, which is for the benefit of all Mainstream Shareholders.

5.3.2 Mainstream Performance Rights on issue

As at 28 June 2021, Mainstream had 4,767,982 unquoted Performance Rights on issue, each of which were issued pursuant to the Mainstream Share Plan Rules, as follows:

Vesting Date	Number of Performance Rights due to vest

On or about 1 October 2021	1,652,255
On or about 1 October 2022	449,060
On or about 1 October 2023	166,667
Subject to achievement of US Private Equity revenue targets	2,500,000
	4,767,982

It is a Condition of the Scheme Implementation Deed that, subject to Court approval of the Scheme, the Mainstream Board, to the extent necessary, exercise its discretion (including pursuant to the terms of the Mainstream Share Plan Rules) and do all other things necessary (including seeking any required waivers from the ASX or passing any necessary resolutions of the Mainstream Board) to ensure that all of the Performance Rights will become exercisable, will be exercised, and the resulting Mainstream Shares be issued (in order for the holders of the Performance Rights to participate in the Scheme) on or before the Record Date.

5.3.3 Other Mainstream Securities

Mainstream has no securities on issue other than Mainstream Shares and Performance Rights.

5.3.4 Mainstream Shares at Record Date

The total number of Mainstream Shares on issue at the Record Date is expected to be 142,857,422, being the:

- current 138,089,440 ordinary Mainstream Shares on issue; plus
- Mainstream Shares to be issued on the vesting of the 4,767,982 Performance Rights.

5.4 Financial information

Set out below is financial information about Mainstream for the financial years ended 30 June 2019 (**FY19**), 30 June 2020 (**FY20**) and the first half results for financial year 30 June 2020 i.e., as at 31 December 2020 (**1HFY21**). The information has been extracted from Mainstream's audited financial statements.

Further detail about Mainstream's financial performance can be found in:

- Mainstream's Annual Reports for FY19 and FY20; and
- Mainstream's Interim Financial Report for 1HFY21,

each of which can be found on Mainstream's website (https://www.mainstreamgroup.com/financial-information/) and on the ASX website (https://www2.asx.com.au/).

5.4.1 Consolidated Statement of Profit or Loss and Other Comprehensive Income

Below is a summary of Mainstream's Consolidated Statement of Profit or Loss and Other Comprehensive Income for FY19, FY20 and 1HFY21.

Mainstream Consolidated Profit or Loss and Other Comprehensive Income (AUD $)	FY19	FY20	1HFY21
Revenue			
Fee income from contracts with customers	45,548,485	50,227,684	28,712,388
Other operating income	2,502,736	2,861,106	1,811,453
Interest income	1,980,852	2,263,824	973,746
Total Revenue	**50,032,073**	**55,352,614**	**31,497,587**
Expenses			
Employee benefits expense	(28,928,985)	(32,371,031)	(16,351,774)
IT support expenses and data	(6,774,445)	(8,206,112)	(5,030,020)
Accounting and audit fees	(789,459)	(1,013,520)	(556,538)
Bank fees and charges	(207,882)	(257,257)	(90,426)
Insurance	(352,687)	(532,751)	(331,156)
Interest expense	(418,275)	(501,961)	(195,255)
Legal fees	(169,129)	(711,293)	(376,075)
Consulting fees	(254,713)	(154,562)	(92,947)
Occupancy and overheads	(3,504,219)	(977,195)	(406,950)
Transaction costs	(36,378)	(777,266)	(137,596)
Marketing and Advertising	(275,100)	(319,987)	(130,380)
Travel and Accommodation	(371,509)	(326,147)	(3,140)
General and other expenses	(930,975)	(493,288)	(551,649)
Share-based payments expense	(1,697,114)	(1,733,964)	(2,985,707)
Depreciation expense	(1,281,416)	(3,858,031)	(2,122,062)
Amortisation expenses	(1,646,982)	(1,537,253)	(768,104)
Goodwill Impairment	(2,847,286)	0	0
Total Expenses	**(50,486,554)**	**(53,771,618)**	**(30,129,779)**
Profit/ (Loss) before income tax expense	**(454,481)**	**1,580,996**	**1,367,808**
Income tax expense	(686,084)	(1,035,235)	(955,929)
Profit/ (Loss) after income tax expense	**(1,140,565)**	**545,761**	**411,879**
Other comprehensive income/ (loss)			
Exchange differences on translation of foreign subsidiaries	286,842	(68,851)	(668,612)
Other comprehensive income/ (loss) for the year, net of tax	**286,842**	**(68,851)**	**(668,612)**
Total comprehensive income/ (loss) for the year	**(853,723)**	**476,910**	**(256,733)**

5.4.2 Consolidated Statement of Financial Position

Below is a summary of Mainstream's Consolidated Statement of Financial Position for FY19, FY20 and 1HFY21.

Mainstream Consolidated Statement of Financial Position (AUD $)	FY19	FY20	1HFY21
Assets			
Current Assets			
Cash and cash equivalents	11,676,758	14,739,742	14,946,758
Trade and other receivables	8,275,013	8,378,330	9,036,316
Other current assets	2,203,987	2,628,069	4,015,582
Total Current Assets	**22,155,758**	**25,746,141**	**27,998,656**
Non-Current Assets			
Property, plant, and equipment	5,555,916	6,446,549	6,313,341
Right of use assets	0	4,927,189	3,631,735
Intangible assets	22,010,069	20,494,092	19,736,103
Deferred tax assets	960,842	2,311,177	2,406,213
Other non-current assets	0	0	382,238
Total Non-Current Assets	**28,526,827**	**34,179,007**	**32,469,630**
Total Assets	**50,682,585**	**59,925,148**	**60,468,286**
Liabilities			
Current Liabilities			
Trade creditors and accrued expenses	(3,301,213)	(3,450,087)	(4,500,970)
Provision for employee benefits	(973,456)	(1,234,274)	(1,491,568)
Current income tax liabilities	(543,863)	(1,015,892)	(1,500,529)
Deferred consideration	(780,619)	(425,668)	0
Other interest-bearing liabilities	(1,000,000)	(351,976)	(89,120)
Lease liabilities	0	(2,249,965)	(1,806,843)
Other current liabilities	(1,068,632)	(2,535,808)	(2,627,524)
Total Current Liabilities	**(7,667,783)**	**(11,263,670)**	**(12,016,554)**
Non-Current Liabilities			
Provision for employee benefits	(73,536)	(114,186)	(164,126)
Deferred consideration	(425,668)	0	0
Other interest-bearing liabilities	(5,850,486)	(5,937,655)	(5,218,725)
Lease liabilities	0	(3,107,603)	(2,206,115)
Deferred tax liabilities	(1,566,069)	(2,568,294)	(2,092,803)
Total Non-Current Liabilities	**(7,915,759)**	**(11,727,738)**	**(9,681,769)**

Total Liabilities	**(15,583,542)**	**(22,991,408)**	**(21,698,323)**
Net Assets	**35,099,043**	**36,933,740**	**38,769,963**
Equity			
Contributed capital	34,391,456	35,811,622	40,070,661
Reserves	2,144,333	3,539,747	2,105,052
Retained losses	(1,436,746)	(2,417,629)	(3,405,750)
Total Equity	**35,099,043**	**36,933,740**	**38,769,963**

5.4.3 Consolidated Statement of Cash Flows

Below is a summary of Mainstream's Consolidated Statement of Cash Flows for FY19, FY20 and 1HFY21.

Mainstream Consolidated Statement of Cash Flows (AUD $)	FY19	FY20	1HFY21
Cash flows from operating activities			
Income received	45,881,366	52,985,473	29,865,855
Operating expenses paid	(42,838,319)	(44,021,910)	(23,953,716)
Interest received	1,980,852	2,263,824	973,746
Interest paid	(321,846)	(407,188)	(170,329)
Income tax paid	(468,881)	(830,437)	(969,044)
Net cash inflow from operating activities	**4,233,172**	**9,989,762**	**5,746,512**
Cash flows from investing activities			
Purchase of capitalised software & equipment	(2,397,276)	(2,527,662)	(1,013,146)
Proceeds from sale of equipment	0	1,364	0
Payment of deferred consideration and amounts owing to previous vendors	(1,697,965)	(397,126)	0
Net cash outflow from investing activities	**(4,095,241)**	**(2,923,424)**	**(1,013,146)**
Cash flows from financing activities			
Shares issued	10,294,008	0	0
Transaction costs paid	(367,705)	(581,006)	(137,596)
Payment of principal lease liabilities	0	(2,278,974)	(1,189,757)
Proceeds from interest bearing liabilities, net of fees	0	525,725	0
Repayment of interest bearing liabilities	(2,000,000)	(1,173,749)	(1,323,816)
Dividends paid	(1,482,124)	(543,925)	(1,318,419)

Net cash inflow from financing activities	**6,444,179**	**(4,051,929)**	**(3,969,588)**
Net increase in cash and cash equivalents during the year	6,582,110	3,014,409	763,778
Effects of exchange rate changes on cash and cash equivalents	163,776	48,575	(556,762)
Cash at the beginning of the year	4,930,872	11,676,758	14,739,742
Cash at the end of the year	**11,676,758**	**14,739,742**	**14,946,758**

5.5 Material changes in Mainstream's financial position

5.5.1 SS&C Break Fee

Mainstream became liable to pay the SS&C Break Fee to SS&C under the terms of the SS&C SID on entering into the Scheme Implementation Deed. The SS&C Break Fee is payable to SS&C on the earlier of 45 Business Days of receipt of a demand and the date on which Apex takes Control of Mainstream.

SS&C has made a demand for payment of the SS&C Break Fee.

To assist Mainstream fulfil its obligation to pay the SS&C Break Fee, Apex Services has entered into the Break Fee Loan Agreement. Mainstream has not drawn down the Break Fee Loan as at the date of this Scheme Booklet.

The obligation of Mainstream to repay the Break Fee Loan, and all related rights claims and actions, are subordinated to, and rank in priority after all amounts that Mainstream owes to its principal lender on the terms of the Subordination Deed.

A summary of the key terms of the Break Fee Loan Agreement and the Subordination Deed are set out in section 9.8.

5.5.2 Contingent liabilities

Mainstream has certain obligations that are contingent upon successful implementation of the Scheme. The financial effect of these obligations to Mainstream is approximately $7.6 million and relate to success fees to Mainstream's corporate Adviser and the purchase of directors' and officers' run-off insurance.

5.5.3 Other matters

Other than as set out in this Scheme Booklet, to the knowledge of the Mainstream Board, the financial position of Mainstream has not materially changed since 19 February 2021, being the date of release of Mainstream's Interim Financial Report for the half-year ended 31 December 2020, except as disclosed in this Scheme Booklet and in the following announcements to the ASX:

Announcement Title	Date
US hedge subsidiary settlement receives Court approval	26 February 2021
Repayment of debt facility	1 April 2021
Funds under Administration surpasses $272 billion	26 April 2021

Funds under Administration surpasses $287 billion	22 July 2021

5.6 Recent Mainstream Share price performance

The proposed Scheme and entry by Mainstream and Apex into the Scheme Implementation Deed was announced to the market on 28 June 2021.

The last recorded closing price for Mainstream Shares on the ASX before that announcement was $2.75 (on 25 June 2021).

The last recorded closing price for Mainstream Shares on the ASX before the 9 March 2021 announcement of the then proposed scheme of arrangement with Vistra was $1.11 (on Monday 8 March 2021).

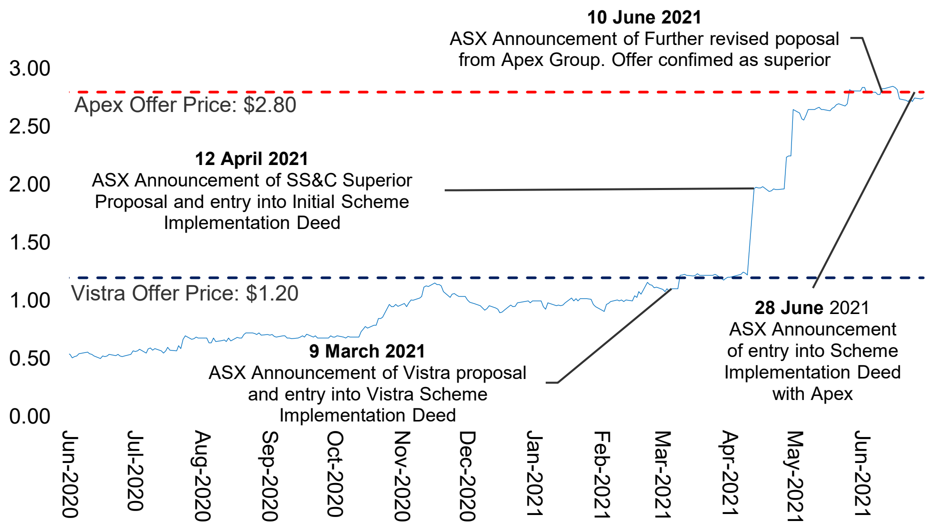
During the period leading up to that announcement, the VWAP for a Mainstream Share was (based on calendar days):

- $1.07 for the 30-day period ended 8 March 2021 (inclusive);
- $1.01 for the 90-day period ended 8 March 2020 (inclusive); and
- $0.94 for the 180-day period ended 8 March 2020 (inclusive).

If the Scheme is implemented, Scheme Participants will receive $2.80 cash per Mainstream Share, valuing the equity of Mainstream at approximately $400 million and representing a premium of:

- 153.4% to Mainstream's closing price of $1.11 per share on 8 March 2021, being the last trading day prior to the announcement of the then proposed scheme of arrangement with Vistra and entry into the Vistra SID; and
- 128.6% to Mainstream's closing price of $1.23 per share on 9 April 2021, being the last trading day prior to the announcement of the SS&C Scheme and entry into the SS&C SID.

The following chart highlights the movements in the Mainstream Share price over the last 12 months to 28 June 2021.



5.7 Mainstream's publicly available information

Mainstream is a 'disclosing entity' for the purposes of section 111AC(1) of the Corporations Act, and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. Those obligations broadly require Mainstream to:

- announce price sensitive information immediately after it becomes aware of the information, subject to certain exceptions for information that is confidential; and
- prepare and lodge with ASIC and the ASX both annual and half year financial statements.

Copies of the documents filed with the ASX can be obtained free of charge on the Mainstream website (https://www.mainstreamgroup.com/) or the ASX website (https://www2.asx.com.au/). Copies of the documents lodged with ASIC in relation to Mainstream may be obtained from, or inspected at, an ASIC office. Please note ASIC may charge a fee in respect of such services.

The following documents are available for inspection free of charge prior to the Scheme Meeting and during normal business hours at the registered office of Mainstream (being Level 1, 51 – 57 Pitt Street, Sydney, New South Wales 2000, Australia):

- Mainstream's company register;
- Mainstream's constitution;
- Mainstream's annual reports for each of the financial years ended 30 June 2016 to 30 June 2020 (inclusive); and
- Mainstream's interim financial report for the half-year ended 31 December 2020.

Further announcements concerning developments at Mainstream will continue to be made available on Mainstream's website (https://www.mainstreamgroup.com/) and on the ASX website (https://www2.asx.com.au/) after the date of this Scheme Booklet.

6. Information on Apex

6.1 Introduction

This information in this section 6 has been prepared by Apex. The information concerning Apex and its holding company Apex Group Ltd and the intentions, views and opinions in this section are the responsibility of Apex.

6.2 Overview of Apex Group

6.2.1 Principal business, operations and history of Apex Group

Apex Group Ltd, established in Bermuda in 2003, is a global financial services provider. With the addition of Mainstream, the Apex Group will have 50 offices worldwide and over 5,000 employees and nearly USD$1.3 trillion in assets serviced across administration, depositary, custody, and under management. The Apex Group delivers a full suite of services to its global client including asset managers, capital markets, family offices and corporates. The Apex Group's core offerings include fund services, digital banking and bank accounts, depositary, custody, super ManCo services, compliance solutions, corporate services, business services including HR and payroll and a pioneering ESG Ratings and advisory service for private companies.

Apex Group Ltd is the holding company of the Apex Group – see further detail in section 6.3 below.

The Apex Group has been operating in Australia since 2011 with offices in Sydney and Melbourne, providing fund administration across traditional and alternative strategies such as private equity, private debt, real estate, hedge funds, family offices and SPV servicing.

More information about the business, operations and history of the Apex Group can be found at https://www.theapexgroup.com.

6.2.2 Board of Apex Group Ltd

As at the date of this Scheme Booklet, the Board of Apex Group Ltd comprises the following directors:

Director	Profile
Tony Salewski	Tony Salewski is currently a Managing Director at Genstar Capital and is involved in identifying, evaluating and executing acquisition and investment opportunities. Prior to joining Genstar Capital, he was the Chief of Staff at Barclays Global Investors. Tony has a MBA with distinction from Harvard Business School and graduated from Harvard College with honours.
Sid Ramakrishnan	Sid Ramakrishnan is currently a Principal at Genstar Capital and is involved in identifying, evaluating and executing acquisition and investment opportunities. Sid originally joined Genstar Capital in 2012 as an Associate and re-joined the firm in 2017. Prior to re-joining, he was Chief of Staff to the CEO at AssetMark (a former Genstar Capital portfolio

	company). Sid has a BS in Business Administration from the University of Southern California.
Peter Hughes	Peter founded the global financial services provider, Apex Group in September 2003. His vision was to create a company that not only provides the broadest range of solutions in the industry at a competitive price point, but to drive positive change in the industry. Under his leadership, the Apex Group has expanded to service nearly USD$$1.3 trillion in assets across administration, custody, depositary and under management. Employing a diverse range of approximately 5000 people, across 86 nationalities and approximately 50 offices, the Apex Group has evolved its capabilities to service the changing needs of its clients; launching a pioneering digital banking platform dedicated to the asset management space in addition to delivering a unique ESG Ratings and advisory service for the private markets. Peter has over 25 years of financial services experience having qualified as a chartered accountant in 1994. He is a fellow of the Institute of Chartered Accountants in England and Wales.
Harold Strong	Hal Strong is currently a member of Genstar Capital's Strategic Advisory Board and is involved in expanding Genstar Capital's financial services practice, in particular the areas of asset management, wealth management and financial technology. Prior to joining Genstar Capital, he was the Vice Chairman of Russell Investments. Hal has an MBA from the University of Washington and attended the University of California, Berkeley.
Benjamin Brigeman	Benjamin Brigeman is currently a member of Genstar Capital's Strategic Advisory Board and is involved in advising the firm in the financial services industry. Prior to joining Genstar Capital, he was the Executive Vice President for Charles Schwab & Co. Benjamin has an MBA and a BS from the University of Akron.
Gary Michel	Gary Michel is currently a member of Genstar Capital's Strategic Advisory Board and is involved in working with portfolio companies to improve financial leadership and operational performance. Prior to joining Genstar Capital, he was an Operating Partner at Providence Equity Partners. Gary has a BS in Accounting from the Alfred Lerner College of Business and Economics at the University of Delaware.

6.2.3 Ownership of Apex Group Ltd

As at the date of this Scheme Booklet, the major shareholders of Apex Group Ltd are:

- investment vehicles advised and/or managed by Genstar Capital (**Genstar Capital Vehicles**) who collectively hold approximately 78% of the shares in Apex Group Ltd; and
- Peter Hughes who holds approximately 20% of the shares in Apex Group Ltd.

On 17 June 2021, it was announced that investment vehicles advised or managed by TA Associates had agreed to subscribe for shares in Apex Group Ltd that would give those investment vehicles a collective interest of approximately 20% in Apex Group Ltd (**TA Associates Investment**).

On 15 July 2021, it was announced that investment vehicles advised or managed by Mubadala Investment Company (**Mubadala**) and investment vehicles advised or managed by The Carlyle Group (**Carlyle**) had agreed to subscribe for shares in Apex Group Ltd that would give those investment vehicles a collective interest of approximately 5% (in the case of Mubadala vehicles) and 1.5% (in the case of Carlyle vehicles) in Apex Group Ltd (**Mubadala and Carlyle Investments**).

The TA Associates Investment and the Mubadala and Carlyle Investments are subject to a number of regulatory approvals which, as at the date of this Scheme Booklet, have not been received.

Completion of the TA Associates Investment would result in the shareholdings of the existing shareholders reducing proportionately.

6.3 Overview of Apex

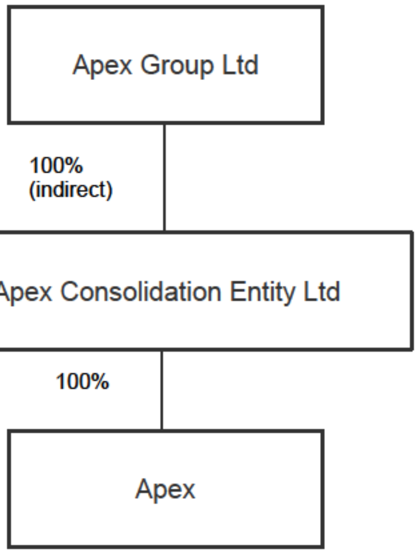
6.3.1 Ownership structure, principal business and operations

Apex is an Australian proprietary limited company incorporated on 9 April 2021 for the purposes of acquiring the Mainstream Shares pursuant to the terms of the Scheme.

Apex is a wholly owned, indirect, subsidiary of Apex Group Ltd.

Apex has not conducted any business and does not own any assets or have any liabilities other than in connection with its incorporation, entry into the Scheme Implementation Deed and the taking of such other actions as necessary to facilitate the implementation of the Scheme (including actions in relation to the incurrence of costs, fees and expenses in connection with the Scheme).

The following simplified structure chart depicts the ownership structure of Apex, noting that Apex Consolidation Entity Ltd is an indirect wholly owned subsidiary of Apex Group Ltd:



6.3.2 Apex Board

As at the date of this Scheme Booklet, the Apex Board comprises the following directors:

Director	Profile
Rajiv Kalra	Rajiv Kalra is currently the Managing Director, of the Australian operations of the Apex Group and is responsible for overall company management, business development and relationship management for our existing client base in Australia. Prior to joining the Apex Group, Rajiv started his career in a leading public accounting firm in Sydney and worked in the public accounting industry - where he was involved in Business Services, M&A, Valuations & Tax planning/structuring – his last position was Manager with leading public accounting firm based in Sydney – PKF Australia. Rajiv has a Bachelor's degree in Business Accounting from Central Queensland University and is a member of the Institute of Chartered Accountants Australia & New Zealand.
Valerie Mantot Groene	Valerie Mantot Groene is currently the Head of APAC at the Apex Group and is involved in leading the firm's growth and performance across the APAC region. Prior to joining the Apex Group, she was the Head of Business Development, APAC at Sanne Group. Valerie has a Juris Doctor from Barreau de Paris and Barreau du Luxembourg. She has been admitted to the Bar in Paris and Luxembourg.

Srikumar T.E.	Srikumar is a member of the Group Executive Committee, Group Risk Committee and the Global Head of Fund Solutions at the Apex Group. He previously held the role of Deputy CEO at Apex and was the Regional Head of Apex in Asia Pacific prior to that. Srikumar joined Apex in 2008 with the task of setting up, overseeing and growing Apex's offices in Asia Pacific. He was appointed as the Deputy CEO for Apex in Jan 2017 to assist the CEO in overseeing the Apex offices globally and take the lead in enhancing Apex's specialised Private Equity service solution. Prior to joining Apex, Srikumar worked for Citi Hedge Fund Services (**BISYS**), Bermuda, where he was Group Manager overseeing one of BISYS's key Hedge Fund clients in North America. Prior to Citi, Srikumar also worked at PwC and KPMG in India and Kuwait where he worked on projects with Sovereign and Pension Funds which included investment strategies focusing on real estate and private equity. Srikumar has over 20 years of experience of the global financial services industry and is a member of the Institute of Chartered Accountants in India.

6.4 Rationale for proposed acquisition of Mainstream

The long-term strategy of the Board of Apex Group Ltd is to further consolidate the position of the Apex Group as a leading global financial services provider. A key enabler of this strategy is the acquisition and integration of other world-class providers of financial services. Mainstream represents an ideal candidate for this strategy.

From a capabilities and service offerings perspective, the acquisition of Mainstream provides the Apex Group with the ability to offer its global client base custody services within Australia. This expands one of Apex Group's three key pillars, Financial Solutions, and strengthens Apex Group's proposition to be the largest single source provider to asset allocators globally.

From a geographic perspective, the acquisition of Mainstream allows the Apex Group to expand its presence within Australia, a key growth market for the Apex Group since establishing operations in the region in 2011. The US represents another key growth market for the Apex Group and Mainstream's US presence enhances the Apex Group's existing platform and product offering in the region.

The complementary nature of Mainstream's operations and service offerings represents an opportunity for the Apex Group to bring the best of the combined platform to the broader client base.

6.5 Intentions of Apex if the Scheme is implemented

This section 6.5 sets out the current intentions of Apex Group Ltd and Apex in relation to:

- the continuation of the operations and business of Mainstream, including any redeployment of significant assets of Mainstream;
- changes to the Mainstream Board and the Mainstream management team;
- the future employment of the present employees of Mainstream; and

- the delisting of Mainstream from the ASX,

assuming Apex acquires all the Scheme Shares as a result of the implementation of the Scheme and the Scheme becomes Effective.

The statements in this section 6.5 regarding the intentions of Apex are based on information concerning the Mainstream Group and the general business environment which are known to Apex at the time of this Scheme Booklet. If the Scheme is approved and implemented, Apex intends to undertake a detailed review of Mainstream's operations covering strategic, financial and commercial operating matters to determine the preferred manner of integrating, operating and managing the combined business.

Final decisions about any material changes to the future commercial operating plan and management structure for Mainstream will be made by Apex after the Implementation Date, following completion of the review described above and will be based on material facts and circumstances which have become apparent to Apex management at the relevant time. Accordingly, it is important to recognise that the statements set out in this section 6.5 are statements of current intention only and may change as new information becomes available or circumstances change.

The intentions of Apex Group Ltd are the same as the intentions of Apex in respect of Mainstream and are referred to collectively in this section as the intentions of Apex.

6.5.1 Business operations

If the Scheme is implemented, Apex currently intends to continue Mainstream's focus on, among other things, delivering high quality and cost effective, innovative solutions using recognised industry specific software and unique processes. Apex intends to work with Mainstream's leadership team to optimise the prospects and operating performance of the Mainstream business.

Apex will make a final determination on how Mainstream will be integrated into the Apex operating model after implementation of the Scheme.

Based on its current understanding and limited evaluation of the Mainstream business, Apex intends that no major changes will be made to the Mainstream business. Nevertheless, Apex does intend to explore potential efficiencies across the Apex and Mainstream businesses where it is commercially appropriate to do so.

6.5.2 Head office

Following the implementation of the Scheme, Apex intends to integrate Mainstream with the broader operations of the Apex Group (including the existing Australian operations of the Apex Group). While Apex does not presently have any intention to relocate Mainstream from its current head office premises in Sydney, the intention is for the central management of Mainstream to be integrated with the Apex Group after implementation of the Scheme.

6.5.3 Mainstream Board

Following the implementation of the Scheme, Apex intends to consider the composition of the Mainstream Board having regard to their specific areas of expertise.

6.5.4 Corporate Structure

Apex currently has no intentions to make material changes to Mainstream's corporate structure, other than to reflect that Mainstream will no longer be a publicly listed company following the implementation of the Scheme.

6.5.5 Management team and employees

If the Scheme is implemented, Apex currently intends to retain all of the key management team at Mainstream and provide them opportunities to take leadership roles across the region for Apex. Apex's current strategy involves the existing key management team continuing to drive the business forward in line with Apex's strategic objective of continuing to offer the most diverse product to Apex's client base.

Apex may make changes to other employee roles as a result of potential duplication or redundancy of some roles arising from Mainstream becoming part of Apex and no longer being a listed entity, although no determination has been made in respect of such changes. Other than these possible changes, no specific plans in relation to any potential changes to the employee base at Mainstream have been considered however, Apex's intent is to retain the majority of Mainstream's existing employees in line with current operations.

6.5.6 Delisting

Following the implementation of the Scheme, Mainstream will seek to be removed from the official list of the ASX in accordance with the terms of the Scheme.

6.6 Funding of the Scheme Consideration

6.6.1 Cash consideration

The Scheme Consideration will be paid wholly in cash. Based on the number of securities on issue as at the date of this Scheme Booklet (including performance rights), the maximum amount of cash payable by Apex in connection with the Scheme will be approximately $400 million.

6.6.2 Overview of funding arrangements

The Apex Group intends to fund the Scheme Consideration from its existing internal cash reserves. As at the date of this Scheme Booklet, the Apex Group has more than A$415 million in available cash that has been reserved to satisfy its obligation to pay the Scheme Consideration.

The implementation of the Scheme is not contingent on the Apex Group confirming its funding arrangements.

6.7 Other Information

6.7.1 Relevant Interests in Mainstream Shares

As at the date of the Scheme Booklet, neither Apex, Apex Group Ltd nor any of their associates have a Relevant Interest in any Mainstream Shares.

6.7.2 Dealings in Mainstream Shares in the previous four months

Neither Apex, Apex Group Ltd nor any of their associates, to the best of their knowledge, have provided, or agreed to provide, consideration for any Mainstream Shares under any purchase or agreement during the four months before the date of this Scheme Booklet.

6.7.3 No inducing benefits given during previous four months

During the period of four months before the date of this Scheme Booklet, neither Apex, Apex Group Ltd nor any of their associates, to the best of their knowledge, have given, offered to give or agreed to give, a benefit to another person where the benefit was likely to induce the other person, or an associate of the other person, to:

- vote in favour of the Scheme; or

- dispose of their Scheme Shares,

where the benefit was not offered to all Mainstream Shareholders.

6.7.4 Benefits to current Mainstream officers

None of Apex, Apex Group Ltd or their associates have agreed to make any payment or give any benefit, or will be making or giving any benefit, to any current director, secretary or executive officer of Mainstream as compensation or consideration for, or otherwise in connection with, his or her retirement from their respective office in connection with the Scheme.

6.7.5 No other material information

Other than as disclosed in this Section 6, there is no information regarding Apex or Apex Group Ltd's intentions regarding Mainstream or any other information, that is material to the making of a decision by an Mainstream Shareholder on whether or not to vote in favour of the Scheme that is within the knowledge of any director of Apex or Apex Group Ltd as at the date of this Scheme Booklet that has not been previously disclosed to Mainstream Shareholders.

7. Risks

7.1 Position if Scheme not Implemented

If the Scheme is not implemented, Mainstream will continue to operate on a stand-alone basis. Mainstream will remain listed on the ASX and Mainstream Shareholders will retain their Shares.

The investment of Mainstream Shareholders in a stand-alone Mainstream will be subject to a number of risks, some of which are described below.

You should carefully consider the risk factors discussed in this Section 7, as well as the other information contained in this Scheme Booklet, before voting on the Scheme.

7.2 Risk factors overview

In the ordinary course of business, Mainstream's Board and senior management assess material risks associated with Mainstream's business and take appropriate steps to manage and mitigate those risks. The Mainstream Board considers, however, that it is appropriate for Mainstream Shareholders, in considering the Scheme, to be aware that there are a number of risk factors, general and specific, which could impact the future operating and financial performance of Mainstream and the value of Mainstream Shares if the Scheme were not implemented.

The risk factors in this Section 7 are existing risks that relate to Mainstream's business and the industry in which it operates. They do not necessarily comprise all risks faced by Mainstream. Additional risks and uncertainties not presently known to Mainstream or which Mainstream does not currently consider to be material may also have a material adverse effect on Mainstream's business, operations, performance and future prospects. The information set out in this Section is a summary only and does not purport to be, nor should it be construed as representing, an exhaustive list of the risks affecting Mainstream.

7.3 General risk factors

7.3.1 General equity market risks

As an entity with listed ordinary shares on the ASX, the market price of Mainstream Shares is influenced by a variety of general business cycles and economic and political factors in Australia and globally, including economic growth, interest rates, exchange rates, inflation, employment levels, changes in government policy (including fiscal, monetary and regulatory policies) in relevant jurisdictions and changes to accounting or financial reporting standards.

7.3.2 Economic conditions

Economic conditions, both domestic and global, may affect the performance of Mainstream. Adverse changes in such things as global and country-by-country economic growth, the level of economic activity and inflation, interest rates, insurance market conditions, exchange rates, government policy (including fiscal, monetary and regulatory policies), changes in financial services laws, general consumption and consumer spending, employment rates and industrial disruption, amongst others, are outside the control of Mainstream and may result in material adverse impacts on the business and operating results of Mainstream.

7.3.3 Share market conditions

There are risks associated with an investment in financial products quoted on a stock exchange. Share price movements could affect the value of any investment in Mainstream.

The performance of Mainstream and the price at which Mainstream Shares may trade on the ASX may be determined by a range of factors. These include movements in the local and international equity and bond markets and general investor sentiment in those markets, recommendations by brokers and analysts, inflation, interest rates, exchange rates, general economic conditions and outlooks, changes in government, fiscal, monetary and regulatory policies, global geo-political events and hostilities and acts of terrorism, the announcement of new technologies and changes in the supply of and demand for relevant stocks. Certain of these factors could affect the trading price of Mainstream Shares, regardless of operating performance.

7.3.4 Liquidity and realisation risk

There may be few or many potential buyers or sellers of Mainstream Shares on the ASX at any given time. This may affect the volatility of the market price of Mainstream Shares. It may also affect the prevailing market price at which shareholders are able to sell their Mainstream Shares.

7.3.5 COVID-19 and other unknown force majeure risks

The COVID-19 pandemic has brought uncertainty to the global economy and financial markets, including Australian equity markets. There is little consensus on the outlook for economic recovery and a return to the levels of economic activity preceding the pandemic. The social, economic and financial impacts that will be seen once government support is withdrawn are unknown. As a result, there is increased risk associated with making investment decisions in this environment.

The effect of that on Mainstream remains unknown. Mainstream's share price may be adversely affected as a result of such uncertainty. In addition, measures taken in response to the pandemic will most likely be out of Mainstream's control, and such measures may have adverse impacts for the Australian economy generally and Mainstream's business and the market for Mainstream Shares more specifically.

Similarly, other circumstances or events outside of Mainstream's control (such as natural disasters, further pandemic outbreaks, conflicts or terrorist activities) may adversely affect Mainstream's performance or impact its operations in Australia or overseas.

7.3.6 Taxation risks

A change to the current taxation regime may affect Mainstream and Mainstream Shareholders. Personal tax liabilities are the responsibility of each individual investor in Mainstream. Mainstream is not responsible for taxation or penalties incurred by investors in Mainstream.

7.4 Specific risks for the Mainstream business

7.4.1 Increased supervision, legal and regulatory requirements

Mainstream operates in a highly regulated environment, with supervision by state and federal bodies (which in recent years have increased their activity).

The financial services industry has undergone significant legislative change in recent years. Legislation or regulation restricting the operations of Mainstream, or increasing the compliance and reporting obligations of Mainstream, and therefore increasing its compliance costs and its risk of non-compliance, may have a material adverse effect on the financial performance and growth prospects of Mainstream and hence the value of Mainstream's Shares.

If Mainstream does not comply with relevant laws and regulations, it may be subject to investigation and enforcement action by regulators, imposition of penalties such as fines, obligations to pay compensation, or the cancellation, suspension or variation of authorities or licences under which its business is conducted.

Non-compliance may also lead to higher levels of client complaints, insurance to meet the cost of those complaints (or additional cost if insurance does not cover such cost), claims, and negative publicity.

7.4.2 Changes in regulatory environment

The regulatory environment in which Mainstream and its clients operate continues to be subject to significant regulatory review and change.

Material changes such as those arising from the findings by the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, may place increased demands on industry participants and have continued impacts on the financial services industry.

Material regulatory changes are likely to put pressure on Mainstream's business and may impact on its level of service to clients (and therefore, its financial performance).

7.4.3 Competition and client concentration

Mainstream operates in a fluid market with increasing competition. As a result, Mainstream could be exposed to the potential loss of a major client or clients through outsourcing and procurement decisions, industry consolidation and/or technological change. The loss of a major client to another fund administrator or due to insourcing of services or closure of a client's fund(s) could have a material negative impact on Mainstream's financial performance.

An increase in competitive pressure could also result in decreased revenues and profit margins, and increased expenses to retain staff.

7.4.4 Reliance on key personnel

Mainstream currently employs a number of executive and non-executive key management personnel, and Mainstream's future success depends on retaining and attracting suitably qualified personnel. While no executive personnel changes are currently anticipated, any such key management personnel may cease employment or engagement with Mainstream. The loss of any such key management personnel could have the potential to have a detrimental impact on Mainstream until the skills that are lost are adequately replaced. There is no guarantee that Mainstream would be able to replace such personnel, and a failure to do so could materially affect Mainstream's business, operating results and financial prospects.

7.4.5 Litigation risk

As with any company, Mainstream is exposed to the risks of litigation which may have a material adverse effect on its financial position. Mainstream's business in particular exposes it to various potential claims for professional negligence, investment losses, statutory duties, claims arising under client contracts or other litigation.

Mainstream maintains professional indemnity insurance and insurance in relation to cyber risks and fraud, but it is still possible that claims could arise that have an adverse effect on Mainstream's business performance and/or reputation. To the extent that such claims or litigation are not covered by insurance (of whatever kind), an adverse outcome in litigation or the cost of initiating or responding to potential or actual claims or litigation may have a material adverse impact on Mainstream's financial performance and/or its reputation.

As at the date of this Scheme Booklet, Mainstream is not aware of any material contractual disputes or litigation matters in respect of Mainstream, including with its customers or other third parties.

7.4.6 Major shareholder risk

Mainstream currently has a number of significant shareholders on its share register. There is a risk that these shareholders, future substantial shareholders, or other large shareholders may sell their shares at a future date. This could cause a decline in the price of Mainstream Shares.

7.4.7 Cashflow risk and liquidity

Mainstream's ability to service its debt and other obligations depends on the future performance and cash flow of its business which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors, many of which are beyond its control. Mainstream's historical financial results have been, and it is anticipated that Mainstream's future financial results will continue to be, subject to fluctuations. Cash flows can vary, Mainstream's business will continue to be subject to fluctuations and Mainstream's business may not generate sufficient cash flow from operations to enable it to satisfy its debt and other obligations. Any inability to secure sufficient debt funding (including to refinance on acceptable terms) or to service its existing and new debt may have a material adverse effect on Mainstream's financial performance and prospects.

7.4.8 Technology and information systems

Mainstream's products, services and operations are heavily reliant upon technology and information systems provided by third parties, including software. The ongoing performance of such systems and software is key to Mainstream's service delivery to its clients and therefore, its ability to generate revenue. Failure of either the software or the technology that underpins it could result in Mainstream being unable to meet its contractual and service level obligations, unauthorised use of systems, data integrity issues or data loss, issues with integration with other systems e.g. third parties' systems, and increased costs.

Mainstream has business continuity and disaster recovery plans in place to seek to mitigate the potential impact of technology failures or interruptions to the availability of such technology and systems. However there remains a risk that a system failure may result in disruptions to business continuity, cost to Mainstream, loss of existing client(s) and/or difficulty in attracting new clients.

Mainstream has grown and evolved significantly in recent years both organically and by acquisition of foreign subsidiaries. To better manage its information technology architecture and infrastructure, Mainstream is in the process of migrating more of its operations onto cloud based servers. This project is in progress and requires further investment to ensure an optimal system solution.

7.4.9 Cyber risk

Mainstream conducts a significant amount of its business through online systems and is exposed to the risk of business disruption due to cyber attacks. While Mainstream has instituted extensive controls (both automatic and manual) and maintains insurance in relation to cyber risk, the business is nevertheless exposed to the constant threat of new cyber attacks, including those that may be undetected, which have the potential to disrupting business including client processing, and/or cause loss to Mainstream.

7.4.10 Operational and contract risk

Mainstream provides outsourced administration processing services, usually under long term contracts with established service line delivery agreements. If Mainstream fails to successfully deliver against contracted terms with a client, or makes errors or breaches or discloses personal information held for its clients, then compensation may need to be paid to the impacted party or parties, which could have an adverse impact on Mainstream's reputation and ultimately, its financial performance.

Mainstream is also generally obligated to indemnify its clients and certain third parties such as its bankers, sub-custodians and possibly counterparties under their various agreements with Mainstream, against any liability they or their respective affiliates may incur in connection with their relationship with Mainstream.

Most of Mainstream’s material contracts also contain provisions allowing the client to terminate the contract for convenience on notice following an appropriate notice period. Accordingly, there is a risk that existing clients can simply give notice to terminate, or choose not to continue their contractual arrangements with Mainstream after the expiry of their current contract. Any termination of material contracts or failure to renew may materially impact Mainstream’s financial performance in future.

Mainstream’s operations may also be affected by various other factors including failures in internal controls and financial fraud. To the extent that such matters may be in the control of Mainstream, Mainstream seeks to mitigate these risks through separation of duties, quality checks and supervision. However, there is no guarantee those methods will always be successful.

7.4.11 Insurance risk

While Mainstream currently maintains insurance within ranges of coverage consistent with industry practice, no guarantee can be given that Mainstream will be able to continue to maintain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

7.4.12 Financial crime obligations

Mainstream is subject to anti-money laundering and counter-terrorism financing (**AML/CTF**) laws in the jurisdictions in which it operates. In some markets Mainstream also undertakes certain AML/CTF services on behalf of its clients. AML/CTF laws can be complex and subject to regulatory change. Due to the volume of transactions that Mainstream processes, the undetected failure or the ineffective implementation, monitoring or remediation of a system, process, policy or control could result in breaches by Mainstream of its AML/CTF obligations, including its contractual obligations to its clients. This in turn could lead to significant monetary penalties, regulatory enforcement action including suspension or variation of licence conditions, termination of client contracts, litigation by third parties and cause reputational damage. These actions could adversely affect Mainstream's business, prospects and/or financial performance.

7.4.13 Foreign market risk

Mainstream currently has wholly owned subsidiaries in Asia, Europe and the Americas. The functional currency of Mainstream is the Australian dollar. As Mainstream's offshore subsidiaries operate in currencies other than the Australian dollar, Mainstream is exposed to adverse movements in exchange rates. Currency markets can be extremely volatile and are subject to a range of unpredictable forces.

Foreign markets also have different market, licensing and regulatory requirements relative to Australia. In the event that Mainstream is unable to manage its offshore operations adequately, there may be an adverse impact on its revenue or earnings.

7.4.14 Client selection process

Mainstream conducts due diligence which it considers appropriate with respect to its prospective clients. However, due diligence is not foolproof and may not uncover problems associated with a particular client. Mainstream also may rely upon representations made by trustees, investment managers, accountants, lawyers, prime brokers, and/or other investment professionals. If any such representations are misleading, incomplete, or false, this may result in the selection of clients which might otherwise have been eliminated from consideration had fully accurate and complete information been made available to Mainstream.

In addition, although Mainstream employs appropriate diligence in evaluating and monitoring its clients, no amount of diligence can eliminate the possibility that a client or their investment manager or other service provider(s) may engage in improper or fraudulent conduct, including unauthorised changes in investment strategy, misappropriation of assets and unsupportable valuations of portfolio assets.

7.4.15 Reliance on corporate management and financial reporting

Mainstream relies on the financial information made available by its clients and their investment managers. Mainstream itself has limited ability to independently verify the financial information, including valuations, disseminated by the numerous issuers in which its clients may invest and is dependent upon the integrity of both the management of these issuers and the financial reporting process in general, particularly in the case of unlisted assets. Any corporate mismanagement, fraud or accounting irregularities relating to a client's position(s) could result in material losses to Mainstream.

7.4.16 Data protection risk

Under the Regulation (EU) 2016/679 of the European Parliament and of the Council (**GDPR**), data controllers (which would include Mainstream in relevant jurisdictions) are subject to additional obligations including, amongst others, accountability and transparency requirements whereby the data controller is responsible for, and must be able to demonstrate compliance with the rules set down in the GDPR relating to data processing, and must provide data subjects with detailed information regarding the processing of their personal data. Other obligations imposed on data controllers include more enhanced data consent requirements and the obligation to report any personal data breach to the relevant supervisory authority without undue delay. Under the GDPR, data subjects are afforded additional rights, including the right to rectify inaccurate personal information, the right to have personal data held by a data controller erased in certain circumstances and the right to restrict or object to processing in a number of circumstances. Similar data protection legislation also applies in other jurisdictions in which Mainstream and its subsidiaries operate, including the Cayman Islands and Australia.

The implementation of the GDPR and similar data protection legislation in other jurisdictions in which Mainstream and its offshore subsidiaries operate has resulted in increased operational and compliance costs to Mainstream. Further there is a risk that Mainstream, its clients or service providers do not implement or have not implemented adequate measures to comply with the requirements. Further, a breach of the GDPR or similar legislative requirements could lead to significant administrative fines, compensation and/or reputational damage which could materially impact Mainstream's operations and financial position.

7.5 Unknown risks

Additional risks and uncertainties not presently known to Mainstream or which Mainstream does not currently consider to be material may also have a material adverse effect on Mainstream's business, operations, performance and future prospects. The information set out in this Section 7 is a summary only and does not purport to be, nor should it be construed as representing, an exhaustive list of the risks affecting Mainstream.

7.6 Scheme-related implications for Mainstream and Mainstream Shareholders if the Scheme is not implemented

7.6.1 Major implications

If the Scheme is not implemented:

(a) Mainstream Shareholders will not receive the Scheme Consideration;

(b) Mainstream Shares will not be transferred to Apex (they will instead be retained by Mainstream Shareholders);

(c) Mainstream will continue to operate as a standalone entity, and remain listed on the ASX;

(d) Mainstream Shareholders will continue to be exposed to the risks and benefits associated with an investment in Mainstream on a standalone basis (please refer to the provisions of this Section 7 above for details of those risks); and

(e) the amount which Mainstream Shareholders will be able to realise for their investment in Mainstream Shares is uncertain. In the absence of a Superior Proposal, the Mainstream Directors believe that it is likely that the price of Mainstream Shares will fall from current levels.

In addition, certain circumstances which cause the Scheme not to be implemented may result in the payment of a Mainstream Break Fee by Mainstream to Apex and the obligation to repay amounts advanced under the Break Fee Loan Agreement (subject to the Subordination Deed), or an Apex Break Fee by Apex to Mainstream (as detailed in Sections 9.7.7 and 9.7.8 and set out in full in clause 14 of the Scheme Implementation Deed). However, Mainstream Shareholders failing to approve the Scheme will not trigger payment of the Mainstream Break Fee.

7.6.2 Transaction costs will be incurred

If the Scheme is not implemented, Mainstream's transaction costs of approximately $2.5 million will be borne by Mainstream alone (as opposed to being effectively met by Apex as the ultimate controller of Mainstream, if the Scheme is implemented).

8. Australian tax implications of the Scheme

8.1 Introduction

The following is a general description of the Australian income tax, stamp duty and GST consequences of the Scheme (assuming it is implemented) for Mainstream Shareholders who participate in the Scheme. It does not constitute tax advice and should not be relied upon as such.

The description is based upon the Australian taxation law and administrative practice of the tax authorities in effect at the date of this Scheme Booklet, but is general in nature and is not intended to be an authoritative or complete statement of the laws applicable to the particular circumstances of a Mainstream Shareholder. Taxation laws are complex and are subject to frequent change, as is their interpretation by the courts and the tax authorities. Mainstream Shareholders should seek independent professional advice in relation to their own particular circumstances.

The comments set out below are relevant only to those Mainstream Shareholders who hold their Mainstream Shares on capital account. The description does not address the Australian tax consequences for Mainstream Shareholders who:

- hold their Mainstream Shares for the purposes of speculation or a business of dealing in securities (for example, shares held as a revenue asset or as trading stock);
- acquired their Mainstream Shares pursuant to an employee share, option or rights plan;
- are under a legal disability;
- are temporary residents for Australian income tax purposes;
- are subject to special tax rules applicable to certain classes of entity, including partnerships, insurance companies, tax exempt entities or entities subject to the Investment Manager Regime under Subdivision 842-I of the *Income Tax Assessment Act 1997* (Cth); or
- are subject to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to gains and losses on their Mainstream Shares.

This summary does not take into account the tax laws of countries other than Australia. Mainstream Shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the tax consequences of the Scheme under the laws of their country of residence, as well as under Australian law.

8.2 Australian resident shareholders

8.2.1 Capital gains tax (CGT)

Under the Scheme, Scheme Participants will dispose of their Mainstream Shares to Apex. For Scheme Participants, this disposal will constitute a CGT event A1 (for Australian CGT purposes).

The time of CGT event A1 will be the Implementation Date.

8.2.2 Calculation of capital gain or capital loss

Mainstream Shareholders should make a capital gain on the disposal of each Mainstream Share to the extent that the capital proceeds from the disposal of each Mainstream Share are more than its cost base at the date of disposal. Conversely, Mainstream Shareholders should make a capital loss to the extent that the capital proceeds in respect of each Mainstream Share are less than its reduced cost base at the date of disposal.

The sum of all capital gains made by a Mainstream Shareholder on the disposal of their Mainstream Shares to Apex, reduced by any capital loss incurred during the year or carried forward from prior years, subject to satisfaction of the relevant loss recoupment tests, is referred to as the net capital gain and should be included in the Mainstream Shareholder's taxable income in the year in which the Implementation Date occurs.

Alternatively, in the event that a Mainstream Shareholder makes a capital loss on the sale of their Mainstream Shares, the capital loss may be used to offset a capital gain made in the same or a future income year subject to satisfaction of the relevant loss recoupment tests. Capital losses may not be deducted against other income for income tax purposes

8.2.3 Cost base

The cost base (or reduced cost base) of each Mainstream Share should generally be the amount of money paid, or value of property given, to acquire the Mainstream Share and certain incidental costs of acquisition and ownership.

8.2.4 Capital proceeds

The capital proceeds received in respect of the disposal of each Mainstream Share should be the Scheme Consideration, being $2.80 cash per Mainstream Share.

8.2.5 CGT discount

Individuals, complying superannuation funds or trustees that have held Mainstream Shares for at least 12 months prior to the Implementation Date may be entitled to discount the amount of the capital gain (after application of capital losses) from the disposal of Mainstream Shares by 50% in the case of individuals and trustees or by 33.3% for complying superannuation entities. For trustees, the ultimate availability of the discount for beneficiaries of the trusts will depend on the particular circumstances of the beneficiaries.

Companies that hold Mainstream Shares are not eligible for the CGT discount.

As the Scheme Consideration will be provided in cash only, no CGT roll-over will generally be available.

8.3 Non-resident shareholders

A Mainstream Shareholder who is not a resident of Australia for Australian tax purposes should generally be able to disregard any capital gain or capital loss that would otherwise arise from the disposal of their Mainstream Shares unless their Mainstream Shares constitute 'Taxable Australian Property'.

Taxable Australian Property includes an indirect interest in Australian real property where the interest satisfies both the 'non-portfolio interest test' and the 'principal asset test'.

A Mainstream Shareholder will pass the non-portfolio test if they and their associates together hold a 10% or more interest in Mainstream (or have held a 10% or more interest for a continuous period of 12 months in the 24 months prior to the Implementation Date). The principal asset test will be satisfied if the market value of the assets of Mainstream are principally attributable to Australian real property (including a leasehold interest in land).

A Mainstream Shareholder who is not a resident of Australia for Australian tax purposes should seek independent professional advice on the Australian tax consequences arising from the disposal of their Mainstream Shares, having regard to their particular circumstances.

8.4 Goods and services tax (GST)

Mainstream Shareholders should not be liable to GST in respect of a disposal of their Mainstream Shares.

Mainstream Shareholders may be charged GST on any costs relating to their participation in the Scheme (such as adviser fees). Mainstream Shareholders that are registered for GST may be entitled to input tax credits or reduced input tax credits for such costs, but should seek independent advice in relation to their individual circumstances.

8.5 Stamp Duty

No stamp duty should be payable by Mainstream Shareholders in relation to the disposal of Mainstream Shares to Apex under the Scheme.

9. Additional information

9.1 Interests of Mainstream Directors

Except as set out below or otherwise disclosed in this Scheme Booklet:

- there are no marketable securities of Mainstream held by or on behalf of Mainstream Directors as at the date of this Scheme Booklet;
- no Mainstream Director holds, or has any interest in, marketable securities in Apex or any member of the Apex Group;
- there has been no dealing with any Mainstream Director in any marketable securities of Mainstream or Apex or other member of the Mainstream Group or the Apex Group in the 4 months prior to 3 August 2021, the last practicable trading day prior to the date of this Scheme Booklet.

9.1.1 Mainstream Directors' interests in Mainstream securities

As at 3 August 2021, the last practicable trading day prior to the date of this Scheme Booklet, the following Mainstream Directors have a Relevant Interest in the following number of Mainstream securities:

Director/ entity	Number of ordinary shares	Percentage of outstanding Mainstream Shares calculated on a non-diluted basis	Number of Performance Rights
Byram Johnston OAM and the following of his Controlled entities: Johnston Bros Pty Ltd ACN 000 156 589 as trustee for the Mainstream Investment Trust and Johnston Bros Pty Ltd ACN 000 156 589 as trustee for the National Investment Trust	13,616,665	9.9%	Nil
Martin Smith and the following of his controlled entities: Sodor Holdings Pty Ltd ACN 118 012 712 as trustee for the Sodor Investment Trust and Mr Martin Charles Smith + Mrs Sharon Lee Smith <SMITH FAMILY S/F NO2 A/C>	15,266,366	11.1%	858,334
John Plummer	9,653,591	7.0%	Nil
JoAnna Fisher	170,004	0.1%	Nil

As announced on 9 June 2021:

- Vistra BV acquired (in aggregate) 9.99% of Mainstream Shares under separate transactions with Mainstream's significant shareholders and Mainstream Directors Byram Johnston, Martin Smith, John Plummer and their respective Controlled entities for a price per Mainstream Share of $1.4775.

- The previous call option deeds between Vistra and those shareholders (which were announced on 9 March 2021) were cancelled.

Each Mainstream Director who holds (or whose Controlled entities hold) Mainstream Shares will be entitled to vote at the Scheme Meeting and receive the Scheme Consideration on the same terms as all other Scheme Participants.

Each Mainstream Director that holds Mainstream Shares (or whose Controlled entities hold Mainstream Shares) intends to vote any Mainstream Shares held by or Controlled by them as at the time of the Scheme Meeting in favour of the Scheme, in the absence of a Superior Proposal.

9.1.2 Interests in Apex securities

No Mainstream Director has a Relevant Interest in any securities in Apex or any member of the Apex Group.

9.2 Payments or other benefits of Mainstream Directors, secretaries or executive officers of Mainstream

Except as set out below or otherwise disclosed in this Scheme Booklet:

- There is no payment or other benefit that is proposed to be made or given to any Mainstream Director, secretary or executive officer of Mainstream (or any of its Related Bodies Corporate) as compensation for the loss of, or as consideration for or in connection with his or her retirement from, office in Mainstream (or any of its Related Bodies Corporate) as a consequence of or in connection with the Scheme and no Mainstream Director, or secretary or executive officer of Mainstream (or any of its Related Bodies Corporate) has had or is to have the amount of any payment or benefit which may have been made to them upon their loss of office or retirement from office, materially affected by the Scheme.

- The Mainstream Directors do not have any other interests in a contract entered into by Apex.

- There are no contracts or arrangements between a Mainstream Director and any person in connection with or conditional upon the outcome of the Scheme.

- The Mainstream Directors do not have a material interest in relation to the Scheme (except as otherwise disclosed in this Scheme Booklet).

As noted in section 5.3.2, it is a Condition of the Scheme Implementation Deed that, subject to Court approval of the Scheme, the Mainstream Board, to the extent necessary, exercise its discretion (including pursuant to the terms of the Mainstream Share Plan Rules) and do all other things necessary (including seeking any required waivers from the ASX or passing any necessary resolutions of the Mainstream Board) to ensure that all of the Performance Rights will become exercisable, will be exercised, and the resulting Mainstream Shares be issued (in order for the holders of the Performance Rights to participate in the Scheme) on or before the Record Date.

Therefore, if the Court approves the Scheme at the Second Court Hearing and Mr Smith exercises all of his Performance Rights within the exercise period, then Mr Smith will be issued 858,334 Mainstream Shares (0.60% of all Mainstream Shares on issue at the Record Date) represented by those Performance Rights (which Mainstream Shares, if held by Mr Smith on the Record Date, will entitle Mr Smith to receive the Scheme Consideration). The maximum value of the net benefit to be received by Mr Smith if all of those Performance Rights are exercised is $2,403,335.20 (being 858,334 Mainstream Shares to be issued to Mr Smith on vesting and exercise of those Performance Rights multiplied by the Scheme Consideration).

Apex has no current intention to replace Mr Smith as the CEO of Mainstream after implementation of the Scheme. Any changes to Mr Smith's employment terms have not been finalised as at the date of this Scheme Booklet.

9.3 Independent Expert

The Independent Expert has prepared the Independent Expert's Report at Attachment 1 of this Scheme Booklet advising as to whether, in its opinion, the Scheme is in the best interests of Mainstream Shareholders.

The Independent Expert has concluded that the Scheme is, in the best interests of Mainstream Shareholders.

9.4 Consents and disclaimers

Each person named in this Section 9.4 as having given its consent to the inclusion of a statement or being named in this Scheme Booklet:

- has not authorised or caused the issue of this Scheme Booklet;
- does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based other than those statements which have been included in this Scheme Booklet with the consent of that person; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Scheme Booklet, other than a reference to their name and any statements (including any report) which have been included in this Scheme Booklet with the consent of that person.

9.4.1 Independent Expert

Deloitte Corporate Finance Pty Limited ACN 003 833 127 (as Independent Expert) has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to:

(f) be named as the Independent Expert in the form and context in which it is named;

(g) the inclusion of the Independent Expert's Report as Attachment 1; and

(h) the inclusion in this Scheme Booklet of statements made by the Independent Expert, or said to be based on the Independent Expert's Report, and to all references to those statements, in the form and context in which they are respectively included.

9.4.2 Apex

Apex has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to:

(i) be named in this Scheme Booklet in the form and context in which it is named; and

(j) the inclusion in this Scheme Booklet of the Apex Information in the form and context in which it appears.

9.4.3 Advisers and Share Registry

Miles Advisory Partners has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to be named in this Scheme Booklet as Mainstream's financial Adviser in the form and context in which it is named.

Maddocks has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to be named in this Scheme Booklet as Mainstream's legal Adviser in the form and context in which it is named.

ESV has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to be named in this Scheme Booklet as Mainstream's tax Adviser in the form and context in which it is named.

Mainstream Fund Services has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to be named in this Scheme Booklet as Mainstream's Share Registry in the form and context in which it is named.

9.5 Fees

If the Scheme is implemented, the costs incurred by Mainstream in relation to the Scheme will effectively be met by Apex as the ultimate controller of Mainstream following implementation of the Scheme. If the Scheme is not implemented and if no Superior Proposal emerges and becomes effective, Mainstream expects to incur total costs of approximately $2.5 million.

9.6 Foreign jurisdictions

The distribution of this Scheme Booklet outside of Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. Mainstream disclaims all liabilities to such persons. Mainstream Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed. No action has been taken to register or qualify this Scheme Booklet or any aspect of the Scheme in any jurisdiction outside of Australia.

9.7 Key terms of the Scheme Implementation Deed

Mainstream, Apex and Apex Group Limited entered into the Scheme Implementation Deed on 27 June 2021.

The Scheme Implementation Deed sets out the obligations of Mainstream and Apex in connection with the implementation of the Scheme. A full copy of the Scheme Implementation Deed is attached to the Mainstream ASX announcements of 28 June 2021 which is available on the ASX website (https://www2.asx.com.au/) and Mainstream's website (https://www.mainstreamgroup.com/shareholder-centre/asx-announcements/).

The following is a summary only and is qualified in its entirety by the full text of the Scheme Implementation Deed. All capitalised terms used in this Section have the meaning given to them in Section 10, unless otherwise indicated.

9.7.1 Conditions

The obligations of the parties to implement the Scheme is subject to the following Conditions, which are summarised below but set out in full in clause 3.1 of the Scheme Implementation Deed.

(a) on or before the Delivery Time either:

(i) the Treasurer (or his delegate) has provided a written notice confirming either it does not object to the Transaction either without conditions or with conditions that are acceptable to Apex (acting reasonably), or that it considers the Transaction is not a significant or notifiable action for the purposes of FATA; or

(ii) by reason of lapse of time, the Treasurer is no longer empowered under FATA to make an order prohibiting the Transaction;

(b) ASIC and ASX issue all Authorisations and do all other things reasonably necessary to implement the Scheme at or before the Delivery Time;

(c) Authorisations reasonably required to implement the Scheme without material restriction or restraint are obtained from relevant Authorities in Ireland, Malta, Cayman Island and the Isle of Man and these authorisations are not withdrawn, cancelled or revoked;

(d) the Independent Expert issues an Independent Expert's Report which concludes that the Scheme is in the best interests of Mainstream Shareholders and does not change or withdraw its conclusion or report prior to the Delivery Time;

(e) the Court approves the Scheme;

(f) Mainstream Shareholders approve the Scheme by the Requisite Majorities;

(g) at all times on and before the Delivery Time, each warranty given by each of Mainstream, Apex and Apex Group Limited under the Scheme Implementation Deed is true and correct as at the time it is given;

(h) no Mainstream Regulated Event occurs or becomes known to Apex or Mainstream before the Delivery Time;

(i) no restraints or orders (or similar) are issued, imposed, threatened or sought by a court, the Takeovers Panel, or other Authority or which is in effect as at the Delivery Time that impacts on implementation of any aspect of the Scheme;

(j) no Material Adverse Change occurs or becomes known to Apex or Mainstream before the Delivery Time;

(k) Mainstream has complied with its obligations in respect of the Performance Rights and other rights or instruments that are convertible to Shares;

(l) Mainstream delivers to SS&C and SS&C Technologies, Inc, a valid notice of termination in accordance with the SS&C SID and the SSC&C SID and any other agreement between Mainstream and an SS&C entity which relates to the "Transaction" (as defined in the SS&C SID) other than the SS&C Confidentiality Agreement are validly terminated and the SS&C Scheme does not proceed for any reason.

Apex has received written notice from FIRB that the Commonwealth Treasurer has no objection to the acquisition by Apex of Mainstream Shares under the Scheme.

As far as Mainstream is aware, immediately before the date of this Scheme Booklet no circumstances have occurred which have caused or will cause any of the other Conditions not to be satisfied or to become incapable of satisfaction. These matters will continue to be assessed until the latest time each Condition is to be satisfied, which for many of the Conditions is the Delivery Time.

9.7.2 Conduct of business

Subject to certain exceptions, from the date of the Scheme Implementation Deed until the Implementation Date Mainstream is required to comply with certain conduct of business requirements, which are summarised below but set out in full in clause 7.1 of the Scheme Implementation Deed.

Among other things, Mainstream must:

(a) procure that each Mainstream Group Member:

  (i) conducts its business and operations in the ordinary and usual course, substantially consistent with the manner conducted prior to the date of the Scheme Implementation Deed, and substantially in accordance with all applicable laws and regulations;

  (ii) uses reasonable endeavours to ensure that all assets are maintained in the normal course consistent with past practice;

  (iii) complies in all material respects with all Material Contracts (as defined in the Scheme Implementation Deed) and does not waive any material rights under, or terminate or amend in any material respect, any Material Contract;

  (iv) notifies Apex of any Claims against any Mainstream Group Member or their directors or officers and consult with Apex as reasonably required; and

  (v) maintains insurance over its assets, business, directors and officers;

(b) ensure that no Mainstream Group Member:

  (i) Disposes of or acquires any securities, business, entity, undertaking or asset (subject to agreed thresholds, approvals and exceptions);

  (ii) incurs any indebtedness, or provides any financial accommodation;

  (iii) materially breaches or amends, or terminates, any Material Contract;

  (iv) makes, commences, settles or admits liability to any claim or proceeding where the settlement or exposure exceeds $250,000;

  (v) enters into or agrees to any arrangement above certain threshold levels set out in the Scheme Implementation Deed;

  (vi) enters into a partnership, joint venture, strategic alliance or similar;

  (vii) incurs, commits to or undertakes any capital expenditure or project expenditure (other than any capital expenditure and project expenditure budgeted for and the amount of which has been Fairly Disclosed in the Due Diligence Material;

(viii) employs, engages, or terminates or materially amends the employment or engagement of certain senior management or key staff (having regard to the threshold levels set out in the Scheme Implementation Deed);

(ix) waives or forgives any loans made to any officer or employee of any Mainstream Group Member;

(x) changes its accounting policies other than as reasonably required by applicable accounting standards;

(xi) gives or agrees to give a financial benefit to a related party of Mainstream;

(xii) modifies or amends any share-based incentive plan or scheme;

(xiii) authorises or commits, resolves or agrees to do, any of the matters set out above;

(xiv) incurs or agrees to incur, or pays any external advisers any fee, cost or other form of compensation or remuneration in relation to the Transaction or any proposed sale process in relation to Mainstream, unless such amount is pursuant to a mandate or engagement letter disclosed in the Due Diligence Materials and in aggregate amounts to not more than $9,500,000 (excluding fees paid to, or other remuneration received by, an Adviser before 1 January 2021),

except to the to the extent that any action by Mainstream relates to the payment of a Permitted Dividend, or any matter or event:

(xv) that is expressly permitted by the Transaction Documents;

(xvi) for which Apex has provided its prior written consent;

(xvii) which has been Fairly Disclosed to ASX in the 6 months prior to the Scheme Implementation Deed;

(xviii) which is Fairly Disclosed in the Due Diligence Material; or

(xix) to obtain directors and officers run-off insurance; and

(c) ensure that no Mainstream Regulated Event or Material Adverse Change occurs.

9.7.3 Exclusivity

(a) **No shop**

During the Exclusivity Period, Mainstream Group Members and their Authorised Persons must not directly or indirectly solicit, invite, encourage or initiate any Third Party, to make any enquiry, expression of interest, proposal or offer, or enter into any discussions or negotiations in relation to (or that could reasonably be expected to lead to) the making of a Competing Proposal, or communicate to a Third Party any intention to do any of those things.

(b) **No talk**

Subject to the 'fiduciary out' (described below), during the Exclusivity Period, Mainstream Group Members and their Authorised Persons must not directly or indirectly, participate in negotiations or discussions, or enter into, or offer or agree to enter into, any agreement or understanding, or communicate an intention to do any of those things with any Third Party in relation to a Competing Proposal (or which could reasonably be expected to lead to a Competing Proposal).

(c) **No due diligence**

Subject to the 'fiduciary out', during the Exclusivity Period, Mainstream Group Members and their Authorised Persons must not directly or indirectly, disclose, provide or otherwise permit any Third Party to undertake due diligence investigations on Mainstream, any other Mainstream Group Member or the business of the Mainstream Group in connection with the formulation of a Competing Proposal.

Where disclosure is not prohibited by the above, and subject to the 'fiduciary out', where Mainstream proposes to disclose any non-public information to a Third Party in connection with the formulation of a Competing Proposal, before such information is disclosed Mainstream must enter into a confidentiality deed with that Third Party, and such information must also be provided to Apex (to the extent that such information has not already been provided).

(d) **Fiduciary out**

The 'fiduciary out' is an exception where to comply with a restriction could breach the Mainstream Directors' fiduciary duties.

The 'no talk' and 'no due diligence' restrictions do not apply to the extent they restrict the Mainstream Board from taking or refusing to take any action with respect to any actual, proposed or potential Competing Proposal provided that such proposal is bona fide and the Mainstream Board has determined in Good Faith, after consultation with its external legal and financial advisors, and written confirmation that failing or refusing the take the action with respect to the Competing Proposal would, or would likely, constitute a breach of the fiduciary obligations of the Mainstream Board.

(e) **Existing discussions**

Mainstream warranted to Apex under the Scheme Implementation Deed that no discussion, agreement or understanding with a Third Party or invitation to a Third Party to participate in discussions which could reasonably be expected to lead to a Competing Proposal existed as at the date of the Scheme Implementation Deed which had not been disclosed to Apex.

9.7.4 Notification of approaches

(a) During the Exclusivity Period, Mainstream must notify Apex, no later than 10:00 am on the day being two Business Days after becoming aware of any approach, inquiry or proposal made by any person to a Mainstream Group Member or any of their Authorised Representatives to initiate any discussions or negotiations that concern, or that could reasonably be expected to lead to, a Competing Proposal, or of any proposal in connection with or in respect of any exploration or consummation of an actual, proposed or potential Competing Proposal.

(b) Mainstream must notify Apex, in writing and within two Business Days (and if there are less than two Business Days prior to the end of the Exclusivity Period, such notification must be given as soon as practicable and in case prior to the end of the Exclusivity Period) of any Superior Proposal it receives provided the Mainstream Board determines such Superior Proposal would be in the best interests of Mainstream Shareholders.

(c) Subject to the 'fiduciary out' and any Good Faith determination by the Mainstream Board to the contrary, any such notification to Apex must include the identity of the relevant person making the Competing Proposal.

9.7.5 Apex's Matching Right

(a) If Mainstream gives notice to Apex of any Superior Proposal, as described above at Section 9.7.5(b), Apex has the right, but not the obligation, to provide a revised proposal to Mainstream (**Counter Proposal**) within four Business Days of such notice.

(b) If the Mainstream Board, acting in Good Faith having consulted with its financial and legal advisers, determines that the Counter Proposal is equally as favourable to, or more favourable to, Mainstream Shareholders as a whole than the Superior Proposal notified under 9.7.5(b), then Mainstream and Apex must use their best efforts to enter into an amended agreement to give effect to those amendments and the Mainstream Directors recommend the Counter Proposal to Mainstream Shareholders.

(c) Each successive material modification of any Third Party expression of interest, offer or proposal in relation to a Superior Proposal will constitute a new Superior Proposal.

9.7.6 Representations and warranties

The Scheme Implementation Deed contains customary and other representations and warranties by each of Mainstream (in Schedule 1 of the Scheme Implementation Deed) and Apex (in Schedules 2 and 3 of the Scheme Implementation Deed).

9.7.7 Mainstream Break Fee

The Scheme Implementation Deed provides in clause 14.3 that Mainstream must pay Apex a Mainstream Break Fee in the following circumstances. The Mainstream Break Fee is $4,000,000 (excluding GST), except where a Mainstream Regulated Event has occurred because it was required by law or an Authority, between the date of the Scheme Implementation Deed and 8:00 am on the Second Court Date, in which case the Mainstream Break Fee is $750,000 (excluding GST).

A Mainstream Break Fee is payable by Mainstream to Apex if:

(a) any Mainstream Director:

(i) fails to recommend or support the Scheme as contemplated by those recommendations and intentions Mainstream Board outlined in the Scheme Implementation Deed;

(ii) changes, withdraws, adversely modifies, adversely qualifies, or takes an action inconsistent with their statement in support of the Scheme or recommendation to vote in favour of the Scheme; or

(iii) makes any public statement that they do not support or recommend the Scheme, or that they recommend a Competing Proposal,

and that Mainstream Director does not within 3 Business Days (or any shorter period ending at 5.00pm on the last Business Day before the Second Court Date) reinstate their recommendation of the Scheme, except where:

(iv) an Independent Expert advises the Scheme is not in the best interests of the Mainstream Shareholders (other than where the reason for that conclusion is a Competing Proposal); or

(v) provided certain conditions are met, Apex has materially breached the Scheme Implementation Deed or a Condition not in Mainstream's control is not satisfied, where such matter gives rise to a termination right in favour of Mainstream.

(b) a Competing Proposal is made or announced prior to the end of the Exclusivity Period and within 12 months of the date of such announcement, a Third Party who announced or made the Competing Proposal or any of its Associates:

(i) completes that Competing Proposal; or

(ii) otherwise acquires a Relevant Interest in at least 50% of the Mainstream Shares on issue, or otherwise comes to Control or acquires or obtains an economic interest in all, or a substantial part of, the business, assets or undertakings of the Mainstream Group;

(c) Apex terminates the Scheme Implementation Deed for Mainstream's material breach of the Scheme Implementation Deed which is not remedied within the required time;

(d) Mainstream breaches the exclusivity provisions of the Scheme Implementation Deed; or

(e) a Mainstream Regulated Event occurs before the Delivery Time.

The Mainstream Board considers the break fee to represent a genuine and reasonable pre-estimate of the costs that would be incurred by Apex in pursuing the Scheme, and believe that it is appropriate in the circumstances for Mainstream to agree to the break fee In order to secure the participation of Apex in the Transaction.

9.7.8 Apex Break Fee

The Scheme Implementation Deed provides in clause 14.4 that Apex must pay Mainstream an Apex Break Fee in the following circumstances. The Apex Break Fee is $4,000,000 (excluding GST).

The Apex Break Fee is payable by Apex to Mainstream if Mainstream terminates the Scheme Implementation Deed due to:

(a) Apex's failure to obtain Authorisations from the relevant Authorities in Ireland, Malta, Isle of Man or the Cayman Islands, except where such failure is a result of Mainstream's failure to co-operate with Apex and any Authority or Third Party in Good Faith with a view to obtaining such Authorisations; or

(b) where Apex is in material breach of the Scheme Implementation Deed which is not remedied within the required time.

9.7.9 Termination by Mainstream

Mainstream may terminate the Scheme Implementation Deed if:

(c) a majority of the Mainstream Board:

(i) change, withdraw, adversely modify, adversely qualify, or take an action inconsistent with their recommendation to vote in favour of the Scheme;

(ii) make any public statement to the effect the Scheme is not, or no longer, supported by them; or

(iii) make any public statement to the effect that they recommend a Competing Proposal,

provided that:

(iv) such actions are permitted, by virtue of the Independent Expert recommending the Scheme not be in the best interests of the Mainstream Shareholders, or where a Superior Proposal is validly made; and

(v) the Apex Break Fee is paid (where applicable), or

(d) Apex materially breaches, at any time before the Delivery Time, any material clause of the Scheme Implementation Deed which is not or cannot be remedied within the required time.

An Apex Break Fee may be payable to Mainstream where reason for the termination was the fault of Apex (see Section 9.7.8 above).

9.7.10 Termination by Apex

Apex may terminate the Scheme Implementation Deed, at any time before the Delivery Time where:

(a) Mainstream has materially breached a material clause of the Scheme Implementation Deed, which has not been remedied or has not been remedied by the earlier of the times allocated in clause 15.21 of the Scheme Implementation Deed;

(b) any Mainstream Director or the Mainstream Board publicly:

(i) changes or withdraws their statement that they consider the Scheme to be in the best interests of Mainstream Shareholders; or

(ii) makes any public statement to the effect that the Scheme is not, or is no longer, supported or recommended by them; or

(iii) makes any public statement to the effect that they recommend a Competing Proposal; and

(iv) does not or do not, within the time set out in clause 15.2.2 of the Scheme Implementation Deed, reinstate their recommendation of the Scheme.

A Mainstream Break Fee may be payable to Apex where reason for the termination was the fault of Mainstream (see Section 9.7.7 above).

9.7.11 Termination because Conditions are not satisfied

The Scheme Implementation Deed will terminate if the Conditions are not satisfied or (if capable of waiver) waived by 11.59 pm on the End Date, being the later of 28 March 2022 or such later date as agreed by Mainstream and Apex (acting reasonably).

9.7.12 Funding of transaction costs

Apex has agreed that if Mainstream reasonably considers it requires funds in order to enable it to meet its liabilities and debts as and when they fall due in the ordinary course of business, on Mainstream's request, Apex will make a payment to or otherwise ensure Mainstream has sufficient funds to enable Mainstream to pay advisor's fees (the aggregate of all such amounts capped at $9,500,000) on the Implementation Date.

9.7.13 Permitted Dividend

If the Scheme does not become Effective within 120 days from the date of the Scheme Implementation Deed (that is by 25 October 2021), Mainstream may pay a fully franked cash dividend (provided that Mainstream's franking account does not go into deficit after the payment of that dividend) on Mainstream Shares to Mainstream Shareholders at any time after that date and on or prior to the Record Date. The Permitted Dividend would be approximately $0.01 per Mainstream Share per month.

9.8 Key terms of Break Fee Loan Agreement and Subordination Deed

9.8.1 Break Fee Loan Agreement

Under the Break Fee Loan Agreement, Apex Services agrees to advance an amount of up to $3,728,579 (**Break Fee Loan**) for the sole purpose of paying the SS&C Break Fee on the following terms:

(a) the Break Fee Loan may be drawn down in one amount on the date which is the earlier of 40 Business Days after the date of the Scheme Implementation Deed and the day 5 Business Days prior to the date on which Apex takes control of Mainstream under the Scheme Implementation Deed;

(b) the Break Fee Loan is interest free;

(c) the Break Fee Loan is unsecured;

(d) the Break Fee Loan is repayable on no less than 22 Business Days' notice after:

   (i) the Effective Date; or

   (ii) the date on which the Scheme Implementation Deed is terminated;

(e) if the Scheme Implementation Deed is terminated in circumstances where Apex is required to pay the Apex Break Fee, the Apex Break Fee will be reduced by an amount equal to the Break Fee Loan in satisfaction of Mainstream's obligation to repay the Break Fee Loan; and

(f) Apex Services may require immediate repayment of the Break Fee Loan if Mainstream becomes Insolvent (as defined in the Break Fee Loan Agreement).

9.8.2 Subordination Deed

The consent of Mainstream's principal lender was required to enter into the Break Fee Loan Agreement. As part of that consent, the principal lender required Apex Services and Mainstream to enter into the Subordination Deed. Under the Subordination Deed, Apex Services agrees that the Break Fee Loan is not repayable until after:

(a) the Effective Date has occurred under the Scheme Implementation Deed; or

(b) if the Scheme Implementation Deed is terminated, 17 January 2022,

and subject to certain other conditions being satisfied.

The principal amount outstanding under Mainstream's facilities with the principal lender as at the date of this Scheme Booklet is $7,000,000. Mainstream is required to make an amortization payment of $2,000,000 on 31 August 2021 and repay the facilities in full on 12 January 2022.

9.9 Regulatory approvals

All regulatory approvals that are Conditions to the Scheme are set out in clause 3.1 of the Scheme Implementation Deed.

9.10 ASIC relief obtained

Pursuant to rule 5.1.0.1(b) and clause 8302(h) of Schedule 8 of the *Corporations Regulations 2001* (Cth), this Scheme Booklet is required to set out whether, within the knowledge of the Mainstream Directors, the financial position of Mainstream has materially changed since the date of the last balance sheet laid before the company in general meeting or sent to shareholders in accordance with section 314 or 317 of the Corporations Act, as well as the full particulars of the changes.

On 3 August 2021, ASIC granted Mainstream relief from this requirement so that this Scheme Booklet only needs to set out whether, within the knowledge of the Mainstream Directors, the financial position of Mainstream has materially changed since 31 December 2020 (being the last date of the period to which the financial statements for the six months ended 31 December 2020 relate).

9.11 Deed Poll

Apex has entered into the Deed Poll in favour of the Scheme Participants under which Apex has undertaken to pay the Scheme Consideration if the Scheme becomes Effective.

The Deed Poll may be relied upon by any Scheme Participant despite the fact that they are not a party to it and each Scheme Participant appoints Mainstream as its agent to enforce their rights under the Deed Poll against Apex.

The Deed Poll is at Attachment 2 to this Scheme Booklet.

9.12 Other information material to the making of a decision in relation to the Scheme

Except as set out in this Scheme Booklet, so far as the Mainstream Directors are aware, there is no other information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any Mainstream Director or any director of a related entity of Mainstream which has not been previously disclosed to Mainstream Shareholders.

9.13 Supplementary information

Mainstream will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration by ASIC and the Effective Date:

- a material statement in this Scheme Booklet is false or misleading;
- a material omission from this Scheme Booklet;
- a significant change affecting a matter included in this Scheme Booklet; and/or
- a significant new matter has arisen and it would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC.

Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, Mainstream may circulate and publish any supplementary document including by:

- approaching the Court for a direction as to what is appropriate in the circumstances;
- placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- posting the supplementary document on Mainstream’s website and the ASX; and
- making a public announcement by way of press release.

ASIC will be provided with an opportunity to review and comment on any supplementary documents prior to their issue by Mainstream.

10. Glossary

The following is a glossary of certain terms used in this Scheme Booklet.

$, A$, AUD or AUD$	means the lawful currency for the time being of Australia.
1HFY21	means the first half financial year ended 31 December 2020.
Adviser	means, in relation to an entity, a financier, financial adviser, corporate adviser, legal adviser, or technical or other expert adviser, or consultant who provides advisory services in a professional capacity and who has been engaged by that entity in connection, directly or indirectly, with the Scheme.
AEST	means Australian Eastern Standard Time.
Apex	means Apex Fund Holdings Australia Pty Ltd ACN 649 344 507.
ASX	means ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
Apex Board	means the board of directors of Apex.
Apex Break Fee	means a break fee payable by Apex to Mainstream of $4,000,000 (excluding GST).
Apex Group	means the corporate group comprised by Apex and each of its Related Bodies Corporate.
Apex Group Member	means any member of the Apex Group.
Apex Information	means all information prepared by Apex for inclusion in this Scheme Booklet and for which Apex is responsible, being: (a) the information contained in FAQs 41 to 43 (inclusive) under the heading ‘Questions about Apex’ and (b) the information contained in Section 6.
Apex Scheme	see definition of **Scheme**.
Apex Services	means Apex Fund Services (Australia) Pty Ltd ACN 149 408 702.
ASIC	means the Australian Securities and Investments Commission.
Associate	has the meaning given in the Corporations Act.
Authorisation	includes any licence, consent, permission, certification, accreditation, approval, determination, requirement, registration, filing, authorisation, waiver or exemption issued or required by, or to be obtained from, an Authority or required under any law.

Authorised Person	means, in respect of a person: (a) any Related Body Corporate of that person; (b) an officer or employee of that person or any of its Related Bodies Corporate; (c) an Adviser or financier of that person or any of its Related Bodies Corporate; or (d) an officer, partner, consultant or employee of any entity referred to in paragraph (c) of this definition.
Authority	has the meaning given in the Scheme Implementation Deed, being (in summary) a government agency, authority or similar.
Break Fee Loan	means the loan of $3,728,579 to be made available under the Break Fee Loan Agreement.
Break Fee Loan Agreement	means the loan agreement between Apex, Apex Services and Mainstream dated 27 June 2021.
Business Day	means a day that is not a Saturday, Sunday, bank holiday or public holiday in New South Wales, Australia or Bermuda.
CHESS	means the clearing house electronic subregister system for the electronic transfer of securities operated by ASX Settlement Pty Limited and ASX Clear Pty Limited.
Claim	means any debt, cause of action, liability, claim, proceeding, suit or demand of any nature howsoever arising and whether present or future, fixed or unascertained, actual or contingent, whether at law, in equity, under statute or otherwise.
Competing Proposal	has the meaning given to that term in clause 1.1 of the Scheme Implementation Deed.
Conditions	means the conditions precedent to the Scheme contained in clause 3.1 of the Scheme Implementation Deed.
Control	has the meaning given in section 50AA of the Corporations Act.
Corporations Act	means the *Corporations Act 2001* (Cth).
Counter Proposal	has the meaning set out in clause 13.6 of the Scheme Implementation Deed, as summarised in Section 9.7.5.
Court	means the Federal Court of Australia or another court having jurisdiction in relation to the Scheme as agreed between Mainstream and Apex in writing.
Deed Poll	means the deed poll executed by Apex and Apex Group Limited in favour of the Scheme Participants prior to the First Court Date substantially in the form at Attachment 2 (or in such other form as

	Apex and Mainstream may agree in writing, such agreement not to be unreasonably withheld or delayed).
Delivery Time	means 8:00 am (AEST) on the Second Court Date.
Dispose	means, in relation to an interest in any property or other asset, a sale, transfer, assignment, novation, disposal, waiver, relinquishment or other dealing or action of any kind by means of which a legal, beneficial, voting or economic interest of any kind in that property or other asset, whether absolute or by way of security and whether proprietary in nature or merely contractual, is, will or may be conferred on or transferred to another person or waived, relinquished or forfeited by a member of the Mainstream Group and **Disposal** has a corresponding meaning.
Due Diligence Material	has the meaning given to that term in clause 1.1 of the Scheme Implementation Deed.
Effective	means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	means the date on which the Scheme becomes Effective. Refer also to the expected Effective Date included in the Timetable.
Exclusivity Period	means the period beginning on and from 27 June 2021 and ending on the earlier of: (a) the date of termination of the Scheme Implementation Deed; (b) the End Date (defined in the Scheme Implementation Deed as the later of the date that is 9 months after the date of the Scheme Implementation Deed or such later date as agreed in writing between Mainstream and Apex, each acting reasonably); and (c) the Implementation Date.
Fairly Disclosed	has the following meaning. A matter, event or circumstance is taken to have been **Fairly Disclosed** if sufficient information has been disclosed to enable a reasonable and sophisticated person to fairly assess the nature of the information disclosed.
FAQ	means a question (and its corresponding answer) under the heading 'Frequently Asked Questions' commencing on page 16 of this Scheme Booklet.
FATA	means the *Foreign Acquisitions and Takeovers Act 1975* (Cth).
FIRB	means the Foreign Investment Review Board.
First Court Date	means the first day of hearing of an application made to the Court by Mainstream for orders, pursuant to section 411(1) of the Corporations Act, convening the Scheme Meeting or, if the hearing

	of such application is adjourned for any reason, means the first day of the adjourned hearing.
FY19	means the financial year ended 30 June 2019.
FY20	means the financial year ended 30 June 2020.
FY21	means the financial year ending 30 June 2021.
Go Shop Period	means the 5 week period from 9 March 2021 up to and including 11 April 2021.
Good Faith	has the meaning given to that term in clause 1.1 of the Scheme Implementation Deed.
GST	means a goods and services tax or similar value added tax levied or imposed under the GST Law.
GST Law	has the meaning given to it in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).
Headcount Test	means the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the resolution to approve the Scheme at the Scheme Meeting is passed by a majority in number of Mainstream Shareholders present and voting, either in person, by attorney, by corporate representative or by proxy (and being the first limb of the definition of 'Requisite Majorities').
Implementation Date	means the date which is 5 Business Days after the Record Date or such other date as Mainstream and Apex may agree in writing. Refer also to the expected Implementation Date included in the Timetable.
Independent Expert	means Deloitte Corporate Finance Pty Limited ACN 003 833 127.
Independent Expert's Report	means the report from the Independent Expert in respect of the Scheme, a copy of which is set out in Attachment 1.
Listing Rules	means the official listing rules of ASX, as amended, waived or modified from time to time.
Mainstream	means Mainstream Group Holdings Limited ACN 112 252 114.
Mainstream Board	means the board of the Mainstream Directors.
Mainstream Break Fee	means a break fee payable by Mainstream to Apex of $4,000,000 (excluding GST), except where a Mainstream Regulated Event has occurred because it was required by law or an Authority between the date of the Scheme Implementation Deed and 8.00 am on the Second Court Date, in which case the Mainstream Break Fee is $750,000 (excluding GST).
Mainstream Director	means a director of Mainstream.
Mainstream Group	means Mainstream and its Subsidiaries.

Mainstream Group Member	means any member of the Mainstream Group.
Mainstream Information	means all information in this Scheme Booklet other than the Apex Information and the information contained in the Independent Expert's Report.
Mainstream Regulated Event	has the meaning given to that term in clause 1.1 of the Scheme Implementation Deed.
Mainstream Share	means a fully paid ordinary share issued in the capital of Mainstream.
Mainstream Share Plan Rules	means the Mainstream Group Holdings Limited Employee Share Plan Rules adopted by the Mainstream Board on 20 July 2015 and governing the Mainstream employee share plan.
Mainstream Shareholder	means each person who is registered in the Register as the holder of Mainstream Shares.
Matching Right	means Apex's right to match a Superior Proposal under clause 13.6 of the Scheme Implementation Deed, as summarised in Section 9.7.5.
Material Adverse Change	has the meaning given to that term in clause 1.1 of the Scheme Implementation Deed.
Notice of Scheme Meeting	means the notice of meeting for the Scheme Meeting, a copy of which is at Attachment 4.
Performance Rights	means unquoted Mainstream Share rights issued prior to 27 June 2021 and pursuant to the terms of the Mainstream Share Plan Rules.
Permitted Dividend	has the meaning given to that term in clause 1.1 of the Scheme Implementation Deed.
Proxy Form	means the proxy form for the Scheme Meeting, in the form at Attachment 5 to this Scheme Booklet, or, as the context requires, any replacement or substitute proxy form provided by or on behalf of Mainstream.
Record Date	means 7:00 pm on the second Business Day following the Effective Date or such other date after the Effective Date as Apex and Mainstream agree in writing. Refer also to the expected Record Date included in the Timetable.
Related Body Corporate	has the meaning given to that term in the Corporations Act.
Relevant Interest	has the meaning given to that term by sections 608 and 609 of the Corporations Act.
Register	means the register of members of Mainstream kept by or on behalf of Mainstream.

Requisite Majorities	means the majorities required under section 411(4)(a)(ii) of the Corporations Act, being: (a) unless the Court orders otherwise, a majority in number (more than 50%) of Mainstream Shareholders present and voting (in person or by proxy, corporate representative or attorney) at the Scheme Meeting (being the 'Headcount Test' as defined); and (b) at least 75% of the total number of votes cast on the Scheme Resolution.
Scheme or **Apex Scheme**	means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act proposed between Mainstream and the Mainstream Shareholders, in the form at Attachment 3, together with any alterations or conditions made or required pursuant to sub-section 411(6) of the Corporations Act and agreed or consented to in writing by Mainstream and Apex.
Scheme Booklet	means this document.
Scheme Consideration	means the consideration to be provided to Scheme Participants under the terms of the Scheme for the transfer of their Scheme Shares to Apex.
Scheme Implementation Deed	means the Scheme Implementation Deed entered into between Mainstream, Apex and Apex Group Limited on 27 June 2021. A summary of the Scheme Implementation Deed is set out in Section 9.7. A full copy of the Scheme Implementation Deed is attached to the Mainstream ASX announcement of 28 June 2021, which is available on the ASX website (https://www2.asx.com.au/) and Mainstream's website (https://www.mainstreamgroup.com/shareholder-centre/asx-announcements/).
Scheme Meeting	means the meeting of Mainstream Shareholders ordered by the Court to be convened pursuant to Section 411(1) of the Corporations Act in relation to the Scheme, including any adjournment or postponement of that meeting. Refer also to the scheduled Scheme Meeting date included in the Timetable.
Scheme Participant	means a Mainstream Shareholder on the Record Date.
Scheme Resolution	means the resolution to be put to Mainstream Shareholders to approve the Scheme at the Scheme Meeting.
Scheme Shares	means all Mainstream Shares held by Mainstream Shareholders as at the Record Date.
Second Court Date	means the first day of hearing of an application made to the Court by Mainstream for orders pursuant to section 411(4)(b) of the Corporations Act approving the Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing, with such hearing the **Second Court Hearing**.

	Refer also to the expected Second Court Date included in the Timetable.
Security Interest	means: (a) any mortgage, pledge, lien, charge or other preferential right, trust arrangement, agreement or arrangement of any kind given or created by way of security, including a security interest (as defined in the *Personal Property Securities Act 2009* (Cth)); (b) a 'security interest' as defined in section 12 of the *Personal Property Securities Act 2009* (Cth); or (c) any agreement to *create* or grant any arrangement described in paragraph (a) or (b).
Share Registry	means Mainstream Fund Services Pty Ltd ACN 118 902 891 of Level 1, 51 – 57 Pitt Street, Sydney, New South Wales 2000, Australia.
SS&C	means SS&C Solutions Pty Ltd.
SS&C Break Fee	means a break fee payable by Mainstream to SS&C of $3,728,579 (excluding GST).
SS&C Scheme	means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act attached to the SS&C SID.
SS&C SID	means the scheme implementation deed dated on or about 11 April 2021 between Mainstream, SS&C and SS&C Technologies, Inc., as amended.
Subordination Deed	means the subordination deed between Apex Services, Mainstream and Mainstream's principal lender described in Section 9.8.2.
Subsidiary	has the meaning given in the Corporations Act.
Superior Proposal	has the meaning given to that term in clause 1.1 of the Scheme Implementation Deed.
Takeovers Panel	means the panel established by Part 10 of the *Australian Securities and Investment Commission Act 2001* (Cth).
Third Party	means any person other than any Mainstream Group Member or Apex Group Member.
Timetable	means the indicative timetable for implementation of the Scheme as set out under the heading 'Timetable and key dates' commencing on page 1 of this Scheme Booklet.
Transaction	means the proposed transactions pursuant to which Apex will acquire the Scheme Shares under the Scheme, in consideration for the provision of the Scheme Consideration and any action to be

	undertaken pursuant to, or in connection with, a Transaction Document.
Transaction Document	means each of: (a) the Scheme Implementation Deed; (b) the Scheme; (c) the Deed Poll; (d) the non-disclosure agreement between Mainstream and Apex Technologies dated 29 March 2021; and (e) any other document which Apex and Mainstream agree is necessary or desirable to be entered into for the purposes of the Scheme.
USD or USD$	means the lawful currency for the time being of the United States of America.
Vistra	means Vistra Holdings (Australia) Pty Ltd ACN 618 080 514 and, where appropriate, includes Vistra BVI.
Vistra BVI	means Vistra Group Holdings (BVI) Limited.
Vistra SID	means the Scheme Implementation Deed entered into between Vistra, Vistra BVI and Mainstream dated 9 March 2021.
Vistra Voting Deed	means the Voting Deed Poll entered into between Vistra BVI and Mainstream dated 9 June 2021.
VWAP	means volume weighted average price.

Attachment 1 Independent Expert's Report

Mainstream Group Holdings Limited

Independent expert's report and Financial Services Guide

29 July 2021

Financial Services Guide

What is a Financial Services Guide?

An FSG is designed to provide information about the supply of financial services to you. What financial services are we licensed to provide?

Why are we providing this FSG to you?

Deloitte Corporate Finance Pty Limited (**DCF**) (AFSL 241457) has been engaged by the Independent Directors of Mainstream Group Holdings Limited to prepare an independent expert's report (our **Report**) in connection with Proposed Scheme between Mainstream Group Holdings Limited and Apex Fund Holdings Australia Pty Limited (**the Proposed Scheme**). The Independent Directors of Mainstream Group Holdings Limited will provide our Report to you.

Our Report provides you with general financial product advice. This FSG informs you about the use of general financial product advice, the financial services we offer, our dispute resolution process and our remuneration. Our contact details are in the document that accompanies this FSG.

What financial services are we licensed to provide?

We are authorised to provide financial product advice and to arrange for another person to deal in financial products in relation to securities, interests in managed investment schemes, government debentures, stocks or bonds, to retail and wholesale clients. We are also authorised to provide personal and general financial product advice and deal by arranging in derivatives and regulated emissions units to wholesale clients, and general financial product advice relating to derivatives to retail clients.

We are providing general financial product advice

In our Report, we provide general financial product advice as we have not taken into account your personal objectives, financial situation or needs, and you would not expect us to have done so. You should consider whether our general advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is in connection with the acquisition of a financial product, you should read the relevant offer document carefully before making any decision about whether to acquire that product.

How are we remunerated?

Our fees are usually determined on a fixed fee or time cost basis plus reimbursement of any expenses incurred in providing the services. Our fees are agreed with, and paid by, those who engage us. You are not responsible for our fees.

We will receive a fee of approximately $240,000 exclusive of GST in relation to the preparation of our Report. This fee is not contingent on the outcome of the Proposed Scheme.

Apart from these fees, DCF, our directors and officers, and any related bodies corporate, affiliates or associates, and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary, and, while eligible for annual salary increases and bonuses based on overall performance, they do not receive any commissions or other benefits as a result of the services provided to you.

The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us

Associations and relationships

The Deloitte member firm in Australia (Deloitte Touche Tohmatsu) controls DCF. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu.

We, and other entities related to Deloitte Touche Tohmatsu, do not have any formal associations or relationships with any entities that are issuers of financial products. However, we may provide professional services to issuers of financial products in the ordinary course of business.

What should you do if you have a complaint?

If you have a concern about our Report, please contact us below. If an issue is not resolved to your satisfaction, you can lodge a dispute with the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services dispute resolution free to consumers.

The Complaints Officer	www.afca.org.au
PO Box N250	1800 931 678 (free call)
Grosvenor Place	Australian Financial
Sydney NSW 1220	Complaints Authority Limited
complaints@deloitte.com.au	GPO Box 3 Melbourne VIC
Tel: +61 2 9322 7000	.

If an issue is not resolved to your satisfaction, you can lodge a dispute with the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services dispute resolution free to consumers.

What compensation arrangements do we have?

Deloitte Australia holds professional indemnity insurance that covers the financial services we provide. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).

Deloitte Corporate Finance Pty Limited
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The Independent Directors
Mainstream Group Holdings Limited
51 – 57 Pitt Street Level 1
Sydney
NSW 2000

29 July 2021

Dear Directors

Re: Independent expert's report

Introduction

On 28 June 2021 (**Apex Announcement Date**), Mainstream Group Holdings Limited (**Mainstream** or the **Company**) announced a proposal under which Apex Fund Holdings Australia Pty Limited (**Apex**), a wholly owned subsidiary of Apex Group Limited (**Apex Group**), a would acquire 100% of the issued shares in Mainstream via a scheme of arrangement (the **Proposed Scheme**). If the Proposed Scheme is approved, holders of Mainstream shares (**Shareholders**) will receive a cash consideration of $2.80 per Mainstream share (**Offer Price** or the **Apex Offer**).

The Apex Offer emerged after several competing offers to takeover Mainstream:

- on 9 March 2021, Mainstream announced a proposal under which Vistra Group Holdings (BVI) Limited and Vistra Holdings (Australia) Pty Ltd, an entity controlled by Vistra (altogether **Vistra**) would acquire Mainstream for a $1.20 per share (**Vistra Announcement Date**) (**Vistra Offer**) via a scheme of arrangement. This scheme included a 'go shop' option enabling Mainstream to recommend the Vistra Offer while concurrently actively engaging with third parties seeking potential alternative offers (**Go Shop Process**)

- under the Go Shop Process, several parties expressed interest in Mainstream with some undertaking due diligence and making non-binding and binding offers at a price higher than the Vistra Offer

- SS&C Solutions Pty Ltd and SS&C Technologies, Inc (altogether **SS&C**) emerged as the preferred buyer in the initial phase of the Go Shop Process. On 12 April 2021, Mainstream announced a proposed scheme of arrangement under which SS&C would acquire 100% of the shares of Manistream for $2.00 per share

- whilst Vistra elected not to match the SS&C's offer, Apex emerged as an alternative bidder to SS&C. After several counteroffers at progressively higher prices, Apex prevailed. Since the Apex Annoucement Date, no alternative offer considered superior to the Proposed Scheme by the board of directors of Mainstream has been made.

Listed on the on the Australian Securities Exchange Limited (**ASX**) since 1 October 2015 (ASX:MAI), Mainstream provides a number of specialised fund administration services including investment administration, middle office, fund accounting, superannuation administration, custody, share registry and unit registry. The Company was founded in 2006, commencing operations in Sydney and progressively expanding through a combination of acquisitions and organic growth to become a global fund administrator with operations in Asia-Pacific, the Americas and Europe. As of 31 March 2021, the Company had over $272 billion in funds under administration (**FUA**), served 367 clients, administered 1,364 funds and employed 330 employees in eight countries. As at the day prior to the Vistra Announcement Date, Mainstream had a market capitalization of circa $153 million.

Upon completion of the Proposed Scheme, Mainstream will become a wholly owned subsidiary of Apex and will subsequently be delisted from the ASX. The board of Mainstream have prepared a scheme booklet containing the detailed terms of the Proposed Scheme (the **Scheme Booklet**). An overview of the Proposed Scheme is provided in Section 1 of this report.

Purpose of the report

Section 411 of the Corporation Act 2001 (**Section 411**) regulates schemes of arrangement between companies and their shareholders. Part 3 prescribes the information to be provided to shareholders in relation to schemes of arrangement.

Whilst an independent expert's report in respect of the Proposed Scheme is not required to meet any statutory obligations, the directors of Mainstream (the **Directors**) have requested that Deloitte Corporate Finance Pty Limited (**Deloitte Corporate Finance**) provide an independent expert's report advising whether, in our opinion, the Proposed Scheme is in the best interests of Shareholders.

This report is to be included in the Scheme Booklet to be sent to Shareholders and has been prepared for the exclusive purpose of assisting Shareholders in their consideration of the Proposed Scheme. Neither Deloitte Corporate Finance, Deloitte Touche Tohmatsu, nor any member or employee thereof, undertakes responsibility to any person, other than the Shareholders and Mainstream, in respect of this report, including any errors or omissions however caused.

Basis of evaluation

This independent expert's report has been prepared in a manner consistent with Part 3 of Schedule 8 of the Corporations Regulations 2001 (Cth) (Part 3) to assist Shareholders in their consideration of the Proposed Scheme. Part 3 prescribes the information to be provided to shareholders in relation to schemes of arrangement. We have prepared this report having regard to Part 3 and Australian Securities and Investments Commission (ASIC) Regulatory Guide 111: Contents of expert reports and ASIC Regulatory Guide 112: Independence of experts.

According to ASIC Regulatory Guide 111, where the scheme of arrangement has the same effect as a takeover, the form of analysis used by the expert should be substantially the same as for a takeover bid. Accordingly, if an expert were to conclude that a proposal was 'fair and reasonable' or 'not fair but reasonable' if it was in the form of a takeover bid, it will also be able to conclude that the proposal is in the best interests of the members of the company.

To assess whether the Proposed Scheme is in the best interests of Shareholders, we have adopted the test of whether the Proposed Scheme is either fair and reasonable, not fair but reasonable, or neither fair nor reasonable, as set out in ASIC Regulatory Guide 111.

Definition of value

For the purpose of our opinion, we have referred to the concept of market value. Market value is defined as the amount at which the shares in the entity valued would be expected to change hands in a hypothetical transaction between a knowledgeable willing, but not anxious, buyer and a knowledgeable willing, but not anxious, seller acting at arm's length.

Special purchasers may be willing to pay higher prices to reduce or eliminate competition, to ensure a source of material supply or sales, or to achieve cost savings or other synergies arising on business combinations, which could only be enjoyed by the special purchaser. Our valuation has not been premised on the existence of a special purchaser.

Summary and conclusion

In our opinion the Proposed Scheme is fair and reasonable and therefore in the best interests of Shareholders. In arriving at this opinion, we have had regard to the following factors.

The Proposed Scheme is fair

Set out in the table below is a comparison of our assessment of the market value of a Mainstream share with the consideration offered by Apex.

Table 1

	Low ($)	High ($)
Estimated market value of a Mainstream share	2.17	2.64
Offer Price	2.80	2.80

Source: Deloitte Corporate Finance analysis

The consideration offered by Apex is above the range of our estimate of the market value of a Mainstream share. Accordingly, it is our opinion that the Proposed Scheme is fair.

Valuation of Mainstream

We have estimated the market value of Mainstream by applying the earnings multiple method.

We have adopted an adjusted EBITDA estimate as our preferred measure of earnings. We have assessed Mainstream's adjusted EBITDA to be in the range of $17.9 million to $19.5 million. We have then applied an earnings multiple (on a control basis) in the range of 18.0 to 20.0 times having regard to the multiples implied by trading in listed companies and in transactions involving companies broadly comparable to Mainstream.

Table 2: Valuation summary

Section	Unit	Low	High
Selected earnings (EBITDA)	$ million	17.9	19.5
Earnings multiple (on a control basis)	times	18.0x	20.0x
Enterprise value	$ million	**322.2**	**390.0**
Net debt	$ million	(12.5)	(12.5)
Equity value	$ million	**309.7**	**377.5**
Number of shares after dilution	million	142.9	142.9
Value per share in Mainstream	**$**	**2.17**	**2.64**

Source: Deloitte Corporate Finance analysis

Our selected valuation range incorporates value that would be able to be realised by a hypothetical acquirer through synergies by integrating Mainstream into its business. Insights into the process followed by Mainstream under the Go Shop Process indicate, in our view, that:

- multiple market participants would be able to realise significant synergies (which are not unique to them) by integrating Mainstream into their business. According to the definition of market value adopted in our analysis, a valuation of Mainstream shares on a control basis must therefore incorporate a degree of synergy value

- Mainstream's earnings potential as a standalone entity can be boosted by integrating its business into a larger, more diversified player in the funds administration industry. We understand that in addition to Apex, SS&C and Vistra, at least one more party undertook due diligence and made an offer for Mainstream. All of the parties involved operate or control businesses in the funds administration and corporate services industry. Given their global presence and business models, the acquisition of Mainstream would offer substantial profitability uplift opportunities through cost efficiencies, scale, cross-selling and the establishment of a presence in complementary geographical markets (such as Australia and Asia).

Having regard to the above, our selected EBITDA incorporates synergy value (in the form of a higher EBITDA margin that would otherwise not be capable of being achieved by Mainstream in the short term as a standalone business). We have assumed that Mainstream's EBITDA would, if controlled by a strategic buyer, be in the region of circa 27.5% to 30.0% of revenues. This represents a higher margin than Mainstream can be expected to generate (after also taking into account normalisations for one-off and non-recurring items) by 4% to 5%.

We have cross-checked our selected valuation range by undertaking a separate revenue multiples analysis. Based on its findings, we are of the view that it broadly supports our valuation conclusion.

As set out above, our valuation range is below the Offer Price and below a number of offers from Apex and SS&C. Despite incorporating an assessment of synergies available to multiple market participants, we acknowledge that there could be other synergies over and above those that we have considered in our analysis of fairness. The existence of multiple potential acquirers concurrently interested in acquiring Mainstream is likely to have resulted in Mainstream shareholders being able to secure more of the potential synergy value available to potential acquirers than would otherwise be the case, resulting in the Offer Price being higher than our assessed valuation range. Given the bidding dynamic, it is possible that the Apex Offer includes an element of special value to Apex.

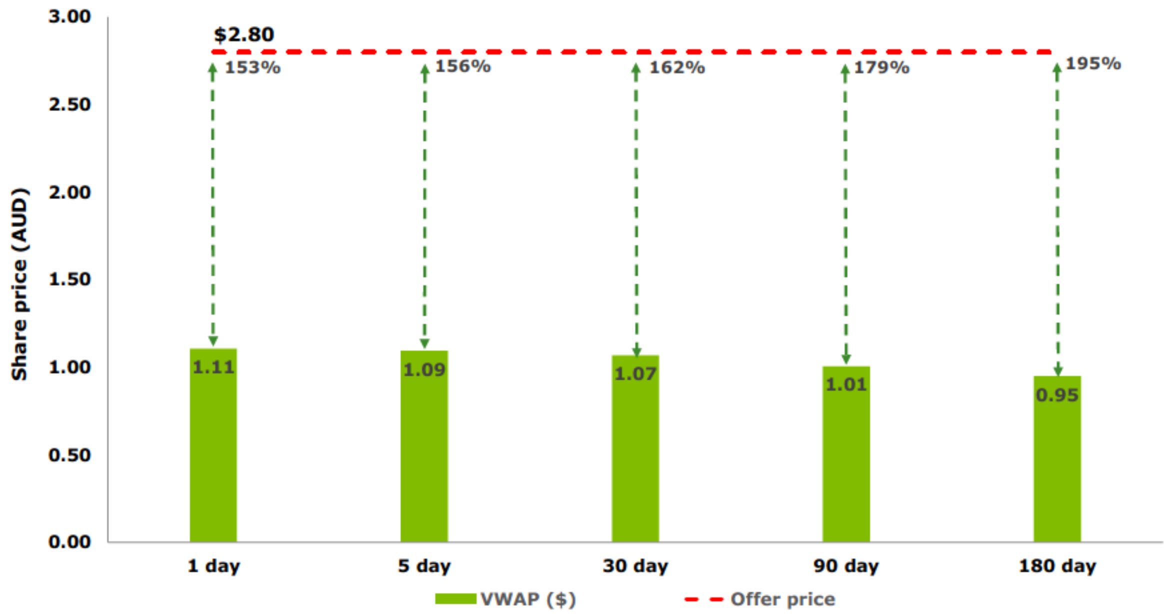
The Proposed Scheme is reasonable

In accordance with ASIC Regulatory Guide 111 an offer is reasonable if it is fair. On this basis, in our opinion the Proposed Scheme is reasonable. We have presented the following reasonableness factors.

Shareholders are receiving a substantial premium to the share price of Mainstream prior to the announcement of the Vistra Offer

Shareholders are receiving a substantial premium to the traded share price of Mainstream shares observed prior to the Vistra Announcement Date.

Figure 1: Implied premium of the Offer Price compared to Mainstream share trading prior to the Vistra Announcement Date



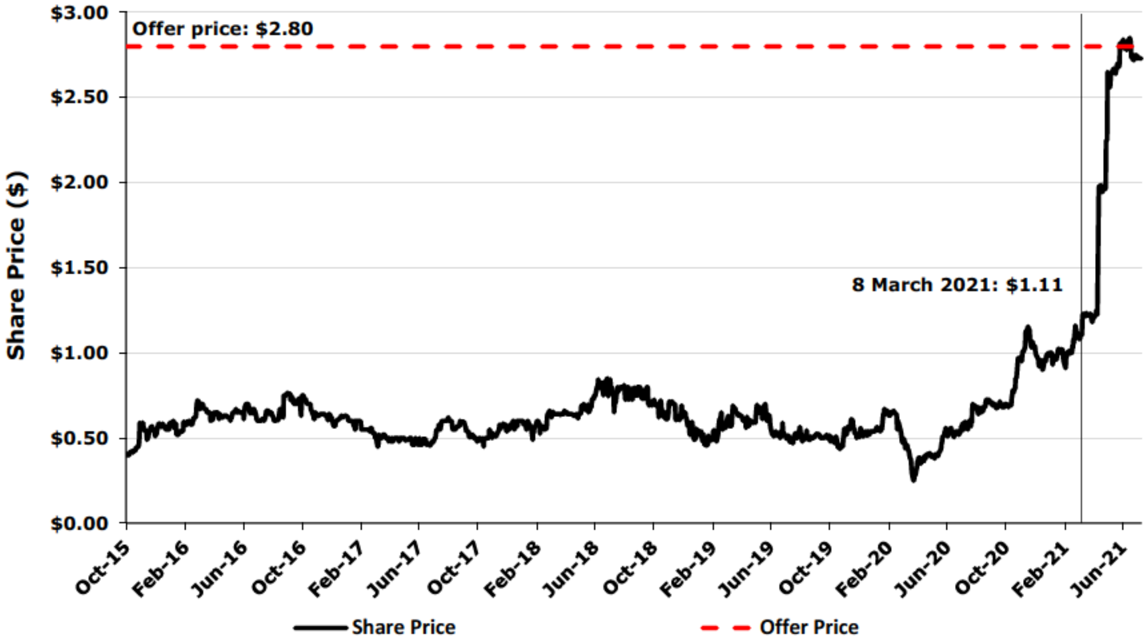
Source: Deloitte Corporate Finance analysis

The premium implied by the Offer Price is greater than 150% and is well above the premium typically observed in public takeovers involving Australian listed companies, which is in the range of 20% to 40%.

Furthermore, when assessing the premium offered, Shareholders should take in account the fact that Mainstream shares have not traded above $1.16 since the IPO. We also note that, given the recent M&A

activity in the Australian funds administration industry (which includes the public takeover of OneVue Holdings Limited (**OneVue**) by Iress Limited (**IRESS**) in November 2020 and the announcement of an offer for Link Administration Holdings Limited (**Link**) in October 2020), the trading price of Mainstream shares might have already been influenced by some speculation of a potential takeover before the first Vistra Offer (refer to Section 3.7).

Figure 2 – Historical Mainstream share trading price vs Offer Price



Source: S&P Capital IQ, Deloitte Corporate Finance analysis

The profile of the parties involved in the Go Shop Process and the subsequent bidding contest, and the competitive tension developed therein provide confidence around the fairness of the Offer Price

The competitive tension amongst various interested parties and bidders since the first Vistra Offer was publicly announced created a very favourable opportunity for Shareholders to realise the full market value of their investment in Mainstream.

Given Mainstream's performance as a standalone business and the low liquidity of their traded shares, we are of the view that, in the absence of a superior offer, it would be difficult for Shareholders to realise a higher value for their investment through ownership of ASX-traded Mainstream shares. Should the Proposed Scheme be rejected, Mainstream shares may trade at lower values and the trading volumes would likely be insufficient for Shareholders to realise the same value in the short to medium term.

No current alternative proposal

Whilst any alternative party interested in acquiring Mainstream would have likely participated in the sale process through the Go Shop Process (as this would have provided an opportunity to undertake due diligence on Mainstream), it is possible that other offers or proposals may emerge in due course. As of the date of this report, we are not aware of any other alternative proposals available.

The Directors unanimously support the Proposed Scheme

At the date of the announcement of the Proposed Scheme, the directors of Mainstream collectively held approximately 27.9% of the Company's shares.

The Directors unanimously support the Proposed Scheme and have indicated their intention to vote in favour of the Proposed Scheme if no superior offer is received, subject to the independent expert concluding that the Proposed Scheme is fair and reasonable and in the best interest of Shareholders.

Conclusion on reasonableness

As the Proposed Scheme is fair, it is also reasonable.

Opinion

In our opinion, the Proposed Scheme is fair and reasonable to Shareholders. It is therefore in the best interests of Shareholders.

This opinion should be read in conjunction with our detailed report which sets out our scope and findings.

Yours faithfully

Michele Picciotta

Authorised Representative
AR Number: 462446

Tapan Parekh

Authorised Representative
AR Number: 461009

Glossary

Reference	Definition
$	Australian dollars
Acquirer	Apex Fund Holdings Australia Pty Limited
Adjusted EBITDA	EBITDA adjusted for normalisations and market participant synergies
Announcement Date	12 April 2021
Apex Announcement Date	28 June 2021
Vistra	Vistra Group Holdings (BVI) Limited and Vistra Holdings (Australia) Pty ltd
AIF	Alternative investment funds
Apex	Apex Fund Holdings Australia Pty Limited
Apex Group	Apex Group Limited
Apex Offer	$2.80
Apex SID	Scheme implementation deed between the Company and Apex
APRA	Australian Prudential Regulation Authority
ASIC	The Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ATO	Australian Taxation Office
AUASB	Auditing and Assurance Standards Board
ASA	Auditing Standard
bps	Basis points
Bravura	Bravura Solutions Limited
CAGR	Compound annual growth rate
Company	Mainstream Group Holdings Limited
Mainstream	Mainstream Group Holdings Limited
Deloitte	Deloitte Touche Tohmatsu
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FUA	Funds under administration
FUM	Funds under management
FY	Financial year
Go Shop Process	Go shop provision set out in Vistra SID
IBIS	IBIS World Pty Limited
IRESS	Iress Limited
KPI	Key performance indicator
Link	Link Administration Holdings Limited
Management	MAI management
NAV	Net asset value
NPAT	Net profit after tax

NTA	Net tangible assets
Offer price	$2.80
OneVue	OneVue Holdings Limited
PE	Private equity
Proposed Scheme	Scheme of arrangement between the Acquirer and the Company
Scheme booklet, the	disclosure document in respect of the Proposed Scheme between Mainstream and the Shareholders
Shareholders	Existing holders of Mainstream shares
SID	Scheme implementation deed
SS&C	SS&C Solutions Pty Ltd and SS&C Technologies, Inc
Vistra Announcement Date	9 March 2021
Vistra offer	$1.20
Vistra Options	Option agreements to buy a total of 19.9% of Mainstream's shares separately entered into by Vistra with entities controlled by Mainstream directors and significant shareholders Byram Johnson, Martin Smith and John Plummer
Vistra SID	Scheme implementation deed between the Company and Vistra
VWAP	Volume weighted average price

Contents

1 Overview of the Proposed Scheme

1.1 Summary

The Proposed Scheme envisages all of Mainstream's shares being acquired via a scheme of arrangement by Apex for a consideration of $2.80 per share. The Proposed Scheme is the result of a process involving multiple binding and non-binding bids from a number of parties and it is important, for context, to outline its genesis:

- on 9 March the board of directors of Mainstream announced a proposed scheme of arrangement under which Vistra would acquire all of the shares in Mainstream at $1.20 per share (**Vistra SID**). While the directors recommended the offer in the absence of a superior proposal, as part of their negotiation, they agreed a 'go shop' option enabling Mainstream and its advisors to seek alternative offers from other parties up until 11 April 2021 (referred to as the **Go Shop Process**). We also note that Vistra undertook to vote all shares it received in favour of any "qualifying superior proposal" received as part of the Go Shop Process
- as part of the Vistra SID, Vistra also entered into call option agreements to buy a total of 19.9% of Mainstream's shares separately with entities controlled by Mainstream directors and significant shareholders Byram Johnson, Martin Smith and John Plummer (**Vistra Option**). The terms of this option effectively awarded Vistra 100% of the upside from a higher Offer Price up to $1.35 per share and 50% of the upside above $1.35 per share over the relevant underlying shares
- during the Go Shop Process, several parties expressed interest in Mainstream with some undertaking due diligence and making non-binding and binding offers at a price higher than the Vistra Offer of $1.20 per share
- SS&C emerged as the preferred acquirer during the Go Shop Process. On 12 April 2021, Mainstream announced a proposed scheme of arrangement under which SS&C would acquire 100% of the shares of Manistream for $2.00 per share
- as part of the Go Shop Process, Vistra was offered the opportunity to match SS&C's offer price but elected to withdraw from the process. The Vistra SID was consequently terminated on 19 April 2021 and Vistra became entitled to a break fee of $1.7 million
- on 27 April 2021 Mainstream announced it had received another an offer of $2.20 per share by a third party. Subsequently, SS&C and Apex made progressively higher counter offers ultimately culminating with a $2.80 per share offer by Apex. We note that SS&C is entitled to a break fee of $3.7 million as a part of its SID.

A summary of the offers formalised publicly is set out in the table below.

Table 3 – Announced offers

Announcement date	Offer	Bidder
9 March 2021	$1.20	Vistra
12 April 2021	$2.00	SS&C
27 April 2021	$2.20	unnamed bidder
27 April 2021	$2.25	SS&C
29 April 2021	$2.35	Apex
29 April 2021	$2.35	SS&C
30 April 2021	$2.55	Apex
6 May 2021	$2.56	SS&C
6 May 2021	$2.60	Apex
14 May 2021	$2.61	SS&C
18 May 2021	$2.65	Apex
25 May 2021	$2.66	SS&C
26 May 2021	$2.75	Apex
1 June 2021	$2.76	SS&C
10 June 2021	$2.80	Apex

Source: Mainstream

Apart from the changes in the offer price, variations to other elements of the offers (in particular, from the original Vistra SID) were also introduced. These include, but are not limited to, the following:

- increasing the cap on advisors' fees to $9.5 million and agreeing to provide liquidity to Mainstream in the same amount, if needed
- increasing the limit on employee bonuses up to $1.8 million in accordance with the terms of their incentive arrangements as at the date of the Apex SID, and
- increasing the break fee to $4.0 million.

On 9 June 2021 the Vistra Options were cancelled and Vistra acquired separately from Byram Johnston, Martin Smith and John Plummer 9.99% of Mainstream's shares. At the same time, it was agreed separately that Vistra would support any control transaction for all shares in Mainstream at a price higher than $1.45 per share if was to be recommended by the Mainstream's directors.

More detail on the terms of the Proposed Scheme and its genesis is available in the Scheme Booklet.

Under the terms of the Apex SID, it is expected that at the time of the implementation of the Proposed Scheme, there will be 142,857,422 total outstanding shares, comprised of 138,089,440 ordinary shares on issue as well as shares representing 4,767,982 equity rights that will vest on change of control. In addition to these rights vesting, the Proposed Scheme specifies a cash bonus payment up to $1.8 million to employees who were due to be issued share rights under Mainstream's employee share plan.

1.2 Key conditions

The Proposed Scheme is subject to various conditions, including:

- authorisations from ASIC and ASX, Foreign Investment Review Board approval and other required authorisations from relevant authorities in Ireland, Malta, Cayman Islands and Isle of Man
- court approval in accordance with section 411(4)(b) of the Corporations Act
- shareholder approval at the scheme meeting by the requisite majorities
- no material adverse changes that result in a reduction of Mainstream's tangible net assets by 15% or reduction in FY21 EBITDA of $11.5 million by at least $1.15 million
- no occurrence of a regulated event
- no material breach of warranty by Mainstream or Apex.

If the Proposed Scheme is approved, the Company will become a wholly owned subsidiary of Apex and will subsequently be delisted from the ASX.

Further details of the Proposed Scheme are set out in the Scheme Booklet.

1.3 Profile of Apex

Apex Group, the holding company of Apex,is a global provider of independent fund administration and middle-office solutions with over 4,500 employees spread across 47 locations worldwide. Apex Group has operated in Australia over the last 10 years and currently has 60 staff in Australia across its offices in Sydney and Melbourne. Its offerings include:

- a suite of products and services including fund set up, portfolio valuation, fund and portfolio accounting, shareholder, directorship, and listing sponsorship services
- fund services, such as corporate secretarial administration, emerging manager incubation, fund formation or changing administration, fund of funds, investor servicing, private equity, tax, and cryptocurrency services
- capital introduction services, and office and fund administration services, such as emerging manager platforms, portfolio accounting, company secretarial administration, middle office, audit and risk reporting, and due diligence services.

According to Apex Group, the acquisition of Mainstream is highly complementary to their business given similar services provided and as one of Mainstream's largest clients, Macquarie Group, is already a large client of Apex Group in the US, Europe, Singapore and Australia. Apex Group has stated that the combined business would boast a significantly enhanced product offering, consolidate a market leading position in Australia, provide a platform to grow in the broader Asia Pacific region and unlock expansion potential in the US.

2 Basis of evaluation

2.1 Guidance

In undertaking the work associated with this report, we have had regard to ASIC Regulatory Guide 111 in relation to the content of expert's report and ASIC Regulatory Guide 112 in respect of the independence of experts.

Schemes of arrangement can include many different types of transactions, including being used as an alternative to a Chapter 6 takeover bid. The basis of evaluation selected by the expert must be appropriate for the nature of each specific transaction.

Section 640 of the Corporations Act 2001 (Section 640) requires an independent expert's report in connection with a takeover offer to state whether, in the expert's opinion, the takeover offer is fair and reasonable. Where the scheme of arrangement has the same effect as a takeover, the form of analysis used by the expert should be substantially the same as for a takeover bid, however, the opinion reached should be whether the proposed scheme is 'in the best interests of the members of the company'. Accordingly, if an expert were to conclude that a proposal was 'fair and reasonable' if it was in the form of a takeover bid, it will also be able to conclude that the proposed scheme is in the best interests of the members of the company.

ASIC Regulatory Guide 111

This regulatory guide provides guidance in relation to the content of independent expert's reports prepared for a range of transactions.

ASIC Regulatory Guide 111 refers to a 'control transaction' as being the acquisition (or increase) of a controlling stake in a company that could be achieved, for example, by way of a takeover offer, scheme of arrangement, approval of an issue of shares using item 7 of s611, a selective capital reduction or selective buy back under Chapter 2J.

In respect of control transactions, under ASIC Regulatory Guide 111 an offer is:

- fair, when the value of the consideration is equal to or greater than the value of the shares subject to the proposed scheme. The comparison must be made assuming 100% ownership of the target company (i.e. including a control premium)
- reasonable, if it is fair, or, despite not being fair, after considering other significant factors, shareholders should accept the offer under the proposed scheme, in the absence of any higher bids before the close of the offer.

To assess whether the Proposed Scheme is in the best interests of Shareholders, we have adopted the tests of whether the Proposed Scheme is either fair and reasonable, not fair but reasonable, or neither fair nor reasonable, as set out in ASIC Regulatory Guide 111.

Fairness

ASIC Regulatory Guide 111 defines an offer as being fair if the value of the offer price is equal to or greater than the value of the securities the subject of the offer. The comparison must be made assuming 100% ownership of the target company.

We have assessed whether the Proposed Scheme is fair by comparing the value of a Mainstream share with the value of the consideration to be received from Apex. We have assessed the value of each Mainstream share by estimating the current value of Mainstream on a control basis and dividing this value by the number of shares on issue. We have made adjustments for dilutive equity instruments on issue as appropriate.

The Mainstream shares have been valued at market value, which we have defined as the amount at which the shares would be expected to change hands between a knowledgeable and willing but not anxious buyer and a knowledgeable and willing but not anxious seller, neither of whom is under any compulsion to buy or sell. Special purchasers may be willing to pay higher prices to reduce or eliminate competition, to ensure a source of material supply or sales, or to achieve cost savings or other synergies arising on business combinations, which could only be enjoyed by the special purchaser. Our valuation of a Mainstream share has not been premised on the existence of a special purchaser.

Reasonableness

ASIC Regulatory Guide 111 considers an offer in respect of a control transaction to be reasonable if either:

- the offer is fair
- despite not being fair, but considering other significant factors, shareholders should accept the offer in the absence of any higher bid before the close of the offer.

To assess the reasonableness of the Proposed Scheme we considered the following significant factors in addition to determining whether the Proposed Scheme is fair:

- any significant shareholding in Mainstream
- the likely market price and liquidity of Mainstream shares in the absence of the Proposed Scheme
- any special value of Mainstream to Apex
- the value to an alternative bidder and the likelihood of an alternative offer being made
- other implications associated with Shareholders rejecting the Proposed Scheme.

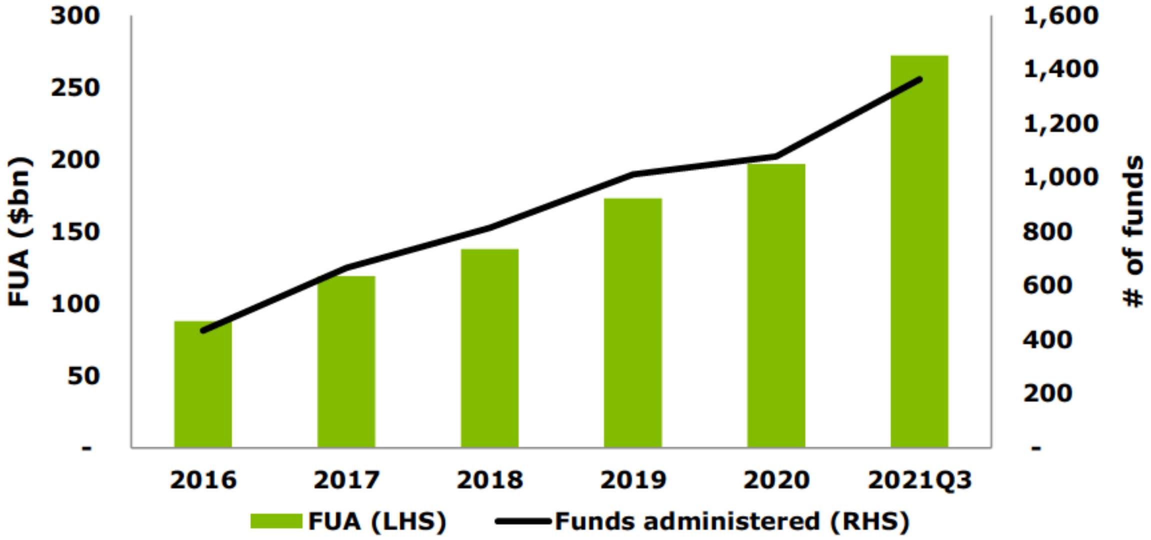
3 Profile of Mainstream

3.1 Overview

Mainstream is a specialist fund administrator for the financial services industry. It provides a number of fund administration services for funds as an outsourced third-party provider. This includes services such as investment administration, middle office, fund accounting, superannuation administration, custody, share registry and unit registry.

Mainstream was founded in 2006 by its current CEO Martin Smith and non-executive chairman Byram Johnston, leveraging their significant experience as management consultants in outsourcing and shared services. From a small operation in Sydney with 7 employees, Mainstream has grown to a global fund administrator with operations in Asia-Pacific, North America and Europe. The Company listed on the ASX on 1 October 2015. As at 31 March 2021, Mainstream had over $272 billion in funds under administration (**FUA**), served 367 clients, administered 1,364 funds, and employed 330 employees in eight countries. As the chart below shows, FUA as at 31 March 2021 is c. 2.1x larger than in 2016 and the number of funds administered has more than doubled since then.

Figure 3 – FUA and funds administered



Source: Mainstream

3.2 History

Since establishment, Mainstream has progressively increased its global reach, service offering and customer base, through both organic growth and a series of acquisitions. It has established operations in Asia-Pacific, opening its Singapore office in 2012 and acquiring its Hong Kong operations in 2014–2015. Over time, it has also expanded to Europe (Isle of Man and Malta acquisitions in 2016, Ireland in 2017) and North America (US acquisition in 2016 and launch of its private equity (**PE**) business in 2018, Cayman Islands acquisition in 2017).

An overview of the Company history is provided in the figure below.

Table 4 – Company history

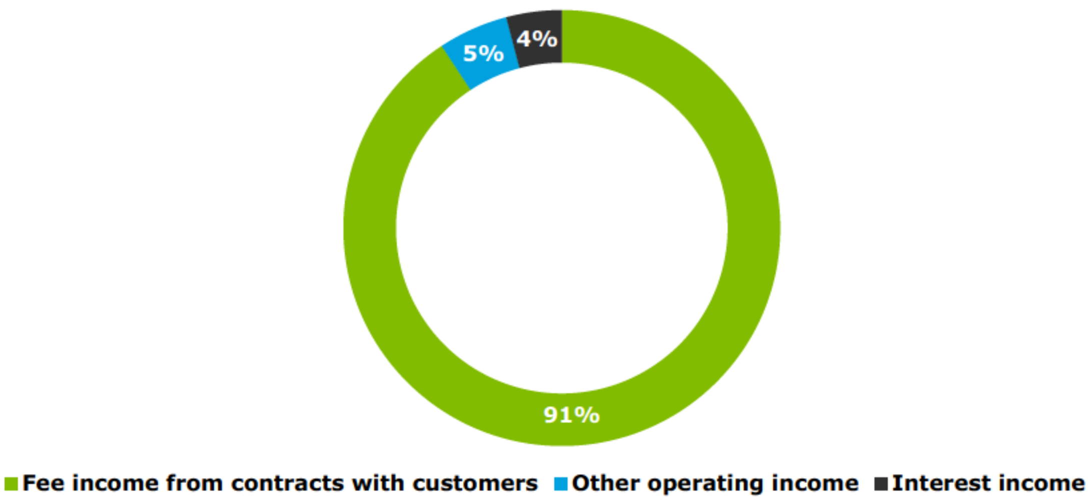
Year	Event
2006	Founded
2007	Group Benefits Pty Ltd acquisition (Australia)
2010	Launched share registry services
2012	Opened Singapore office Perpetual Trust's registry business acquisition (Australia)
2014	Hong Kong acquisition
2015	Listed on ASX Hong Kong acquisition
2016	Fundadministration, Inc. acquisition (US) Acquisition of Galileo Fund Services (Isle of Man) Alter Domus acquisition (Malta) Surpassed $100 billion in funds under administration
2017	Acquisition of Trinity Fund Administration (Ireland and Cayman Islands) Acquisition of IRESS's superannuation business (Australia)
2018	Launch of PE business in USA Launch of full custody service in Australia
2019	Surpassed $150 billion in funds under administration
2020	Surpassed $200 billion in funds under administration Launch of the quoted funds initiative

Source: Mainstream

3.3 Business model

The Company provides fund administration services to the investment management sector. Instead of carrying out various middle and back office functions themselves, fund managers outsource these services to Mainstream. In turn, they pay Mainstream a variety of fees, largely fixed; with typically a minimum administration fee, fixed fees per investor and per transaction but also (depending on the particular client and contractual terms) a variable fee that depends on the quantum of FUA. The variable fee therefore increases both with inflows of funds by a given investor but also due to value appreciation. The fees are indexed (by a fixed percentage or linked to an underlying wage index) and are charged on a regular basis, so they provide stable revenue flow. Mainstream also realises revenue through interest income on its custodial accounts and deposits. Additionally, it is able to pass on some of its expenses to its clients, such as costs related to data feeds from data providers.

Figure 4 – Revenue breakdown per type FY20



Source: Mainstream

The majority of Mainstream revenue is tied to open-ended funds which provides a measure of stability. In some specific cases, such as the private equity fund administration business (largely concentrated in the United States) the underlying funds have a finite life and consequently Mainstream has finite life contracts, and needs to bid to provide services for new funds being raised. Historically, losses of mandates have tended to be caused by various reasons, for example by clients in-sourcing their back office functions, funds being closed, or Mainstream not being willing to lower fees to maintain profitability. In relation to the superannuation business of Mainstream, consolidation amongst funds in the superannuation sector led to lost contracts. The outsourced services of larger, combined funds were awarded to one provider, typically the larger fund administration providers such as Link.

In June 2020, Magellan, an Australian fund manager, in partnership with Mainstream, as the administrator, launched an unlisted managed fund under a new structure known as a quoted fund, which represents the combination of listed and unlisted funds into a single fund. Under its structure, investors can buy and sell units on the ASX through their broker as well as through the fund's existing traditional application/redemption process. In the 6 months to 31 December 2020, two more quoted funds went live on the ASX, leading to a 68% increase in investors serviced by Mainstream, to a total of 157,066 investors. While it was initially expected that other fund administrators would soon follow suit with their own quoted funds, to date this has been slower than anticipated with Link administering the launch of the first fixed-income quoted managed fund in March 2021. The quoted funds initiative represents a significant innovation for the funds administration industry, a source of growth for Mainstream which might grant them a first-mover advantage and enable a higher profitability compared to its other services. However, over time this advantage is expected to diminish as more competitors move into this space.

Mainstream's expenses are largely linked to its employees and technology. The Company's strategy is to leverage global capabilities but provide fully localised services across the world, resulting in its ability to target more of the clients' business which is spread across different jurisdictions. However, it also results in the need to create offices in each location and employ more people than under a hypothetical centralised business model. Consequently, this may create a higher fixed cost base business but one that is able to leverage its global reach in taking on more of their clients' business.

In terms of technology, Mainstream is platform-agnostic and targets the specific needs of its different types of clients by integrating already developed applications to suit clients, such as HiPortfolio, Statpro or Composer. It does, however, develop middleware and client interfaces and invests in the automation of its processes. For example, its level of unit registry automation grew from 43% to 63% from FY17 to FY19 with a positive impact on profitability. Nonetheless, in contrast to some of its competitors (e.g. IRESS, OneVue, Bravura), Mainstream has not created its own proprietary standalone platform. This may provide more flexibility in not being locked-in to one solution and therefore Mainstream can target a broader portion of the market. Moreover, the risk of existing clients leaving Mainstream may be lower because they are not dependent on specific systems used by the Company. On the other hand, it needs to pay licensing fees for using the platforms.

3.4 Services and customers

As a full-service provider, Mainstream tailors its services depending on the type of client and the type of funds they manage. Clients may choose to outsource an individual component or all their back and middle office functions to Mainstream. Many clients utilise two or more services concurrently, therefore there is an opportunity for Mainstream to cross-sell its range of services. Mainstream's clients and their products range from traditional managed funds, to alternatives (e.g. hedge funds), private equity funds (including venture capital and real estate funds), listed entities (e.g. ETFs, mFunds.) and platforms (individually or separately managed accounts, public offer superannuation funds). A breakdown of the client base is shown below.

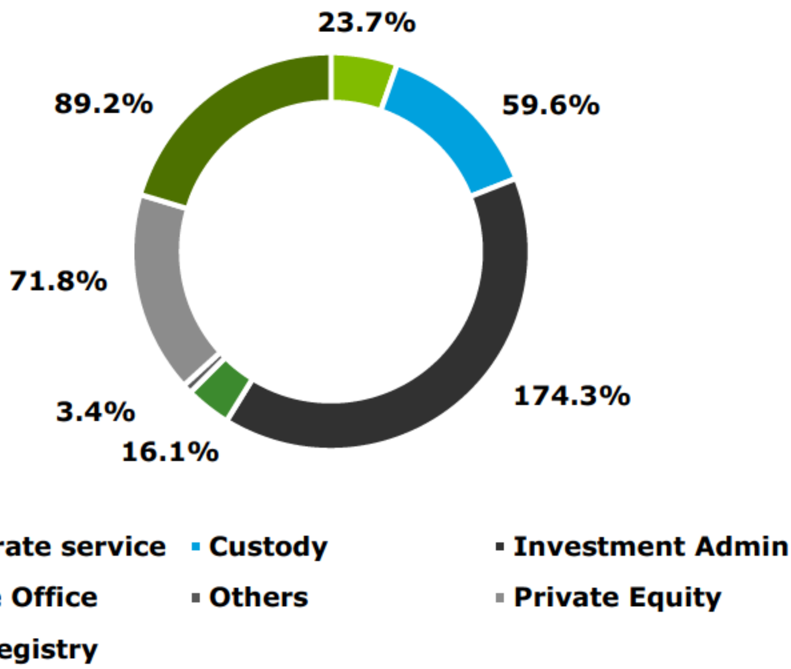
Table 5 – Mainstream's clients and services

Fund type	Products	Services	
Traditional	Managed funds Superannuation funds Quoted funds	Fund administration Fund accounting Unit registry Custody	Performance reporting Trade management FATCA & CRS
Alternative	Alternative funds	Fund administration Unit registry Regulatory reporting Registered office services	Company secretarial services Fund formation Middle office FATCA & CRS
Private equity	Private equity Venture capital Real estate	Fund launch Portfolio company & real asset services Investor services Tax audit & compliance Manager & investor web portals Capital calls	Financial statements Fee calculations Waterfall modelling Distributions Investor reporting Management reporting
Listed	ETFs, LITs, LICs mFunds	Investment administration (NAVs & PCFs) Fund accounting	Listed registry Post-trade compliance & trade matching
Platforms	Managed account service SMA fund Cayman umbrella fund Public offer super fund	Fund administration & accounting Investor / member services Market data & pricing Trade matching Client reporting	

Source: Mainstream, H1 FY20 results presentation

The various services provided would typically generate different levels of profitability. Custodial services are considered relatively profitable as they enable the business to retain the interest earned on the balances. General fund administration services have lower margins as the competition in the market drives down prices. Unit registry is the most labour intensive service and therefore the least profitable; however, it may drive cross-sales of other services. The profitability of the services is also dependent on industry regulation and scale, as for example the increasing regulation of the superannuation industry in Australia has made the provision of fund administration services to superannuation funds difficult without having a large customer base.

Figure 5 – Approximate FUA portfolios by business unit, 31 December 2020



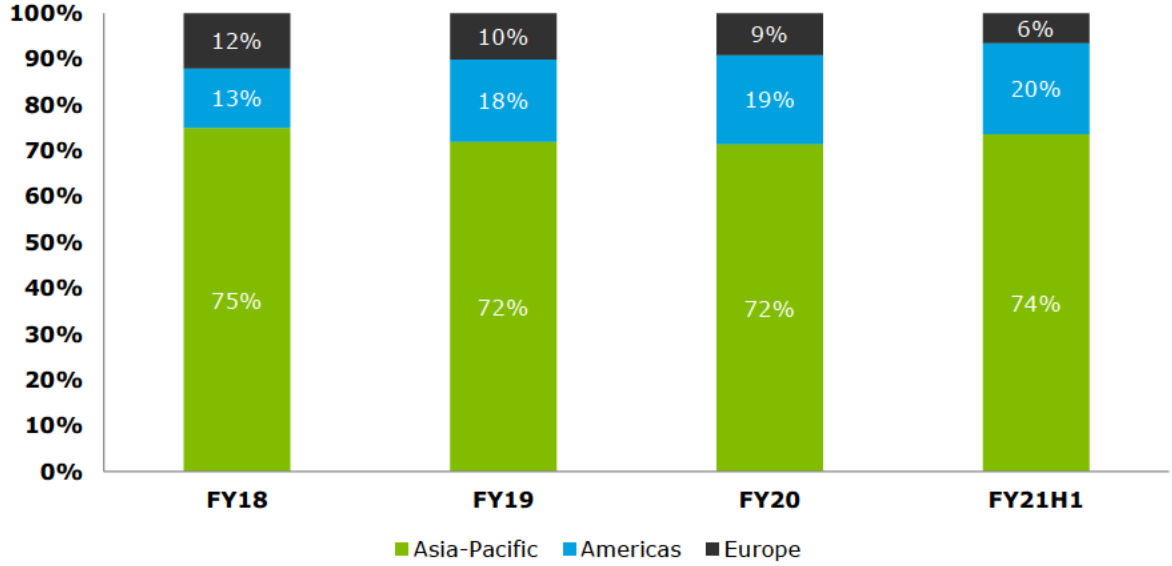
Source: Mainstream, we note the FUA portfolios overview is only approximate as FUA portfolios are double counted in some cases where clients use Mainstream across multiple business units

Deloitte.

3.5 Geographic presence

While Mainstream started as an Australian business, over time it has grown into a global fund administrator with offices in Asia Pacific, Europe and the Americas. Nonetheless, it remains focused on the Asia-Pacific region, where the majority of its revenues are generated.

Table 6 – Regional revenue breakdown



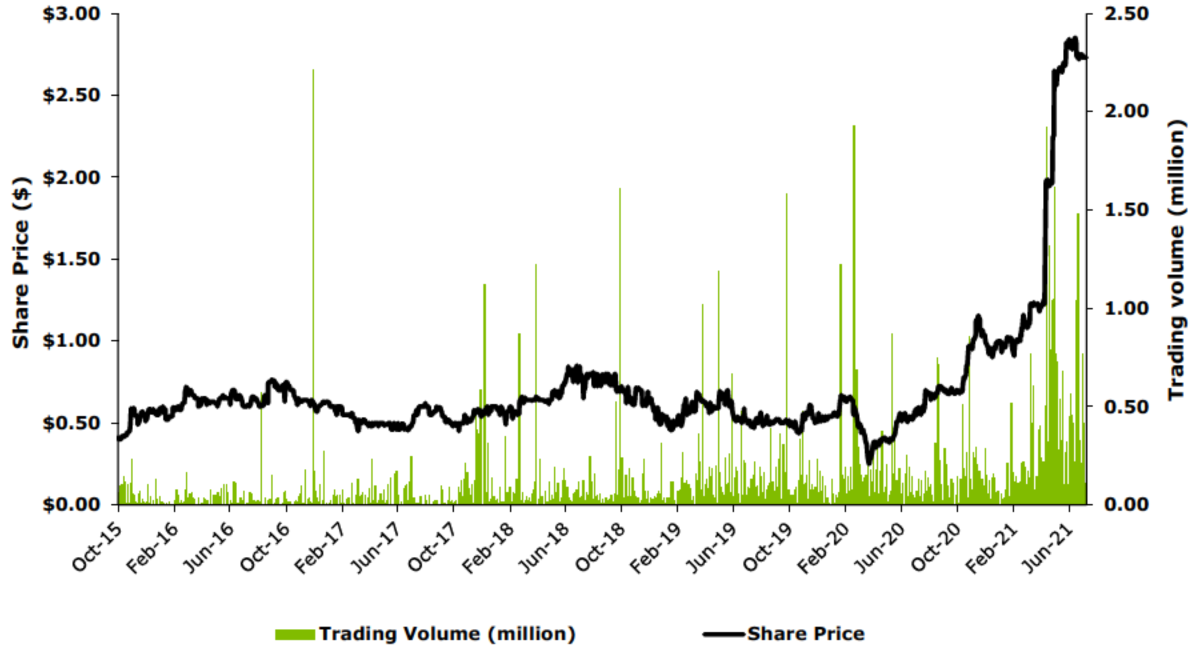
Source: Mainstream, financial statements

Over the years, Mainstream has opened offices in Singapore and Hong Kong and carried out a number of acquisitions which have spread its reach to several European locations (Ireland, Isle of Man and Malta) and the Americas (United States, Cayman Islands). This enables Mainstream to target a large proportion of client portfolios which are often spread around the world. Mainstream's strategy is to provide full service locally instead of pursuing a centralised model, therefore it has representatives in each location, as well as local software, with regional management. The services offered in different locations are similar but, for example, in the US, the Company is focused mostly on the development of the private equity funds market. In Australia, in addition to its traditional managed funds clients, Mainstream has been targeting the development of the location-specific superannuation sector. However, following consolidation of the Australian superannuation market, Mainstream's superannuation business has been absorbed into the fund business.

3.6 Share trading analysis

The historical trading performance of Mainstream's shares since its listing in October 2015 is summarised below.

Figure 6 – Daily share price and trading volume



Source: S&P Capital IQ

Mainstream shares listed on ASX in October 2015 at an offer price of $0.40, raising $8.9 million. The IPO was carried out to raise funding for international growth and to enhance its reputation across Asian customers. During the initial year of being listed, Mainstream announced the acquisition of the hedge fund administration business Fundadministration, Inc. and continued its expansion in North America leading to a share price high of $0.77 on 30 August 2016.

Following the release of the FY2016 financial results the share price trended downward until this reversed following the announcements of the acquisitions of Trinity Fund Administration in May 2017 and IRESS' superannuation business in July 2017, as well as following better than expected results in FY17 and FY18H1. The share price reached $0.85 on 25 June 2018.

Until February 2020 and the onset of the COVID-19 pandemic, the share price continued to fluctuate in the range of $0.40-0.70. Due to the uncertainty resulting from COVID, Mainstream initially suspended its guidance and enacted cost control measures such as cutting management salaries by 15-30% and decreasing capital expenditure. It also received government support in several offshore markets which helped to offset COVID's impact. As the short-term outlook improved, the cost-cutting measures were lifted in July 2020. In May, it won a significant 5-year $19 billion FUA contract from Pendal Australia.

In August 2020, Mainstream reported FY20 results which were slightly above-guidance with revenue up 10.6% at $55.4 million and EBITDA of $9.2 million. The improvement in Mainstream's performance was driven by the uplift in transaction volumes and custody income in Asia Pacific, new private equity and alternative clients in the US business and COVID-related government support. This was offset by the impact of fund closures and delayed launches in Europe and a decline in superannuation business in Asia Pacific. We also note that EBITDA uplift of $2.4 million was due to the adoption of AASB 16 without which EBITDA would be below guidance.

Mainstream also reported strong FY21H1 results in February 2021, with FY21H1 EBITDA of $7.4 million, ahead of broker estimates of $5.3 million. That growth was driven by the quoted funds initiative, strong performance of the custody business that led to a 67% increase in FUA, as well as growth of the US PE business that now administers $20.9 billion in assets. This positive result was partly offset by the legal settlement related to a legacy client in the US which Mainstream settled for c. US $4.0 million at the beginning of March 2021. Despite ongoing market disruptions from COVID-19, Mainstream's management is guiding towards a $11.5 million EBITDA (excluding one-off transaction costs) in FY21 compared to $9.2 million in FY20.

Mainstream's share price has risen steadily since October 2020, from approximately $0.70 on 2 October 2020 to $1.11 on 8 March 2021, the last date before the announcement of the Proposed Scheme. This has likely been driven by a number of factors, including the significant improvement in operational performance noted above, broker optimism on Mainstream's prospects and industry tailwinds, the recent acquisition of OneVue and the acquisition offers (subsequently withdrawn) for Link. The latter has brought increased attention from investors to the funds administration services industry and led to broker and investor speculation that Mainstream might be in play too. For example, in October 2020 a broker analyst added a 15% "corporate appeal premium" to its valuation of Mainstream and in February 2021 increased it to 20%. Moreover, the largest non-management shareholder in Mainstream, Forager Funds, stated in December 2020 that they would not be surprised if Mainstream did not end up in the in transaction discussions as have Link and OneVue given its recurring revenue, scale advantages and growth opportunities. Since the Vistra Offer, Mainstream's share price has been trading broadly in line with the publicly announced offer prices that emerged from and after the Go Shop Process.

The table below shows the pre-Vistra Announcement Date volume-weighted average prices (**VWAP**) and average daily volume of shares traded. Since the Vistra Announcement Date of 9 March 2021, the trading price has increased to $2.73 on 9 July 2021 and the average daily volume of shares traded to 0.3% of the total volume of shares. A more detailed analysis of Mainstream's liquidity and comparison to other traded companies is included in Table 8.

Table 7 – VWAP and traded volume

	VWAP	Average daily volume % of total
5 day	$1.09	0.1%
30 day	$1.07	0.1%
90 day	$1.01	0.1%

Source: S&P Capital IQ

We also note that Mainstream's free float is limited since a considerable proportion of Mainstream's shares are owned by Management and the directors and its shares are not highly liquid. In comparison to trading comparable companies, Mainstream is much smaller, has a lower volume of shares traded as a percentage of the free float and its bid ask spread is generally higher than the average spread of the comparable trading companies. This is even more pronounced compared to the largest companies on the ASX represented by the constituents of the ASX 50 index.

Table 8 – Free float and bid ask spread

	Market Capitalisation ($m)	Free float (%)	% of shares traded to free float				Bid-ask spread
			30 days	60 days	90 days	180 days	180 days
Mainstream Group Holdings Limited	153	57%	2.7%	5.5%	7.3%	18.1%	1.0%
Link Administration Holdings Limited	2,552	96%	5.7%	15.6%	34.2%	66.9%	0.2%
Computershare Limited	8,102	93%	6.0%	10.4%	15.0%	31.6%	0.1%
Bravura Solutions Limited	648	99%	21.2%	33.3%	50.0%	111.9%	0.3%
EQT Holdings Limited	510	94%	1.2%	1.8%	2.3%	6.7%	1.3%
IRESS Limited	1,731	100%	9.1%	13.1%	18.1%	45.2%	0.1%
Sanne Group plc	822	99%	2.7%	5.8%	8.7%	18.2%	0.3%
SS&C Technologies Holdings, Inc	16,894	87%	14.5%	25.7%	34.2%	64.4%	0.1%
ASX 50 Index companies	33,145	96%	7.0%	12.6%	18.3%	40.0%	0.1%

Source: S&P Capital IQ, Deloitte Corporate Finance analysis, analysis as at the last pre Vistra Announcement Date of 8 March 2021

3.7 Capital structure and ownership

As at 30 June 2021, Mainstream had 138,089,440 ordinary shares on issue, as summarised in the table below. Key management and related parties (including Directors and their family members) hold approximately 30.7% of the total shares on issue by number.

Table 9 – Mainstream's shareholders (beneficial interests)

	Number of shares held (m)	% of total shares issued
Martin Charles Smith	15.3	11.1%
Byram Thomas Johnston	13.6	9.9%
John Plummer	9.7	7.0%
Gerald Maher	2.5	1.8%
Andrew Harrison	0.8	0.6%
Nicholas Bradford	0.6	0.4%
Other staff in top 200 shareholders	1.2	0.9%
Other shareholders	94.4	68.4%
Total	**138.1**	**100.0%**

Source: Mainstream

Mainstream also has various equity incentives on issue in the form of performance rights which are issued on an annual basis. As at the Announcement Date Mainstream had 4,767,982 rights on issue. Once vested, each right converts into an ordinary share in Mainstream on a one-to-one basis. There are performance rights which have specific key performance indicators (**KPI**), such as achievement of a certain revenue threshold, but also rights without any performance thresholds. We understand that as a result of the Proposed Scheme, all current performance rights will vest and therefore increase the total number of shares to 142,857,422.

Mainstream had $5.3 million in financial borrowings in the form of a $AUD debt facility as at 31 December 2020. It was renegotiated in January 2021 to take into account the aforementioned US Settlement, increasing to $9.0 million as at 28 February 2021, but since then c. $2 million was paid down and further $2 million is to be repaid in August 2021.

3.8 Financial performance

3.8.1 Historical financial performance

The audited statements of financial performance of Mainstream for the years ended 30 June 2019, 2020, as well as the results for the six months ended 31 December 2020 are presented in the table below.

Table 10 – Reported financial performance

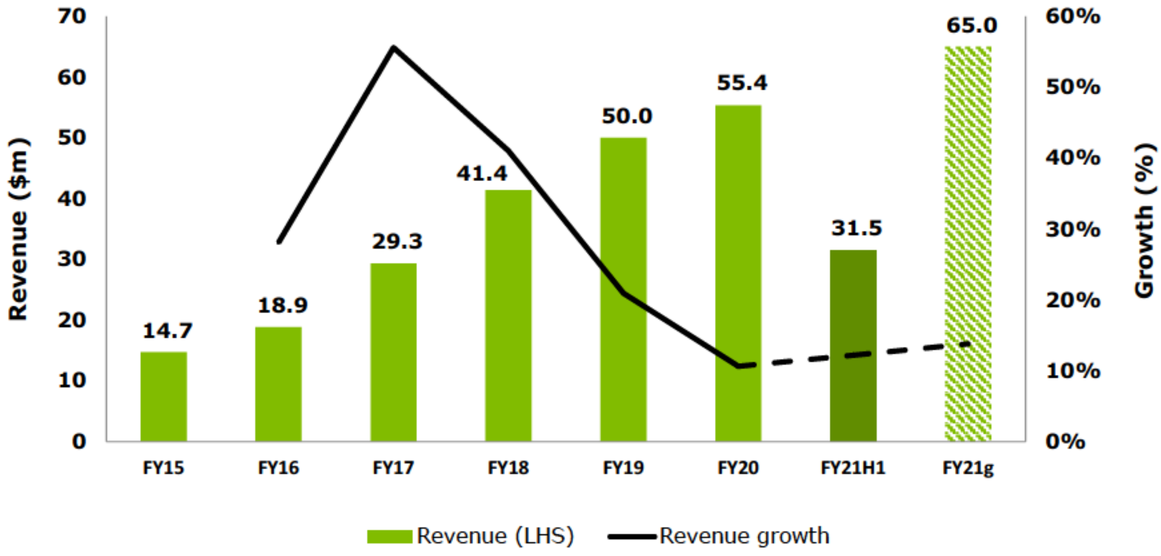
$m	FY19	FY20	FY21H1
Fee income from contracts with customers	45.5	50.2	28.7
Other operating income	2.5	2.9	1.8
Interest income	2.0	2.3	1.0
Total Revenue	**50.0**	**55.4**	**31.5**
Revenue growth	*20 9%*	*10 6%*	
Employee benefits expense	28.6	32.4	16.4
IT support, expenses and data	6.8	8.2	5.0
Accounting, bank and insurance fees	1.7	1.8	1.0
Occupancy and overheads	3.5	1.0	0.4
Consulting and legal fees	0.4	0.9	0.5
Transaction costs	0.0	0.8	0.1
General and other expenses	1.6	1.1	0.7
EBITDA	**7.4**	**9.2**	**7.4**
EBITDA margin	*14 9%*	*16 6%*	*23 6%*
Shared-based payments (**SBP**) expense	1.7	1.7	3.0
EBITDA after SBP	**5.7**	**7.5**	**4.5**
EBITDA after SBP margin	*11 5%*	*13 5%*	*14 1%*
Depreciation expense	1.3	3.9	2.1
Amortisation expense	1.6	1.5	0.8
EBIT	**2.8**	**2.1**	**1.6**
EBIT margin	*5 6%*	*3 8%*	*5 0%*
Goodwill impairment	2.8	-	-
EBIT after impairment	**(0.0)**	**2.1**	**1.6**
EBIT margin after impairment	*-0 1%*	*3 8%*	*5 0%*
Interest expense	0.4	0.5	0.2
Profit / (loss) before income tax	**(0.5)**	**1.6**	**1.4**
Income tax	0.7	1.0	1.0
Profit / (loss) after tax	**(1.1)**	**0.5**	**0.4**
Exchange rate differences	0.3	(0.1)	(0.7)
Total comprehensive income / (loss)	**(0.9)**	**0.5**	**(0.3)**

Source: Mainstream, annual and mid-year financial statements

We note the following in regard to Mainstream's financial performance:

- revenue includes fee income from contracts with customers, other operating income and interest income. Fees are mostly fixed (per contract, investor and transaction) with a small portion of variable fees depending on the funds under administration. Other income includes mostly out of pocket expense recovery on feeds from data providers which are required for the administration of the funds (such as pricing of the securities) which are passed onto Mainstream's clients. Interest income stems from interest earned on custody balances
- revenue has grown at significant rates historically but more recently the rate of growth has decreased, as acquisitions of third party businesses or contracts ceased in FY18. Since then, the Company has been focusing on organic growth from both existing clients and new client wins

Figure 7: Historical revenue growth

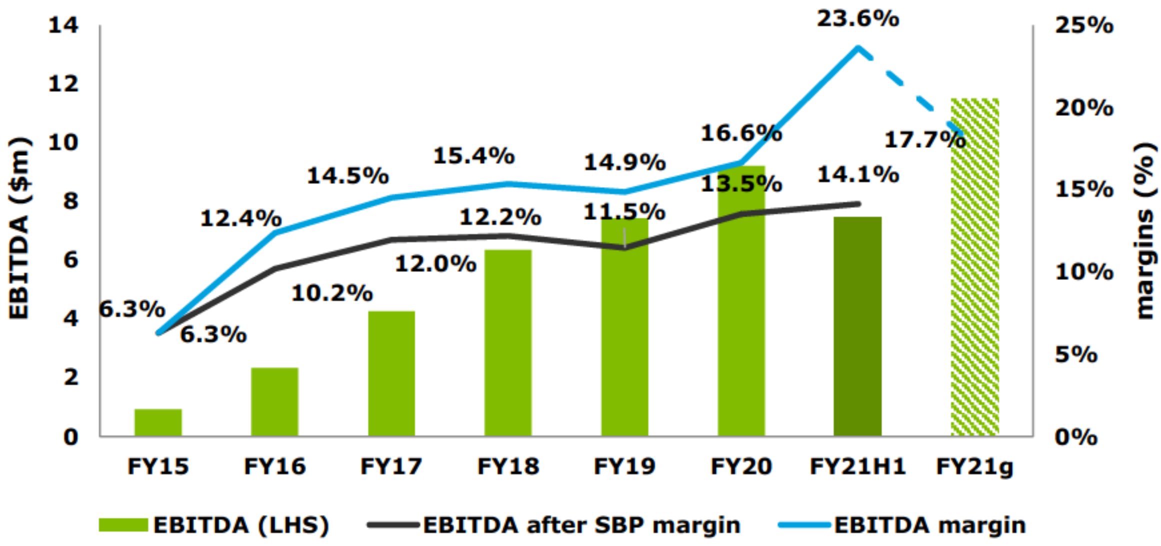


Source: Mainstream
Notes:
1. FY21g = Mainstream guidance

- EBITDA has historically been growing in line with revenue, leading to a relatively stable EBITDA margin between FY18-FY20 before increasing considerably in FY21H1. This is despite the increase in operating costs due to Mainstream investing in initiatives in order to grow its business, including the building of its US private equity operations, integrating the acquired businesses, implementing new processes and system upgrades to comply with regulations and improving levels of automation
- part of the margin improvement in FY20 was due to the implementation of AASB-16 Leases which generally results in an increased EBITDA as the pre-AASB-16 above-EBITDA rental expense on operational leases is instead replaced by below-EBITDA depreciation and interest expense. For Mainstream, this resulted in a $2.5 million decrease in rent expense, which was replaced by a $2.2 million increase in depreciation and $0.2 million in interest expense. This increase in EBITDA due to accounting changes was more than offset by proportionally higher other expenses, primarily employee costs
- FY21H1 EBITDA margin has improved considerably compared to FY20 from 16.6% to 23.6% on a pre-share-based payments (**SBP**) basis and from 13.5% to 14.1% on a post-SBP basis. This is mainly a result of lower employee expenses which markedly benefited from government grants and decreased by 6.6% as a percentage of revenue from FY20. Marginal improvements in other expenses were mostly offset by higher IT-related costs. This improvement has been to a large degree offset by SBP expenses which were 6.3% higher as a percentage of revenue than in FY20 mainly due to the US PE business reaching their revenue growth targets

Deloitte.

Figure 8: EBITDA and EBITDA margins



Source: Mainstream, annual and mid-year financial statements, Deloitte Corporate Finance analysis
Notes:
1. FY21g = Mainstream guidance

- the largest expense item is labour cost which over FY18-FY20 was on average 57.4% of revenues. In FY21H1 this ratio fell significantly to 51.9% due to Mainstream netting off COVID-related government support of $1.8m in the form of training grants against employee expenses, after incurring $0.4m of training costs itself. Without this offset the adjusted ratio of 56.0% would have been only slightly lower than that observed historically
- Mainstream also has several employee incentive programmes in place (short-term incentives, long-term incentives), resulting in shares being issued to its employees and the related expenses being recognised in the income statement. Share-based payments have been an ongoing feature of Mainstream employees' remuneration and have been steadily growing over time to $1.7 million in FY20, representing 3.4% of revenue. In FY21H1 they increased to $3.0 million (or 9.5% of revenue) as the US PE business managed to reach its revenue growth targets.
- another large expense is IT which comprises software support, data license fees and software expenses
- accounting, bank and insurance fees is another major expense incurred by Mainstream that is related to fees incurred from accounting, external audits, bank charges and the insurance for directors and officers of Mainstream
- occupancy costs reflect Mainstream's maintenance a local presence throughout its global operations. From FY19 to FY20 the rental expenses reported in the income statement decreased from $3.5 million to $1.0 million as fixed components of rent were replaced with interest on lease liabilities and depreciation of right-of-use assets under AASB 16
- amortisation expense is connected to Mainstream's intangible assets recognised as a result of historical acquisitions. In FY18 Mainstream wrote off $2.8 million in its intangible assets related to the superannuation business after a review triggered by the termination of the Combined Super Fund contract. Depreciation is mostly comprised of software and computer equipment depreciation, as well as AASB 16-related depreciation of right-of-use assets

3.8.2 Earnings guidance and broker forecasts

Mainstream is followed by two brokers: Ord Minnett (previously EL&C Baillieu) and Morgans Financial Limited. The average broker consensus forecasts for FY21 to FY23, based on forecasts made as at 12 April 2021 and 16 June 2021, respectively, are presented in the table below.

Table 11 – Broker forecasts

$m	FY21f	FY22f	FY23f	# of estimates
Revenue	**66.6**	**75.7**	**83.6**	2
Revenue growth	*20 2%*	*13 6%*	*10 4%*	
EBITDA	**11.6**	**16.6**	**19.2**	2
EBITDA margin	*17 4%*	*21 9%*	*23 0%*	

Source: Capital IQ, EBITDA before SBP

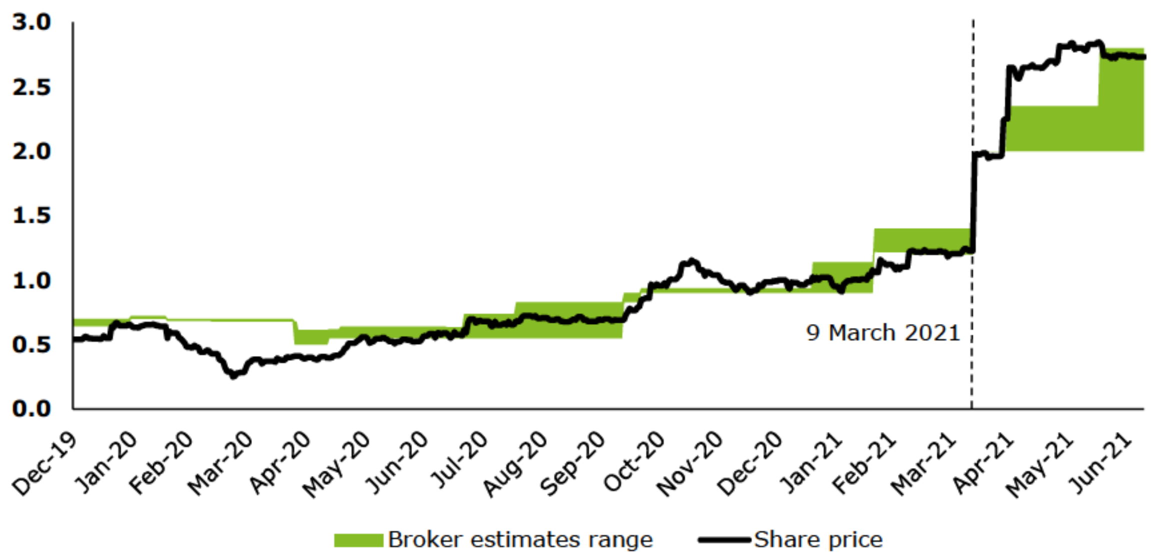
Table 10 – Company guidance

$m	FY21g
Revenue	**65.0**
Revenue growth	*17 3%*
EBITDA	**11.5**
EBITDA margin	*17 7%*

Source: Capital IQ

Based on public guidance provided as at 19 February 2021, Mainstream expects FY21 revenue of approximately $65.0 million and EBITDA of $11.5 million, in line with the guidance provided in the FY20 investor presentation dated 17 August 2020. The current broker expectations are in line with Mainstream's guidance.

Figure 9: Mainstream's share price vs brokers' target prices



Source: Capital IQ

Historically, Mainstream share price has generally been lower than or within broker target prices. However, Mainstream's share price traded above broker expectations between the end of October 2020 to December 2020, coinciding with Link announcing a potential transaction and providing an update on the offer from Carlyle / PEP excluding Property Exchange Australia (**PEXA**) which was subsequently withdrawn. Since October, one of the brokers covering Mainstream also started including a "corporate appeal premium" in their valuation of Mainstream.

3.9 Financial position

The audited statements of financial position for Mainstream as at 30 June 2019, 2020 and at 31 December 2020 are presented in the table below.

Table 12 – Reported financial position

$m	30 Jun 2019	30 Jun 2020	31 Dec 2020
Cash and cash equivalents	11.7	14.7	14.9
Trade and other receivables	4.9	8.4	9.0
Contract assets	3.4		
Other current assets	2.2	2.6	4.0
Current assets	**22.2**	**25.7**	**28.0**
Property, plant and equipment	5.6	6.4	6.3
Right of use assets	-	4.9	3.6
Intangible assets	22.0	20.5	19.7
Deferred tax assets	1.0	2.3	2.4
Other non-current assets			0.4
Non-current assets	**28.5**	**34.2**	**32.5**
Total assets	**50.7**	**59.9**	**60.5**
Trade creditors and accrued expenses	3.3	3.5	4.5
Provision for employee benefits	1.0	1.2	1.5
Provision for income tax	0.5	1.0	1.5
Deferred consideration	0.8	0.4	-
Interest-bearing liabilities	1.0	0.4	0.1
Lease liabilities	-	2.2	1.8
Other current liabilities	1.1	2.5	2.6
Current liabilities	**7.7**	**11.3**	**12.0**
Provision for employee benefits	0.1	0.1	0.2
Deferred consideration	0.4	-	-
Interest-bearing liabilities	5.9	5.9	5.2
Lease liabilities	-	3.1	2.2
Deferred tax liabilities	1.6	2.6	2.1
Non-current liabilities	**7.9**	**11.7**	**9.7**
Total liabilities	**15.6**	**23.0**	**21.7**
Contributed capital	34.4	35.8	40.1
Reserves	2.1	3.5	2.1
Retained earnings / (loses)	(1.4)	(2.4)	(3.4)
Equity	**35.1**	**36.9**	**38.8**

Source: Mainstream, annual and mid-year financial statements

We note the following in regard to Mainstream's financial position:

- the largest asset item on Mainstream's balance sheet is intangible assets associated with the numerous historical acquisitions carried out by the Company. They are approximately equally split between identifiable intangible assets, which are in most cases amortised over time, and goodwill. The identifiable intangibles are primarily customer relationships and contracts. For impairment testing, Mainstream assumed a 5-year first phase period with 5% growth rate, a 3% terminal growth rate, a 12.1% pre-tax discount rate and a 4-year useful life as at 30 June 2020. The 4-year useful life was revised from the previous 15-year life in response to structural changes in the superannuation industry and existing contract maturity dates
- on 30 June 2018 Mainstream wrote off $2.8 million related to its customer contracts in its superannuation business after a review triggered by termination of the Combined Super Fund. We note on 30 June 2020 Mainstream still showed a $2.2m net book value of its intangible asset stemming from the IRESS superannuation acquisition from its original purchase cost of $3.25m
- the second largest asset item on Mainstream's balance sheet is cash. However, a large part of it is held due to regulatory requirements in the various jurisdictions based on the licenses held by Mainstream. As at 31 December 2020, $7.7m out of the total $14.9m cash was restricted mainly for being held for regulatory purposes

- most of the carrying amount of PP&E is comprised of capitalised software, $5.2m out of the $6.4m as at 30 June 2020 (no breakdown is shown in the FY21H1 financial statements). The majority of Mainstream's annual technology costs are expensed and it only capitalises specific costs incurred during project development phases (not including maintenance or operating activities). We note that Mainstream capitalises general applications and portals it develops, but also some key client projects as these are expected to bring long-term benefits
- both trade receivables and payables are generally due within 30 days
- Mainstream has made related-party loans to its CEO Martin Smith and to the Americas CEO Jay Maher, to facilitate the payment of tax relating to the granting of performance rights, in the total amount of $0.7 million. We note that the loan to Martin Smith was repaid in June 2021
- debt held by Mainstream is comprised of a debt facility from the Australia and New Zealand Banking Group which after its renegotiation due to the US Settlement (which was approved by the court in February 2021) increased by $4.0m to $9.0m in January 2021. The renegotiated facility's interest rate is set to BBSY + 3.0%, with $2.0m repaid in March 2021, $2.0m to be repaid in August 2021 and the remainder in January 2022

  In relation to the US Settlement, to the extent any part is recovered from insurance, those proceeds must be directed toward repayment of the debt facility.
- Mainstream also reported $3.6m of right of use assets and $4.0m of lease liabilities on 31 December 2020 stemming from the application of the AASB 16 leasing standard.

4 Valuation approach

4.1 Selected valuation method

For the purpose of our opinion, we have referred to the concept of market value. Market value is defined as the amount at which the shares in the entities valued would be expected to change hands in a hypothetical transaction between a knowledgeable willing, but not anxious, buyer and a knowledgeable willing, but not anxious, seller acting at arm's length.

Special purchasers may be willing to pay higher prices to reduce or eliminate competition, to ensure a source of material supply or sales, or to achieve cost savings or other synergies arising on business combinations, which could only be enjoyed by the special purchaser. Our valuation has not been premised on the existence of a special purchaser.

Deloitte has assessed the market value of Mainstream using the earnings multiple method as the primary valuation methodology. The earnings multiple approach is a market-based valuation methodology which assesses the value of a business by capitalising its historical, current or forecast earnings by a selected multiple.

In addition, we have considered revenue multiples analysis to cross-check our valuation conclusion.

Refer to Appendix 2 for a detailed discussion on the various valuation methodologies which can be adopted in valuing corporate entities and businesses.

4.2 Earnings multiple approach

In selecting the capitalisation of earnings methodology to value Mainstream, we have considered the following factors:

- the Company's historical financial results are audited and there is sufficient information available to derive an estimate of the Company's earnings in the current financial year. Moreover, Mainstream's management has relatively recently publicly provided FY21 earnings guidance

- we have identified a number of listed fund management services companies which we consider to be broadly comparable to Mainstream, including several companies involved in the provision of fund administration solutions, as well as a number of transactions involving companies broadly comparable to Mainstream in Australia and internationally. The valuation multiples implied from trading in listed comparable companies and from transactions in comparable companies can be used to estimate the value of Mainstream having regard to the different service mixes, platforms and markets in which these companies operate

- similarly, the trading performance of these selected peers provides an indication of Mainstream's earnings potential if it was integrated into such businesses

- Mainstream has historically generated substantial revenue and earnings growth and, whilst it continues to grow relatively fast, this growth has moderated in recent years after the Company stopped making external acquisitions and has only grown organically, stabilizing the earnings and making them more transparent

- Mainstream does not have a finite lifespan, nor is it required to undertake significantly different capital expenditure in the near future, compared to its past.

The above factors make the use of the earnings multiple method our preferred approach to assess the market value of Mainstream.

4.3 Cross-check analysis

The auction process for Mainstream, since the announcement of the Vistra Offer, and the profile of the parties involved, indicates that Mainstream's revenue generating ability (as a proxy for the customer base and established presence in the market) represents an attractive asset for a potential acquirer.

Accordingly, we have adopted revenue multiple analysis to cross-check the reasonableness of our selected valuation range using the earnings multiple method. This analysis is set out in Section 5.5.

For similar reasons, we have not adopted a discounted cash flow analysis. Whilst management has provided us with short-term high-level P&L projections, we consider these are not representative of the cash flow projections an acquirer of Mainstream would consider.

5 Valuation of Mainstream

5.1 Valuation summary

Deloitte Corporate Finance has estimated the current market value of the equity in Mainstream (on a control basis) to be in the range of $309.7 million to $377.5 million. This implies a fully diluted value per share of $2.17 to $2.64 on a control basis.

The equity value of Mainstream based on the earnings multiple method is summarised in the following table.

Table 13 – Valuation summary

	Unit	Low	High
Adjusted EBITDA	$ million	17.9	19.5
EBITDA multiple	times	18.0x	20.0x
Enterprise value	$ million	**322.2**	**390.0**
Net debt	$ million	(12.5)	(12.5)
Equity value	$ million	**309.7**	**377.5**
Number of shares adjusted for notional dilution	million	142.9	142.9
Value per share	**$**	**2.17**	**2.64**

Source: Deloitte Corporate Finance analysis

Details of the analysis underpinning the valuation parameters adopted are set out in the following sections.

5.2 Earnings multiple valuation

5.2.1 Earnings assessment

We have adopted an adjusted EBITDA in the range of $17.9 to $19.5 million for the purpose of our analysis.

In selecting EBITDA as an appropriate measure of earnings, we have considered that earnings multiples based on EBITDA are less sensitive to different financing structures, depreciation and amortisation accounting policies, than other measures of earnings such as EBIT or NPAT. This allows for a better comparison with earnings multiples of other companies. This is pertinent for Mainstream as approximately 33% of its assets are intangible, arising from historical acquisitions which are amortised or tested annually for impairment.

We have also considered a range of factors including historical performance, management guidance, broker consensus estimates and the future prospects of the business. More specifically, we have had regard to the following:

- FY21 EBITDA is the most up-to-date, albeit estimated, indicator of Mainstream's financial performance, with actual results up to December covering half of the financial year and hence providing a greater degree of certainty regarding the level of earnings and potential adjustments required. In February 2021 management confirmed their FY21 guidance of $65 million revenue and $11.5 million (pre-SBP) EBITDA. Furthermore, Management regularly prepare commercially sensitive management accounts providing a monthly update on financial performance against budget
- historical results, such as FY20 EBITDA, do not reflect a number of significant factors affecting the Company, such as:
  - management initiatives leading to a growth in earnings such as the growth in the US PE business
  - the impact of the US Settlement

- the evolving impact of COVID-19
- increased FuA as a result of both Mainstream attracting new fund inflows from old and new clients (such as the Pendal contract which was won in May 2020 but mainly started impacting Mainstream's performance in FY21), as well as strong equity markets

- brokers have been forecasting FY21, pre-SBP, EBITDA of $11.6 million and FY22 of $16.6 million as well as double-digit growth afterwards
- a material improvement in the EBITDA margin is observable in the most up to date FY21H1 results (even after adjusting for abnormal employee and SBP expenses) compared to FY20
- synergies that may be available to be realised by a pool of potential acquirers of Mainstream.

Having regard to the above, we have identified a number of adjustments that would be appropriate to consider for Mainstream as a standalone operation (details of these adjustments are set out in Appendix 4).

It is apparent from the interest demonstrated during the Go Shop Process that multiple market participants are likely to assume that they would be able to realise significant synergies by integrating Mainstream into their business (which are not unique to them). According to the definition of market value adopted in our analysis, a valuation of Mainstream shares on a control basis must therefore incorporate a degree of synergy value[1]. We have selected a range of future maintainable EBITDA for Mainstream which incorporates an increase associated with potential synergies (in the form of a higher EBITDA margin than would otherwise be achievable by Mainstream in the short term on a standalone basis).

The table below summarises the adjustments made to calculate adjusted EBITDA (**Adjusted EBITDA**).

Table 14 – Adjusted EBITDA and underlying adjustments

	Unit	Low	High
FY21 guidance from February 2021	**$ million**	**11.5**	**11.5**
Normalisation adjustments (Appendix 4)	$ million	3.2	5.2
Normalised EBITDA	$ million	**14.7**	**16.7**
Market participant synergies	$ million	3.2	2.8
Adjusted EBITDA	**$ million**	**17.9**	**19.5**

Source: Mainstream, Deloitte Corporate Finance analysis

Normalisation adjustments

Refer to Appendix 4 for details of this analysis.

Market participant synergies

The implied EBITDA margin after applying the above normalisation adjustments (and based on $65 million management guidance revenue) ranges between 22.6% and 25.8%. We consider this represents an EBITDA margin level that Mainstream could be expected to achieve on a standalone basis.

However, from the Go Shop Process, the subsequent bidding contest and the interest in Mainstream shown by several parties, it is apparent that a range of potential acquirers would likely assume significant synergistic benefits arising from an integration with Mainstream. Whilst it is difficult to assess the exact nature and quantum of such synergies, we have reviewed the profitability of the potential acquirers of Mainstream and it appears likely that the ability to improve financial margins would be a key goal for any acquirer of a business such as Mainstream. We note that Apex Group is an experienced acquirer, having carried out 12 acquisitions in the past 3 years. Moreover, the following figure shows an extract from a presentation by SS&C in 2019 that illustrates its ability to improve the EBITDA margins of the businesses acquired over time.

[1] RG 111.11 states that "…Any special value of the Target to a particular 'bidder' (e.g. synergies that are not available to other bidders) should not be taken into account under [the assessment of the offer]". Whilst the exact nature of synergies available to each of the market participants involved in the Go Shop Process is not publicly available, given their profile and the value of the offers made during this process, we have concluded that substantial synergies must be available to multiple 'bidders' and have therefore reflected their value in our assessment of fairness.

Figure 10: Improvement in financial performance of businesses acquired by SS&C

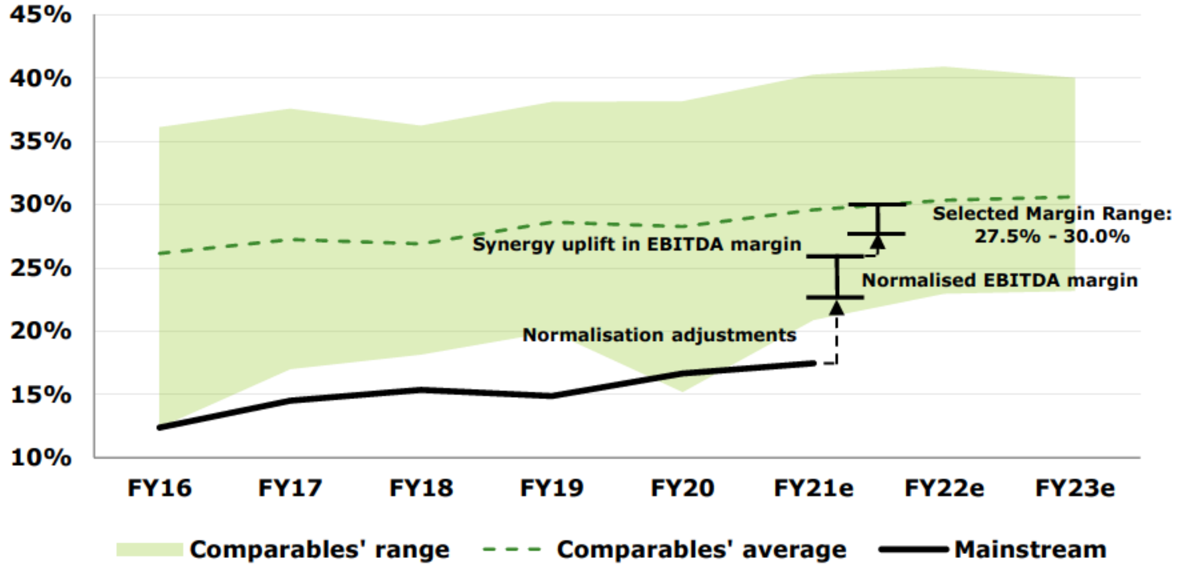
Source: SS&C, Investor Presentation December 2019

Whilst the assessment of synergistic value can be difficult and involve judgment, insights into the process followed by Mainstream under the Go Shop Process and in the subsequent bidding contest indicate, in our view, that:

- multiple market participants would be able to realise significant synergies by integrating Mainstream into their business
- Mainstream's standalone earnings potential can be boosted by integrating its business into a larger, diversified player in the funds administration industry. We understand that in addition to Apex, SS&C and Vistra, at least one other party undertook due diligence and made an offer for Mainstream. All of the parties involved operate or control businesses in the funds administration and corporate services industry. Given their global presence and business models, the acquisition of Mainstream would likely result in synergies in the form of cost efficiencies through scale, cross-selling opportunities, the establishment of a strategic geographical presence in complementary markets. This is also supported by the fact that the EBITDA margins of the selected comparable companies are generally higher than Mainstream's, indicating an opportunity for improvement of Mainstream's margin as part of the integration of Mainstream into a hytpothetical acquirer's business

Having regard to the above, we have selected a range of normalised earnings for Mainstream which incorporate synergistic value (in the form of a higher EBITDA margin that would otherwise not be achievable by Mainstream in the short term as a standalone business). On this basis, we have adjusted our selected normalised EBITDA for Mainstream to reflect an EBITDA margin in the range of circa 27.5% to 30.0% on $65 million guidance revenues, resulting in Adjusted EBITDA of $17.9 million to $19.5 million. The assumed EBITDA margin compares as follows with the margin observed in Mainstream's listed peers.

Figure 11: Comparison of EBITDA margins of listed comparable companies and Mainstream



Source: S&P Capital IQ, Mainstream, Deloitte Corporate Finance analysis
Notes:
1. e = estimates, based on broker consensus as per S&P Capital IQ
2. comparable companies' EBITDA margins based on S&P CapitalIQ data and conventions. Mainstream's EBITDA margin based on Deloitte Corporate Finance analysis

5.2.2 Earnings multiple

We have applied a multiple in the range of **18.0 to 20.0 times** the Adjusted EBITDA for Mainstream.

The selection of an earnings multiple relies on available market evidence of trading in similar businesses/securities and an assessment of their growth prospects and risks relative to the subject business. In identifying relevant market valuation benchmarks for Mainstream, we have considered earnings multiples derived from the share trading of comparable listed companies, as well as of businesses acquired with operations broadly similar to those of Mainstream.

Our selected multiple range reflects our professional judgment having regard to several factors, including:

- Mainstream's operating performance to date and current growth prospects, including the positive growth outlook for its US PE business and growth opportunities presented by the prevailing low interest rate environment
- share trading in the selected group of comparable companies, which imply FY21 EV/EBITDA multiples in the range of circa 12.5 times to 22.0 times and FY22 EV/EBITDA multiples in the range of circa 11.6 times to 19.2 times, with higher EV/EBITDA multiples for companies with comparatively higher growth. Given the high growth prospects for Mainstream, we consider it reasonable for Mainstream to trade at a multiple towards the high end of the range observed
- Mainstream's lack of a proprietary software platform. Several comparable companies and companies subject to transactions have proprietary software; however, there is no clear, direct market evidence of proprietary software platform ownership attracting higher multiples
- transaction evidence from the most recent comparable transaction (the only transaction for which earnings data on a post AASB-16 basis is available) indicates multiples which are at the upper end of the ranges observed for the trading multiples. OneVue was acquired by IRESS for a multiple of 17.7 times FY20 EV/EBITDA (a current multiple at the time of the transaction) and 15.1 times FY21 EV/EBITDA (a forward multiple at the time of the transaction). Other recent comparable transactions are available which could support a multiple slightly below our selected range, albeit these completed on a pre-AASB 16 basis and prior to the onset of the COVID-19 pandemic
- consideration for the fact that Mainstream's earnings have been assessed inclusive of market participant synergies; a factor to be taken into account when assessing the comparability of multiples observed on change of control transactions (the impact of any synergies will be reflected in the multiple observed in comparable transactions) and the growth/multiple relationship referred to above.

Details of the analysis undertaken are set out in the following sections.

Observations on control premium

Earnings multiples derived from share market trading may not reflect the market value for control of a company as they are based on portfolio holdings in the subject companies. In comparison, the acquisition price achieved in mergers or acquisitions of companies represents the market value of a controlling interest in that company.

The difference between the market value of a controlling interest and a minority interest is referred to as the premium for control. The owner of a controlling interest has the ability to do many things that the owner of a minority interest does not. These include:

- control the cash flows of the company, such as dividends, capital expenditure and compensation for directors and managers
- extract synergies
- determine and change the strategy and policies of the company
- make acquisitions, restructure the business or divest operations
- control the composition of the board of directors.

Australian studies indicate the premiums required to obtain control of companies range between 20% and 40% of the portfolio holding values.

These observations reflect takeover premiums actually paid, which reflect a transfer of control, but also the value of any synergy benefits the bidders expected to realise and were willing to 'pay away'. They could also be clouded by factors such as the target company's stock was illiquid, or the underlying business was poorly understood by the market and may therefore have been mispriced. The applicability and quantum of a control premium depends on the specific facts and circumstances of the subject business and requires consideration of the extent to which the aforementioned factors were present in the transaction.

Market trading multiples

Selection of comparable companies

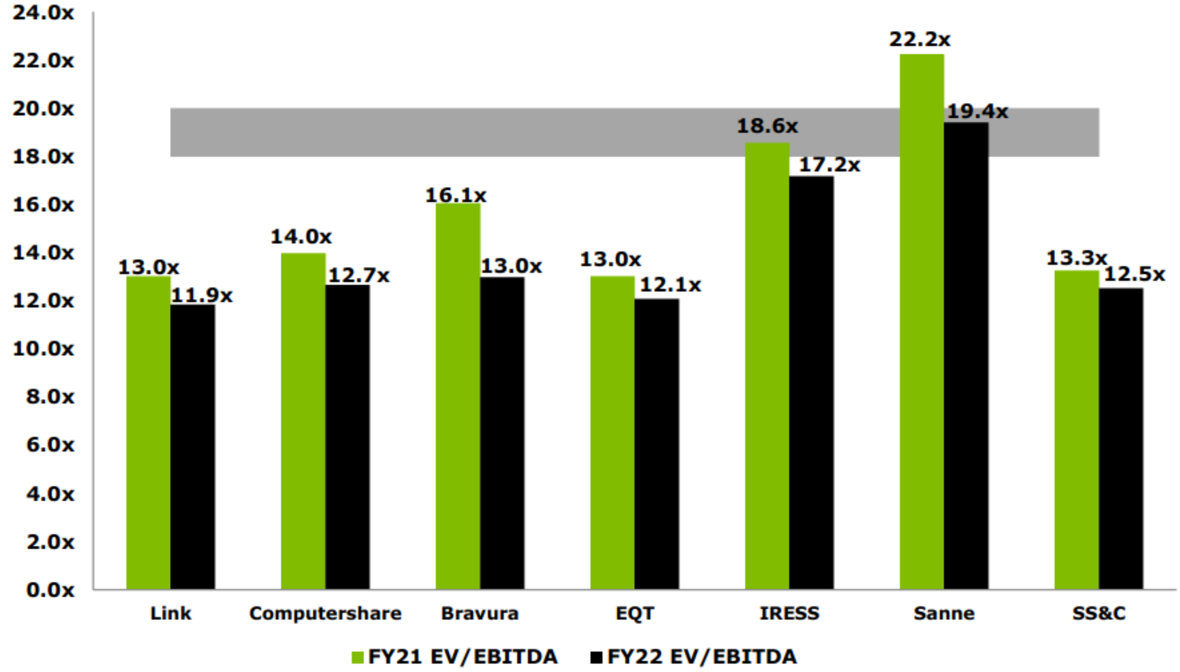
In identifying relevant market valuation benchmarks for Mainstream, we have considered companies operating in the funds administration industry, particularly those providing middle and back-office fund management offerings such as fund administration, share registry and custody services. We have considered companies that own their own proprietary software, as well as those which utilise the software of other firms in their own technology stack like Mainstream does. We note most of the comparable companies have a significant global footprint, operating in different countries and continents. The selected panel of companies also includes a company domiciled in the UK, Sanne Group plc (**Sanne**), which has similar operations to Mainstream. We have also included SS&C amongst the selected peers. Whilst SS&C does not have a fund administration presence in Australia, it is the world's largest provider of administration services to hedge funds and private equity. It operates through a wholly owned technology stack which is used industry-wide, including by Mainstream.

A full list containing the description and details of the comparable companies considered in our analysis is provided in Appendix 5.

Earnings multiples

The ranges of earnings multiples implied by share market trading for the selected comparable companies, and our selected multiple range, is summarised in the following chart.

Figure 12: FY21 and FY22 EBITDA multiples – Listed comparable companies



Source: Deloitte Corporate Finance analysis

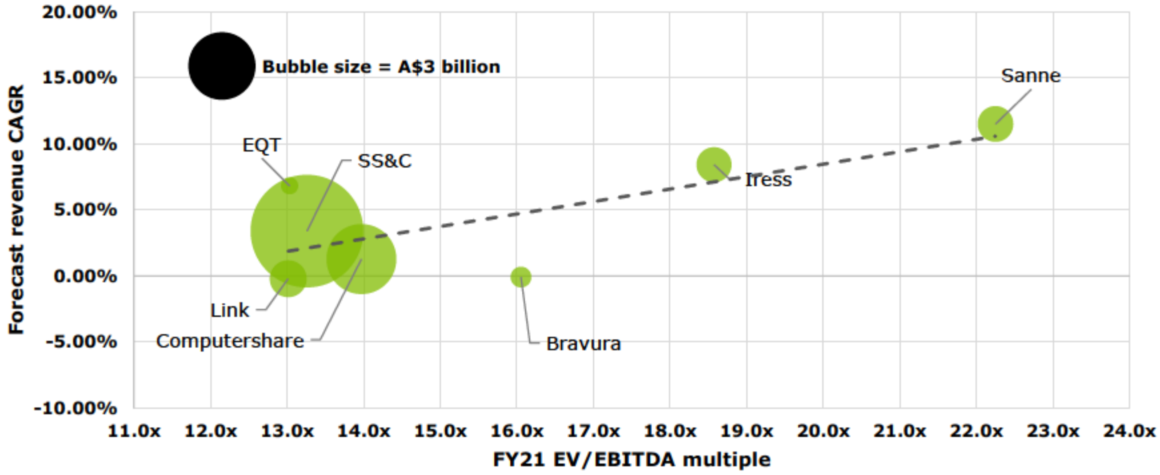
Notes:

1. the FY21 and FY22 EBITDA multiples have been calculated using share trading prices as of 9 July 2021 and financials sourced from the 30 June 2020 and 31 December 2020 financial statements to determine net debt and other balance sheet metrics. FY21 and FY22 EBITDA forecasts are based on broker consensus
2. EBITDA inclusive of share-based payments as sourced from Capital IQ, except for SS&C where share-based payments are not available and the Morgan Stanley forecast was assumed instead
3. detailed data presented in Appendix 5.

The selected peers currently trade between circa 13.0 and 22.2 times forecast FY21 EBITDA and circa 11.9 times and 19.4 times forecast FY22 EBITDA. In assessing an appropriate range of multiples applicable to Mainstream, we have considered whether there is any evidence to suggest that Mainstream should trade towards the high or low end of the ranges. Our analysis of Mainstream's growth outlook suggests a multiple that is at the high end of the ranges observed for comparable listed companies. Some of our key considerations are set out below:

- the following charts present the relationship between FY21 EV/EBITDA multiples, broker consensus forecast revenue growth and company size

Figure 13: Size (market cap), forecast revenue CAGR and FY21 earnings multiples



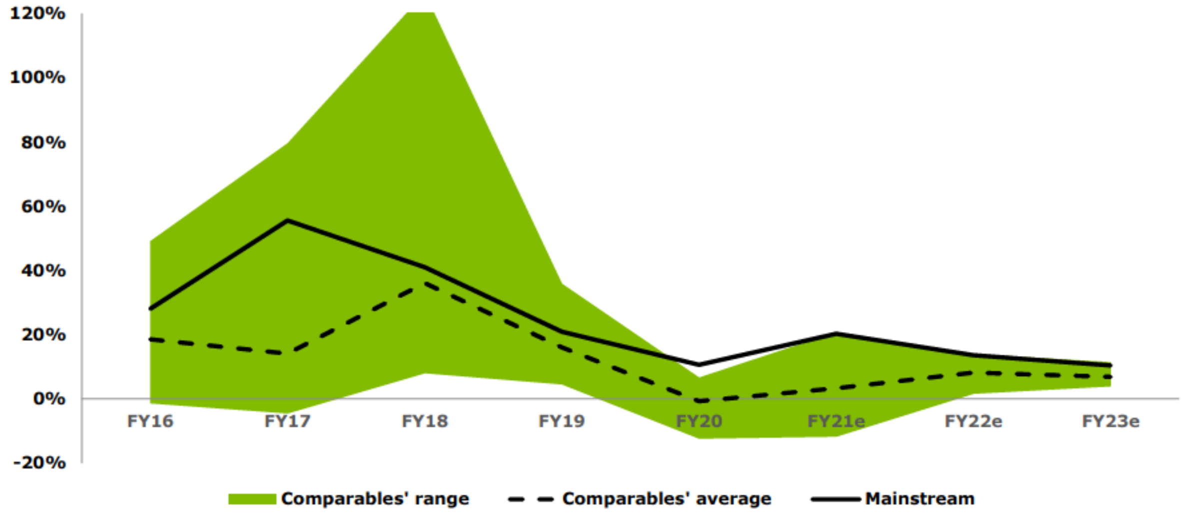
Source: S&P Capital IQ, Deloitte Corporate Finance analysis

Note: Forecast revenue CAGR represents the compound annual revenue growth rate in the two years after the last financial year (FY20) according to broker consensus

- generally, we observe that the companies which are expected to have higher growth rates in the short-term attract higher valuation multiples

- as shown in Figure 14 below, Mainstream has generated strong revenue growth since listing in 2015. The Company's future growth is expected to be underpinned by a continued increase in funds under administration, particularly in the Americas, which includes the US private equity offering. The Americas business grew revenue and funds under administration by circa 23% and 96%, respectively, between FY19 and FY20, and has a strong pipeline of further opportunities. This anticipated growth is reflected in consensus revenue estimates for the business, with brokers forecasting a revenue CAGR of circa 17% for Mainstream between FY20 and FY22

Figure 14: Comparison of revenue growth rates of listed comparable companies and Mainstream



Source: S&P Capital IQ, Mainstream, Deloitte Corporate Finance analysis
Notes:
1. E = broker estimates
2. Comparable companies' revenue growth based on CapitalIQ data and conventions.

- we have placed limited weight on Link's multiple. While Link's operations resemble Mainstream's more closely than the other domestic comparables, it operates in the superannuation space which is subject to a higher regulatory burden and greater competitive threats. We also note that the 13.0 times FY21 and 11.9 times FY22 EBITDA trading multiples for Link in Figure 13 are impacted by Link's circa 44% interest in PEXA.

  PEXA is a high-growth e-conveyancing platform which is unrelated to Link's core fund administration business. As Link accounts for PEXA as an equity-accounted investment, its growth is reflected in Link's profit (and share price and market capitalisation) but not EBITDA, resulting in FY21 and FY22 EV/EBITDA multiples for Link which implicitly reflect some of PEXA's high growth and are therefore arguably higher than the multiple Link's core business would attract on a standalone basis. Although PEXA is progressing towards an IPO, this process has not yet concluded at the time of writing, and Link has indicated it will retain exposure to PEXA post-IPO by holding an interest.

  Given the 'noise' in Link's FY21 and FY22 multiples and Link's focus on superannuation, we have placed less weight on Link's multiples

- we also note that, on 14 May 2021, Cinven Limited made an all cash offer of GBP 8.30 per share for Sanne. This offer implied a a premium of approximately 38% to the pre-announcment share trading but was rejected by Sanne's board. However, since the announcement, this has led to an increase in Sanne's share price and the relevant trading multiple up to FY21 EV/EBITDA multiple of circa 22.2 times and FY22 EV/EBITDA of 19.4x. Nonetheless, even before this announcement, Sanne has been trading at a higher EV/EBITDA multiple compared to other selected peers. This could be a result of its consistently higher historical and forecast growth rate as expected by brokers. We also note that it has one of the highest EBITDA margins (currently higher than 33%) among the peer group which may correspond to its focus on the more complex, but potentially higher-margin, alternative asset space. While the growth trajectory of Sanne could be considered comparable to that of Mainstream, its larger size, higher profitability, different geographical scope (Sanne has no presence in Australia) and greater proportion of business in the higher margin alternative assets administration services, distinguish it

- IRESS' share price has risen by 15.1% since 9 June 2021 due to market speculation of a potential takeover. On 11 June 2021, the company released an announcement to highlight that it recently undertook a thorough review of the business with a view to accelerate growth and enhance returns through a specific focus on managing capital efficiency and returning surplus capital to shareholders. IRESS is also contemplating a potential divestment of its UK mortgage sales and origination business to take advantage of a perceived trend of increasing valuations of software businesses in the UK. The company intends to distribute the surplus capital to shareholders if the sale occurs. All these factors have contributed to an increase in the share price of IRESS and its FY21 and FY22 EV/EBITDA multiples compared to other selected peers.

Whilst IRESS is comparable to Mainstream, it is much larger and operates through a software-as-a-service business model. We also note its historically high EBITDA margin has compressed in recent years as its business matured and it expanded into new products and geographies following a slowdown in domestic sales.

In addition to growth dynamics, we have also considered the following:

- we would generally expect companies with proprietary software to trade at higher multiples given the scalability of their products or services and the protection afforded by the intellectual property. However, there is no clear, direct evidence of a relationship between the ownership of proprietary software and higher FY21 or FY22 earnings multiples. We observe that:
    - the three companies in our selected group with proprietary software, Bravura Solutions Limited (**Bravura**), IRESS and SS&C trade at 16.1 times, 18.6 times and 13.3 times FY21 earnings, respectively.[2] The FY22 earnings multiples are uniformly lower at 13.0 times, 17.2 times and 12.5 times, respectively. While the Bravura and IRESS multiples are higher than those for Link, Computershare and EQT Holdings Limited (**EQT**), they are below the FY21 and FY22 multiples for Sanne of 22.2 times and 19.4 times earnings (all of which do not appear to have proprietary software). Further, SS&C, which is the largest provider of proprietary software in our selected group of comparable companies, has FY21 and FY22 earnings multiples which are close to the very low end of the range
    - our analysis of EBITDA margins, which can provide evidence of the scalability of a business, does not suggest a clear relationship between a fund administration company's ownership or sale of proprietary software and a greater ability to convert revenues to earnings.

Comparable transaction multiples

We have reviewed several transactions involving companies broadly comparable to Mainstream. The most relevant (by date and operations of the target company) are listed in the table below. Appendix 6 sets out a larger list of comparable transactions and relevant valuation metrics; however, we have placed less weighting on this data.

Table 15: Transaction multiples

Closed	Target	% acquired	EV	EBITDA	Implied EV/EBITDA		
					Pre-AASB16 (Historical)	Post-AASB 16 FY20	Post-AASB 16 FY21
6/11/2020	OneVue Holdings Limited	100%	116.8	4.7[1], 6.6[1], 7.8[2]	23.6x	17.7x	15.1x
5/11/2019	GBST Holdings Limited	100%	243.6	18.6	13.1x		
28/06/2019	Diversa Trustees Limited/CCSL Limited	100%	45.0	2.7	16.9x		
5/02/2019	Ipes (Guernsey) Limited	100%	262.8	17.3	15.2x		

Source: S&P Capital IQ, Mergermarket, company reports and announcements, Deloitte Corporate Finance analysis
Notes:
1. OneVue pre- and post-AASB 16 FY20 EBITDA sourced from OneVue's FY20 annual report
2. FY21 EBITDA sourced from OneVue IER prepared by Grant Thornton and dated 2 September 2020

We make the following observations in relation to the selected comparable transactions set out above:

- the transactions considered above involved the acquisition of 100% interests in the target companies
- the price paid in these transactions incorporates any value attributable to synergies. Since our Adjusted FY21 EBITDA for Mainstream already reflects a degree of synergies, care must be applied when considering these transaction multiples for the purpose of our analysis
- in November 2020, IRESS acquired 100% of the equity in OneVue. Based on the post-AASB 16 FY20 EBITDA from OneVue's FY20 annual report and the deal value, the deal completed at a 17.7 times

[2] While Link derives profit from PEXA, an e-conveyancing platform, this is an equity-accounted investment rather than a core business unit

post-AASB 16 FY20 EV/EBITDA multiple. Although this multiple represents an FY20 EV/EBITDA multiple, we note that the transaction was announced 1 June 2020, meaning FY20 earnings were 'forward' earnings at that time (that is, the earnings were still an estimate and subject to a degree of variance).

While OneVue has a number of similarities with Mainstream (OneVue was a competitor to Mainstream and was of a similar size at the time of the acquisition), there are several other factors which have influenced our assessment of the comparability of this transaction:

  - unlike OneVue, Mainstream does not own a scalable platform or software offering. Rather, it licenses software used in a technology stack, which is a different operating model as far as the integration of software/technology and fund administration capabilities is concerned
  - OneVue's actual growth was relatively slow in the three years to FY20, with the business generating revenue CAGR of 16% compared to 41% for Mainstream. Similarly, the growth outlook for the business was softer, with the last available broker consensus revenue estimates for the business forecasting a CAGR of 11% between FY20 and FY22, compared to 17% for Mainstream
  - the OneVue acquisition occurred at a point in time when the OneVue share price was relatively weak due to a significant risk relating to the recoverability of a deferred consideration receivable.[3] In contrast, Mainstream is benefiting from strong tailwinds, including the resolution of the litigation in the US, growth in earnings, several new key customers and the successful establishment of a PE business in the US.

- with the exception of the OneVue transaction, all of the comparable transactions completed in a pre-AASB 16 and pre COVID-19 environment. Having regard to weighted average lease terms of trading companies, we observe that post-AASB 16 EV/EBITDA multiples are generally lower than corresponding equivalent multiples on a pre-AASB 16 basis. Accordingly, our selected EBITDA multiple range (post AASB-16) is, on a like-for-like basis, higher than the range observed for the remaining three transactions.

5.3 Net debt

Mainstream's net debt position as at 31 May 2021 is presented in the table below. We note this is based on unaudited results and adjustments adopted by Deloitte Corporate Finance.

Table 15 - Net debt

	$ million
Interest bearing liabilities	(7.7)
Lease liabilities	(3.7)
Gross debt	**(11.4)**
Cash and cash equivalents	10.5
less: restricted cash	(7.5)
Excess cash	**2.9**
Shareholder loans	0.7
Non-contingent transaction costs	(1.0)
Break fees (SS&C)	(3.7)
Other assets and liabilities	**(4.0)**
Net debt	**(12.5)**

Source: Deloitte Corporate Finance analysis

We note the following in relation to Mainstream's net debt position:

[3] Prior to being acquired, OneVue was facing issues related to the recovery of deferred consideration following the sale of its trustee services business to Sargon, which subsequently entered receivership. This contributed to a circa 42% decline in OneVue's share price between the completion of the sale on 28 June 2019 and the announcement of Iress' acquisition of OneVue on 1 June 2020. In comparison, the ASX 200 only fell by 12% over the same period.

- Mainstream's debt largely represents interest-bearing liabilities from an external debt facility which was recently extended to January 2022. Since our valuation is based on a post AASB 16 EBITDA multiple, we have also taken into account the notional debt associated with AASB 16-related lease liabilities
- as at 31 May 2021, Mainstream held $10.5 million of cash and cash equivalents. However, approximately $7.5 million is restricted mainly due to Mainstream having to meet regulatory requirements related to operating licenses in different jurisdictions
- Mainstream has made related-party loans to the its CEO Martin Smith and to the Americas CEO Jay Maher in the total amount of $0.7 million, which we included in our assessed net debt position. We note that the loan to Martin Smith was repaid in June 2021 with a corresponding increase in the Company's cash balance
- we have also added Mainstream's transactions costs of c. $1.0 million which are expected to be accrued in the short-term from the Proposed Scheme and are not otherwise reflected in the net debt position, and are not contingent on the Proposed Scheme completing. We have not factored cash bonuses payable upon completion of the Proposed Scheme into net debt.
- as a result of not completing the schemes with Vistra and SS&C, Mainstream will have to pay break fees to these parties. The break fees in relation to the SID agreed with Vistra was $1.7 million and has already been paid, whereas the $3.7 million with SS&C is still outstanding.
- we understand there are potential contingent liabilities, although no provisions for them have been raised as their likelihood is considered low, therefore we have not added any other liabilities.

5.4 Number of shares outstanding

At the completion of the Proposed Scheme, Mainstream is expected to have 138.1 million fully paid ordinary shares on issue. In addition, we note that Mainstream granted 4.8 million performance rights to key management personnel and employees. We note that as a part of the Proposed Scheme and as a result of a change of control event, the performance rights will vest. Any remaining equity rights on issue apart from these will be cancelled for nil consideration.

Table 16 – Performance rights

Grant year	Plan type	No. of shares	Comment
FY19	LTI	108,333	
	Performance rights	2,500,000	US PE revenue targets
FY20	LTI	250,000	
FY21	LTI	513,839	
	STI	895,809	
	Performance rights	500,000	CEO Martin Smith, issued November 2020
Total		**4,767,982**	

Source: Mainstream
Notes:
1. STI = short-term incentive plan, LTI = long-term incentive plan. "Performance rights" is also a type of a plan, not to be confused with the total number of rights outstanding

The table below summarises the notional dilution of total shares outstanding based on all performance rights vesting.

Table 17 - Shares outstanding after dilution

	Number
Shares outstanding	138,089,440
Performance rights which will vest	4,767,982
Total shares outstanding after notional dilution	**142,857,422**

Source: Mainstream, Deloitte Corporate Finance analysis

5.5 Cross-check: revenue multiples analysis

We have considered the revenue multiples implied by the enterprise value determined under our earnings multiple analysis, as summarised in the following table.

Deloitte.

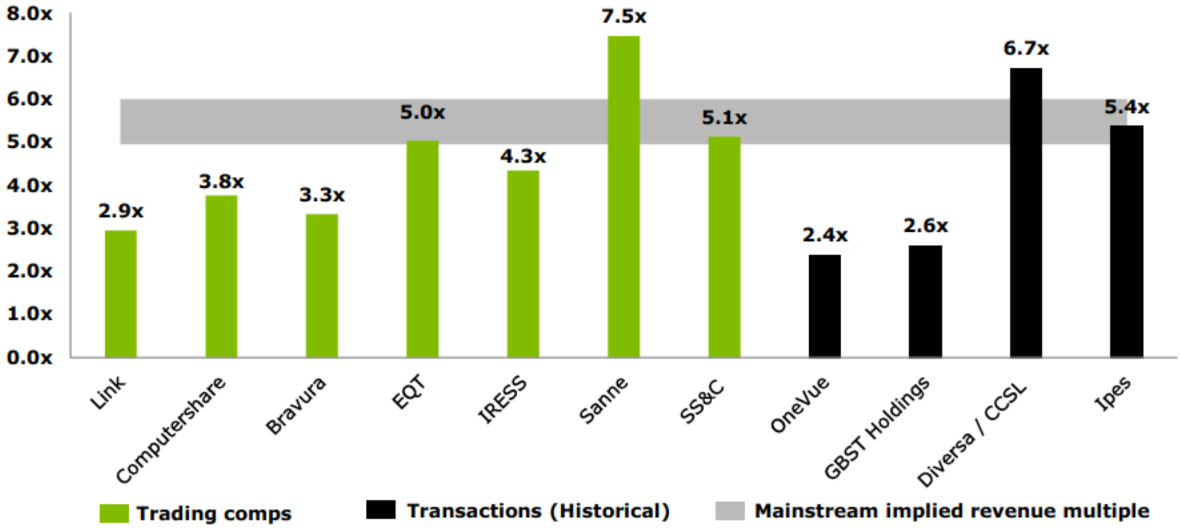
Table 18 – Implied revenue multiples

	Section	Unit	Low	High
Enterprise value	5.1	$ million	322.2	390.0
Revenue (FY21)	3.8.2	$ million	65.0	65.0
Implied revenue multiple (FY21)		times	5.0	6.0

Source: Deloitte Corporate Finance analysis
Note:
1. Enterprise value as per the selected Adjusted EBITDA in Section 5.2.1 and our selected multiple range of in Section 5.2.2

We note that FY21 revenue multiples for listed comparable companies are in the range of 2.9 times to 7.5 times, with an average of 4.6 times and a median of 4.3 times. Historical revenue multiples implied by comparable transactions were in the range of 1.4 times to 6.7 times, with an average and median of 3.3 times and median of 2.8 times.

Figure 16: Revenue multiples – listed comparable companies and transactions



Source: Deloitte Corporate Finance analysis

The FY21 revenue multiple implied by our valuation of Mainstream of 5.0 times to 6.0 times is at the high end of the range of revenue multiples observed in the market, as set out in the figure above.

Mainstream's short term growth prospects appear to be greater than those assumed by broker consensus for the selected peers, although we note that Mainstream's profitability (measured at the operating margin level) is lower, especially compared with the selected companies which are trading or have been acquired at the highest revenue multiples (Sanne, Diversa, SS&C and Ipes).

On balance, in our opinion the revenue multiples implied by our earnings multiple valuation are reasonable.

Appendix 1: Context to the report

Individual circumstances

We have evaluated the Proposed Scheme for Shareholders as a whole and have not considered the effect of the Proposed Scheme on the particular circumstances of individual investors. Due to their particular circumstances, individual investors may place a different emphasis on various aspects of the Proposed Scheme from the one adopted in this report. Accordingly, individuals may reach different conclusions to ours on whether the Proposed Scheme is fair and reasonable and therefore in the best interests of Shareholders. If in doubt investors should consult an independent adviser, who should have regard to their individual circumstances.

Limitations, qualifications, declarations and consents

The report represents solely the expression by Deloitte Corporate Finance of its opinion as to whether the Proposed Scheme is in the best interests of the Shareholders as a whole.

The report has been prepared at the request of the Independent Directors of Mainstream and is to be included in the Scheme Booklet to be given to Shareholders for approval of the Proposed Scheme. Accordingly, it has been prepared only for the benefit of the Independent Directors and those persons entitled to receive the Scheme Booklet in their assessment of the Proposed Scheme outlined in the report and should not be used for any other purpose. Neither Deloitte Corporate Finance, Deloitte Touche Tohmatsu, nor any member or employee thereof, undertakes responsibility to any person, other than the Shareholders and Mainstream, in respect of this report, including any errors or omissions however caused. Further, recipients of this report should be aware that it has been prepared without taking account of their individual objectives, financial situation or needs. Accordingly, each recipient should consider these factors before acting on the Proposed Scheme. This engagement has been conducted in accordance with professional standard APES 225 Valuation Services issued by the Accounting Professional and Ethical Standards Board Limited.

Statements and opinions contained in this report are given in good faith but, in the preparation of this report, Deloitte Corporate Finance has relied upon the completeness of the information provided by Mainstream and its officers, employees, agents or advisors (as set out below in 'Sources of Information'). Deloitte does not imply, nor should it be construed, that it has carried out any form of audit or verification on the information and records supplied to us. Drafts of our report were issued to Mainstream management for confirmation of factual accuracy.

In recognition that Deloitte Corporate Finance may rely on information provided by Mainstream and its officers, employees, agents or advisors, Mainstream has agreed that it will not make any claim against Deloitte Corporate Finance to recover any loss or damage which Mainstream may suffer as a result of that reliance and that it will indemnify Deloitte Corporate Finance against any liability that arises out of either Deloitte Corporate Finance's reliance on the information provided by Mainstream and its officers, employees, agents or advisors or the failure by Mainstream and its officers, employees, agents or advisors to provide Deloitte Corporate Finance with any material information relating to the Proposed Scheme.

To the extent that this report refers to prospective financial information we have considered the prospective financial information and the basis of the underlying assumptions. The procedures involved in Deloitte's consideration of this information consisted of enquiries of Mainstream personnel and analytical procedures applied to the financial data. These procedures and enquiries did not include verification work nor constitute an audit or a review engagement in accordance with standards issued by the AUASB or equivalent body and therefore the information used in undertaking our work may not be entirely reliable.

Based on these procedures and enquiries, Deloitte considers that there are reasonable grounds to believe that the prospective financial information for Mainstream included in this report has been prepared on a reasonable basis in accordance with ASIC Regulatory Guide 111. In relation to the prospective financial information, actual results may be different from the prospective financial information of Mainstream referred to in this report since anticipated events frequently do not occur as expected and the variation may be material. The achievement of the prospective financial information is dependent on the outcome of the assumptions. Accordingly, we express no opinion as to whether the prospective financial information will be achieved.

Deloitte Corporate Finance holds the appropriate Australian Financial Services licence to issue this report and is owned by the Australian Partnership Deloitte Touche Tohmatsu. The employees of Deloitte Corporate Finance principally involved in the preparation of this report were Michele Picciotta, Partner, B.Comm (Hons) and Tapan Parekh, Partner, B.Bus, M.Com, CA, F.Fin. Each have many years' experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of expert reports.

Consent to being named in disclosure document

Deloitte Corporate Finance Pty Limited (ACN 003 833 127) of 477 Collins Street, Melbourne, VIC, 3000 acknowledges that:

- Mainstream proposes to issue a disclosure document in respect of the Proposed Scheme between Mainstream and the Shareholders (**the Scheme Booklet**)
- the Scheme Booklet will be issued in hard copy and be available in electronic format
- it has previously received a copy of the draft Scheme Booklet for review
- it is named in the Scheme Booklet as the 'independent expert' and the Scheme Booklet includes its independent expert's report in Attachment 1.

On the basis that the Scheme Booklet is consistent in all material respects with the draft Scheme Booklet received, Deloitte Corporate Finance Pty Limited consents to it being named in the Scheme Booklet in the form and context in which it is so named, to the inclusion of its independent expert's report in Attachment 1 of the Scheme Booklet and to all references to its independent expert's report in the form and context in which they are included, whether the Scheme Booklet is issued in hard copy or electronic format or both.

Deloitte Corporate Finance Pty Limited has not authorised or caused the issue of the Scheme Booklet and takes no responsibility for any part of the Scheme Booklet, other than any references to its name and the independent expert's report as included in Attachment 1.

Sources of information

In preparing this report we have had access to the following principal sources of information:

- draft of the scheme of implementation deed between Apex and Mainstream dated 15 July 2021
- the scheme of implementation deed between SS&C and Mainstream dated 12 April 2021
- the scheme of implementation deed between Vistra and Mainstream dated 9 March 2021
- audited financial statements for Mainstream for the years ending 30 June 2015 to 31 December 2020
- annual reports for Mainstream for the years ending 30 June 2015 to 30 June 2020
- management accounts, prospective budget and forecasts
- legal advice provided by Maddocks
- Mainstream company website
- publicly available information on comparable companies and market transactions published by ASIC, Thomson Research, Thomson Reuters Financial markets, SDC Platinum and Mergermarket
- IBIS World company and industry reports
- other publicly available information, media releases and broker reports on Mainstream and the financial services industry / sectors.

In addition, we have had discussions and correspondence with certain directors and executives, including Martin Smith, CEO; Stacey Kelly, CFO; Byram Johnston OAM, Chairman and JoAnna Fisher, Director; in relation to the above information and to current operations and prospects.

Appendix 2: Valuation methodologies

Common market practice and the valuation methodologies which are applicable to corporate entities and businesses are discussed below.

Market based methods

Market based methods estimate an entity's market value by considering the market price of transactions in its shares or the market value of comparable companies. Market based methods include:

- earnings multiple method
- analysis of an entity's recent share trading history
- industry specific methods.

The earnings multiple method estimates market value as a multiple of an entity's earnings. An appropriate earnings multiple is derived from market transactions involving comparable companies. The earnings multiple method is appropriate where the entity's earnings are relatively stable.

The most recent share trading history provides evidence of the market value of the shares in an entity where they are publicly traded in an informed and liquid market.

Industry specific methods estimate market value using rules of thumb for a particular industry. Generally, rules of thumb provide less persuasive evidence of the market value of an entity than other valuation methods because they may not account for entity specific factors.

Discounted cash flow methods

Discounted cash flow methods estimate market value by discounting an entity's future cash flows to a net present value. These methods are appropriate where a projection of future cash flows can be made with a reasonable degree of confidence. Discounted cash flow methods are commonly used to value early stage companies or projects with a finite life.

Asset based methods

Asset based methods estimate the market value of an entity's shares based on the realisable value of its identifiable net assets. Asset based methods include:

- orderly realisation of assets method
- liquidation of assets method
- net assets on a going concern basis.

The orderly realisation of assets method estimates market value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not necessarily be appropriate. The net assets on a going concern basis method estimates the market values of the net assets of an entity but does not take account of realisation costs.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they ignore the value of intangible assets such as customer lists, management, supply arrangements and goodwill. Asset based methods are appropriate when companies are not profitable, a significant proportion of an entity's assets are liquid, or for asset holding companies.

Appendix 3: Industry overview

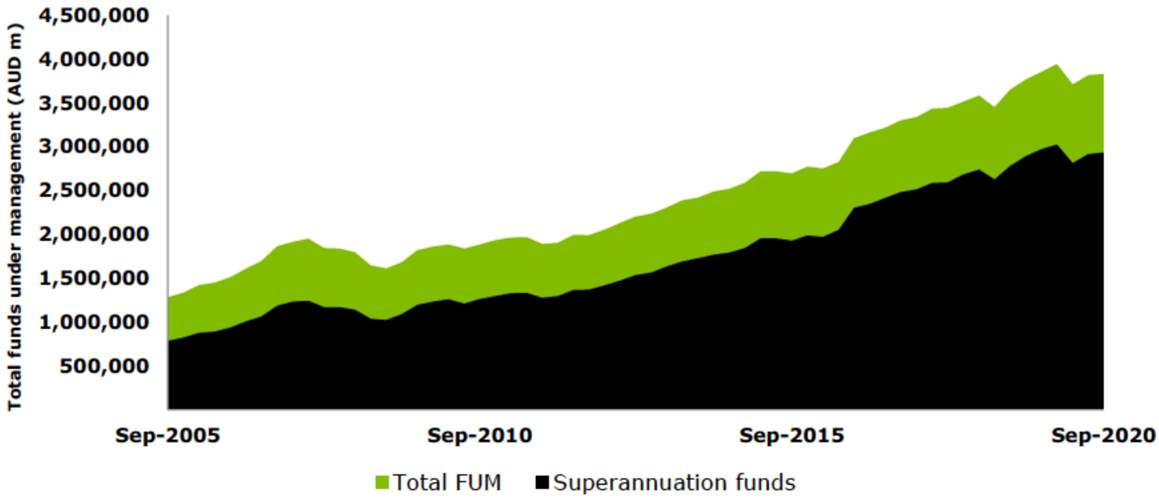
Mainstream operates in the funds management industry and offers several middle and back-office services including performance reporting, compliance, investment administration, custody, unit registry and fund accounting. These activities are outsourced to Mainstream and fall within a broader scope of providing outsourced funds administration services for clients that are themselves within the funds management industry.

Companies providing these outsourced services typically generate revenue by earning recurring fee income. For Mainstream, this fee income is charged on a periodic basis and is largely based on a client's funds under management (**FUM**), number of funds managed, the number of investors and of transactions processed. Given these features are driven either directly or indirectly by changes in the availability of funds for investment in the financial market, total FUM is a key driver of revenue for fund administration companies.

Australian market

In Australia, the steady increase in FUM is attributable to several factors, most notably Australia's superannuation system. In the quarter ending 30 September 2020, pension savings represented $2.9 trillion of the nation's total $3.8 trillion in FUM. With compulsory superannuation contributions to reach 12.0% per annum by FY26, total assets will rise to $10.2 trillion by 2038.[4] As the Australian population ages, the need for retirement funds will continue to increase, providing a structural impetus to growth in FUM and by extension the need for fund administration services.

Figure 17: Total FUM and superannuation funds in Australia, September 2005 to September 2020

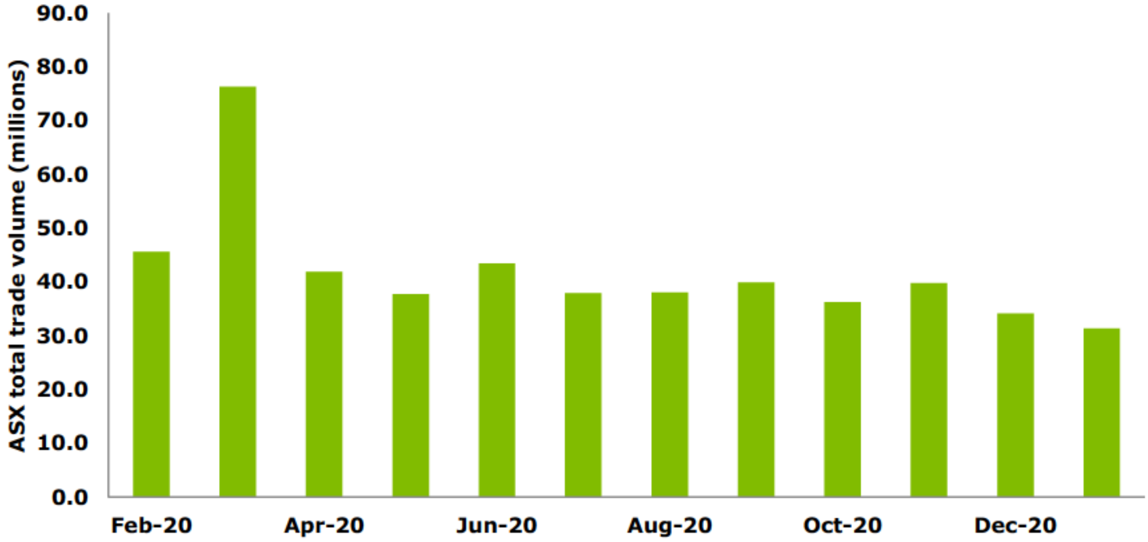


Source: Australian Bureau of Statistics – Managed Funds, Australia, December 2020

Although fund administrator revenues are indirectly tied to the amount of FUM in a market, their business model provides a partial hedge when total funds declines. In Figure 17, the impact of the COVID-19 pandemic in the March 2020 quarter is visible, with total FUM declining by 5.9%, the largest quarter-on-quarter decrease since December 2008. At the same time, however, ASX trade volumes spiked: as shown in Figure 18, monthly trading volume rose 67.2% in March 2020. This increase in the number of transactions generates fee income in periods of significant volatility, and along with the support for total Australian FUM resulting from compulsory superannuation contributions, serves to provide fund administrators with consistent revenue through the cycle.

[4] Deloitte Actuaries & Consultants – The Dynamics of the Australian Superannuation System, November 2019

Figure 18: ASX monthly trading volumes, February 2020 to January 2021



Source: ASX Market Statistics – Trading Volumes, accessed February 2021

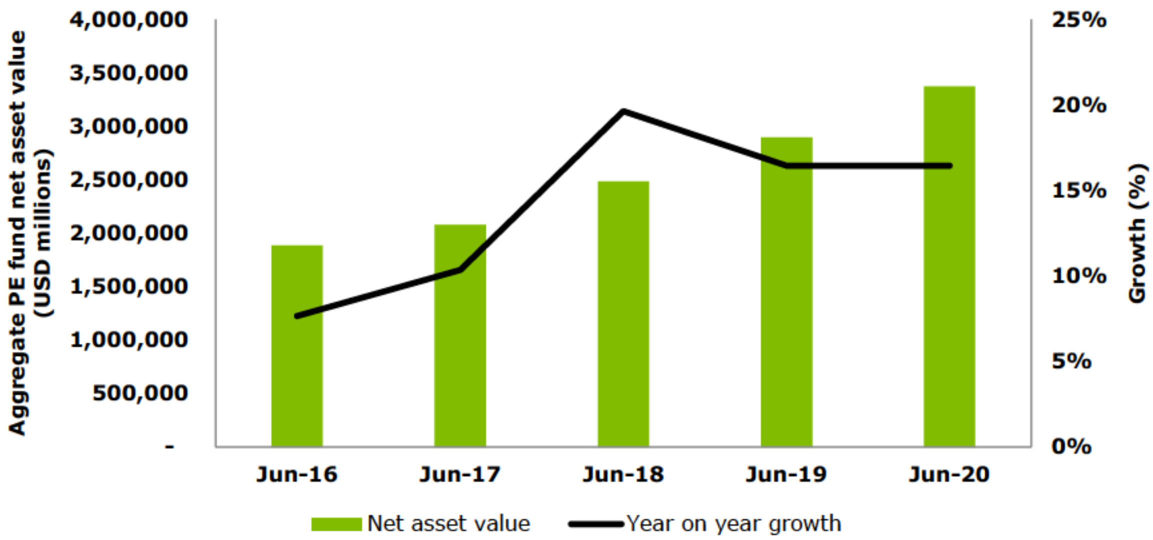
International markets

While the majority of Mainstream's revenue is earned in Australia, organic growth for the business in the short to medium-term is expected to come from its international presence. It currently operates in North America, Asia and Europe, with 24.0% of FuA attributable to funds administered in these markets. The United States, Hong Kong and Ireland are the greatest contributors to FuA for operations in these continents, respectively. As Mainstream's international clients typically invest in alternative assets, they provide diversification from the Company's Australian clients who invest primarily in traditional asset classes.

The United States

Mainstream's growth in the United States market is expected to be driven by continued growth in funds committed to alternative investments, particularly in private equity funds. Between June 2016 and June 2020, the aggregate private equity fund net asset value (**NAV**) in the United States increased from USD $1,884 billion to USD $3,372 billion, representing a compound annual growth rate (**CAGR**) of 15.7%.

Figure 18: Aggregate private equity fund net asset value in the United States



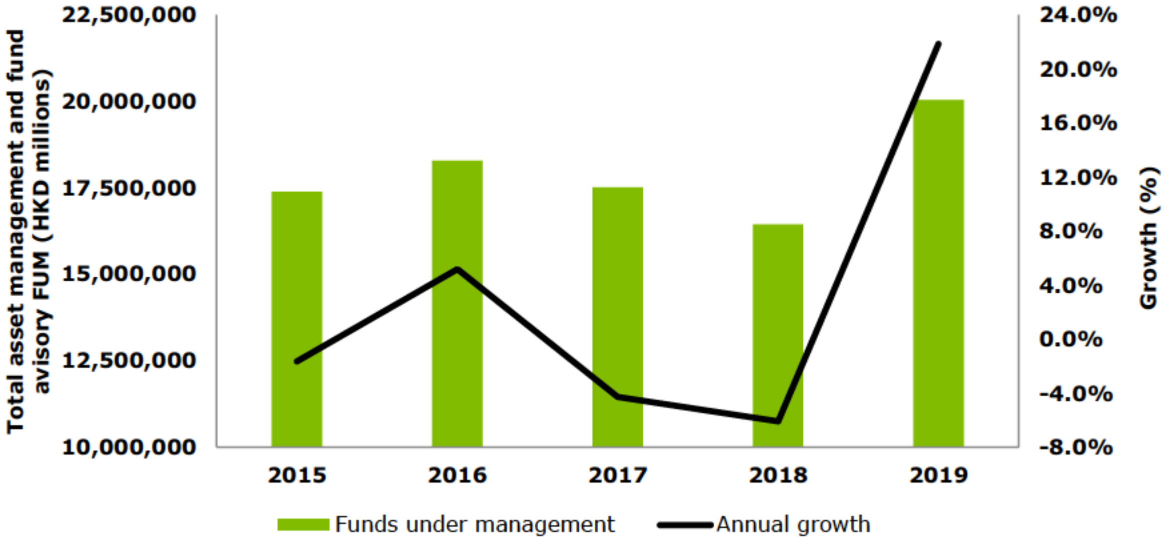
Source: United States Securities and Exchange Commission, Division of Investment Management, Private Funds Statistics (various dates)

Hong Kong

The fund administration market in Hong Kong is underpinned by relationships and reputation, which Mainstream has developed since entering the market in 2013. The level of funds managed in Hong Kong has been driven by the growing middle class in the region and the inflow of funds associated with this structural change. The traditional function Hong Kong has served as an entry point to China has also influenced the level of funds in this market.

A significant portion of Mainstream's revenues in Hong Kong derive from hedge funds, particularly Cayman domiciled funds. Analysis undertaken by the Hong Kong Securities and Futures Commission in 2019 indicates 4.0% of total asset management and fund advisory FUM in 2019 were managed by hedge funds, representing an HKD $802 billion addressable market for Mainstream.

Figure 19: Asset management and fund advisory AUM in Hong Kong

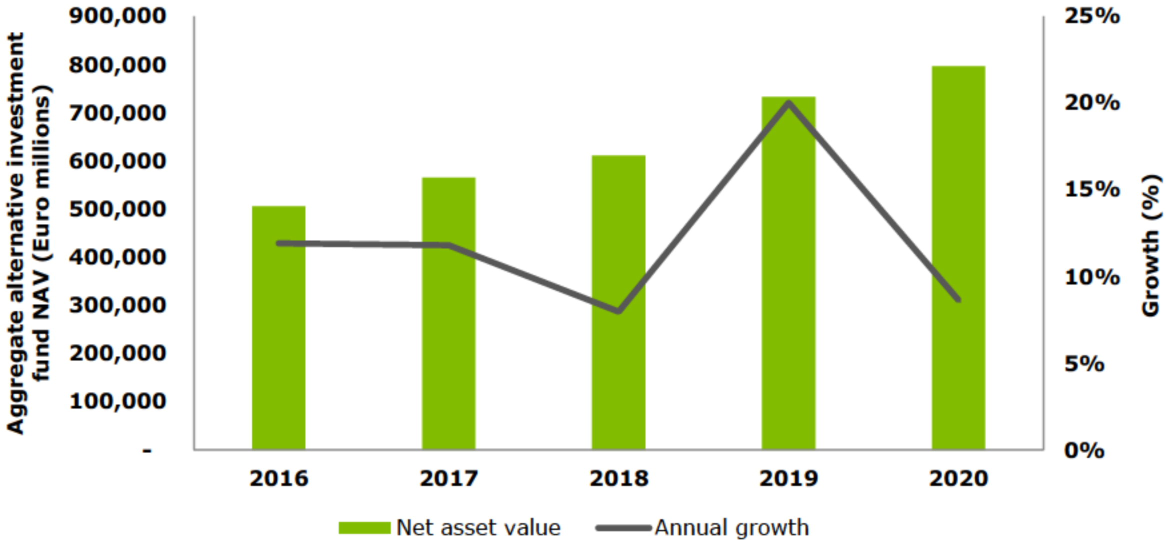


Source: Hong Kong Securities and Futures Commission, Asset and Wealth Management Activities Survey 2019
Note:
1. Fund advisory funds represent those managed as part of institutional fund advisory services provided from Hong Kong by fund managers to overseas investment managers

Ireland

Mainstream's business in Ireland largely constitutes the provision of fund administration services to Cayman domiciled hedge funds as well as Irish alternative investment funds (**AIFs**). Typically, fund inflows into Ireland are the result of investment managers seeking access to a Europe-wide fund marketing passport, regulatory clarity and tax efficiency. The aggregate AIF NAV in Ireland has increased from EUR $506 billion in 2016 to EUR $796 billion in 2020, representing a CAGR of 12.0%.

Figure 20: AIF NAV in Ireland



Source: Irish Funds Industry Association, Irish Domiciled AIFs, December 2020

Industry growth drivers

The outsourcing of middle and back-office fund administration activities by investment funds has gathered pace in recent years and is expected to continue for the foreseeable future, with growth due to several factors including the following.

Regulatory burden

Since the Global Financial Crisis, there has been a trend towards increasing regulatory scrutiny in a number of developed markets. This trend has progressed in Australia through to the passage of the Anti-Money Laundering and Counter-Terrorism Financing and Other Legislation Amendment Bill 2020 on 17 December 2020, which heightened the regulatory burden for many companies in the financial services industry, including the funds management sector. The trend towards outsourcing allows for this burden to be shared, and companies such as Mainstream are increasingly engaged to ensure administration activities meet best practices.

Cost reduction

Fund administration companies enjoy scale in the provision of their services as the costs of updating technology and know-how, along with operating models, can be shared across multiple clients. The cost of performing fund administration activities internally, however, is high as a result of the regular investment in human capital and systems needed. Cost-conscious investment managers seek to outsource these capabilities to minimise their costs of doing business, allowing for a reduction in the fees charged to clients without a corresponding decrease in profit margins.

Operational efficiency

The fund administration process is time-consuming. Rather than spend time on functions which are not considered 'core' to the business of funds management, the outsourcing of middle and back-office processes allows investment managers to focus on front-office activities such as investment selection and portfolio strategy which drive returns.

Product innovation

In-house fund administration capabilities are generally built in response to the provision of specific financial products. Investment managers have faced difficulties in efficiently adapting their internal models as new financial products are developed, with third parties typically used as the number and complexity of these products offered increases.

Quoted funds

In 2020, Magellan, an Australian fund manager, in partnership with Mainstream, as the fund administrator, launched an unlisted managed fund under a new dual-structure that allows the manager of an unlisted unit trust to access both the existing unlisted unit trust and exchange-listed distribution channels. Investors can access the fund using the traditional means of applying and redeeming units in an unlisted managed fund and also trade on the stock exchange through their broker. This structure aligns with the actively managed ETF market and recent changes in the financial advisor business models that are moving away from traditional platforms, and similarly is expected to grow FUM for investment managers. Further, fund managers are now able to realise cost savings through offering dual-structured funds without the duplicate cost structures.

Magellan launched their first quoted fund, with Mainstream as administrator, in June 2020. In the 6 months to 31 December 2020, Mainstream administrated two more quoted funds that went live on the ASX, leading to growth in funds under administration and an increase in the number of investors serviced by Mainstream. Link, Mainstream's competitor administered the launch of the first fixed-income quoted managed fund in March 2021.

The quoted funds initiative represents a significant innovation for the funds administration industry as the open-ended structure provides another distribution channel for fund managers, and is expected to lead to FUM growth and increased investor numbers.

Industry consolidation

Following the pressure from the Australian Prudential Regulation Authority (**APRA**), superannuation funds in Australia have begun a process of consolidation, with many smaller funds (Mainstream's client base in their super business) merging, and the ATO assuming responsibility for the administration of low balance accounts. While total market FUM will not change, recurring revenues are based on contracts with entities which could, in the event of consolidation, no longer exist in the same form, and service contracts may need to be re-negotiated. To the extent that this is not possible, the flow-on impact of consolidation in the superannuation industry could be a corresponding consolidation of entities offering administration services.

The federal government's recent early super release stimulus scheme program due to the COVID-19 pandemic that concluded in December 2020, resulted in $33 billion withdrawn from superannuation, significantly decreasing FUM. As a result, superannuation funds have had to increase liquidity by retaining more cash to fund the withdrawals, rather than holding riskier assets or illiquid asset investments, potentially resulting in lower investment returns in the long term.

Recently, the 'Your Future, Your Super' package proposed in the 2021 federal budget has recommended an annual performance test, public ranking by the Australian Tax Office and the loss of automatic new member sources through the abolishment of the previous default employer fund choice. Although the process of benchmarking super funds objectively against their own stated asset allocation by way of listed indices as proxies and ranking of super funds will undoubtedly result in FUM volume skewing towards better performing funds, total market inflow of FUM will not change. However, this new benchmarking process is likely to result in reforms in the way super funds allocate capital, likely to revert to investing in lower risk indexed investments rather than higher risk unlisted investments.

Success factors

Some determinants of success in the fund administration services sector include:

- **Strong client relationships:** while services are underpinned by fixed-term contracts, customers are relatively 'sticky' and once a contract has been won, clients will generally avoid switching administrators provided the relationship is strong and the contractual agreement is being satisfied. The result is recurring revenue for sector participants, along with high barriers to entry for those without these client relationships. Fund administrators can also add value to their clients through innovation, not just reducing costs

  Martin Smith, the CEO of Mainstream, and Byram Johnston, the Chairman, have been involved in the funds administration services sector in Australia for many years, and have used this experience to build Mainstream since founding it in 2006. In recognition of the importance of Martin's strong client relationships to Mainstream's business, Apex are planning on retaining Martin in the business should the Proposed Scheme be approved

- **Reputation:** a history of successful compliance with regulatory requirements and service levels demonstrates to prospective clients that a fund administrator can be entrusted with meeting their middle and back-office needs

- **Geographical and service diversification:** the greater the number of jurisdictions a fund administrator operates in, the more client funds which can be serviced. There is also a service-based benefit to diversification whereby more of the funds management value chain can be captured through cross-selling when more functions are offered. This is borne out by the increase in middle-office functions offered by fund administrators, which have historically been performed in-house

- **Technological capability:** a fund administrator's ability to service clients is typically underpinned by their platform. Whether the technology is built internally or licensed and 'stacked', a scalable platform is central to sector participants providing a cost-effective solution

- **Size:** the size of fund administration companies is important, with successful sector participants able to leverage their client volume and funds under administration to realise economies of scale and efficiency. While this size takes time to build (representing another barrier to entry), once achieved it also provides administrators with the credibility needed to win new contracts.

Key risks

Fund administration service providers may be subject to several key risks including:

- **Key person and key client risks:** given the importance of client relationships to sector participants, the loss of a key executive who 'owns' a relationship could lead to the permanent loss of business for a company. Similarly, the significant concentration of revenues in contracts with key clients exposes fund administration businesses to the risk that results may deteriorate rapidly if these clients were to be lost

- **Regulatory risk:** the financial services industry is heavily regulated globally, and laws concerning the provision of services are frequently changing. This exposes fund administration businesses to regulatory risk. Along with an increase in the cost of maintaining the capabilities to meet the regulatory burden, regulatory risk may result from breaches of the law and/or the potential loss of operating licenses, among other things

- **Technology risk:** if a fund administration service provider does not have its own IT platform, it must rely on third-party providers, and is subject to the risk of this third-party technology not functioning as planned. While this risk may be partially mitigated by the development of IT platforms internally, the potential for a failure of technology still exists. Other technology risks include those posed by cyber-attacks. This is a key risk for Mainstream with the recent litigation settlement in the US centered on a cyber breach. Mainstream has since engaged in-house counsel to assist with navigation of any future issues that may arise from breaches and have ramped up whole of business compliance training in an effort to mitigate this risk in the future

- **Operational risk**: fund administrators provide services under contract to their clients with agreed deliverables. Failure to deliver against contracted terms can lead to reputational damage or compensation. Fund administrators need to maintain internal controls to mitigate against the risk of errors, breaches or fraud as well as maintain insurance levels consistent with industry practice.

Operating models

Fund administrators may use one of the three models in the provision of their services, with the model selected determined by the client's existing platform and needs:

- **Entire operations:** all client fund administration operations are outsourced

- **Component based:** the service provider only takes on select platforms and processes, such as the investment administration function

- **Lift and shift:** the fund administrator takes on the client's investment administration, platform, processes and staff functions.

Competitive landscape

In Australia, there are only two listed companies which focus on the provision of full-service fund administration services: Mainstream and Link Administration Holdings Limited. However, there are several companies which operate within the middle and back-office funds management services vertical in Australia, which encompasses activities including share registry services (Computershare Limited), investment administration (IRESS Limited) and custody. These companies are all significantly larger than Mainstream.

We note that OneVue Holdings Limited, a company previously listed in Australia which was comparable to Mainstream, was acquired by IRESS Limited in November 2020. Following this transaction, Mainstream's competitive landscape in Australia (outside of in-house solutions) now consists mostly of larger competitors. This may result in new opportunities and risks for Mainstream. While global funds are likely to use Mainstream's bigger competitors, certain funds (such as boutiques) may be better served by Mainstream as they can work closely with clients and personalise their services. On the other hand, competing with far larger balance sheets may enable competitors to put more pressure on revenues as they are able to operate on a larger scale and/or may be able to lower their fees for cross-selling opportunities.

In Mainstream's other geographies, the market is significantly more competitive. Middle and back-office funds management services are typically provided by larger listed companies such as Northern Trust Corporation, State Street, Citco and SEI Fund Administration in the US and Sanne Group plc in Europe. Typically, these larger sector participants establish operations in key locales such as Dublin or Luxembourg to service their clients' needs. Nevertheless, similar to Australia, Mainstream consider an opportunity exists in their international geographies for a smaller player, with potential for growth in these markets as funds transition away from competitors whose offerings are overpriced and/or under serviced.

Appendix 4: EBITDA normalisation adjustments

We have based our starting normalised EBITDA estimate on the FY21 EBITDA management guidance of $11.5 million. After reviewing the basis for the guidance provided, we have made adjustments to remove the impact of once-off items and to capture more recent developments affecting the business, as set out in the following table, and described below.

Table 19 – EBITDA normalisation adjustments

	Unit	Low	High
FY21 guidance from February 2021	**$ million**	**11.5**	**11.5**
US Settlement	$ million	5.1	5.1
US Settlement legal costs	$ million	0.3	0.3
Government grants	$ million	(2.7)	(2.7)
Transaction expenses	$ million	0.1	0.1
Once-off adjustments	**$ million**	**2.8**	**2.8**
Once-off adjusted EBITDA	**$ million**	**14.3**	**14.3**
Share-based payments	$ million	(1.4)	(0.8)
ASX listing expenses	$ million	0.8	1.2
Performance update	$ million	1.0	2.0
Additional adjustments	$ million	**0.4**	**2.4**
Normalised EBITDA	**$ million**	**14.7**	**16.7**

Source: S&P Capital IQ, Mainstream, Deloitte Corporate Finance analysis

Once-off adjustments

- **US Settlement amount**: the approval of the settlement amount, comprised of the settlement and counterparty legal fees, by a US court is expected to result in a $5.1 million negative impact on Mainstream to be settled at the beginning of March 2021
- **US Settlement legal costs**: in the 6 months to December 2020, Mainstream spent $0.3 million of legal costs defending its case, which we have added back
- **Government grants:** Mainstream expects to receive $2.7 million in government grants (net of incurred training expense) which will have a positive impact on the FY21 EBITDA
- **Transaction expenses**: in the 6 months to December 2020, Mainstream incurred $0.1 million of transaction expenses. These cover expenses such as advisor costs, legal fees, associated travel costs and data room hosting.

Other normalisations

- **Share-based payments (SBP)**: Mainstream has several incentive schemes in place to reward its employees and executives by issuing performance rights which vest as ordinary shares, as well as sales commissions and profit share agreements. These payments are structured as share based payments by Mainstream, and the associated expense is reported below the EBITDA line. Compared to the selected publicly traded comparable companies, Mainstream has historically been paying out a significantly higher proportion of revenue as SBP. Over the period of FY18-FY20, Mainstream paid out on average 3.2% of revenue versus its competitors' 1.4% of revenue as per Appendix 7.

  Given their recurrence over the past several years, expectations that this level of compensation for key employees will continue into the foreseeable future, and the higher SBP expense relative to listed peers, we consider that a part of these SBP should be considered a normal operating cost within EBITDA. Put simply, in the context of a change of control transaction, we would expect a lower level of SBP going forward, but an offsetting increase in the level of employee expenses.

  We have adjusted Mainstream's EBITDA only for the notional 'excess' level of SBP above the comparable companies, as we consider it reasonable that a certain level of employee incentives would remain tied to equity-linked instruments. We have applied a range of 1.0% to 2.0%, resulting in a downward adjustment of $1.4 million to $0.8 million to EBITDA.

We note that YTD to February 2021 Mainstream expensed circa 7.7% of revenue in SBP, which we consider to be abnormally high based on Mainstream's historical SBPs. Therefore, we have adjusted Mainstream's EBITDA only for a 'normal' level of SBPs as per the table below

Table 20 - SBP adjustment

	Unit	Low	High
SBP / Revenue			
Mainstream FY18-FY20	%	3.2%	3.2%
Listed peers FY18-FY20	%	1.0%	2.0%
Excess SBP %	%	**2.2%**	**1.2%**
Mainstream FY21g revenue	$ million	65.0	65.0
FY21 SBP adjustment	$ million	**(1.4)**	**(0.8)**

Source: S&P Capital IQ, Mainstream, Deloitte Corporate Finance analysis

- **ASX listing expenses**: having regard to the FY21 listing expenses as estimated by Mainstream management and after our assessment of these costs, we have added back $0.8 million to $1.2 million to account for the cost savings we would expect would be realisable by any acquirer of Mainstream, in the context of a change of control transaction and de-listing. These relate to savings in compliance costs for audit, legal and tax fees, relations costs and board of directors expenses.
- **Recent performance**: based on Mainstream's year-to-date unaudited management accounts, we have observed that Mainstream has been performing reasonably well compared to its FY21 guidance, driven by lower than expected operating costs, especially employee expenses. We have assumed an outperformance in the range of $1.0 to $2.0 million at the EBITDA level in order to take into account the positive trend experienced over the past months since announcement of the FY21 guidance.

Appendix 5: Comparable entities

Table 21: Comparable company data

Company name	Country	Market capitalisation ($m AUD)	Enterprise value ($m AUD)	Net debt/EV (%)	EV/EBITDA		EBITDA margin (%)	
					Current	Forward	Historical	Current
Link Administration Holdings Limited	Australia	2,644	3,506	24.6%	13.0x	11.9x	19.9%	22.6%
Computershare Limited	Australia	9,660	11,485	15.9%	14.0x	12.7x	26.2%	26.9%
Bravura Solutions Limited	Australia	826	808	(2.3%)	16.1x	13.0x	21.9%	20.7%
EQT Holdings Limited	Australia	555	507	(9.1%)	13.0x	12.1x	38.4%	38.6%
IRESS Limited	Australia	2,409	2,618	8.0%	18.6x	17.2x	23.1%	23.4%
Sanne Group plc	UK	2,478	2,707	8.4%	22.2x	19.4x	34.0%	33.6%
SS&C Technologies Holdings, Inc	United States	25,152	33,651	25.3%	13.3x	12.5x	37.4%	38.6%
Average					**15.7x**	**14.1x**	**28.7%**	**29.2%**
Median					**14.0x**	**12.7x**	**26.2%**	**26.9%**

Source: S&P Capital IQ, Mergermarket, company announcements, Deloitte Corporate Finance Analysis
Notes:
1. EBITDA inclusive of share-based payments as sourced from Capital IQ, except for SS&C where share-based payments not available and Morgan Stanley forecast assumed instead
2. Data as at 9 July 2021
3. Net debt as at latest available based on financials.

Table 22: Comparable companies overview

Company name	Business model
Link Administration Holdings Limited	Link Administration Holdings Limited is an Australia-based provider of technology-enabled administration solutions to companies, large asset owners and trustees in Australia and internationally. It operates in five segments: • **Retirement and Superannuation solutions:** member and employer administration services; integrated clearinghouse services, financial planning and advice, direct investment options and trustee services • **Corporate markets:** shareholder management and analytics, stakeholder engagement, share and unit registry, employee share plans, insolvency solutions and company secretarial support services • **Technology and operations:** development and maintenance of proprietary IT systems and platforms; data analytics, digital solutions and digital communications • **Fund solutions:** fund management services, third party administration, and transfer agency services • **Banking and Credit management:** loan origination and servicing, debt work-out, compliance and regulatory oversight services. Link Administration Holdings Limited is a close competitor of MAI, providing the same services with a stronger share registry business. Key points of differentiation include Link's significantly larger scale and international presence.
Computershare Limited	Computershare Limited provides investor, plan, communication, business, stakeholder relationship management, and technology services in Australia, the United States, the United Kingdom, Canada, Switzerland, and internationally, which entails: • **issuer services:** the provision of registry maintenance and related services • **plan services:** the provision of administration and related services for employee share and option plans • **communication services:** document composition and printing, intelligent mailing, inbound process automation, scanning, and electronic delivery • **business services:** the provision of corporate trust, class action, bankruptcy, childcare voucher administration, tenant bond protection, utilities administration, and mutual fund administration support services, as well as mortgage servicing activities • **stakeholder relationship management services:** investor analysis, investor communication and management, and information services to companies, including its employees, shareholders, and other security industry participants • **technology services:** the provision of software in share registry and financial services. Computershare Limited provides a number of services which are not offered by MAI; however, its issuer services offering, which provides registry maintenance and is a key component of its operations, is particularly strong relative to MAI's.

Company name	Business model
Bravura Solutions Limited	Bravura Solutions Limited provides enterprise software and software-as-a-service to the wealth management, life insurance and funds administration markets in Australia, New Zealand, the United Kingdom, and internationally. It operates primarily through two segments: • **Wealth management:** the company offers several products including Sonata, a wealth management administration system that supports various business lines, including pensions and retirement savings, life insurance, investment, and wrap and platform; SonataWeb, a personalized front end portal for use across its business lines; Sonata Digital, a digital service that enhances customer experience; and ePASS, an online portal that provides online services for superannuation members and employers • **Funds administration:** the company offers enterprise funds administration platform, which supports the administration requirements of a range of investment vehicles that include UCITS compliant vehicles, which comprise SICAVS, OEICS, and other umbrella structures, as well as unit trusts, cash, constant, and variable NAV money market funds and investment trusts. It also provides SaaS solutions comprising Rufus Admin that offers funds administration functionality for transfer agents; Rufus Digital, which accommodates the needs of intermediaries and investors supporting the real-time, and integrated data and services; and Rufus Messaging, an automated STP messaging solution that connects third party message providers with Rufus Admin. Similar to MAI, Bravura Solutions Limited provides fund administration services to clients. We note, however, that this function is offered via internally developed software, whereas MAI's technology is typically bought/licensed.
EQT Holdings Limited	EQT Holdings Limited provides philanthropic, trust and estate services in Australia. It operates through two segments: • **Trustee and wealth services:** offers a range of private client, philanthropic and superannuation services, including estate planning and management services, charitable, compensation, community and personal trust services and wealth management and advisory services • **Corporate trustee services:** provides a range of fund governance and trustee services for managed investment trusts on behalf of local and international fund managers and sponsors, as well as specialised trustee services for corporates and structured multi-party transactions. The company also offers executorship and administration, investment administration and custody, executor and financial planning services. Mainstream Management states that they often partner with EQT to offer fund managers third party responsible entity and fund administration services.

Company name	Business model
IRESS Limited	IRESS Limited provides market data, trading, compliance, order management, portfolio and wealth management and mortgages software in Australia, New Zealand, Asia, North America, Europe, South Africa, and the United Kingdom. Its products include: • trading interfaces, order and execution management, order routing, portfolio management, securities lending, analytical tools, connectivity services and client relationship and wealth management software • client management, business automation, portfolio data, research, financial tool planning, digital client solutions and data driven compliance and analytics software • superannuation administration software, comprising fund registry, digital member portal, digital advice solutions, and fund administration services • multi-channel mortgage sales and origination software, covering automated workflow, application processing, mortgage comparison, mortgage advice and lender connectivity for mortgage lenders and intermediaries • insurance and pension sourcing software, including quoting, comparison, and application processing products. IRESS Limited provides several offerings within the middle and back-office fund management services vertical and is particularly strong in the registry space. Mainstream is a client of IRESS, utilizing both the insurance and pension sourcing software and Acurity software platforms. IRESS has recently acquired OneVue Holdings Limited and aims to grow their funds administration business through leveraging OneVue's platform capabilities, similar to MAI's business.
Sanne Group plc	Sanne Group plc provides alternative asset and corporate administration services worldwide. Its offerings include: • alternative asset services comprising private debt fund administration, capital markets, depositary, and loan agency and security trustee services to banks, insurance companies and asset managers • investment fund and corporate administration, portfolio monitoring and accounting services • depositary services such as safekeeping and verification of documentation and assets as well as custody services • operational oversight of funds ensuring compliance with fund documents and applicable laws and regulations, cash monitoring and document tracking and regular document reconciliation and sub-custodian liaison for fund managers Sanne Group plc's service offering is similar to that provided by MAI; however, it seems to have a greater focus on the alternative asset space and its presence in Australia is limited.
SS&C Technologies Holdings, Inc	SS&C Technologies Holdings, Inc provides software products and software-enabled services to financial services and healthcare industries. Its offerings include: • technologies across securities accounting, front-to-back-office operations, performance and risk analytics, regulatory reporting, and healthcare information processes • automation of complex business processes and management of information processing requirements • software products comprising portfolio / investment accounting and analytics software, portfolio management software, trading software, digital process automation product suite, and banking and lending solutions, as well as research, analytics, and training solutions • professional services including consulting and implementation services to assist clients and product support services. SS&C Technologies Holdings, Inc provides several software offerings across the financial services and healthcare space. Mainstream is a client of SS&C, utilizing their software offerings across its Australian operations.

Source: S&P Capital IQ, Mergermarket, company reports and announcements, Deloitte Corporate Finance analysis

Appendix 6: Comparable transactions

Table 23: Comparable transactions

Closed date	Target	Buyer	Target country	Currency	% acquired	Implied EV	EBITDA	Implied EV/EBITDA		
								Pre AASB16 (Historical)	Post AASB 16 FY20	Post AASB 16 FY21
6/11/2020	OneVue Holdings Limited	IRESS Limited	Australia	AUD	100%	116.8	4.7[2], 6.6[2], 7.8[1]	23.6x	17.7x	15.1x
5/11/2019	GBST Holdings Limited	FNZ (UK) Ltd	Australia	AUD	100%	243.6	18.6	13.1x		
28/06/2019	Diversa Trustees Limited/CCSL Limited	Sargon Capital Pty Ltd	Australia	AUD	100%	45.0	2.7	16.9x		
5/02/2019	Ipes (Guernsey) Limited	Apex Fund Services (Bermuda) ltd	Guernsey	AUD	100%	262.8	17.3	15.2x		
3/11/2017	Capita Asset Services Businesses (nka:Link Asset Services)	Link Administration Holdings Limited	United Kingdom	AUD	100%	1,493.2	121.0	12.3x		
31/10/2016	Financial Synergy Pty Ltd	IRESS Limited	Australia	AUD	100%	90.0	9.0	10.0x		
28/10/2016	Bravura Solutions Holdings Pty Limited (nka:Bravura Solutions Limited)	IPO	Australia	AUD	48%	307.7	28.0	11.0x		
10/10/2013	Bravura Solutions Limited	Ironbridge Capital Pty Ltd	Australia	AUD	32.88%	184.7	20.4	9.1x		
25/06/2012	GlobeOp Financial Services S.A	SS&C Technologies Holdings, Inc.	United Kingdom	AUD	100%	747.4	67.2	11.1x		
Average								**13.6x**		
Median								**12.3x**		

Source: S&P Capital IQ, Mergermarket, company reports and announcements, Deloitte Corporate Finance analysis
Notes:
1. FY21 EBITDA sourced from OneVue IER
2. OneVue pre and post AASB 16 FY20 EBITDA sourced from OneVue financials.

Table 24: Target description and transaction rationale

Target name	Target description and transaction rationale
OneVue Holdings Limited	OneVue Holdings Limited provides various superannuation solutions in Australia, operating through the following segments: • Fund services: offers managed fund and superannuation member administration services • Platform services: offers platform administration, including managed funds and accounts. It also provides advisor and investor education services. The company serves advisers and accountants, retail and member organisations, fund managers, custodians and advised and self-directed clients. As with Bravura Solutions Limited, OneVue Holdings Limited also provides fund administration services through software. Unlike Mainstream, it owns its technology, platform and registry systems, providing it with additional value for potential acquirers. OneVue Holdings Limited has been acquired by IRESS Limited for circa $115.2 million. Iress Limited designs and develops software and services for the financial services industry in Australia, New Zealand, Asia, North America, Europe, South Africa, and the United Kingdom. It offers similar services to OneVue Holdings Limited, and pursued the acquisition to grow their funds administration business through leveraging OneVue's platform capabilities, as well as for the opportunity to develop software and services, to bring advice, investments, and superannuation closer together.
GBST Holdings Limited	GBST Holdings Limited provides client accounting and securities transaction technology solutions for the finance, banking, and capital market industries worldwide. Its offerings include: • **GBST Syn~:** shares and derivatives platforms to process equities, derivatives, fixed income, and managed funds transactions for capital markets • **GBST Composer:** end to end funds administration and management software for the wealth management industry; integrated system for the administration of wrap platforms, including individual savings accounts, pensions, self-invested personal pension, and superannuation, as well as master trusts, unit trusts, risk and debt, and other investment assets. The company also provides technology hub solutions, data analytics and quantitative services for the measurement of portfolio performance and website and mobile platform design and digital agency services. Finally, it also offers software licenses, maintenance and upgrade services for licensed software, hosting services, chargeable support services, proof of concept services and development and implementation services. FNZ (UK) Ltd, which offers similar services to GBST Holdings Limited, pursued the acquisition to grow its Australian operations by leveraging GBST's Australian market presence. Mainstream is also a client of GBST and utilizes the composer software.
Diversa Trustees Limited/CCSL Limited	Diversa Trustees Limited is an Australia-based financial services company that provides superannuation trustee, administration, promotion and investment services to superannuation fund trustees and promoters. Previously owned by OneVue Holdings Limited, it was divested as part of OneVue's strategy of focusing on its platform services and fund services businesses, with Sargon Capital Pty Ltd pursuing the transaction to increase its scale and capabilities in offering trustee services.

Target name	Target description and transaction rationale
Ipes (Guernsey) Limited	Ipes (Guernsey) Limited provides fund administration, depositary oversight and outsourced services to the private equity industry. The company offers a range of fund administration services, including fund launching and accounting, investment processing, investor relations, carried interest, outsourcing, compliance, banking, and depositary services. It administers various types of private equity funds, including fund of funds, buyout funds, venture capital funds, listed funds and debt funds and offers administration services for special purpose vehicles, trusts, management companies and carry vehicles. The acquisition enabled Apex Fund Services (Bermuda) Ltd to expand its private equity capabilities and depositary services across the European market, as well as position itself as the fifth largest fund administrator in the global market.
Capita Asset Services Businesses (nka:Link Asset Services)	Capita Asset Services has four key offerings: • **Fund solutions:** third-party administration and transfer agency services to asset managers and a variety of investment funds • **Shareholder solutions:** share registration, share plans services and treasury solutions to corporate clients • **Corporate and private client solutions:** trustee, administration, domiciliation and governance services to corporates and investors • **Banking and debt solutions:** loan processing, administration and work-out services to lenders and investors The transaction complemented Link Administration Holdings Limited's core capabilities in funds administration, shareholder services and corporate services and represented an attractive platform for further expansion into the UK and European markets.
Financial Synergy Pty Ltd	Financial Synergy Pty Ltd develops and provides superannuation and investment software, administration services, and products for the wealth management industry. The acquisition of Financial Synergy was in line with IRESS Limited's growth strategy and complemented its existing capabilities and focus in Australian financial services, trading and funds management technology, wealth management and advice.
Bravura Solutions Holdings Pty Limited (nka:Bravura Solutions Limited)	Bravura Solutions Limited provides enterprise software and software-as-a-service to the wealth management, life insurance and funds administration markets in Australia, New Zealand, the United Kingdom, and internationally. The transaction represented the purchase by Ironbridge Capital Pty Limited (through its subsidiary, Stockholm Solutions Pty Ltd) of the remaining 32.88% stake in Bravura Solutions Holdings Pty Limited which it did not already own, allowing it to finalise its take-private of the business.

Target name	Target description and transaction rationale
GlobeOp Financial Services S.A	GlobeOp Financial Services S.A provides business process outsourcing, financial technology services and analytics to hedge funds and other sectors of the financial industry worldwide. It offers specialised, integrated web-based financial products supporting middle and back office trade processing, fund administration, complex derivatives, and risk reporting. The company also provides managed services, including data center and hosted services, disaster recovery and business continuity facilities and investor and cash management services. In addition, it offers transaction solutions, which comprise GoOTC, an outsource package for OTC derivative trade processing and independent valuation services for asset managers, long/short equity funds, mutual funds, regional and custodial banking institutions, pension funds, endowments and insurance companies. Finally, the company provides risk analysis and reporting services, such as position and exposure reporting, limit monitoring, customizable stress tests and value-at-risk calculations. The acquisition allowed both SS&C Technologies Holdings, Inc. and GlobeOp Financial Services S.A. to benefit from synergies across 80+ products and services. It also enabled SS&C Technologies Holdings, Inc. to share its capabilities in cloud services and mobility platforms and capitalise on GlobeOp's middle-office services. to its global fund capabilities.

Source: S&P Capital IQ, Mergermarket, company reports and announcements, Deloitte Corporate Finance analysis

Appendix 7: Share-based payments

Table 25 - Share-based payments

	Revenue			Share-based payments			Share-based payments / Revenue		
	FY18	**FY19**	**FY20**	**FY18**	**FY19**	**FY20**	**FY18**	**FY19**	**FY20**
Mainstream Group Holdings Limited	41.4	50.0	55.4	1.3	1.7	1.7	3.2%	3.4%	3.1%
Link Administration Holdings Limited	1,198.4	1,403.5	1,230.4	6.3	3.7	1.2	0.5%	0.3%	0.1%
Computershare Limited	3,095.9	3,358.5	3,298.4	26.1	28.1	26.7	0.8%	0.8%	0.8%
Bravura Solutions	221.5	258.2	274.2	0.7	1.6	2.4	0.3%	0.6%	0.9%
EQT Holdings Limited	88.5	92.5	95.4	0.9	1.5	0.3	1.0%	1.6%	0.3%
Sanne Group plc	246.4	296.9	305.3	6.0	4.3	3.5	2.4%	1.5%	1.1%
Iress Limited	464.6	508.9	542.6	10.4	17.7	21.0	2.2%	3.5%	3.9%
SS&C Technologies Holdings, Inc.	4,853.9	6,594.5	6,050.5	137.5	103.1	113.8	2.8%	1.6%	1.9%
Average							**1.5%**	**1.4%**	**1.3%**
Average (FY18 to FY20)									**1.4%**

Source: S&P Capital IQ, company reports and announcements, Deloitte Corporate Finance analysis

Attachment 2 Deed Poll

Maddocks

Lawyers
Collins Square, Tower Two
Level 25, 727 Collins Street
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DX 259 Melbourne

Execution copy

Deed Poll

In favour of each person registered as a holder of fully paid ordinary shares in Mainstream as at the Record Date

Apex Fund Holdings Australia Pty Limited
ACN 649 344 507
and

Apex Group Limited

[8386362: 29929852_3]

Contents

Maddocks

Deed Poll

Parties

Name	Apex Fund Holdings Australia Pty Limited ACN 649 344 507
Address	Level 18, 201 Elizabeth Street, Sydney NSW 2000
Email	[redacted]
Contact	Peter Hughes
	[redacted]
Short name	**Bidder**

Name	Apex Group Ltd
Address	Vallis Building, 4th Floor, 58 Par-la-Ville Road, Hamilton HM11, Bermuda
Email	[redacted]
Contact	Peter Hughes
	[redacted]
Short name	**Bidder Guarantor**

In favour of

Name	**Each person registered as a holder of fully paid ordinary shares in Mainstream Group Holdings Limited ACN 112 252 114 (Mainstream) as at the Record Date**
Short name	**Scheme Participant**

Background

A. On 27 June 2021, Bidder, Bidder Guarantor and Mainstream Group Holdings Limited ACN 112 252 114 (**Mainstream**) entered into a scheme implementation deed (**Scheme Implementation Deed**).

B. Under the Scheme Implementation Deed:

B.1 Bidder has, among other things, agreed to pay the Scheme Consideration to the Scheme Participants in consideration for the acquisition by Bidder of all of the Scheme Shares (being all of the fully paid ordinary shares issued in the capital of Mainstream at the Record Date); and

B.2 Bidder Guarantor has agreed to:

B.2.1 perform or procure the performance by Bidder of its obligations under the Scheme Implementation Deed; and

B.2.2 unconditionally and irrevocably guarantee the due and punctual performance by Bidder of its obligations under the Scheme Implementation Deed and this deed poll in relation to the Scheme.

C. In accordance with the Scheme Implementation Deed, Bidder enters into this deed poll for the purpose of covenanting in favour of the Scheme Participants to perform its obligations and actions under the Scheme.

D. Bidder Guarantor enters into this deed poll for the purposes of:

D.1 performing its obligations and actions under the Scheme;

D.2 covenanting in favour of Scheme Participants to procure that Bidder performs all obligations and actions attributed to it under the Scheme; and

D.3 guaranteeing the due and punctual performance of Bidder of all of its obligations and actions attributed to it under the Scheme.

The parties agree

1. Definitions and Interpretation

1.1 Defined Terms

Unless the context otherwise requires, terms defined in the Scheme Implementation Deed (other than words and expressions defined in this deed poll) have the same meaning when used in this deed poll.

1.2 Interpretation

The rules in clause 21 of the Scheme Implementation Deed apply in interpreting this deed poll (unless the context makes it clear that a rule is not intended to apply), save that references to 'Deed' in that clause will be taken to be references to 'deed poll'.

1.3 Nature of deed poll

Bidder and Bidder Guarantor acknowledge and agree that:

1.3.1 this deed poll may be relied on and enforced by any Scheme Participant in accordance with its terms even though the Scheme Participants are not party to it; and

1.3.2 under the Scheme, each Scheme Participant irrevocably appoints Mainstream and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent to enforce this deed poll against Bidder and Bidder Guarantor on behalf of that Scheme Participant.

2. Conditions precedent and termination

2.1 Conditions

The obligations of Bidder and Bidder Guarantor under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

This deed poll and the obligations of Bidder and Bidder Guarantor under this deed poll will automatically terminate, and the terms of this deed poll will be of no further force or effect if:

2.2.1 the Scheme Implementation Deed is terminated in accordance with its terms; or

2.2.2 the Scheme does not become Effective by the End Date,

unless Mainstream, Bidder and Bidder Guarantor otherwise agree in writing.

2.3 Consequences of termination

If this deed poll is terminated under clause 2.2 in addition and without prejudice to any other available rights, powers or remedies:

2.3.1 Bidder and Bidder Guarantor are released from their obligations to further perform this deed poll; and

2.3.2 each Scheme Participant retains any rights, powers or remedies they have against Bidder and Bidder Guarantor in respect of any breach of this deed poll which occurred before it was terminated.

3. Scheme obligations and actions

3.1 Performance of the Scheme

Subject to clause 2, Bidder undertakes in favour of each Scheme Participant that it will duly and punctually observe and perform all obligations and actions attributed to it under the Scheme as if named as a party to the Scheme, including all obligations and actions attributed to it relating to the provision of the Scheme Consideration, in accordance with the terms of the Scheme.

3.2 Bidder Guarantor's obligations and guarantee

Subject to clause 2, Bidder Guarantor undertakes in favour of each Scheme Participant:

3.2.1 to duly and punctually observe and perform all obligations and actions attributed to it under the Scheme as if named as a party to the Scheme;

3.2.2 to procure that Bidder performs all obligations and actions attributed to it under the Scheme; and

3.2.3 to guarantee the due and punctual performance of Bidder of all of its obligations and actions attributed to it under the Scheme.

4. Warranties

Each of Bidder and Bidder Guarantor represents and warrants in favour of each Scheme Participant, in respect of itself, that it:

4.1 is a corporation validly existing under the laws of its place of incorporation;

4.2 has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;

4.3 has not suffered an Insolvency Event;

4.4 has taken all necessary corporate action to authorise the entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll; and

4.5 is legally bound by this deed poll, and this deed poll does not and will not result in a breach of, or default under any provision of, its constitution or any term of any order, judgment or law which it is a party to or is subject to or by which it is bound or any term or provision of any material agreement to which it is a party.

5. Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until the earlier of:

5.1.1 both Bidder and Bidder Guarantor having fully performed their respective obligations under this deed poll; or

5.1.2 termination of this deed poll under clause 2.2.

6. General

6.1 Further assurances

Bidder and Bidder Guarantor will, at their own expense, do all things reasonably required of it and execute all documents reasonably necessary to give full effect to this deed poll and the transactions contemplated by it.

6.2 Stamp duty

6.2.1 Bidder must:

(a) be responsible for its own costs arising out of the negotiation, preparation and execution of this deed poll;

(b) pay or procure the payment of all stamp duty (if any) and any related fines and penalties payable on or in respect of the transfer by the Scheme Participants of the Scheme Shares to Bidder pursuant to the Scheme or this deed poll; and

(c) indemnify each Scheme Participant against any liability arising from failure to comply with clause (b).

6.2.2 Bidder Guarantor must be responsible for its own costs arising out of the negotiation, preparation and execution of this deed poll.

6.3 Notices

6.3.1 Any notice or other communication to Bidder and / or Bidder Guarantor in connection with this deed poll must be:

(a) in legible writing in English;

(b) signed by the person making the communication or that person's duly authorised agent; and

(c) given by hand delivery, pre-paid post or email in accordance with the details set out below:

Attention: Peter Hughes
Address: [redacted]
Email: [redacted]

with a copy (for information purposes only) to:

Attention: Tony Damian and Clayton James
Address: [redacted]
Email: [redacted]

6.3.2 Subject to clause 6.3.3, any notice or other communication given in accordance with clause 6.3.1 will be deemed to have been duly given as follows:

(a) if delivered personally or left at the person's address, upon delivery;

(b) if posted within Australia to an Australian address:

(i) using express post, 2 Business Days after posting; and

(ii) using any other prepaid post, 6 Business Days after posting;

(c) if posted to an address in a different country, 10 Business Days after posting; and

(d) if delivered by email, at the time the email left the sender's email system, unless the sender receives notification that the email was not received by the recipient.

6.3.3 Any notice or other communication that, pursuant to clause 6.3.2 would be deemed to be given:

(a) other than on a Business Day or after 5:00 pm on a Business Day is regarded as given at 9:00am on the following Business Day; and

(b) before 9:00 am on a Business Day is regarded as given at 9:00 am on that Business Day,

where references to time are to time in the place the recipient is located.

6.4 Cumulative rights

The rights, powers and remedies of Bidder, Bidder Guarantor and of each Scheme Participant under this deed poll are cumulative with and do not exclude the rights, powers or remedies provided by law independently of this deed poll.

6.5 Waiver and variation

6.5.1 A party waives a right under this deed poll only by written notice by it that it waives that right. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.

6.5.2 Failure to exercise or enforce, a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this deed poll by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this deed poll.

6.5.3 A provision of this deed poll may not be varied unless:

(a) if before the First Court Date, the variation is agreed to by Mainstream in writing; or

(b) if on or after the First Court Date, the variation is agreed to by Mainstream in writing and the Court indicates that the variation would not of itself preclude approval by the Court of the Scheme,

in which event Bidder and Bidder Guarantor must enter into a further deed poll in favour of the Scheme Participants giving effect to the variation.

6.6 Assignment

6.6.1 The rights of each Scheme Participant created by this deed poll must not be assigned, encumbered or otherwise dealt with at law or in equity without the prior written consent of Bidder and Bidder Guarantor.

6.6.2 Any purported dealing in contravention of clause 6.6.1 is invalid.

6.7 Governing law and jurisdiction

6.7.1 This deed poll is governed by the laws in force in New South Wales, Australia.

6.7.2 Each party irrevocably:

(a) submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia, Commonwealth courts having jurisdiction in that State and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this deed poll; and

(b) waives any objection it may have now or in the future to the venue of any proceedings, and any claim it may have now or in the future that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 6.7.2(a).

Execution Page

Executed as a deed poll.

Signed, sealed and delivered by **Apex Fund Holdings Australia Pty Limited** in accordance with Section 127 of the	))

[redacted]

[redacted]

Signed, sealed and delivered by **Apex Group Limited**:)
)

Seal

[redacted]

Attachment 3 Scheme of Arrangement

Maddocks

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Collins Square, Tower Two
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DX 259 Melbourne

Scheme of Arrangement

Mainstream Group Holdings Limited ACN 112 252 114
and

Each person registered as a holder of fully paid ordinary shares in Mainstream as at the Record Date

Interstate offices
Canberra Sydney

Affiliated offices around the world through the Advoc network - www advoc.com

Contents

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Scheme of Arrangement

Parties

Name	**Mainstream Group Holdings Limited ACN 112 252 114**
Address	51 – 57 Pitt Street, Sydney, New South Wales 2000, Australia
Email	[redacted]
Contact	Byram Johnston and Alicia Gill
Short name	**Mainstream**
Name	**The persons registered as holders of fully paid ordinary shares in Mainstream as at the Record Date**
Short name	**Scheme Participants**

The parties agree

1. Definitions

1.1 Defined terms

In this Scheme:

Adviser means, in relation to an entity, a financier, financial adviser, corporate adviser, legal adviser, or technical or other expert adviser, or consultant who provides advisory services in a professional capacity and who has been engaged by that entity in connection, directly or indirectly, with the Scheme.

ASIC means the Australian Securities and Investments Commission.

ASX means, as the context requires, ASX Limited ACN 008 624 691 or the financial markets operated by it.

Authority means any:

(a) government, government department, government agency or government authority;

(b) governmental, semi-governmental, municipal, judicial, quasi-judicial, administrative or fiscal entity or person carrying out any statutory authority or function, including the Takeovers Panel; or

(c) other entity or person (whether autonomous or not) having powers or jurisdiction under:

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(i) any statute, regulation, ordinance, by-law, order or proclamation, or the common law; or

(ii) the rules of any recognised stock or securities exchange.

Bidder means Apex Fund Holdings Australia Pty Limited (ACN 649 344 507).

Bidder Guarantor means Apex Group Limited of Vallis Building, 4th Floor, 58 Par-la-Ville Road, Hamilton HM11, Bermuda.

Bidder Group means Bidder and each of its Related Bodies Corporate.

Bidder Group Member means any member of the Bidder Group.

Business Day means a day that is not a Saturday, Sunday, bank holiday or public holiday in New South Wales, Australia or Bermuda.

CHESS means the Clearing House Electronic Subregister System for the electronic transfer of securities operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Federal Court of Australia or another court having jurisdiction in relation to the Scheme as agreed between Mainstream and Bidder.

Deed Poll means the deed poll executed on or about 2 August 2021 executed by Bidder and Bidder Guarantor in favour of the Scheme Participants substantially in the form of Attachment 4 of the Scheme Implementation Deed (or in such other form as agreed in writing by Bidder and Mainstream).

Delivery Time means 8:00 am on the Second Court Date.

Effective means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

Effective Date means the date on which the Scheme becomes Effective.

End Date means the later of:

(a) the date 9 months after the date of the Scheme Implementation Deed; or

(b) such later date as Bidder and Mainstream may agree in writing, each acting reasonably.

Implementation Date means the date is 5 Business Days after the Record Date, or such other date as Mainstream and Bidder agree in writing.

Listing Rules means the official listing rules of the ASX as amended, waived or modified from time to time.

Performance Rights has the meaning given in the Scheme Implementation Deed.

Permitted Dividend means a dividend paid by Mainstream under clause 7.9 of the Scheme Implementation Deed.

Record Date means 7:00 pm on the second Business Day after the Effective Date or such other date after the Effective Date as Bidder and Mainstream agree in writing.

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Register means the register of members of Mainstream kept on behalf of Mainstream by the Share Registry.

Registered Address means, in relation to a Scheme Participant, the address shown in the Register as at the Record Date.

Related Body Corporate has the meaning given in sections 9 and 50 of the Corporations Act.

Representatives means in respect of a party, any person acting for or on behalf of that party (including any Related Body Corporate of that party, and any director, officer, employee, agent, affiliate, contractor or Adviser of that party or its Related Bodies Corporate).

Scheme means this scheme of arrangement subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed or consented to in writing by Mainstream and Bidder.

Scheme Consideration means the consideration to be provided to Scheme Participants under the terms of the Scheme for the transfer of their Scheme Shares to Bidder, being an amount of $2.80 cash per Scheme Share (to be reduced by the value of any dividends declared or paid by Mainstream on and from the date of the Scheme Implementation Deed until the Implementation Date, other than a Permitted Dividend).

Scheme Implementation Deed means the scheme implementation deed dated 27 June 2021 between Bidder, Bidder Guarantor and Mainstream relating to (among other things) the implementation of this Scheme.

Scheme Meeting means the meeting or meetings of Shareholders ordered by the Court in relation to the Scheme to be convened pursuant to Section 411(1) of the Corporations Act.

Scheme Participant means a Shareholder on the Record Date.

Scheme Shares means all Shares held by the Scheme Participants as at the Record Date.

Scheme Transfer means one or more proper instruments of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be or may include a master transfer of all or part of the Scheme Shares.

Second Court Date means the first day of hearing of an application made to the Court by Mainstream for orders pursuant to section 411(4)(b) of the Corporations Act approving the Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

Separate Account has the meaning given in clause 5.2.4(b).

Share means a fully paid ordinary share issued in the capital of Mainstream.

Share Registry means Mainstream Fund Services Pty Ltd of Level 1, 51 – 57 Pitt Street, Sydney, New South Wales 2000, Australia.

Shareholder means each person who is registered in the Register as the holder of Shares.

Subsidiary has the meaning given in the Corporations Act.

Trust Account means an Australian dollar denominated trust account with an Australian bank which attracts interest at a commercial rate and is operated by Mainstream as trustee for the Scheme Participants (except that any interest on the amount deposited (less bank

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fees and other charges) will accrue for the benefit of Bidder), details of which Mainstream must notify to Bidder no later than 5 Business Days before the Implementation Date.

Unclaimed Money Act means the *Unclaimed Money Act 1995* (NSW).

2. Preliminary matters

2.1 Mainstream is a listed public company limited by shares and quoted on ASX (ASX: MAI), incorporated in Australia and registered in New South Wales, Australia with its registered office at 51 – 57 Pitt Street, Sydney, New South Wales 2000, Australia.

2.2 As at the date of the Scheme Implementation Deed:

2.2.1 138,089,440 Shares were on issue; and

2.2.2 4,767,982 Performance Rights were on issue which are not quoted on any financial market.

2.3 Bidder is an Australian proprietary company limited by shares and registered in New South Wales, Australia with its registered office at Level 18, 201 Elizabeth Street, Sydney NSW 2000.

2.4 Bidder Guarantor is Apex Group Limited and is a company registered in Bermuda and is a parent entity of Bidder.

2.5 Bidder, Bidder Guarantor and Mainstream have entered into the Scheme Implementation Deed and Bidder and Bidder Guarantor have executed the Deed Poll.

2.6 If this Scheme becomes Effective:

2.6.1 Bidder must pay or procure the provision of the Scheme Consideration and Bidder Guarantor will procure that Bidder pays or procures the payment of the Scheme Consideration in accordance with the terms of this Scheme and the Deed Poll; and

2.6.2 all of the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to Bidder and Mainstream will enter the name of Bidder in the Register in respect of the Scheme Shares.

3. Conditions

3.1 Conditions precedent

The Scheme is conditional on:

3.1.1 as at the Delivery Time, all the conditions in clause 3.1 of the Scheme Implementation Deed (other than the condition in clause 3.1.5 of the Scheme Implementation Deed relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Scheme Implementation Deed;

3.1.2 neither the Scheme Implementation Deed nor the Deed Poll being terminated in accordance with its terms by the Delivery Time;

3.1.3 this Scheme being approved by the Court on the Second Court Date under section 411(4)(b) of the Corporations Act, including with any alterations or conditions made

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or required by the Court under section 411(6) of the Corporations Act and agreed or consented to in writing by Mainstream and Bidder (such agreement or consent not to be unreasonably withheld or delayed);

3.1.4 such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme as are agreed or consented to in writing by Mainstream and Bidder having been satisfied (such agreement or consent not to be unreasonably withheld or delayed); and

3.1.5 the order of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act approving this Scheme having come into effect pursuant to section 411(10) of the Corporations Act on or before the End Date.

3.2 Effect of conditions precedent

The satisfaction of each condition precedent in clause 3.1 is a condition precedent to the operation of clause 4 and clause 5 and the binding effect of this Scheme.

3.3 Certificate

3.3.1 At the hearing on the Second Court Date, Mainstream and Bidder will provide to the Court a certificate (substantially in the form set out in Attachment 2 of the Scheme Implementation Deed) confirming whether or not the conditions in:

(a) clause 3.1 of the Scheme Implementation Deed (other than the condition in clause 3.1.5 relating to Court approval of the Scheme) have been satisfied or (if capable of waiver) waived as at the Delivery Time; and

(b) clause 3.1.1 and clause 3.1.2 of this Scheme have been satisfied or waived as at the Delivery Time.

3.3.2 The certificate given by Mainstream and Bidder constitute conclusive evidence that the conditions precedent in clause 3.3.1 have been satisfied or waived as at the Delivery Time.

3.4 Termination and End Date

Without limiting any rights under the Scheme Implementation Deed, if:

3.4.1 either the Scheme Implementation Deed or the Deed Poll is terminated in accordance with its terms before the Scheme becomes Effective; or

3.4.2 the Effective Date or the Implementation Date has not occurred on or before the End Date,

then, unless Mainstream and Bidder otherwise agree in writing, this Scheme will lapse and each of Mainstream and Bidder are released from any further obligation to take steps to implement the Scheme.

---

4. Implementation of this Scheme

4.1 Lodgement of Court orders with ASIC

If the conditions set out in clauses 3.1.1 to 3.1.4 are satisfied, Mainstream must lodge with ASIC an office copy of the order made by the Court under section 411(4)(b) of the Corporations Act approving this Scheme as soon as possible, and in any event by no later

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than 5:00 pm on the Business Day following the day on which the Court approves this Scheme or such later date as Mainstream and Bidder agree in writing.

4.2 **Transfer of Scheme Shares**

4.2.1 On the Implementation Date:

(a) the Scheme Consideration must be paid in the manner contemplated in clause 5;

(b) subject to the payment of the Scheme Consideration by Bidder in accordance with clause 5.2.1, all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to Bidder, without the need for any further act by any Scheme Participant (other than acts performed by Mainstream or its officers as attorney and agent for Scheme Participants under clause 8.5), by:

(i) Mainstream delivering to Bidder a duly completed and executed Scheme Transfer (as the attorney and agent of each Scheme Participant as transferor under clause 8.5) to transfer all Scheme Shares to Bidder (and one or more Scheme Transfers can be a master transfer of all or part of all of the Scheme Shares) for registration; and

(ii) Bidder duly executing the Scheme Transfer (as transferee) and delivering it to Mainstream for registration.

4.2.2 Immediately following receipt of the Scheme Transfer in accordance with clause 4.2.1(b), Mainstream must enter, or procure the entry of, the name of Bidder in the Register in respect of all of the Scheme Shares.

---

5. Scheme Consideration

5.1 **Scheme Consideration**

Subject to the terms of this Scheme, each Scheme Participant is entitled to receive the Scheme Consideration in respect of each Scheme Share held by that Scheme Participant.

5.2 **Provision of Scheme Consideration**

5.2.1 Bidder must, by no later than the Business Day before the Implementation Date, deposit, or procure the deposit of, in cleared funds an amount equal to the aggregate amount of the Scheme Consideration payable to each Scheme Participant, into the Trust Account, such amount to be held by Mainstream as trustee for the Scheme Participants (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Bidder’s account).

5.2.2 Subject to Bidder complying with clause 5.2.1, on the Implementation Date, Mainstream must pay or procure the payment from the Trust Account to each Scheme Participant the Scheme Consideration attributable to that Scheme Participant in respect of the relevant Scheme Participant’s Scheme Shares.

5.2.3 Mainstream's obligation under clause 5.2.2 will be satisfied by Mainstream:

(a) where a Scheme Participant has, before the Record Date, made an election in accordance with the requirements of the Share Registry to receive

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dividend payments from Mainstream by electronic funds transfer to a bank account nominated by the Scheme Participant, paying, or procuring the payment of, the relevant amount of Australian currency by electronic means in accordance with that election; or

(b) otherwise, dispatching, or procuring the dispatch of, a cheque in Australian currency to the Scheme Participant by prepaid post to their address shown in the Register as at the Record Date, such cheque being drawn in the name of the Scheme Participant (or in the case of joint holders, in accordance with the procedures set out in clause 5.3), for the relevant amount.

5.2.4 In the event that:

(a) either:

(i) a Scheme Participant does not have an address recorded in the Register; or

(ii) Mainstream as the trustee for the Scheme Participant believes that a Scheme Participant is not known at the Scheme Participant's address recorded in the Register,

and no account has been notified in accordance with clause 5.2.3 or a deposit into such an account is rejected or refunded; or

(b) a cheque issued under this clause 5 has been cancelled in accordance with clause 5.5,

the Unclaimed Money Act will apply in relation to any Scheme Consideration which becomes ‘unclaimed money’ (as defined in sections 7 and 8 of the Unclaimed Money Act) and Mainstream as the trustee for the Scheme Participant may credit the amount payable to the relevant Scheme Participant to a separate bank account of Mainstream (**Separate Account**) to be held until the Scheme Participant claims the amount or the amount is dealt with in accordance with the Unclaimed Money Act. To avoid doubt, if the amount is not credited to the Separate Account, the amount will continue to be held in the Trust Account until the Scheme Participant claims the amount or the amount is dealt with in accordance with the Unclaimed Money Act. Mainstream must maintain records of the amounts paid, the people who are entitled to the amounts and any transfers of the amounts.

5.2.5 To the extent that, following satisfaction of Mainstream's obligations under clauses 5.2.2, 5.2.3 and 5.2.4, there is a surplus in the amount held by Mainstream as trustee for the Scheme Participants in the Trust Account, that surplus must be paid by Mainstream to Bidder.

5.3 Joint holders

In the case of Scheme Shares held in joint names:

5.3.1 any Scheme Consideration will be taken to be paid to the joint holders upon payment to the holder whose name appears first in the Register as at the Record Date; and

5.3.2 any cheque or other document required to be sent under this Scheme will be sent to the holder whose name appears first in the Register as at the Record Date.

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5.4 Orders of a Court or other Authority

If written notice is given to Mainstream (or the Share Registry) of an order or direction made by a court of competent jurisdiction or by another Authority that:

5.4.1 requires consideration to be provided to a third party in respect of Scheme Shares held by a particular Scheme Participant, which would otherwise be payable to that Scheme Participant in accordance with this Scheme, then Mainstream shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or

5.4.2 prevents Mainstream from providing consideration to any particular Scheme Participant in accordance with this Scheme, or the payment of such consideration is otherwise prohibited by applicable law, Mainstream shall be entitled to retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Participant multiplied by the Scheme Consideration until such time as provision of the consideration in accordance with this Scheme is permitted by that order or direction or otherwise by law.

5.5 Cancellation and reissue of cheques

5.5.1 Mainstream may cancel a cheque issued under clause 5 if the cheque:

(a) is returned to Mainstream; or

(b) has not been presented for payment within six months after the date on which the cheque was sent.

5.5.2 During the period of one year commencing on the Implementation Date, on request in writing from a Scheme Participant to Mainstream (or the Share Registry) (which request may not be made until the date which is 5 Business Days after the Implementation Date), a cheque that was previously cancelled under this clause 5.5 must be reissued.

5.6 Fractional entitlements

Where the calculation of the Scheme Consideration to be issued to a particular Scheme Participant would result in the Scheme Participant becoming entitled to a fraction of a cent, the fractional entitlement will be rounded up to the nearest whole cent.

---

6. Dealings in Scheme Shares

6.1 Determination of Scheme Participants

To establish the identity of the Scheme Participants, dealings in Shares or other alterations to the Register will only be recognised if:

6.1.1 in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Register as the holder of the relevant Shares on or before the Record Date; and

6.1.2 in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received on or before 5.00pm on the Record Date and occurs at the place where the Register is kept,

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and Mainstream must not accept for registration, nor recognise for any purpose (except a transfer to Bidder pursuant to this Scheme and any subsequent transfer by Bidder or its successors in title), any transfer or transmission application or other request received after the Record Date, or received prior to the Record Date but not in registrable or actionable form.

6.2 **Register**

6.2.1 Mainstream must register or procure the registration of registrable transmission applications or transfers of Shares in accordance with clause 6.1 by no later than the Record Date.

6.2.2 Mainstream will not accept for registration or recognise for any purpose any transmission application or transfer in respect of Shares received after 5.00pm on the Record Date, other than to Bidder in accordance with this Scheme.

6.2.3 If this Scheme becomes Effective, each entry which is current on the Register as at the Record Date is the sole evidence of entitlement to the Scheme Consideration on the terms of this Scheme in respect of the Shares relating to that entry.

6.2.4 If this Scheme becomes Effective, a Scheme Participant (and any person claiming through that holder) must not dispose of or otherwise deal with, or purport or agree to dispose of or otherwise deal with, any Scheme Shares or any interest in them after the Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and Mainstream will be entitled to disregard any such disposal, purported disposal or agreement or other dealing.

6.2.5 For the purpose of determining entitlements to the Scheme Consideration, Mainstream must procure the maintenance of the Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been paid to the Scheme Participants. The Register in this form will solely determine entitlements to the Scheme Consideration.

6.2.6 All statements of holding for Shares (other than statements of holding in favour of Bidder) will cease to have effect after the Record Date as documents of title in respect of those Shares and, as from that date, each entry current at that date on the Register (other than entries in respect of Bidder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.

6.2.7 As soon as possible after the Record Date, and in any event at least 3 Business Days before the Implementation Date, Mainstream will procure that details of the names, Registered Addresses and holdings of Shares for each Scheme Participant as shown in the Register as at the Record Date are made available to Bidder in the form Bidder reasonably requires.

7. Quotation of Shares

7.1 Mainstream must apply to ASX for suspension of trading in Shares on ASX with effect from the close of trading on the Effective Date.

7.2 On a date after the Implementation Date to be determined by Bidder (acting reasonably and subject to the Listing Rules), Mainstream must apply to ASX for the termination of the official quotation of Shares on ASX and to have Mainstream removed from the official list of ASX.

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8. General Scheme provisions

8.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

8.1.1 Mainstream may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which Bidder has consented in writing; and

8.1.2 each Scheme Participant agrees to any such alterations or conditions which counsel for Mainstream has consented in accordance with clause 8.1.1.

8.2 Scheme Participants' agreements and warranties

8.2.1 Each Scheme Participant:

(a) agrees to the transfer of their Scheme Shares to Bidder together with all rights and entitlements attaching to those Shares in accordance with this Scheme;

(b) agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;

(c) agrees:

(i) that after the transfer of their Scheme Shares to Bidder, any statement of holdings for Shares relating to their Scheme Shares will not constitute evidence of title to those Scheme Shares; and

(ii) at the direction of Bidder, to destroy any statement of holdings for Shares relating to their Scheme Shares; and

(d) acknowledges and agrees that this Scheme binds Mainstream and all Scheme Participants (including those who did not attend the Scheme Meeting and those who did not vote, or voted against this Scheme, at the Scheme Meeting).

8.2.2 Each Scheme Participant is taken to have warranted to Bidder, and appointed and authorised Mainstream as its attorney and agent to warrant to Bidder, on the Implementation Date that, as at the Implementation Date:

(a) all their Scheme Shares (including any rights and entitlements attaching to their Scheme Shares) which are transferred under this Scheme will, at the time of transfer of them to Bidder, be fully paid and free from all:

(i) mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Properties Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise; and

(ii) restrictions on transfer of any kind;

(b) they have full power and capacity to transfer their Scheme Shares to Bidder together with any rights attaching to those Scheme Shares; and

(c) they have no existing right to be issued any Shares or any other Mainstream securities.

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8.2.3 Mainstream undertakes that it will provide the warranty in clause 8.2.2 to Bidder as agent and attorney of each Scheme Participant.

8.3 **Title to and rights in Scheme Shares**

8.3.1 To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme will, at the time of transfer of them to Bidder, vest in Bidder free from all:

(a) mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Properties Securities Act* 2009 (Cth)) and interests of third parties of any kind, whether legal or otherwise; and

(b) restrictions on transfer of any kind.

8.3.2 Subject to the provision of the Scheme Consideration to each Scheme Participant in accordance with clauses 5.2.2 and 5.2.3, Bidder will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by Mainstream of Bidder in the Register as the holder of the Scheme Shares. Bidder's entitlement to be registered in the Register as the holder of the Scheme Shares arises on the Implementation Date in accordance with clause 4.2.

8.4 **Appointment of sole proxy**

Immediately upon the provision of the Scheme Consideration by Bidder in accordance with clause 5.2.1 and until Mainstream procures the registration of Bidder as the holder of all Scheme Shares in the Register, each Scheme Participant:

8.4.1 is deemed to have irrevocably appointed Bidder as attorney and agent (and directed Bidder in each such capacity) to appoint any director, officer, secretary or agent nominated by Bidder as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any Shareholders' resolution whether in person, by proxy or by corporate representative;

8.4.2 undertakes not to attend or vote at any Shareholders' meetings or sign any Shareholders' resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.4.1);

8.4.3 must take all other actions in the capacity of a registered holder of Scheme Shares as Bidder reasonably directs; and

8.4.4 acknowledges and agrees that in exercising the powers conferred by clause 8.4.1, Bidder and any director, officer, secretary or agent nominated by Bidder under that clause may act in the best interests of Bidder as the intended registered holder of the Scheme Shares.

8.5 **Authority given to Mainstream**

Each Scheme Participant, without the need for any further act:

8.5.1 on the Effective Date, irrevocably appoints Mainstream and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of:

(a) enforcing the Deed Poll against Bidder and Bidder Guarantor; and

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(b) executing any document, or doing or taking any other act, necessary, desirable or expedient to give effect to and to implement this Scheme and the transactions contemplated by it, including executing, as agent and attorney of each Scheme Participant, the Scheme Transfer as contemplated by clause 4.2,

and Mainstream accepts such appointment; and

8.5.2 on the Implementation Date, irrevocably appoints Mainstream and each of its directors, officers and secretaries (jointly and each of them severally) to do and execute all acts, matters, things and documents on the part of each Scheme Participant necessary to implement this Scheme, including (without limitation) executing, as agent and attorney of each Scheme Participant, the Scheme Transfer or transfers in relation to Scheme Shares as contemplated by clause 8.5.1,

and Mainstream accepts such appointment.

Mainstream, as attorney and agent of each Scheme Participant, may sub-delegate its functions, authorities or powers under this clause 8.5 to all or any of its directors, officers or employees (jointly, severally, or jointly and severally).

8.6 **Binding effect of this Scheme**

This Scheme binds Mainstream and all of the Scheme Participants (including those who did not attend the Scheme Meeting and those who did not vote, or voted against this Scheme, at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Mainstream.

9. Interpretation

9.1 In this Scheme, unless expressed to the contrary:

9.1.1 words denoting the singular include the plural and vice versa;

9.1.2 the word 'includes' in any form is not a word of limitation;

9.1.3 where a word or phrase is defined, another part of speech or grammatical form of that word or phrase has a corresponding meaning;

9.1.4 headings and sub-headings are for ease of reference only and do not affect the interpretation of this Scheme; and

9.1.5 a reference to:

(a) a gender includes all other genders;

(b) any legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced and includes any subordinate legislation issued under it;

(c) any instrument (such as a deed, agreement or document) is to that instrument (or, if required by the context, to a part of it) as amended, novated, substituted or supplemented at any time and from time to time;

(d) writing includes writing in digital form;

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(e) 'this Scheme' is to this Scheme as amended from time to time;

(f) 'A$', '$', 'AUD' or 'dollars' is a reference to Australian dollars;

(g) a clause, schedule or appendix is a reference to a clause, schedule or appendix in or to this Scheme;

(h) a reference to time in this Scheme is a reference to the time in Sydney, New South Wales, Australia (being Australian Eastern Standard Time or Australian Eastern Daylight Time, as applicable);

(i) any property or assets of a person includes the legal and beneficial interest of that person of those assets or property, whether as owner, lessee or lessor, licensee or licensor, trustee or beneficiary or otherwise;

(j) a person includes a firm, partnership, joint venture, association, corporation or other body corporate;

(k) a person includes the legal personal representatives, successors and permitted assigns of that person, and in the case of a trustee, includes any substituted or additional trustee; and

(l) any body (**Original Body**) which no longer exists or has been reconstituted, renamed, replaced or whose powers or functions have been removed or transferred to another body or agency, is a reference to the body which most closely serves the purposes or objects of the Original Body.

9.2 A clause in this Scheme must not be construed adversely to a party merely because that party prepared it or caused it to be prepared.

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10. General

10.1 Stamp duty

Bidder will:

10.1.1 pay all stamp duty (if any) and any related fines and penalties payable on or in respect of the transfer by the Scheme Participants of the Scheme Shares to Bidder pursuant to this Scheme or the Deed Poll; and

10.1.2 indemnify each Scheme Participant against any liability incurred by the Scheme Participant arising from failure to comply with clause 10.1.1.

10.2 Consent

Each Scheme Participant consents to Mainstream and Bidder doing all things necessary or incidental to give full effect to the implementation of this Scheme and the transactions contemplated by it.

10.3 Notices

10.3.1 If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Mainstream, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Mainstream's registered office or at the office of the Share Registry.

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10.3.2 The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Scheme Participant will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

10.4 **Governing law and jurisdiction**

10.4.1 This Scheme is governed by the laws in force in New South Wales, Australia.

10.4.2 Each party irrevocably:

(a) submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia, Commonwealth courts having jurisdiction in that State and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this Scheme; and

(b) waives any objection it may have now or in the future to the venue of any proceedings, and any claim it may have now or in the future that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 10.4.2(a).

10.5 **Further action**

Mainstream (on its own behalf and on behalf of each Scheme Participant) must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

10.6 **No liability when acting in good faith**

Each Scheme Participant agrees that none of Mainstream, Bidder, Bidder Guarantor or any of their respective Representatives, will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

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Schedule 1 Deed Poll

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Attachment 4 Notice of Scheme Meeting

Notice of Scheme Meeting

Mainstream Group Holdings Limited ACN 112 252 114 (the 'Company', 'Mainstream' or the 'Group') (MAI:ASX)

Notice is given by order of the Federal Court of Australia made on 4 August 2021 pursuant to section 411(1) of the Corporations Act, that a meeting of Mainstream Shareholders will be held at:

TIME: 10.30am (AEST)

DATE: 6 October 2021

PLACE: Having regard to the uncertainty and public health risks created by the COVID-19 pandemic, and in accordance with the restrictions imposed by Australian Commonwealth and State governments in response to it, the Scheme Meeting will be held virtually by way of a live webcast only.

The explanatory notes that accompany and form part of this Notice of Scheme Meeting describe in more detail how to participate in the Scheme Meeting via the online platform. Please ensure you read the explanatory notes in full.

Chairperson

The Court has directed that Mr Byram Johnston OAM, or failing him, Ms JoAnna Fisher, be chair of the meeting and has directed the chair to report the result of the Scheme Meeting to the Court.

Purpose of the Scheme Meeting

The purpose of the Scheme Meeting is to consider and, if thought fit, to agree to a scheme of arrangement (with or without modification by the Court) proposed to be made between Mainstream and Mainstream Shareholders.

A copy of the Scheme and a copy of the explanatory statement required by section 412 of the *Corporations Act 2001* (Cth) (**Corporations Act**) in relation to the Scheme are contained in the Scheme Booklet that accompanies this notice. Capitalised terms used but not defined in this Notice of Scheme Meeting have the defined meanings set out in section 10 of the Scheme Booklet.

Scheme Resolution

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

'*That pursuant to, and in accordance with, section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between the Company and the holders of its fully paid ordinary shares, the terms of which are contained in and more precisely described in the Scheme Booklet, of which the notice convening this meeting forms part, is agreed to (with or without modification or conditions as approved by the Federal Court of Australia) and, subject to approval of the scheme of arrangement by the Court, the Board is authorised to agree to, and implement the scheme of arrangement with any such alternations or conditions as are thought fit by the Court.*'

There are no relevant voting exclusions that apply to this Scheme Meeting.

Scheme Meeting Format

In light of the COVID-19 pandemic, the Scheme Meeting will be held virtually. There will not be a physical meeting where Mainstream Shareholders can attend. Mainstream Shareholders and their authorised proxies, attorneys and corporate representatives can participate in the Scheme Meeting via the online platform at https://web.lumiagm.com/336923668.

Mainstream Shareholders who are unable to, or do not wish to, participate in the Scheme Meeting, or will not have access to a device or the internet, are encouraged to submit a directed proxy vote as early as possible and in any event, by 10.30am (AEST) on 4 October 2021.

Important note

The Chair of the Scheme Meeting intends to vote all valid undirected proxies which they receive, **for** or **in favour of** the Scheme Resolution.

Dated 5 August 2021

By order of the Court

Alicia Gill
Company Secretary

Explanatory Notes

General

These notes should be read in conjunction with the Notice of Scheme Meeting and the information in the Scheme Booklet, of which this notice forms part.

Terms used in the Notice of Scheme Meeting and in these notes have the same meaning as set out in the Glossary in Section 10 of the Scheme Booklet.

Scheme Booklet

To enable you to make an informed decision about taking part in the Scheme Meeting virtually and voting on the Scheme Resolution, further information on the Scheme is set out in the Scheme Booklet, of which this notice forms part. You should read the Scheme Booklet and its appendices in full before making a decision whether, and as to how, you intend to vote on the Scheme Resolution.

A copy of the Scheme is set out in Attachment 2 of the Scheme Booklet.

The purpose of the Scheme Booklet is to explain the terms of the Scheme and the manner in which the Scheme will be considered and implemented (if approved), to provide information required by law and to provide any other information that is material to the making of a decision by Mainstream Shareholders whether or not to vote in favour of the Scheme.

Shareholder approval of the Scheme Resolution

For the Scheme to proceed and be implemented, the Scheme Resolution must be approved by the Requisite Majorities of Mainstream Shareholders, being:

- a majority in number (more than 50%) of Mainstream Shareholders present and voting (personally or by proxy, attorney or corporate representative) at the Scheme Meeting; and
- at least 75% of the votes cast on the Scheme Resolution.

Court approval

In accordance with section 411(4)(b) of the Corporations Act, the Scheme (with or without modification or conditions as approved by the Court) must be approved by the Court. The Court has discretion whether or not to approve the Scheme, even if the Scheme Resolution is approved by the Requisite Majorities of Mainstream Shareholders.

In order for the Scheme to become Effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC.

Voting eligibility

The Directors have determined that the time for determining eligibility to vote at the Scheme Meeting is 7.00pm (AEST) on 4 October 2021. Share transfers registered after this time will be disregarded for determining a Mainstream Shareholder’s entitlement to take part in and vote at the Scheme Meeting. The remaining comments in these explanatory notes are addressed to Mainstream Shareholders entitled to participate in and vote at the Scheme Meeting.

To Vote

Having regard to the uncertainty and public health risks created by the COVID-19 pandemic, and in accordance with the restrictions imposed by Australian Commonwealth and State governments in response to it, Mainstream Shareholders and their authorised proxies, attorneys and corporate representatives can participate in the Scheme Meeting via the online platform at https://web.lumiagm.com/336923668.

The online platform can be accessed via a computer or mobile or tablet device. Taking part in the Scheme Meeting virtually will enable Mainstream Shareholders to listen to the Scheme Meeting live, view slides and proxy results and ask questions and cast their vote at the appropriate times while the Scheme Meeting is in progress.

Your vote is important in determining whether or not the Scheme is implemented. Your Mainstream Directors strongly encourage you to participate in the Scheme Meeting and vote online or by proxy.

Voting at the Scheme Meeting will be conducted by poll.

To attend and vote online:

Watch and participate online

Mainstream Shareholders can watch and participate in the Scheme Meeting virtually online via the online platform by using:

- a web-browser at https://web.lumiagm.com/336923668 on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible.

Please refer to the user guide on Mainstream's website at ***https://www.mainstreamgroup.com/shareholder-centre***.

The meeting ID for the Scheme Meeting is: 336-923-668

Your username is your SRN/HIN

Your password which is your postcode registered on your holding if you are an Australian shareholder. Overseas shareholders should refer to the user guide for their password details.

Participation at the Scheme Meeting online enables Mainstream Shareholders to view the Scheme Meeting live, ask questions and cast votes at the appropriate times during the Scheme Meeting.

Voting by proxy, attorney or body corporate

If you are unable to attend the live webcast (or choose not to) you are strongly encouraged to:

- appoint a proxy to take part in the Scheme Meeting by way of live webcast and vote on your behalf using the Proxy Form that accompanies the Scheme Booklet (where there is a joint holding, the proxy should be signed by both shareholders, or alternatively the shareholder whose name appears first in the register of members);
- appoint an attorney to take part in the Scheme Meeting and vote on your behalf by way of live webcast, using a power of attorney; or

- in the case of a body corporate, appoint a body corporate representative to take part in the Scheme Meeting by way of live webcast and vote on your behalf, using a certificate of appointment of corporate representative.

Appointment of a proxy

To appoint a proxy, you must complete and submit the proxy form in accordance with the instructions on that form.

Completed proxy forms may be lodged by one of the following methods:

Online:	www.mainstreamgroup.com/ListedRegistryPortal You will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and postcode (of your current registered address) or country (if your registered address is outside of Australia).
Email:	Send completed Proxy Form to: mai@mainstreamgroup.com
By mail:	Send completed Proxy Form to: Mainstream Fund Services Pty Ltd GPO Box 4968 Sydney NSW 2001 Australia
In person:	Mark to the attention of: Registry, Mainstream Group Holdings Limited Level 1, 51 -57 Pitt Street Sydney NSW 2001 Australia

To be effective, proxy forms must be received by the Share Registry before 10.30am on 4 October 2021 being **no later than 48 hours before the commencement of the Scheme Meeting**. Proxies received after this time will **not** be effective for the Scheme Meeting.

Voting by attorney or corporate representative

A person attending the Scheme Meeting as an attorney must provide the Share Registry with an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the virtual Scheme Meeting by no later than the time specified for lodging a Proxy Form (being 10:30am AEST on 4 October 2021) unless it has been previously provided to the Share Registry.

A Mainstream Shareholder that is a body corporate or a proxy that is a body corporate may elect to appoint an individual as its corporate representative to attend the Scheme Meeting. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. A corporate representative of a Mainstream Shareholder that is a body corporate attending the meeting should provide the Share Registry with the necessary evidence of their appointment (by no later than the time specified for lodging a Proxy Form, being 10:30am AEST on 4 October 2021). Please contact the Share Registry to obtain the necessary form for appointment of a corporate representative.

Questions from Mainstream Shareholders

Mainstream Shareholders who would like to ask questions at the Scheme Meeting are encouraged to do so in writing before the Scheme Meeting by emailing their questions to company.secretary@mainstreamgroup.com prior to 10.30am on 4 October 2021.

Mainstream Shareholders will have the opportunity to submit questions or comments to the Mainstream Board during the Scheme Meeting via the online platform.

In the interests of all present, please confine your questions to matters before the Scheme Meeting that are relevant to Mainstream Shareholders as a whole. Please note that individual responses will not be sent to Mainstream Shareholders.

Technical difficulties

Technical difficulties may arise during the course of the Scheme Meeting. The Chair has discretion as to whether and how the Scheme Meeting should proceed in the event that a technical difficulty arises. In exercising this discretion, the Chair will have regard to the number of Mainstream Shareholders impacted and the extent to which participation in the business of the meeting is affected. Where the Chair considers it appropriate, the Chair may continue to hold the Scheme Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions.

Further Information

Further information concerning the Scheme Resolution and Scheme are set out in the Scheme Booklet.

Where this Notice of Scheme Meeting is advertised unaccompanied by the Scheme Booklet, a copy of the Scheme Booklet can be obtained by anyone from ASX's website (www2.asx.com.au) or by contacting the Share Registry using the details below.

If you have any further questions, please call the Share Registry on 1300 658 680 (within Australia) or + 61 2 8259 8885 (outside of Australia, Monday to Friday (excluding New South Wales public holidays), between 8.30am and 5.30pm (AEST) or email mai@mainstreamgroup.com.

Attachment 5 Proxy Form

Mainstream Group Holdings Limited
ACN 112 252 114
ASX Code: MAI

All registry communications to:
Mainstream Fund Services Pty Limited
ABN 81 118 902 891
Part of Mainstream Group Holdings Limited
GPO Box 4968
Sydney NSW 2001
AUSTRALIA
Telephone: 1300 658 680
From outside Australia: +61 2 8259 8885
Facsimile: +61 2 9251 3525
Email mai@mainstreamgroup.com

Proxy form

This proxy form should be read in conjunction with the scheme booklet dated 5 August issued by Mainstream Group Holdings Limited (**Scheme Booklet**). Capitalised terms used but not defined in this proxy form have the same meaning given to them in the Scheme Booklet unless the context requires otherwise.

Securityholder details

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 Mainstream Group Holdings Limited (Company) and entitled to attend and vote hereby appoint:

Name of proxy

or failing the person so named or, if no person is named, the Chairperson of the Scheme Meeting as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit) at the Scheme Meeting of the Company to be held at 10.30am (AEST) on **Wednesday 6 October 2021** by way of live webcast only and at any postponement or adjournment of the Scheme Meeting.

The Chairperson is appointed as proxy if the shareholder does not appoint another person to act as the shareholder's proxy. **The Chairperson of the Scheme Meeting will vote undirected proxies which they receive, for or in favour of the Scheme Resolution.**

Important Note: If the Chairperson of the Scheme Meeting is or becomes your Proxy you can direct the Chairperson to vote for or against or abstain from voting on the Scheme Resolution by marking the appropriate box below.

B: Voting directions

Scheme Resolution

"That pursuant to, and in accordance with, section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between the Company and the holders of its fully paid ordinary shares, the terms of which are contained in and more precisely described in the Scheme Booklet, of which the notice convening this meeting forms part, is agreed to with or without modification or conditions as approved by the Federal Court of Australia) and, subject to approval of the scheme of arrangement by the Court, the Board is authorised to agree to, and implement the scheme of arrangement with any such alternations or conditions as are thought fit by the Court."

FOR	AGAINST	ABSTAIN

C: Signature(s) of Shareholder(s) – this must be completed

Shareholder 1 *(Individual)*	Joint Shareholder 2 *(Individual)*	Date
Sole Director and Sole Company Secretary/ Director *(delete one)*	Director/Company Secretary *(delete one)*	

Instructions for completing appointment of proxy

1. 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. Your appointment of a proxy does not preclude you from attending virtually and voting at the Scheme Meeting. The appointment of your proxy is not revoked merely by your attendance to, and participation in, the Scheme Meeting. However if you vote on the Scheme Resolution, any vote made by your proxy on your behalf will not be counted.
4. A duly appointed proxy need not be a member of the Company. In the case of joint holders, the proxy should be signed by both shareholders, or alternatively the shareholder whose name appears first in the Company's register of members.
5. Corporate Shareholders should execute the form in accordance with the Corporations Act 2001 (Cth). Where the corporate shareholder has a sole director who is also the sole company secretary, this form must be signed by that person. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.
6. Where a Proxy Form is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as the proxy (or a certified copy of the power of attorney).
7. To vote by proxy, a Proxy Form must be received by the Company in one of the following ways:
   - Online at **www.mainstreamgroup.com/ListedRegistryPortal** (you will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and postcode (of your current registered address) or country (if your registered address is outside of Australia));
   - Email the enclosed form to mai@mainstreamgroup.com;
   - Mail to Mainstream Fund Services Pty Ltd, 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, Mainstream Group Holdings Limited.
8. The Proxy Form (together with any power of attorney or authority under which the Proxy Form is signed) must be received by Mainstream by no later than 10.30am on **4 October 2021** being no later than 48 hours before the commencement of the Scheme Meeting. Proxies received after this time will not be effective for the Scheme Meeting.

Corporate Directory

Directors

Byram Johnston OAM – Non-Executive Chairman

Martin Smith – Chief Executive Officer

John Plummer – Non-Executive Director

JoAnna Fisher – Non-Executive Director

Debbie Last – Non-Executive Director

Company Secretary

Alicia Gill

Registered Office

Level 1
51-57 Pitt Street
Sydney NSW 2000

Corporate Advisers

Miles Advisory

Sydney

Level 45, Gateway, 1 Macquarie Pl
Sydney NSW 2000

Melbourne

Level 41, 120 Collins St
Melbourne VIC 3000

www.miles.com.au

Legal Advisers

Maddocks

Sydney

Angel Place, Level 27
123 Pitt Street, Sydney NSW 2000

Melbourne

Collins Square | Tower Two, Level 25
727 Collins Street, Melbourne VIC 3008

www.maddocks.com.au

Tax Advisers

ESV Group

Sydney
Level 13, 68 York Street, Sydney NSW 2000

www.esvgroup.com.au

Share Registry
Mainstream Fund Services Pty Ltd
GPO Box 4968
Sydney NSW 2001

Securities Exchange Listing
Australian Securities Exchange
ASX code (ordinary shares): MAI

Website

www.mainstreamgroup.com

Shareholder Information
Shareholder Information for MAI can be found in the MAI Shareholder Centre:

www.mainstreamgroup.com/shareholdercentre

MAINSTREAM