

# **STREAM GROUP LIMITED**

ACN 010 597 672

## **NON-RENOUNCEABLE RIGHTS ISSUE OFFER DOCUMENT**

A non-renounceable pro rata offer of New Shares at an issue price of \$0.095 each on the basis of one (1) new fully paid ordinary share in the Company for every five (5) existing fully paid ordinary shares held in the Company on the Record Date to raise up to approximately \$3.4 million.

This Offer Document is not a prospectus. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the Shares being offered by this document.

**THE OFFER IS CURRENTLY SCHEDULED TO CLOSE AT 5.00PM AEST  
ON 22 MAY 2015**

**VALID APPLICATION FORMS MUST BE RECEIVED BEFORE THAT TIME.**

**Please read the instructions in this Offer Document and on the Entitlement and Acceptance  
Form regarding the acceptance of Shares under the Offer.**

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT  
SHOULD BE READ IN ITS ENTIRETY.**

**IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD  
CONSULT YOUR PROFESSIONAL ADVISER.**

## IMPORTANT INFORMATION

### Eligibility

Applications for New Shares by Eligible Shareholders can only be made on or in accordance with the original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

### Privacy

By completing an Entitlement and Acceptance Form, you are providing personal information to the Company and the Registry, which is contracted by the Company to manage acceptances. The Company and the Registry on their behalf, collect, hold and use that personal information to process your Entitlement and Acceptance Form, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

As a Shareholder, the Corporations Act and Australian taxation legislation requires information about you (including your name, address and details of the Shares you hold) to be included in the Stream Group Limited public register. The information must continue to be included in Stream Group Limited public register if you cease to be a Shareholder.

The Company and the Registry may disclose your personal information for purposes related to your Shares to their agents and service providers including those listed below or as otherwise authorised under the Privacy Act 1988 (Cth):

- The Registry for ongoing administration of the Shareholder register;
- Other companies for the purpose of preparation and distribution of documents and for handling mail;
- Other companies for the purpose of analysing the Company's shareholder base; and
- Legal and accounting firms, auditors, management consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

You may request access to your personal information held by or on behalf of the Company. You can request access to your personal information or obtain further information about Stream Group Limited's privacy practices by contacting the Registry. You may be required to pay a reasonable charge to the Registry in order to access your personal information. Stream Group Limited aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Registry if any of the details you have provided change.

In accordance with the requirements of the Corporations Act, information on the Shareholder register will be accessible by members of the public.

### Overseas Shareholders

No Offer will be made to Shareholders resident outside Australia or New Zealand.

This Offer Document and accompanying Entitlement and Acceptance Form do not, and are not intended to, constitute an offer of Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document. The distribution of this Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

### Notice to nominees and custodians

Nominees and custodians may not distribute any part of this Offer Document or any Entitlement and Acceptance Form in any country outside Australia or New Zealand, except in such other country as the Company may determine it is lawful and practical to make the Offer.

### New Zealand

The Offer is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2013.

# 1. Details of Offer

## 1.1 Offer

Pursuant to this Offer Document, Stream is making a non-renounceable pro-rata offer of Shares to Shareholders whose registered address is in Australia or New Zealand on the basis of 1 New Share for every 5 Shares held at the Record Date at an issue price of \$0.095.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a Share, such fraction will be rounded up to the nearest whole New Share.

Stream will accept Entitlement and Acceptance Forms until 5.00pm AEST on the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules. Entitlement and Acceptance Forms must be accompanied by payment of the Application Monies.

Your Entitlement is shown on the personalised Entitlement and Acceptance Form accompanying this Offer Document. You may accept the Offer only by applying for Shares as described in Section 2.

Unless you apply to participate in the Shortfall Offer described on the Entitlement and Acceptance Form, acceptances must not exceed your maximum Entitlement (as shown on the Entitlement and Acceptance Form), although you may accept a lesser number of New Shares should you wish to take up only part of your Entitlement. If your acceptance of the Offer exceeds your Entitlement, and you have not applied to participate in the Shortfall Offer, your acceptance will be deemed to be for your maximum Entitlement and any surplus Application Monies will be applied as an application under the Shortfall Offer. Refer to Section 1.11 for information in relation to the Shortfall Offer.

Acceptance of a completed Entitlement and Acceptance Form by Stream creates a legally binding contract between you and Stream for the number of Shares accepted or deemed to be accepted by you. The Entitlement and Acceptance Form does not need to be signed by you to be legally binding. The Offer and the contract formed on acceptance are governed by the laws of New South Wales.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

New Shares offered by this Offer Document are expected to be issued, and security holder statements dispatched, on the date specified in the timetable in Section 1.2.

It is the responsibility of applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive their holding statements will do so at their own risk.

## 1.2 Timetable

ASX Announcement and Appendix 3B and section 708AA(7) notice lodged with ASX	4 May 2015
Notice sent to Eligible and Ineligible Shareholders	5 May 2015
Ex Date	6 May 2015
<b>Record Date</b> for determining Shareholder entitlements	8 May 2015
Mailing of Offer Document and Entitlement and Acceptance Forms to Shareholders	13 May 2015
Last date to extend the Closing Date	19 May 2015
<b>Closing Date</b> of the Offer	22 May 2015
Securities quoted on a deferred settlement basis	25 May 2015
Notify ASX of under-subscriptions	27 May 2015
Issue date/Shares entered into Shareholders' security holdings	29 May 2015

Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the Shares.

### **1.3 Use of Funds**

The gross proceeds of the Offer will be approximately \$3.4 million which will be used to pay the costs of the Offer as well as reduce debt (\$1,000,000) and provide additional working capital.

Costs of the Offer, including potential broker commissions, are a maximum of \$170,000 plus GST.

### **1.4 No Rights Trading**

This pro-rata offer of New Shares is non-renounceable. This means that you may not sell or transfer all or any part of your Entitlement to subscribe for New Shares under the Offer.

### **1.5 ASX Quotation**

Application will be made to ASX for the Official Quotation of the New Shares to be issued under the Offer. If permission is not granted by ASX for the Official Quotation of the New Shares, Stream will repay, as soon as practicable, without interest, all application monies received pursuant to the Offer.

### **1.6 Risk Factors**

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in Stream which are described in Section 3.

### **1.7 Underwriting**

The Offer not underwritten.

### **1.8 Effect of the Offer on Control of the Company**

The Offer will not have any material impact on the control of the Company. The maximum number of Shares that may be issued under the Offer will not exceed 20% of the total issued capital on the issue of the Shortfall.

The Offer does not meet the conditions to Item 10 of section 611 of the Corporations Act and accordingly no entity may increase their voting power in the Company in contravention of section 606 of the Corporations Act by participating in the Offer.

The potential effect the Offer will have on each Shareholders' percentage interest in the total issued capital is as follows:

- (a) If all Eligible Shareholders take up their Entitlement for New Shares under the Offer, each Eligible Shareholder's percentage in the total issued Shares of the Company will not be diluted (it will increase slightly due to the number of Shares held by Ineligible Shareholders) and the Offer will have no effect on the control of the Company.
- (b) To the extent that any Eligible Shareholder fails to take up their Entitlement to New Shares under the Offer, that Eligible Shareholder's percentage holding in the Company will be diluted by the New Shares issued under the Offer.
- (c) The Directors, their controlled entities and nominees, may participate in the Offer and will receive New Shares only to the extent of their Entitlements.
- (d) At the date of this Offer, no Eligible Shareholder has committed to participate in the Offer and no arrangements are in place for the placement of any Shortfall.

(e) The issue of New Shares will not materially increase the voting power of any Director as described below:

Director	Jens Neiser	Christian Bernecker	Don McKenzie	Tony Nicklin
Current Number of Shares	18,181,020	7,693,813	31,826,418	0
Current voting power	10.35%	4.38%	18.10%	0%
Maximum number of Shares following the issue of Shortfall	21,817,224	9,232,576	38,191,702	0
Maximum voting power following the issue of Shortfall <sup>1</sup>	10.38%	4.39%	18.18%	0%

<sup>1</sup>This calculation assumes that:

- None of the Series A Converting Notes are converted prior to the issue of the Shortfall;
- The Directors, through their relevant controlled entities and nominees, all subscribe for their full Entitlement;
- No other Eligible Shareholder subscribes for their Entitlement or for the Shortfall; and,
- The Shortfall is not issued to third party investors.

<sup>2</sup>Consistent with the terms of the Offer, Don McKenzie's voting power may not increase above 20%.

## 1.9 Capital Structure

The capital structure on completion of the Offer will be as follows:

Securities currently on issue	175,616,641 Shares 6,174,390 Class A Performance Shares 97 Series A Converting Notes
Total Shares currently held by Eligible Shareholders	172,473,496 Shares
Maximum number of Shares that may be issued under the Offer	34,494,699 Shares
Additional Shares that may be issued after the Record Date but before the issue of the Shortfall under the Series A Converting Notes if converted by the holder. <sup>1</sup>	9,700,000 Shares
Maximum number of Shares on issue following issue of Shortfall if all the Series A Converting Notes are converted by the holder.	219,811,340 Shares
Maximum number of Shares on issue following issue of the Shortfall if none of the Series A Converting Notes are converted by the holder.	210,111,340 Shares

<sup>1</sup>Stream does not have any options on issue and the Class A Performance Shares, which would convert to a maximum of 6,174,390 Shares, subject to achievement of performance conditions, are not convertible during the period of the Offer.

## 1.10 Taxation Implications

Shareholders should consult their professional tax adviser regarding the taxation implications of subscribing for New Shares under this Offer Document.

## 1.11 Shortfall and Shortfall Offer

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall and will be available to be taken up and allocated to other Eligible Shareholders.

You may, in addition to taking up your Entitlement in full, apply for additional Shares out of the Shortfall in excess of your Entitlement by completing the part of the Entitlement and Acceptance Form relevant to the Shortfall Offer.

Shortfall Shares will only be available where there is a Shortfall between Entitlement and Acceptance Form applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Offer.

Shortfall Shares will be issued at the issue price of \$0.095 per Shortfall Share. Eligible Shareholders who apply for Shortfall Shares may be allocated a lesser number of Shortfall Shares than applied for, or may be allocated no Shortfall Shares at all, in which case excess Application Monies will be refunded without interest.

The directors reserve the right to place, subject to the Corporations Act, the Shortfall Shares at their discretion with third party investors as permitted by Listing Rule 7.2 Exception 3.

#### **1.12 Overseas Shareholders**

No Offer will be made to Shareholders resident outside Australia or New Zealand.

The Company has decided that it is unreasonable to make the Offer to Shareholders outside Australia or New Zealand having regard to the relatively small number of Shareholders with addresses in other jurisdictions, the number and value of Shares they hold and the cost of complying with the legal requirements and the requirements of regulatory authorities to extend the Offer in those jurisdictions.

This Offer Document and accompanying Entitlement and Acceptance Form do not, and are not intended to, constitute an offer of Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document.

The distribution of this Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Notwithstanding the above, the Company may (in its absolute discretion) extend the Offer to certain shareholders who have registered addresses outside of Australia or New Zealand in accordance with applicable law.

#### **1.13 CHESS and Issuer Sponsorship**

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. All trading on ASX in Shares will be settled through CHESS. ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Rules.

The Registry operates an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. Both these sub-registers constitute the Company's principal register of Shareholders.

Holders of Shares will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored or other participant in CHESS, ASX Settlement will send you a CHESS statement. The CHESS statement will set out the number of Shares issued under this Offer Document, provide details of your holder identification number, and provide the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by the Registry and will contain the number of Shares issued to you under this Offer Document and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

#### **1.14 Enquiries**

Enquiries regarding your Entitlement or completing the Entitlement and Acceptance Form should be made to the Registry on **+61 (0)8 9389 8033**.

Please contact Christian Bernecker, Chairman on +61 408 293 222 if you have any questions relating to the Offer.

## 2. Action Required

### 2.1 Acceptance of Offer under this Offer Document

You may accept all, part, or none of your Entitlement under this Offer. If you accept your Entitlement in full, you may also apply to participate in the Shortfall Offer.

### 2.2 If you wish to accept all of your Entitlement

Should you wish to accept all of your Entitlement to subscribe for Shares, then applications for Shares under this Offer Document must be made on the Entitlement and Acceptance Form which accompanies this Offer Document or by completing a BPAY payment, in accordance with the instructions referred to in this Offer Document and on the Entitlement and Acceptance Form.

### 2.3 If you wish to accept all of your Entitlement and apply for additional Shortfall Shares

Should you wish to apply for Shortfall Shares, you must first accept all of your Entitlement to subscribe for Shares, then an application for Shortfall Shares under this Offer Document must be made on the Entitlement and Acceptance Form which accompanies this Offer Document or by completing a BPAY payment, in accordance with the instructions referred to in this Offer Document and on the Entitlement and Acceptance Form.

### 2.4 If you wish to take up only part of your Entitlement

Should you wish to only take up part of your Entitlement, then applications for Shares under this Offer Document must be made on the Entitlement and Acceptance Form which accompanies this Offer Document or by completing a BPAY payment in respect of the portion of your Entitlement you wish to take up in accordance with the instructions referred to in this Offer Document and on the Entitlement and Acceptance Form.

### 2.5 Payment

If you wish to pay by cheque please complete the Entitlement and Acceptance Form which must be accompanied by a cheque in Australian dollars, crossed 'Not Negotiable' and made payable to **Stream Group Limited** and lodged at any time after the issue of this Offer Document and on or before the Closing Date at the Registry.

If you wish to pay via BPAY you must follow the instructions in the Entitlement and Acceptance Form.

Eligible Shareholders who elect to pay via BPAY will not need to return their completed Entitlement and Acceptance Form.

### 2.6 If you do not wish to take up your Entitlement

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. In that case, New Shares not accepted by the Closing Date will become Shortfall Shares and you will receive no benefit.

The number of Shares you hold and the rights attaching to those Shares will not be affected should you choose not to accept any part of your Entitlement, however your percentage holding in the capital of Stream will be diluted.

### 3. Risk Factors

The activities of Stream and its controlled entities are subject to risks, which may impact on the Company's future performance.

You should read this Section and consider the following risk factors, in addition to the other information in this Offer Document and publically available information, in light of your personal circumstances and investment objectives (including financial and taxation issues). You should also seek professional advice from your accountant, stockbroker, lawyer or other professional adviser.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which you should be aware of in evaluating a further investment in the Company.

The list below is set out under "Company and Industry Risks" and "General Investment Risks."

#### 3.1 Company and Industry Risks

- (a) **Benign Weather Conditions:** Benign weather conditions in the regions in which Stream operates will limit the revenue for Stream. Catastrophic events such as cyclones, floods and earthquakes, or the lack of them, are unpredictable and the financial impact of the lack of such events can only be managed through cost reduction.

Within Australia, Stream's current operations are principally in areas where cyclones and floods are the prevalent natural disasters. Stream does not have any significant exposure to claims activity relating to bushfire.

Ongoing benign weather conditions in the regions where Stream operates will result in reduced earnings for Stream.

- (b) **Reliance on Key Personnel:** Stream relies upon the industry knowledge and customer and supplier relationships of key personnel within the business. The loss of one or more of these key personnel may adversely effect the operations of the business.
- (c) **Dependence on Key Customers:** The loss of one or both of RACQ Insurance and Tower Insurance Limited would require a significant restructuring of the business and would have a significant impact on revenue and earnings of the business.

Until such time as Stream UK, QuSol and Stream Connect are generating material revenue, which is not anticipated to occur in the short term, the loss of one or more of the key customers would have a material impact on cash flow of Stream and may impact the solvency of Stream and the Company.

- (d) **Operational Risk**

- (i) The claims service business maintains a cost structure with a degree of under-utilisation during the business as usual conditions. The under-utilisation allows for Stream to respond quickly to catastrophic events, such as cyclones and floods where the business is required to quickly deploy claims assessors and manage large volumes of urgent claims. The management of staffing resources is a constant balance of managing cost while allowing for a rapid increase in activity in response to catastrophic events. There is no guarantee that the business will be able to efficiently align its costs with work flows.

Catastrophic events place additional demands upon staffing and in most cases require a short term headcount increase to supplement the business as usual staffing levels. In addition to increased salary costs there are additional operating costs associated with travel, accommodation and meal allowances for the deployment of staff to assess damage claims. The increase in costs is often proportionally greater than the increase in revenue resulting for catastrophic events.



- (ii) The success of the claims services business depends upon the ability of Stream to quickly and efficiently deliver its services to its customers. A cyclone, flood, earthquake or other catastrophic event places significant pressure on the business to deliver its services in the time frame prescribed by the customer.

There is no guarantee that the business will always be able to deliver its services in the timeframe required by the customer, or at all, particularly in remote areas or regional areas beyond the range of Stream's existing offices.

Failure to meet the requirements of its customers may result in reduced revenue as a result of termination of contracts, the loss of future purchase orders under existing contracts or loss of reputation resulting in a failure to win contracts in the future.

- (iii) Stream uses external contractors to augment its claims services in the areas of loss assessing and building consultancy as and when customer demands exceed the in-house capacity of Stream. Arrangements with these contractors are generally made on a case-by-case basis and there is no guarantee that the contractors will always be available to Stream or available on reasonable commercial terms.

Stream remains liable to the customer for the services of any external contractor and there is no guarantee that Stream will be able to recover from the contractor any loss arising from the acts or omissions of the contractor.

- (iv) The IT development work for Stream Connect and QuSol has largely been completed but there has been no significant market testing conducted. There is no guarantee that Stream's existing suppliers will purchase the Stream Connect or QuSol product on reasonable commercial terms.

The Stream Connect product will require users from outside the insurance industry to be successful which will require additional investment in sales and marketing for the Stream Connect product.

- (v) Cerno Ltd was placed into voluntary administration in February 2015 and Stream acquired certain business assets of Cerno Ltd. The ability of Stream to deliver on its overall strategy to diversify its customer base and service offering relies in part on the ability of Stream to maintain the service delivery to former Cerno Ltd customers.

The AcClaim and QuSol platforms rely upon third party software vendors, hosting and support and maintenance services. There is no guarantee that the third parties will always be available, available on commercial terms or that they will perform in accordance with their contractual obligations. The failure of those third parties to perform on commercial terms will have negative impacts upon the business of Stream.

- (vi) The Company has during its history engaged in multiple acquisitions and divestments.

In every transaction there is a risk that liabilities may not be identified or the risk to the Company arising from the liability not adequately mitigated through contractual terms or insurance. In the case of risks mitigated through contractual terms including warranties and indemnities, there are risks associated with enforcing the indemnity or warranty in the event of loss caused to the Company, including legal costs associated with enforcing the indemnity or warranty or the grantor's capacity to satisfy the quantum of the claim.

- (vii) In recent times Australia has experienced several industrial action events and there is a risk that industrial action against Stream by its contractors or employees could affect the operation, profitability or Share price of the Company. While the Company will endeavour to maintain good relations with contractors, employees and unions the Directors cannot guarantee that industrial action will not occur.

- (viii) The Company faces competition in its claims services division from both other third party providers and insurance companies' in-house claims management teams. There are relatively high barriers to entry to provide claims services arising from the requirement to have sufficient scale and capacity across regions to be awarded a service contract by a large insurer and to have suitable internal systems to be able to manage the claims at a competitive price to the client.

There are no guarantees that Stream will be able to maintain or build its existing market share in the face of competition, or that it will be able to maintain its current margins in response to competition.

There are existing competitors for the proposed QuSol product and the Stream Connect services and products. There is no guarantee that these products and services will be accepted by the market, or accepted on reasonable commercial terms.

- (ix) There is no guarantee as to future earnings of the Company or that it will be profitable at any time. Any dividends paid by the Company are likely to be unfranked. The amount of dividends (if any) may be adversely affected by changes in currency exchange rates.
- (x) Litigation risks to the Company and Stream include, but are not limited to, customer claims, personal injury claims and employee claims, actions in relation to infringement of intellectual property rights and actions relating to defective products or services. If any claim were to be pursued and be successful it may adversely impact the sales, profits or financial position of the Company.

Stream is not currently a party to any material litigation.

### **3.2 General Investment Risks**

- (a) Financial Environment: Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company and the value of its assets. Factors which contribute to that general economic climate include:
  - (i) Contractions in the world economy or increases in rates of inflation resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);
  - (ii) International currency fluctuations and changes in interest rates;
  - (iii) The demand for and supply of capital and finance;
  - (iv) Changes in government legislation and regulatory policy, including with regard to rates and types of taxation; and
  - (v) Domestic and international economic and political conditions.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other illegal acts.

- (b) **Government Legislation:** Any material adverse changes in government policies or legislation of Australia or any other country where the Company may acquire or operate economic interests may affect the viability and profitability of the Company.
- (c) **Accounting Standards and Tax Laws:** The Company is exposed to the risk of changes to accounting standards, applicable laws or their interpretation which may have a negative effect on the Company, its investments or returns to Shareholders including the risk of non-compliance with reporting or other legal obligations.

Any change to the rate of company income tax in jurisdictions in which the Company operates will impact on shareholder returns.

- (d) **Dilution:** The Company may in the future be required to raise capital for working capital or for other purposes such as acquisitions. The issue of further capital may result in the dilution of voting power of existing Shareholders and depending upon the price at which capital is raised, dilute the value of Shares.

## 4. Definitions

**\$** means Australian dollars.

**AEST** means Australian Eastern Standard Time.

**Application Monies** means the payment for the New Shares and/or Shortfall Shares at \$0.18 per Share.

**Applicant** means a person who submits an Entitlement and Acceptance Form.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

**ASX Settlement** means ASX Settlement Pty Ltd ACN 008 504 532.

**Business Day** has the same meaning as in the Listing Rules.

**CHESS** means ASX Clearing House Electronic Subregister System.

**Closing Date** means 5:00pm (AEST) on the date identified as such in the indicative timetable, or such other date as announced to ASX by the Company.

**Company** or **Stream** means Stream Group Limited ACN 010 597 672.

**Corporations Act** means the *Corporations Act 2001 (Cth)*.

**Directors** mean the directors of the Company as at the date of this Offer Document.

**Eligible Shareholder** means a person registered as the holder of Shares on the Record Date whose registered address is in Australia or New Zealand.

**Entitlement** means the entitlement to subscribe for 1 New Share for every 5 Shares held by an Eligible Shareholder on the Record Date.

**Entitlement and Acceptance Form** means the form, personalised for and sent to, each Eligible Shareholder and attached to or accompanying this Offer document

**Ineligible Shareholder** means a Shareholder who is not an Eligible Shareholder.

**Issuer Sponsored** means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

**Listing Rules** means the Listing Rules of ASX.

**New Share** means a Share proposed to be issued pursuant to this Offer.

**Offer** is the offer of New Shares and Shortfall Shares on the terms described in the Offer Document.

**Offer Document** means this document.

**Official List** means the official list of ASX.

**Official Quotation** means quotation of New Shares on the Official List.

**Opening Date** means the date identified as such in the indicative timetable, or such other date as announced to ASX by the Company.

**Record Date** means 7:00pm (AEST) on 8 May 2015, or such other date as announced to ASX by the Company.

**Registry** means the Company's share registry, Advanced Share Registry Limited.

**Related Corporation** means a "related body corporate" of the Company as defined in the Corporations Act.

**Section** means a section of this Offer Document.

**Share** means an ordinary fully paid share in the capital of the Company.

**Shareholder** means a registered holder of Shares.

**Shortfall** or **Shortfall Shares** means those New Shares for which valid acceptances have not been received by the Closing Date.

**Shortfall Offer** means the offer for the Shortfall pursuant to this Offer Document.